

Boiler Upgrade Scheme – Launch Event



Ofgem
19 May 2022

10:00 - 10:05 - Welcome and introductions

10:05 – 10:10 – Opening foreword from BEIS (Lord Callanan) and Ofgem (Philippa Pickford)

10:10 – 10:25 – Installer Guidance (Hiral Shah and Cissy Edathanal)

10:25 – 10:35 – Voucher Application and Redemption Process (Paul Docherty)

10:35– 10:45 – Audit/Compliance (Nikki Dunlop)

10:45 – 11:15 - Q&A and Closing Comments



The Boiler Upgrade Scheme (BUS) will provide upfront capital grants to support the installation of heat pumps* in domestic and non-domestic buildings

The Boiler Upgrade Scheme in summary



Enables
~90,000 heat pump*
installations

In England and Wales



Open to applications
for **three years** from
23 May 2022

Installer lead
application process



Provides grants of :
**£5k for ASHP and
Biomass boilers –
£6K for
GSHP/WSHP**

overall budget of
£450 million



BEIS
(policy owner)

Ofgem
(administrator)

*biomass boilers in some circumstances

The journey so far...

Government published consultation on [low carbon heat](#)

April 2020

Government published a further consultation on [clean heat grant proposals](#)

February 2021

Government published [consultation responses](#)
Government announces [heat and building strategy](#) introducing BUS

October 2021

Ofgem published [BUS administration consultation](#)

BEIS published [draft regulations](#)

December 2021

Ofgem published [consultation response](#) and [account creation](#) guidance

Account creation opens

April 2022

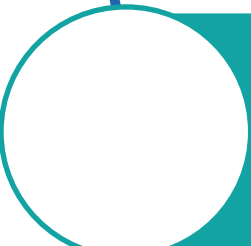
Ofgem publishes [installer guidance](#)

Voucher application and redemptions opens – 23 May

May 2022



Draft installer guidance was published on 6 May. Installer guidance is open for comment until 6 June 2022



We have published draft property owner guidance on 6 May and it 's open for comment until 6 June 2022. Installers can use this guidance to guide their customers



We are looking for feedback on clarity, structure and user friendliness of document. Send feedback to BUS.enquiry@ofgem.gov.uk

Roles and responsibilities

Eligibility

Installer accounts

Application

Grant payment

Scheme budget and vouchers

Installer obligations

Audit and compliance

Reporting

Purpose of Guidance

Provide guidance on
our administrative
approach

Provide details of
operational processes

To explain the
Regulations clearly

Help prospective
installers prepare to
apply

Remember: our guidance does not include any legal or technical advice.

Installers should seek their own, independent advice if required.

ELIGIBILITY REQUIREMENTS

The maximum allowable capacity for a heat pump or biomass boiler will be 45kWth

The commissioning date for all systems must be on or after 1 April 2022

Systems must meet the full heating and hot water requirements of the property

Heat pumps and biomass boilers must meet approved standards published by secretary of state



EVIDENCE REQUIRED

MCS certificate – total installed capacity

MCS certificate – commissioning date

MCS certificate and installer confirmation at voucher application stage

Product Eligibility List (PEL) – to be hosted by Ofgem

ELIGIBILITY REQUIREMENTS

Installations must be new. No part of the low carbon heating system used to generate heat must have been used before the heating system's commissioning date



EVIDENCE REQUIRED

Installers to confirm compliance with this requirement at application. We check this information against the MCS installation database (MID)

Social housing properties are not eligible



Property Owner and Installer declaration

Previous heating system must have been a fossil fuel based system



Installer declaration

Property cannot be connected to gas grid (biomass only)

