

## **FM21209 – Early Engagement Notice**

### **Equivalent of Maintenance and Fuel Quality Standards and Certification Schemes for the Non-domestic Renewable Heat Incentive (NDRHI) Scheme**

Launched in 2011, the Non-domestic Renewable Heat Incentive (NDRHI)<sup>1</sup> helps businesses, public sector and non-profit organisations meet the cost of installing renewable heat technologies such as biomass, heat pumps, (ground source, water source and air source), solar thermal collectors and biomethane. The NDRHI along with its sister scheme the Domestic RHI has been administered by the Office for Gas and Electricity Markets (Ofgem) since their launch. The scheme covers England, Scotland and Wales; there's a separate scheme for Northern Ireland. The NDRHI in Great Britain closed to new applicants on 31 March 2021.

In the Government Response to the consultation on the 'NDRHI: Ensuring a Sustainable Scheme'<sup>2</sup>, published in January 2021, the government made a commitment to introduce two new obligations to NDRHI participants using biomass:

- Participants will be required to adhere to a fuel quality standard provided as detailed in Schedule 4A of the NDRHI Regulations<sup>3</sup>.
- Participants using biomass boilers will be required to carry out an annual maintenance check in accordance to an industry standard developed by MCS (The MCS Service Company Ltd.<sup>4</sup>) and accredited by HETAS (HETAS Ltd.<sup>5</sup>), or an equivalent.

On this basis, the Department for Business, Energy & Industrial Strategy (BEIS) aims to secure an independent third-party able to assess equivalence between new standards and the existing standards and the equivalence of any certification scheme. The benchmark standards to be used in the assessment are the MCS 040 Standard<sup>6</sup> and the standards specified in Schedule 4A of the 2021 NDRHI Regulations.

At this stage BEIS does not have an estimate of the volume of requests to be received during the duration of the contract. However, BEIS have received interest from stakeholders and expects that some main manufacturers will express interest to have their own standards/certification scheme assessed soon after the equivalence assessment procedure is in place. Applications for the assessment of equivalent standards and accreditation schemes are likely to be frontloaded since the NDRHI is a retiring scheme closed for new applicants.

The parameters to be used during the assessment of new standards/certification schemes will be finalised with the new assessor but the owner of a new standard is likely to be asked to:

- Have done a public consultation on the proposed new standard

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<sup>1</sup> Non-domestic Renewable Heat Incentive: <https://www.gov.uk/non-domestic-renewable-heat-incentive>

<sup>2</sup> Consultation on the Non-domestic Renewable Heat Incentive: ensuring a sustainable scheme: <https://www.gov.uk/government/consultations/non-domestic-renewable-heat-incentive-ensuring-a-sustainable-scheme>

<sup>3</sup> The Domestic Renewable Heat Incentive Scheme and Renewable Heat Incentive Scheme (Amendment) Regulations 2021: <https://www.legislation.gov.uk/ukxi/2021/76/contents/made>

<sup>4</sup> MCS: <https://mcscertified.com/>

<sup>5</sup> HETAS: <https://www.hetas.co.uk/>

<sup>6</sup> MCS 040 – Biomass Boilers Maintenance Standard: <https://mcscertified.com/wp-content/uploads/2021/10/Biomass-Maintenance-Standard-V1.0-Final.pdf>

- Be able to prove they have an independent accreditation system operating against one or more certification standards (e.g., EN ISO 17064/17065). The certification body would be able to assess, audit and otherwise judge competence of professionals carrying out the maintenance checks as per the standard being assessed, under the MCS/HETAS standard this role is performed by HETAS <sup>7</sup>.

The estimated length of contract is 2 + 1 year + 1 year (4 years in total)

At this stage BEIS would like to ask potential suppliers to provide feedback on their requirements, specifically in regard to the following areas:

1. Are you interested in bidding for this requirement?
2. Is there any additional information you would require in order to submit a fully comprehensive bid submission?
3. Please could you indicate the budget you would foresee as being realistic to provide this service.

Please provide any further feedback you deem appropriate.

This Early Engagement Information Notice is being issued in order to undertake a market consultation exercise with regards to the current view of requirements detailed above.

If you believe that this will be of interest to you and your organisation, please register your interest and provide feedback to [fmprocurement@uksbs.co.uk](mailto:fmprocurement@uksbs.co.uk)

By registering and attending you will be engaging in non-competitive dialogue which will enable BEIS to develop and assess the market's appetite, concerns, and views on formulation of its requirements. BEIS may consider the information and responses received as part of the preliminary market consultation to help inform the specification and further decision making in relation to the planning and conduct of the procurement, ensuring all valid options are considered.

For the avoidance of doubt, this notice is not a Call for Competition; a Contract Notice will be issued as a call for competition. Not registering an interest shall not prevent any supplier participating in a future procurement, nor is it intended that any information supplied as part of the preliminary market consultation shall place any supplier at an advantage in a potential procurement process.

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<sup>7</sup> HETAS accreditation scheme page: <https://www.hetas.co.uk/approved-biomass-maintenance-scheme/>