The Renewable Heat Initiative – Global leadership or a lot of hot air?

Summer 2013
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Executive summary

• The Renewable Heat Incentive (RHI) was launched in November 2011 as the principal mechanism to drive the uptake of renewable heating technologies in heating, and lower carbon emissions linked to energy generation. The UK’s target of 12% of the UK’s total heat demand coming from renewable means well over four fold increase from today’s levels.

• The UK government’s targets for the RHI may meet some of its objectives in terms of making a contribution to lower emissions. However, Department of Energy & Climate Change (DECC) current installation targets are unlikely to stimulate significant employment in either the manufacturing or installation industries, with further delays to the domestic scheme, likely to slow uptake and expansion.

• Along the journey from launch to implementation, there are a number of barriers to the success of the initiative. These include: a general lack of awareness and market confidence, complexity of the systems, a limited number of suitable properties in the commercial sector and the highly capital intensive nature of the equipment. None of these issues are insurmountable, but all will need to be addressed to maximise the scheme’s chances of success.

• Frequent, and unexpected changes in the Feed in Tariff (FiT) scheme have created uncertainty and nervousness among investors in UK renewables. Delays in launching the RHI scheme have done little to allay these concerns, and may adversely affect the scheme’s initial appeal.

• The non-domestic scheme has shown recent signs of higher uptake, albeit from a slow start, although there are concerns about the strong bias towards biomass and the negative impact on the Ground Source Heat Pump (GSHP) market, which requires further review.

• A successful scheme will require industry and DECC to coordinate their efforts effectively and ensure that they address a number of key issues upfront, in order to create a stable and sustainable market that achieves both carbon reduction and employment opportunities.

• Consumer engagement and understanding of the scheme will be essential to drive uptake. This will require considerable effort to simplify information and communicate through relevant channels, encouraging consumers to consider renewable heat as part of their construction, or home improvement plans.

• The RHI has the potential to show countries across Europe how to stimulate the take-up of renewable heating and to drive growth in domestic jobs and qualifications. The barriers and complexities of the scheme mean, however, that DECC and industry need to work together carefully to make this a success.
Under the 2009 European Union Renewable Energy Directive (RED), the UK has committed to generate 15% of its 2020 energy consumption from renewable sources. To achieve this target, renewables are required to provide 12% of the UK’s total heat demand – a 4-5 fold increase from today’s levels.

To achieve this goal, the government introduced a number of schemes, including:

- the Low Carbon Building Programme (2006 –2010) supported a range of micro-generation technologies, including renewable heat; and

- Community Energy Saving Programme (CESP) and Carbon Emissions Reduction Target (CERT) (both funded by energy companies) – delivering carbon savings by improving standards of energy efficiency. These have recently been replaced by the Green Deal and the Energy Company Obligation (ECO).

To achieve the RED targets, a wider rollout of renewable heating technologies is required. Recognising the comparatively high capital cost as a barrier to installing renewable heating schemes, the government introduced the Renewable Heat Incentive in November 2011 as the principal mechanism to drive the uptake of renewable technologies.
A world first
With all eyes on the UK

The RHI is the first scheme of its type in the world, and designed in two phases; Phase 1 targeting the commercial sector (the ‘non-domestic scheme’), and Phase 2 focusing on domestic installation (‘the domestic scheme’).

Having already been delayed twice, the domestic RHI scheme was due to launch in Summer 2013 and has recently been delayed again until Spring 2014. These delays, along with the experience of the FiT scheme (see box), have adversely affected confidence in the RHI across the heating industry, evidenced by low levels of technology roll-out and installer accreditations. On the other hand, engagement between DECC and industry appears to be stronger for the RHI than was the case for FiT. This level of engagement will need to be maintained, and unexpected changes and further delays to the initiative avoided in order to maximise the scheme’s chances of success.

In the shadow of the Feed in Tariffs?
The non-domestic RHI scheme launched just 18 months after the introduction of FiT, the UK Government’s scheme to promote renewable electricity micro-generation.