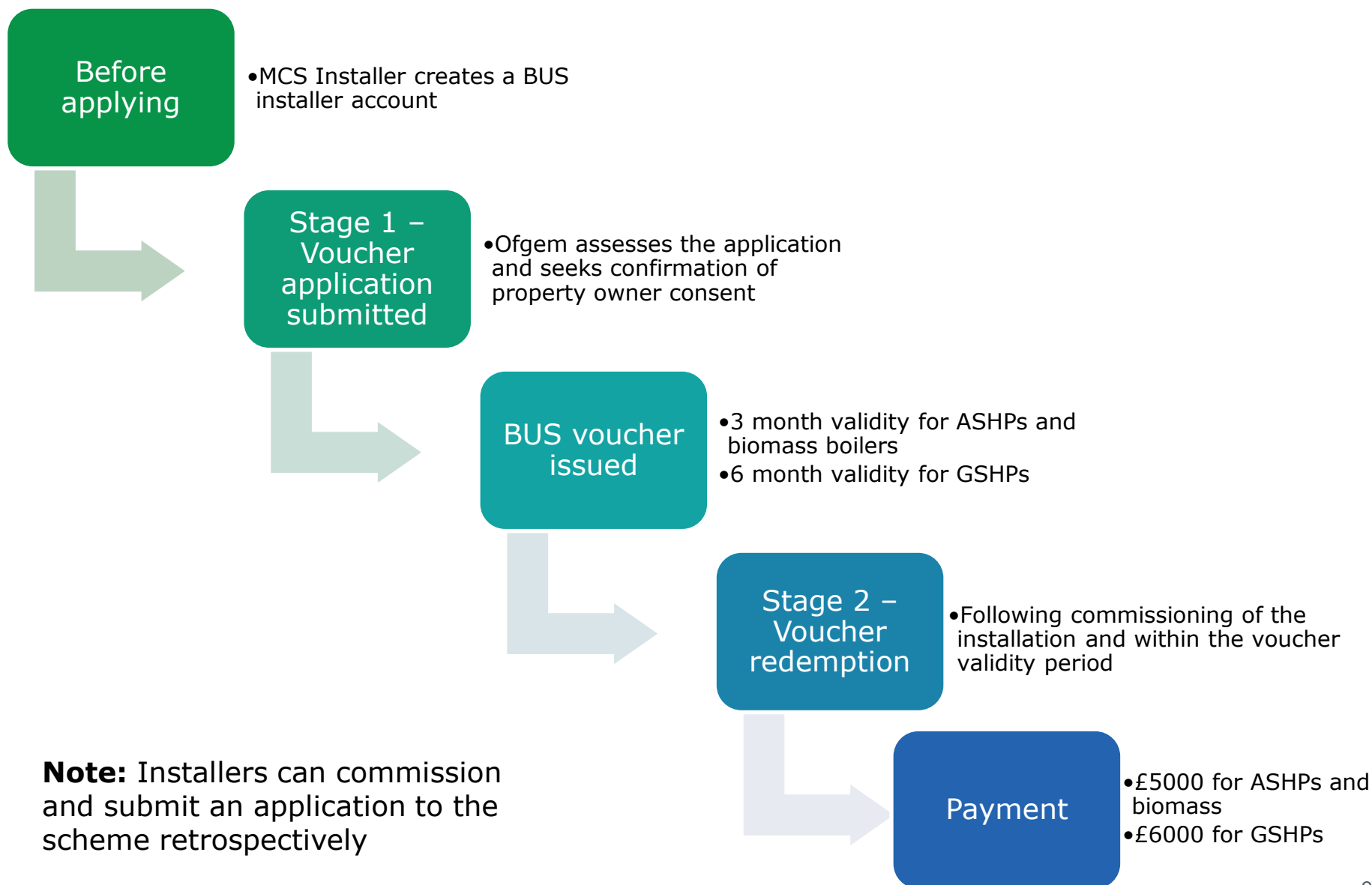


Confirm Question on application form-

No loft/cavity wall insulation recommendations



An EPC with no loft/cavity wall recommendations. A letter from an approved body where an exemption applies



Only MCS accredited installers can set up a BUS account

- Installers need to provide an MCS number when completing the account creation form

Authorised Representative

- The individual setting up the account will become the Authorised Representative (AR) and will be legally responsible for all activity on the account
- For companies, someone with legal authority to act on behalf of the company

