

Non-Domestic Renewable Heat Incentive

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Easy guide to shared ground loops

Background

New regulations came into effect on 22 May 2018. From this date, applications submitted for a system where a ground loop is connected to two or more heat pumps will be classified as a shared ground loop (SGL) system. Payment for heat pumps in domestic properties on a SGL system will typically be made on the basis of the deemed heat demand of the property, as in the Domestic RHI scheme. This applies to ground and water source heat pumps, as well as open and closed-loop systems.

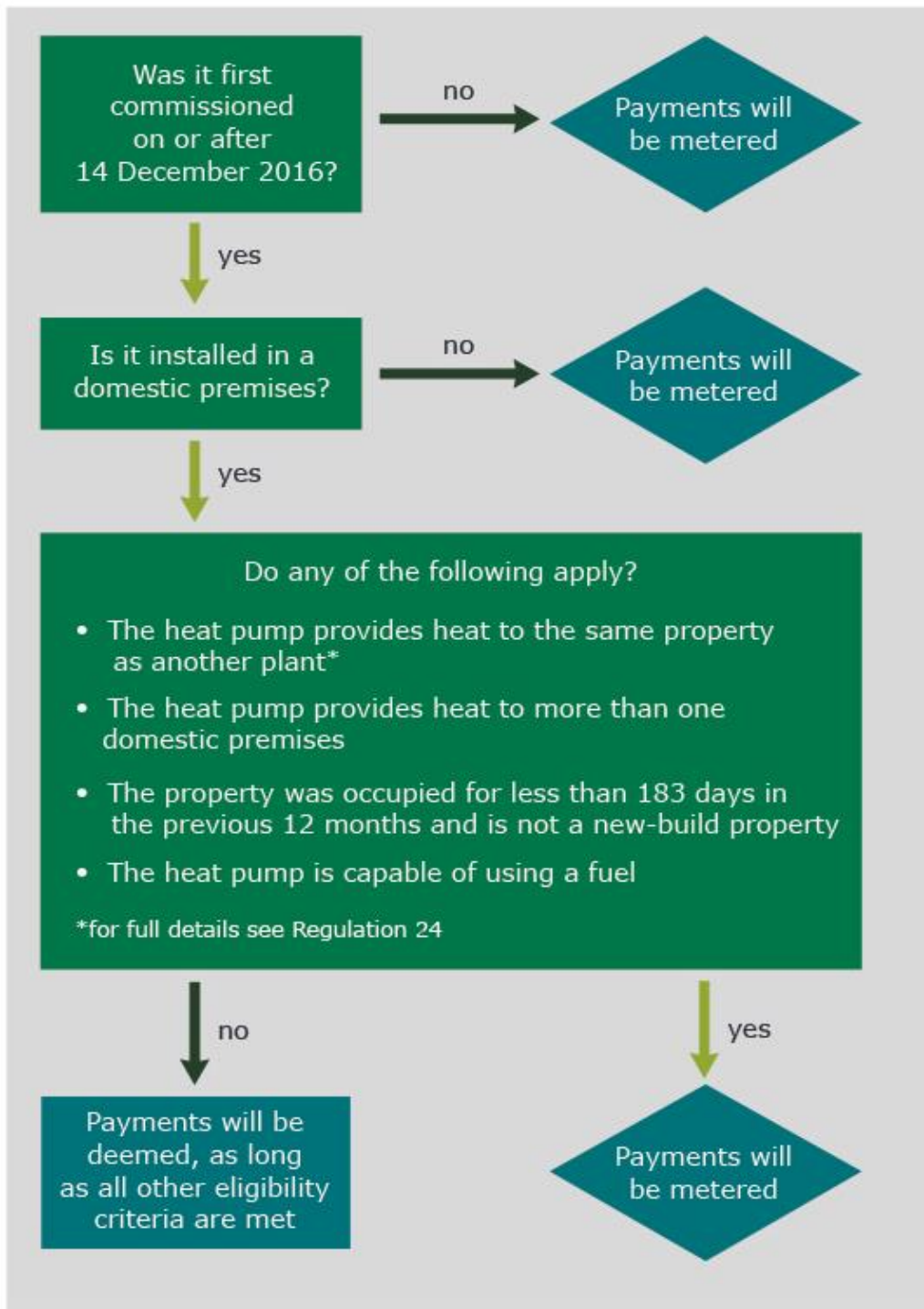
These reforms are intended to provide investors with greater certainty on RHI payments, which should help with financial clarity and decision-making.

The majority of eligibility requirements for SGL systems are the same as for other heat pump installations. However, for heat pumps in domestic premises, there are some key differences.