Take up of FiTs far exceeded DECC’s predictions, primarily driven by the favourable returns achieved from solar photovoltaic (PV) panels.

In response, several unscheduled FiT reductions were announced, resulting in significant upheaval across the micro-generation industry. Investors took fright, installers experienced (severe) financial uncertainties and confidence in the design and implementation of the policy was undermined. These uncertainties have had an impact on the market’s reception of the RHI.

“The stop-start nature of this policy release so far is damaging to the industry and is causing valuable skills to be lost – there has been a gradual trickle of people exiting the market in recent months.”

Danfoss Heat Pumps
Realistic targets for RHI?

While the domestic scheme is expected to have a greater impact on the general public awareness and employment prospects in the industry, DECC forecasts the non-domestic scheme to contribute significantly more to installed capacity between now and 2020.

The FiT scheme was introduced with what later turned out to be conservative roll-out projections for solar PV. However, with the RHI, the situation is more complex. Our analysis suggests scenarios where the scheme either exceeds or falls far short of DECC’s projections.

**High and low scenarios**

DECC’s projections for the likely number of total renewable heating installations in 2020 are in the region of just 500 – 600k. Our analysis suggests that, given the nature of the incentives on offer and the types of property and businesses to which they are likely to be most appealing, this estimate is probably realistic.

Domestic properties and businesses most likely to consider installation are those that currently have expensive or impractical heating, for example, those off the gas-grid that currently use oil or solid fuel for their heating requirements. Currently in the region of 3.6 million households in the UK are off the gas-grid. Homes on the grid are likely to see limited uptake, unless significant upgrades or refurbishments are done, thereby limiting the number of potential takers and the scope of the scheme. However, the RHI has the potential to drive demand if the profile and promotion of the scheme is right. Positive public response was seen with solar PV installations under the FiT scheme, driven by concerted industry promotion and activity.

### Number of forecast installations per year under the RHI scheme

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-domestic</th>
<th>Domestic</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>RHI Year 1</td>
<td>10,700</td>
<td>23,400</td>
<td>165,100</td>
</tr>
<tr>
<td>RHI Year 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020/2021</td>
<td></td>
<td></td>
<td>165,100</td>
</tr>
</tbody>
</table>

Source: DECC, PwC analysis
However, the FiT and RHI schemes differ in a number of important ways. From a practical point of view, solar PV is relatively easy to install compared to most RHI technologies, which involve significant disruptive and intrusive work. Furthermore, most FiT installations simply supplement existing electricity supplies; in comparison most renewable heating systems will be the only heating source, with the implications of an underperforming system being much higher.

The financial incentives for FiT are easier to understand and more attractive than the relatively complex funding scheme for RHI, which compensates the owner of the system for each kWh of heat produced, less the cost of the conventional technology alternative. Solar had a well-prepared and motivated industry that was ready to move when FiTs came on stream; there is much greater caution surrounding the launch of RHI.

“A heat pump is a considered investment and a heating system is a priority purchase which is fundamental to domestic comfort and household expenditure. Heat pumps require careful planning, design and installation, and therefore the initial uptake under RHI will be slower than, and more controlled than PV.”

Daikin
Non-domestic scheme
Showing signs of life?

The non-domestic scheme has been in operation for 16 months and has to date experienced slow market acceptance. A general lack of market confidence is undoubtedly linked to difficulties with the application process, the high upfront costs and lack of suitable financing. However, our analysis shows that the non-domestic scheme has reached a tipping point. Ofgem’s figures for between Q3 and Q4 2012, show a 65% increase in the number of accredited installations.

“We began to see a real turning point in October 2012, as companies began to switch on their heating systems and acknowledged the costs incurred. Demand now seems to be 2 – 3 times higher than 12 months ago.”

Optimum Heating

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Uptake of non-domestic RHI scheme
Nov 2011 – Feb 2013

RHI stand-by mechanism – Estimated commitments vs budget cap 2012/13

Source: DECC

Source: PwC analysis
Non-domestic scheme
Biomass distorting the market?