Additional users

- AR can add users to their account. These will need to be direct employees of the installer and cannot be sub-contractors

Accounts

- Currently over 400 active accounts

Quotes

- The following will be required:
- the total quote amount, including any VAT, before the grant is deducted
- the total cost of the heat pump unit or biomass boiler unit
- the quote reference number, which will be the internal reference for the quote
- the date the installer issued the quote

Consent

- After a voucher application has been submitted, Ofgem will contact property owners to **confirm they have consented to a BUS application being made on their behalf**
- Property owners will have **14 days** to confirm this
- Will also confirm ownership, that the property isn't social housing and no other public funding has been received

Properly Made

- An application will only be considered 'properly made' when we have received all the information required to assess the eligibility of an application, including property owner consent
- Once a properly made application has been assessed and all the eligibility requirements have been met, we will issue a BUS voucher on behalf of the secretary of state

Redemption Application

- Following commissioning, a redemption application must be submitted within the voucher validity period
- Where the validity period of a voucher expires, installers can reapply for the same property/installation, assuming budget is still available
- MCS certificate and where applicable, a new EPC to be provided

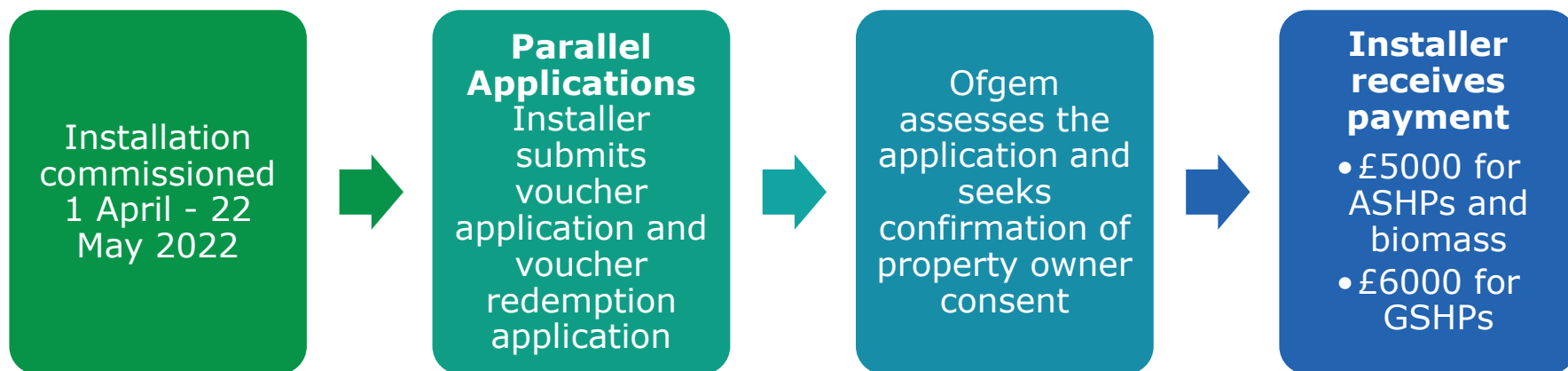
Payment

- Where we approve a redemption application, installers and Property owners will receive a notification
- Ofgem will be making a weekly payment run for all successful redemption applications (first payment 30/05)

Budget

- Vouchers will only be issued where there is available budget
- There is an annual budget cap of £150m
- Where a cap is met, voucher applications will be placed in a queue (in order they were considered properly made)
- Any budget set aside for expired or revoked vouchers will be allocated to the applications at the top of the queue
- Ofgem will be publishing monthly reports containing the available budget

- ❑ For installations that are commissioned between 1 April and 22 May 2022, installers will have the option to submit both the voucher application (stage 1) and voucher redemption application forms (stage 2) at the same time
- ❑ This process is available temporarily between **23 to 31 May 2022**
- ❑ No obligation to use this, can also submit stage 1 and stage 2 sequentially

