

## Media Release

**For immediate release – 28<sup>th</sup> April 2016**

### **‘RHI is doomed to fail, unless radically reformed’ says new report from EUA**

The Renewable Heat Incentive, RHI is doomed to fail, unless radically reformed says leading trade body, Energy and Utilities Alliance, EUA. A new report, entitled ‘*RHI: A Smarter Approach*’, published to coincide with DECC’s RHI Consultation, concludes that the proposed RHI policy will not deliver a significant change to the UK heating market, and is unlikely to contribute to achieving the 2020 renewables target.

Isaac Occhipinti, Head of External Affairs at EUA said “*The proposed RHI policy will not make the difference we had all hoped for. It is fundamentally flawed both in terms of what it will cost and the reform it can deliver. Even under a favourable set of assumptions, it is anticipated that RHI will incentivise the installation of 100k renewable heating systems over the next five years. In the same period, we’d expect 8 million boilers to be installed.*

*We advocate that the RHI should be used in a much more targeted way. For each sector of the housing market the most appropriate heating solution should be identified, this would deliver the most effective result both in terms of cost and carbon savings.*

*There has been little appetite among consumers for the RHI to date and so effectively targeting households would allow better education and an improved understanding of the savings that could be made.*

*EUA would like to see the RHI be used to replace:*

- *Direct electric heating with renewables to deliver the highest carbon savings.*
- *LPG with biopropane, currently not included in the RHI.*

*In addition we need to continue to decarbonise the fuel we use - 'greening' our gas. Figures from National Grid suggest that 50% of energy demand for heat could be met by biogases by 2050, delivering renewable heat to all homes on the gas grid without any action required by the home owner.*

*EUA does not believe the 2020 renewable energy target is an appropriate one for the greater aim of reducing carbon emissions in the UK. We should instead look at how we decarbonise the UK for 2050.*

*Either way, if we are serious about our renewables targets then we need more than a flawed scheme. We would urge DECC to think again about how to use the limited funds available for the RHI otherwise it will be doomed to fail."*

To read EUA's report entitled 'RHI: A Smarter Approach' please visit

<http://www.eua.org.uk/sites/default/files/RHI-A-Smarter-Approach-2016.pdf>

**Ends**

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#### **Note to editors:**

The Energy and Utilities Alliance (EUA) provides a leading industry voice helping shape the future policy direction within the sector. Using its wealth of expertise and over 100 years of experience, it acts to further the best interests of its members and the wider community in working towards a sustainable, energy secure and efficient future.

EUA has six organisational divisions - Utility Networks, the Heating and Hotwater Industry Council (HHIC), the Industrial & Commercial Energy Association (ICOM), the Hot Water Association (HWA), the Manufacturers' Association of Radiators and Convectors (MARC) and the Natural Gas Vehicles Network (NGV Network).