

Pablo John Renewable Energy Association Brettenham House 2-19 Lancaster Place London WC2F 7FN

03 May 2023

Dear Pablo,

Thank you for your recent letter relating to the 10-year meter recalibration requirement, setting out potential alternatives to Ofgem's current approach. We apologise for the delay in our response, whilst we fully explored the suitability of each of the suggestions from the REA.

Since The Renewable Heat Incentive Scheme Regulations came into force in November 2011, they have included a requirement for participants to ensure their meters are "re-calibrated every 10 years or within such a period of time as may be specified in accordance with manufacturers' instructions where available, whichever is the sooner". This requirement is highlighted to participants each year at the time of signing their annual declaration, where participants agree that the accredited RHI installation is meeting the eligibility criteria and ongoing obligations of the scheme.

The policy intent of regulation 45(1) is to ensure meters are accurate, which is critical to calculate correct payments, and for the oversight of value for money for taxpayers.

Ofgem have been in contact with our colleagues at the Department for Energy Security and Net Zero (the Energy Department) to confirm our interpretation of the meter calibration requirements as set out under regulation 45(1). The Energy Department have confirmed that the current approach set out by Ofgem ensures the policy intent is realised; meters on the Scheme must provide accurate readings as they determine the value of NDRHI payments.

Ofgem and The Energy Department are in agreement that our joint review completed in 2021 was full and complete, there has been no new evidence submitted that would alter Ofgem's current approach and that the alternative approaches suggested by the REA would not meet the requirements as laid in regulation 45(1).

Ofgem are keen to support The Energy Department in their establishment of a technical working group to work with industry to ensure the NDRHI scheme works for all involved. In light of your concerns over the cost and potential wastage of replacing meters, we would like to highlight that our guidance permits the use of refurbished and recalibrated second hand meters.

Ofgem are committed to delivering a robust NDRHI scheme which delivers for scheme participants and the taxpayer. We understand the response set out in this letter will not be as you had hoped, however, we must administer the scheme in line with the regulations as laid by the Energy Department.

We look forward to discussing this matter further in The Energy Department's working group.

Kind regards,

Neil Welsh

Senior Policy Analyst – RHI Team Manager Delivery & Schemes

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