

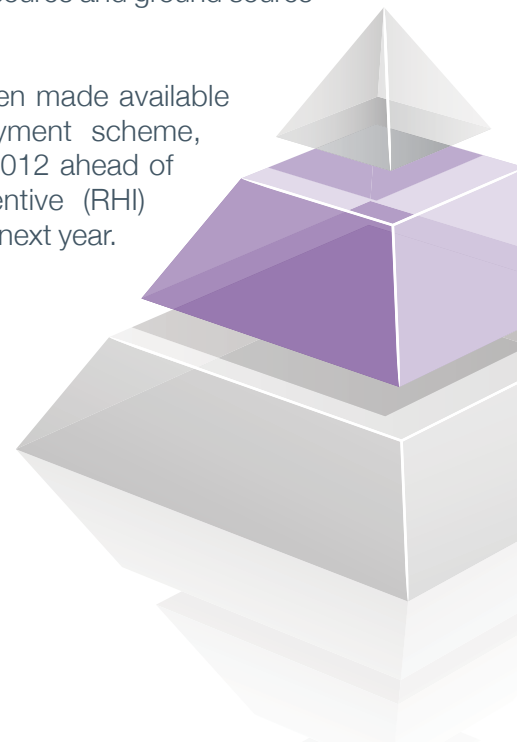


Renewable Heat Incentive Premium Payment scheme

The Renewable Heat Incentive Premium Payment scheme was introduced by the UK Government on 1st August 2011, supporting the installation of 25,000 renewable heating systems.

Existing homes that are not connected to mains gas will be the primary focus of the scheme. Homeowners will be able to swap oil fired and direct electric heating appliances for technologies such as air source and ground source heat pumps.

In total, £15 million has been made available through the Premium Payment scheme, which will run until March 2012 ahead of the Renewable Heat Incentive (RHI) which opens to households next year.





Can Housing Associations apply?

There is part of the scheme that the Local Authority/Housing Association may apply for if they wish. The government has set aside £3 million of the total £15 million RHPP budget for Registered Providers of social housing to improve their housing stock. The £3 million will be issued through a bidding system with up to £175,000 available per housing provider to support proposals for heating equipment for social housing tenants. Bidding opens on August 15th and closes on September 15th 2011. In total the new scheme should finance at least 17 social housing projects.

How will the successful applicants be selected?

Bids will be evaluated by a panel of experts on criteria including value for money, the number of individual installations, the opportunity for learning and the number of homes not supplied by mains gas.

Successful applicants will be informed in early October and can start installation as soon as they receive confirmation of their winning bid. For more information on eligibility for the scheme, the assessment criteria and the bid form please visit the following Energy Saving Trust website

http://www.energysavingtrust.org.uk/Media/node_1422/RHPP/Social-Housing-Competition-to-bid-form

Created by the Government's Department for Energy and Climate Change (DECC) and administered by The Energy Saving Trust, this UK scheme is the first financial support scheme for renewable heat of its kind in the world.

How does The Renewable Heat Incentive Premium Payment (RHPP) Work?

Individuals will apply for a voucher on line. If one of the qualifying technologies is then installed, this voucher can then be exchanged for grant money. The voucher is a promise that they will receive the appropriate grant once the equipment has been installed, provided the relevant conditions of the voucher are met.

Who can apply for a grant?

Individuals who own their own property and reside within England, Wales or Scotland can apply for this grant at their primary residence. If they rent the property privately, the landlord may need to work with them to qualify. (Please note that this scheme does not apply to residents of Northern Ireland, the Isle of Man or the Channel Islands).

If homeowners receive RHPP, will they be eligible for the RHI when it is introduced next year?

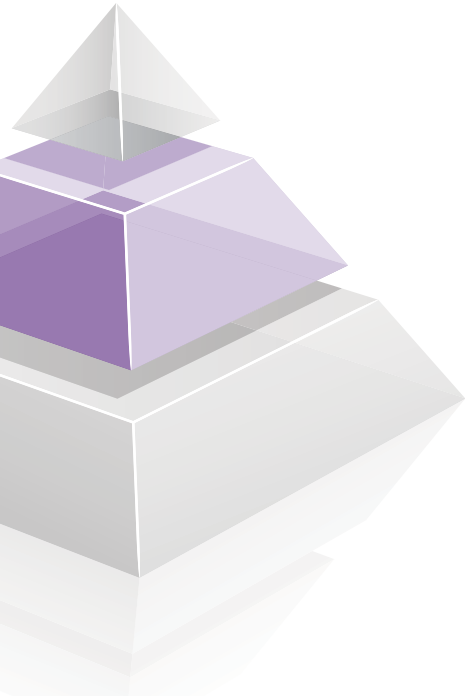
The Government has confirmed that renewable heat installations installed in homes since 15th July 2009 will qualify for the RHI once it is introduced, provided they meet the eligibility criteria. They have also confirmed that this will include those who receive support under the RHPP scheme. As the Government has not yet published its proposals for how the RHI will work in the domestic sector, we cannot, at this stage, provide full detail. It cannot be fully guaranteed that those eligible for an RHPP grant will also be eligible for the RHI.

How much are the Renewable Heat Premium Payments?

The voucher value for each of the technologies is listed below and relates to the technology applied for:

Technology	Voucher Value
Air Source Heat Pump	£850
Ground Source Heat Pump	£1,250
Biomass boiler	£950
Solar Thermal Hot Water	£300

It is possible to apply for more than one technology within a single property although a separate application form must be completed for each one.



Why are these technologies being supported?

Government sees technologies such as heat pumps as an important solution for the future, although it is still early days. They are keen to learn more about the benefits of using heat pumps prior to finalising the RHI. This requires more detailed feedback and study from the RHPP qualifiers.

Do commercial installations qualify for the Premium Payment scheme?

No. Commercial installations do not qualify for the Premium Payments. However, they may qualify for the Renewable Heat Incentive tariff, details of which are due to be released in 2012. Mitsubishi Electric will release an updated Knowledge File once more information on this becomes available.

Mitsubishi Electric are very supportive of the intentions of this scheme. We are active advocates of the benefits of heat pumps in generating renewable heat and will always encourage the use of quality products, correctly applied and installed by professional accredited installation companies. For further information on air source heat pumps please visit the Mitsubishi Electric website

<http://domesticheating.mitsubishielectric.co.uk>

For more information on RHPP please visit the Energy Savings Trust website <http://www.energysavingtrust.org.uk/business/Business/Local-Authorities/Funding/Renewable-Heat-Incentive>



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