The most significant variation between DECCs initial projections for the non-domestic scheme and installations to date is the dominance of biomass, accounting for 99% of full applications.

We believe that this is due to the consistent and scalable heat supply provided by biomass systems, the relative ease of installation and the high rate of returns some systems are able to achieve. However, some market commentators have also suggested that there is a polarisation of system sizes to fit within the most profitable tariff bands.

While the available supply of biomass fuel does not yet constitute an issue, there is a risk of price volatility as more micro and utility scale biomass capacity comes online. If a biomass price rise coincided with a tariff degression, demand could be stifled, impacting market confidence and the overall appetite for the scheme. Additionally, government and end-users will have to ensure that any feedstock is derived from sustainable sources (recent updates from DECC have now included this provision).

Changes to the tariffs due this summer are likely to drive some rebalancing of technology uptake. Most notably this is expected to include a proposed doubling of tariffs for Ground Source Heat Pumps (GSHP), which have suffered under the current rates. The additional implementation of a degression system is also expected to help limit the dominance of biomass by limiting both the uptake of individual technologies, as well as the scheme overall. As the scheme rolls out, it will be important to ensure that the current tariff structure is sufficiently flexible, so that the market, and not a disparity in incentives between technologies, determines the winners and losers.

“There are a lot of examples of customers sizing systems to fit around the tariffs, so there tend to be a lot of 199kW and 999kW installations, supplemented with gas where necessary.”

Forest Fuels

<table>
<thead>
<tr>
<th>Uptake of technologies in the non-domestic RHI</th>
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<tbody>
<tr>
<td>RHI proposal (capacity, MW)</td>
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<tr>
<td>Biomass                                      48%</td>
</tr>
<tr>
<td>Water/Ground source heat pump                21%</td>
</tr>
<tr>
<td>CHP                                          9%</td>
</tr>
<tr>
<td>Biogas                                       7%</td>
</tr>
<tr>
<td>Solar thermal                                15%</td>
</tr>
<tr>
<td>Air source heat pumps                        1%</td>
</tr>
</tbody>
</table>

| Full applications (capacity, MW)              |
| Biomass                                      99% |

Source: DECC, PwC analysis (March 2013)
Domestic scheme
Lessons from the RHPP?

DECC is using the Renewable Heat Premium Payment (RHPP) scheme as one method of assessing the domestic market’s uptake of eligible technologies. This scheme has acted as a stop gap to the domestic RHI roll out encouraging the uptake of renewable heating technologies in the domestic sector via a series of one off voucher payments to help cover equipment capital costs. The uptake to date indicates that DECC has been fairly accurate in its projections for the public’s appetite for biomass and GSHPs. However, the strong demand for solar thermal installations appears to have been somewhat of a surprise. We believe this is due to a combination of:

- low capital costs (approximately 50% cheaper than the next cheapest technology)
- relative ease of installation
- the complementary rather than substitutive nature of solar thermal
- a relatively well understood technology that is widely accepted by the public; and
- solar thermal being available to all properties under the RHPP. Other technologies were only available to properties off the gas grid. This gave solar thermal a much greater potential market.

In May 2013, DECC extended the RHPP scheme with a further £12m of funding in an attempt to maintain activity in the industry following further delays to the domestic RHI scheme. The value of vouchers have increased significantly (some have over doubled), with the condition that home owners undergo a Green Deal assessment to be eligible. While this scheme will have a positive impact on demand, it will be interesting to observe how the perceived hurdle of the Green Deal assessment acts as a barrier to uptake. There is also a question whether more expensive technologies will see a significant increase under these new voucher payments, or whether solar thermal will prove even more popular.

As the RHPP transitions into the domestic RHI, our analysis shows there are a number of key questions and considerations that will need to be addressed to drive a comparable uptake.

