

Commercial Biomass Rates

Tariff name	Eligible technology	Eligible sizes	Tariff rate (p/kWh)
Small biomass	Solid biomass; Municipal Solid Waste (incl. CHP)	Less than 200 kWth	<u>Tier 1:</u> 8.6
			<u>Tier 2:</u> 2.2
Medium biomass		200 kWth and above; less than 1000 kWth	<u>Tier 1:</u> 5.3
	<u>Tier 2:</u> 2.2		
Large biomass		1000 kWth and above	1.0 ^[A]

How the tiers work

In each year the Tier 1 tariff is paid until the system has operated up to 15% of the annual rated output (i.e. the equivalent of 1,314 hours at the rated capacity of the installation)

For the rest of the output in the year, the Tier 2 tariff will apply.

This is how the government explained it. It is not clear how this approach will be averaged over the quarterly RHI payments, but the administrator's guidance notes will presumably cover this.

An example

A biomass boiler rated at 250kWth operates for 7 hours/day in winter and 3 hours/day in summer, i.e. 1,825 hours in total over the year.

This size of boiler is classified as 'Medium Biomass'.

It therefore receives the Tier 1 tariff of 4.7p per kWh for the first 1,314 hours

and the Tier 2 tariff of 1.9p per kWh for the other 511 hours

- $1314 \times 250 \times \text{£}0.047 = \text{£}15,439.50$
- $+ 511 \times 250 \times \text{£}0.019 = \text{£} 2,427.25$

Making a total of £17,866.75 per annum (plus inflation adjustment)