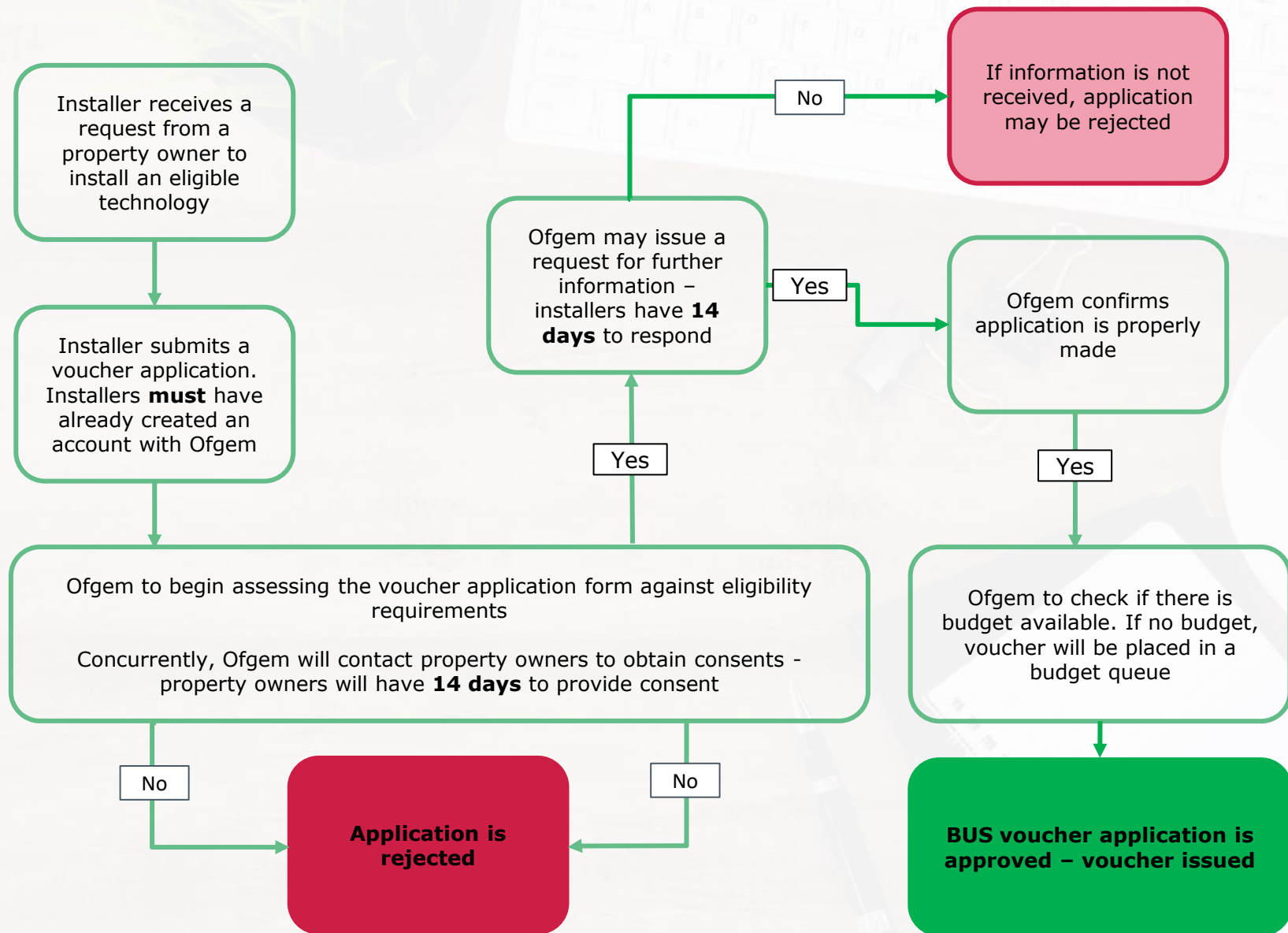


Installers

From 23 May 2022, installers will be able to apply and this will be a manual process. Our application forms are now available
At the end of July, we will begin to roll out the digital platform

Property owners

From 23 May 2022, obtaining property owners consent will be fully automated – we encourage installers to prompt property owners to provide consent quickly
Failure to provide consent within 14 day may risk the voucher application being rejected and installers having to reapply



How we will contact installers?