Perhaps of greatest significance is the high capital costs of most technologies, which may result in solar thermal continuing to remain a popular solution. While solar thermal may have applications where a base temperature needs to be maintained (e.g. swimming pools), questions remain as to whether this is an optimal use of funds given the challenges on the efficiency of solar thermal. We also believe Air Source Heat Pumps (ASHPs) will prove more popular under the domestic RHI than under the RHPP, as they also benefit from a relatively low capital outlay, and have installation advantages over biomass and ground source heat pumps.
### Overview of technologies available under the domestic RHI

<table>
<thead>
<tr>
<th>Technology</th>
<th>Schemes eligible</th>
<th>% of installations*</th>
<th>Capital costs</th>
<th>Advantages</th>
<th>Key operational challenges</th>
<th>PwC View and expected uptake compared to DECC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Biomass</strong></td>
<td>ND</td>
<td>48%</td>
<td></td>
<td>• Consistent heat supply</td>
<td>• Reliance on fuel source with relatively immature supply chain and potential future price fluctuations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>D</td>
<td>16.8%</td>
<td>£10,000 – £12,000</td>
<td>• Good scalability</td>
<td>• Access required for fuel deliveries</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Relatively easy to retrofit</td>
<td>• UK biomass supply only capable of meeting 10% – 15% of UK heat requirements</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Carbon neutral</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Reliance on fuel source with relatively immature supply chain and potential future price fluctuations</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td>• Access required for fuel deliveries</td>
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<td>• UK biomass supply only capable of meeting 10% – 15% of UK heat requirements</td>
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<td></td>
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<td>• Access required for fuel deliveries</td>
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<td></td>
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<td></td>
<td></td>
<td>• UK biomass supply only capable of meeting 10% – 15% of UK heat requirements</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ground Source Heat</strong></td>
<td>ND</td>
<td>21%</td>
<td></td>
<td>• Consistent heating performance year round</td>
<td>• Considerable outside space required for ground array or bore hole</td>
<td></td>
</tr>
<tr>
<td><strong>Heat Pumps</strong></td>
<td></td>
<td></td>
<td></td>
<td>• Best suited to district scale schemes</td>
<td>• May only be suitable for new build or major renovations due to amount of internal plumbing/modification required</td>
<td></td>
</tr>
<tr>
<td>(GSHPs)</td>
<td>D</td>
<td>16.1%</td>
<td>£9,000 – £17,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Air Source Heat</strong></td>
<td>ND</td>
<td>15%</td>
<td></td>
<td>• Relatively simple and cheap technology</td>
<td>• Performance and efficiency falls in low ambient temperatures</td>
<td></td>
</tr>
<tr>
<td><strong>Heat Pumps</strong></td>
<td></td>
<td></td>
<td></td>
<td>• Small physical footprint required</td>
<td>• Carbon savings may be minimal under certain conditions</td>
<td></td>
</tr>
<tr>
<td>(ASHPs)</td>
<td>D</td>
<td>67.1%</td>
<td>£6,000 – £10,000</td>
<td></td>
<td>• Requires significant re-work to property</td>
<td></td>
</tr>
<tr>
<td><strong>Solar Thermal</strong></td>
<td>ND</td>
<td>0%</td>
<td></td>
<td>• Essentially a ‘put up and leave’ technology requiring very low maintenance</td>
<td>• Units can be noisy during operation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>D</td>
<td>0%</td>
<td>£4,000 – £5,000</td>
<td>and energy input</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Relatively easy to retrofit</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Heat generation dependent on ambient conditions and does not generate as much heat in the UK compared to warmer climates</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• While heat can be stored for short periods, solar thermal is only really functional if there is demand for heat during daylight hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Current tariffs results in a very poor rate of return</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Uptake likely to be relatively strong despite poor payback due to low upfront costs and ‘green image’</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Energy Saving Trust, PwC analysis, DECC

* Technology split in 2020 based on DECC's RHI non-domestic and domestic Impact Assessments

**Key**
- [Green Up] Uptake expected to be above DECC’s estimates
- [Yellow Line] Uptake expected to be in line with DECC’s estimate
- [Red Down] Uptake expected to be below DECC’s estimate
Domestic scheme
Overcoming barriers to success

For the domestic scheme to gain traction, it will need to overcome a number of obstacles which presently hinder uptake. Many of these relate specifically to consumers.