You should use the flow chart on the following page to assess whether payments for a heat pump on a SGL will be made on a deemed or metered basis. After this, you should note the key eligibility requirements for each heat pump and property on your SGL system.

Heat pumps providing heat to non-domestic properties, and some heat pumps in domestic properties, on SGL systems will continue to be paid on the basis of metered heat use. This could mean that payments are made through a combination of deemed and metered heat use for some SGL systems.

Will payments for your heat pump (as part of a SGL system) be deemed or metered?



How will you be paid?

Deemed payments

For heat pumps in domestic properties that qualify for deemed payments, these will be calculated quarterly in the following way:

$$\left(D \times \frac{E}{4} \right)$$

Where:

- D is the tariff for the ground source heat pump; and
- E is the kWhth of deemed annual heat generation used for eligible purposes for the ground source heat pump. This is the lower of the heat demand on the Energy Performance Certificate (EPC) or 30,000 kWhth.
- (4 is the number of quarters in the year)

Metered payments

If your heat pump does not meet the requirements for deemed payments, you will need to meter in line with the Non-Domestic RHI metering requirements for heat pumps. Please see our [Easy Guide to metering](#) for more information.

Making an application for a SGL system

The majority of eligibility requirements for SGL systems will be the same as for other heat pump installations. However, for domestic premises there are some key differences. In addition to the core documents set out in the Easy Guide to Applying, you will also need the following information:

- Heat pump nameplate
- Heat pump data sheet which includes capacity and Coefficient of Performance (COP) information
- Microgeneration Certification Scheme (MCS) certificate (required if the individual capacity of each heat pump is under 45kW)
- Installer declaration
- Seasonal Performance Factor (SPF) calculation
- A valid Energy Performance Certificate (EPC) for each domestic premises

A shared ground loop system is defined as one that provides energy through a hydraulic connection. This may be via a single pipe, as long as the pipe serves the purpose of transferring energy used in the operation of the heating system. Ofgem will determine the eligibility of each application on a case-by-case basis.

Once accredited what do you need to do?

- **If all payments for your shared ground loop system are deemed:** do nothing - deemed payments will be paid automatically into your bank account every quarter. Just make sure you continue to sign your annual declaration each year.
- **Combination of metered and deemed payments:** submit meter readings for the metered heat pumps – once this has been completed and reviewed, you will be paid the metered plus deemed payments for the quarter.

- **If all payments for your shared ground loop system are metered:** submit meter readings for all your heat pumps – payments will be paid into your bank account once your meter readings have been reviewed.

Important things to note

If you are successfully accredited on the RHI as a shared ground loop system:

- You must notify us if any of the heat pumps change from being used for a domestic purpose to non-domestic purpose or vice versa.
- You must notify us of any change in the ownership of the heat pumps attached to your shared ground loop system within 28 days. We will review the installation to ensure it continues to meet the eligibility criteria and remain eligible.
- Once you are accredited any additional heat pumps that you add to the existing ground loop may not be eligible for RHI support unless they form part of your original application. If you plan on adding additional heat pumps to the ground loop at a later date please inform us at the time of original application.
- You must comply with all ongoing obligations and keep the necessary documentation that Ofgem could request at any time. Ofgem can audit your installation at any time.

Requirements for metered and deemed heat pumps	
Metered payments	Deemed payments for Domestic Premises
<ul style="list-style-type: none"> • Electricity meters needed to calculate SPF. Readings to be submitted to Ofgem. 	<ul style="list-style-type: none"> • Metering for Performance required – mandatory electricity metering to improve user understanding. Readings do <u>not</u> need to be submitted to Ofgem.
<ul style="list-style-type: none"> • Payments will be based on metered data 	<ul style="list-style-type: none"> • Payments will be based on the estimated annual heat demand on the EPC

Easy Guide series

[Easy Guide to the Non-Domestic RHI](#)

[Easy Guide to Eligibility](#)

[Easy Guide to Applying](#)

[Easy Guide to Metering Requirements](#)

[Easy Guide to Compliance](#)

[Easy Guide to Periodic Data Submissions](#)

[Easy Guide to Sustainability](#)

[Easy Guide to Heat Pumps](#)

[Guide to Tariff Guarantees](#)

This Easy Guide is applicable to applicants and participants on the GB Non-Domestic scheme. If you're an applicant or participant on the Northern Ireland Non-Domestic scheme then please refer to the [Northern Ireland Renewable Heat Incentive](#).

Contact us

Ofgem.gov.uk/RHI

Help is at hand if you need it. Our enquiries staff are experts on the RHI and can help advise you.

Telephone: 0300 003 2289 Email: rhi.enquiry@ofgem.gov.uk

RHI enquiry line open Monday to Thursday 9am-5pm and to 4.30pm on Fridays. Note: Calls may be recorded.