If further information is required or we need to contact you, we will contact you from the email address: BUS.application@ofgem.gov.uk

To ensure personal data is handled securely, we can't accept any personal data received in this mailbox



In the event, we need sensitive information from the property owner or installer?

To help us manage a secure process, we have created an email address: **BUS.propertyowner@ofgem.gov.uk**

This will be solely be used to receive personal identification documents direct from the property owner in the event Experian checks are not authenticated.

We will not contact the property owner from this mailbox

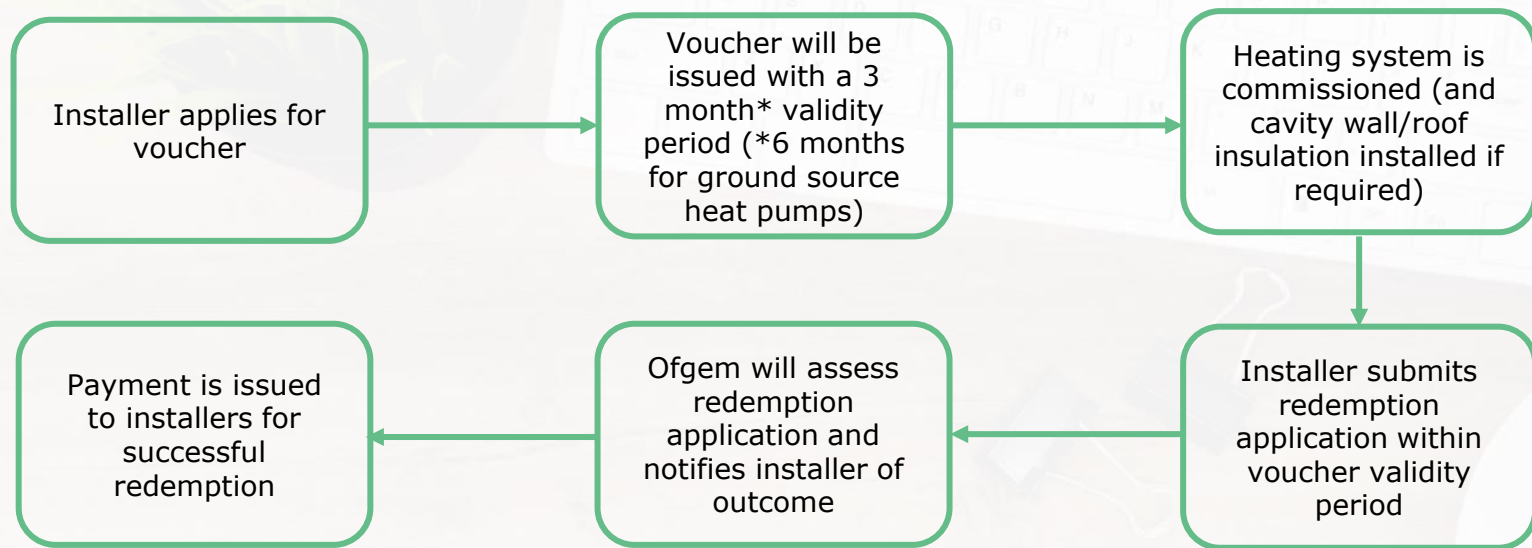
Contacting us

Please keep note of your BUS application/voucher ID. You will need to quote or provide this when contacting us. This will help us manage your enquiry

General enquiries: BUS.enquiry@ofgem.gov.uk

Telephone: 0330 053 2006





To successfully redeem a voucher, installers will need to provide:

- ☐ MCS certificate number
- ☐ BUS account ID number
- ☐ Unique voucher ID number
- ☐ Biomass emissions certificate, if applicable
- ☐ EPC with no loft or cavity wall insulation

The redemption application, along with the above supporting evidence must be emailed to **BUS.redemption@ofgem.gov.uk**.

