

Boost for renewable heat projects as government confirms tariff extension

- Non-domestic Renewable Heat Incentive scheme applicants to get extra 14 months to complete projects delayed by coronavirus outbreak
- government extends the tariff window to provide large-scale projects with vital breathing space
- 12-month extension to domestic Renewable Heat Incentive scheme also confirmed

Green-minded companies that applied to the government's tariff guarantee scheme before June 29 will have an extra 14 months to get their low-carbon heat generators up and running.

The move will bring vital clarity to companies in danger of missing the start-dates for their projects, protect investment in the renewable heat industry, and help give certainty to thousands of people working in specialised UK supply chains.

Projects had a January 2021 deadline to be up and running to be eligible for the second allocation of tariff guarantees. However, with businesses across the UK battling the impact of COVID-19, the government has stepped in to support projects in danger of missing the cut-off by extending that deadline to March 2022, following a [response to the RHI consultation](#).

Energy Minister Kwasi Kwarteng said:

It is right that we offer certainty and breathing space to companies embracing renewable heat technology across the country.

Renewable heat will play a key role in the UK's economic recovery as we redouble efforts to tackle carbon emissions. With government support, these vital projects are on course to stop 108 million tonnes of CO₂ from polluting the atmosphere, while also helping to create new green collar jobs.

The RHI was the first scheme of its kind in the world, and the non-domestic RHI offers businesses a set tariff for 20 years for generating large-scale renewable heat for the energy grid from a range of renewable sources such as biomass boilers or heat pumps.

In addition to extending the second allocation of tariff guarantees, the government has also confirmed that a third allocation will open for new applications in July, encouraging more investment into the sector.

Furthermore, a 12-month extension to the domestic RHI, which will run until 31 March 2022, has also been [announced in today's response](#). The extension to

the domestic scheme will prevent 1.2 million tonnes of CO₂ from polluting the atmosphere over the lifetime of these smaller-scale projects, through converting 18,000 households onto low-carbon heating.

Successor schemes to the RHI include the Clean Heat Grant Scheme, Green Gas Support Scheme and Green Heat Networks Fund, which will target investment in the most effective renewable heat technologies to drive further decarbonisation of heat and greening of the gas grid. Industry has been invited to help shape these schemes through a [consultation, which is open until 7 July](#).

1. Companies that applied to the second allocation of flexible tariff guarantees will have until March 2022 to commission projects.
2. A third allocation of flexible tariff guarantees will open for applications in July 2020 and run concurrently to the second allocation of flexible tariff guarantees.
3. The government is currently [consulting on successor schemes to the RHI](#).