If further information is required or we need to contact you, we will contact you from the above email address.

Application management

When sending your completed application, we will only accept applications from either the named authorised representative or a named, registered authorised User.



Information requests

If we request further information, we will set a deadline of 14 days for you to respond. If you fail to comply with any requests within this timeframe your application may be rejected.

BUS Voucher Conditions

All conditions which were issued as part of your BUS Voucher must be met at time of redemption. If these conditions are not met your application will be rejected.





Installation Inspections (Audits)

- We will complete property inspections to ensure compliance with Regulations
- This includes confirming heating system installed and property is eligible
- We will engage with the property owner directly



Statistical Audits

- Site visits that will take place after voucher redemption
- Randomly selected from the voucher redemptions on a monthly basis



Target Audits

- Desk audit with property owner – may take place before payment will be made
- Site visits – can happen either pre or post payment



Audit Referral

- Internal referrals will be made from our delivery, compliance and counter fraud teams
- We will also be analysing trends
- We may receive information from stakeholders, including MCS and consumer codes



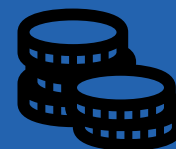
During investigation, payments will be temporarily withheld



Payments will be permanently withheld if we're satisfied of an non compliance



We have the power to revoke vouchers issued to installers



We may recover payments by offsetting payments against future voucher redemptions

How to report fraud?

We have a dedicated counter fraud team responsible for investigating all allegations of fraud. To contact our counter fraud team, please email: counterfraud@ofgem.gov.uk

Whistleblowing team in place for the reporting of concerns in the work place - whistle@ofgem.gov.uk

Any questions?



- 1** I'm in the process of becoming MCS accredited. Can I submit a voucher application before I'm MCS accredited? If not, can I apply retrospectively after I'm MCS accredited?
- 2** When Ofgem contact the customer will they be asked to upload any information (ID or similar) and if so can we [installer] assist them with this or will that be something that only they can do?
- 3** Are property owners required to get three quotes and what details do installers need to provide about home owners?
- 4** I have a customer who wants to install a heat pump to heat a new extension. The remainder of the property will be heated by an existing boiler. The systems will not be connected, is this eligible for BUS?
- 5** Is BUS open to small businesses or is it just for private property owners? I'd appreciate if you could provide a definition for non-domestic. Also, are holiday lets eligible under BUS?

- 6** Where can I find the custom build definition? And, if it's a one off self build with no fossil burning appliances to be removed are they still eligible?
- 7** Will Ofgem provide a checklist that outlines the evidence required to ensure voucher applications will be accepted?
- 8** Regarding EPCs, is there a minimum rating to be eligible? Does it matter that EPCs have floor insulation recommended? Finally, is there a requirement to have remedial works to have party wall insulation work completed to be eligible.
- 9** We have a number of installs that we will be back dating from the 1st April, and were commissioned after this date, do we have 10 days to apply for the voucher from the 23rd May?
- 10** If a property owner refuses Ofgem with access to the property for audit after the voucher has been redeemed, who will be left liable to re-pay the voucher if the installer is not at fault but has made the property owner aware of the right to audit and consequences prior to application?



Installers **must** create an account before we can accept a voucher application



Voucher and redemption applications will be accepted from Monday 23 May 2022



Visit our [Boiler Upgrade Scheme page](#) and follow us on [Twitter](#) and [LinkedIn](#)



Our core purpose is to ensure that all consumers can get good value and service from the energy market. In support of this we favour market solutions where practical, incentive regulation for monopolies and an approach that seeks to enable innovation and beneficial change whilst protecting consumers.

We will ensure that Ofgem will operate as an efficient organisation, driven by skilled and empowered staff, that will act quickly, predictably and effectively in the consumer interest, based on independent and transparent insight into consumers' experiences and the operation of energy systems and markets.