• **Public awareness**: Arguably straightforward to overcome, there is currently a lack of consumer information and practical advice available on the scheme. In the course of our research, for example, we were unable to find answers to basic questions about likely funding options and the expected returns. Addressing this is likely to require active promotion by government and industry (for example including leaflets in customer’s energy bills). One key area where greater clarity is required is around how the RHI and Green Deal interact, and how customers can benefit from both schemes.

• **Motivation**: Only a small proportion of the public who are aware of the scheme are likely to convert that awareness into action. While general awareness and acceptance of green issues will grow over time, industry and government has a role to play in publicising the potential financial benefits of installations, e.g. during the course of building or home improvements for example.

• **Overcoming complexity**: To overcome the apparent complexity of the scheme and application process, communication and media engagement will be essential to help consumers understand and feel comfortable with the process. As the industry matures, the perceived inconvenience of an installation and long lead times should diminish.

• **Cost and finance**: the relatively high capital cost of renewable heating systems is potentially the greatest barrier for customers. In addition, the installation’s possible effect on house prices is untested to date. While the Green Deal will be used to wholly or part fund some systems for some properties, the amount of funding available is limited under the ‘Golden Rule’, hence other forms of affordable finance will be necessary.

Other considerations

Our analyses show there are additional issues that will impact both the domestic and non-domestic schemes, which DECC will need to consider carefully:

• **Integration of schemes**: Current initiatives in this area (FiT, RHI, Green Deal and ECO) appear to lack integration and it is as yet unclear how they might work together. This confusion may lead to stagnation.

• **Volatile input costs**: With RHI technologies drawing on either biomass feedstock or electricity, input costs will be volatile. It is therefore more difficult to calibrate demand with tariff degression and any mechanism needs to be monitored carefully to avoid choking the industry.

• **Cost curve**: It is unlikely that the costs of RHI technologies will come down in the same way as they have for solar PV (which has seen panel prices fall by 50% – 70% since 2007 due to oversupply). The rate of degression therefore has to be determined and monitored very carefully in order to avoid unsettling the industry.
• **Quality of suppliers:** The early days of a new scheme raises the risk of new entrants sensing the chance to turn a quick profit with high-pressure sales techniques, poor quality equipment and poorly trained installers. This could lead to negative early publicity, restricting public confidence and uptake. The Microgeneration Certification Scheme (MCS) will have a key role to play in ensuring quality standards in the industry do not fall as the number of installers grows rapidly. This quality control will be important to maintain consumer confidence.

• **New homes:** If RHI technologies are installed in new homes (an issue yet to be decided), this will not lower the carbon intensity of the country, but simply reduce the growth of carbon emissions from heating. This may have an impact on the achievability of the 2020 targets with respect to heating.

• **Demand on the grid:** Solutions such as heat pumps draw heavily on electricity and this needs to be factored into any capacity forecasts (esp in cold periods). There have also been some reports of DNOs charging consumers for access to the network, despite being obliged to provide access, to allow Ofgem to monitor the system.
A big enough boost for employment?

Against our analysis, it is unlikely the 500 – 600k installations envisaged by DECC will be enough to build a vibrant and sustainable industry for renewable heat.

However, if a number of elements come together, there is, conversely, the potential to deliver more than the projections. A key element would be avoiding the uncertainty of tariff changes that plagued the FiT scheme in its initial stages. DECC also needs to tread a careful path between preserving budgets and meeting the spending envelope, which may require a more substantial budget in times of austerity to allow an industry to build around these technologies. The planned degression scheme – allowing flexibility in the tariff structures – will help to regulate the roll-out of technology, but it will have to be carefully calibrated and monitored in order to avoid stop/start and sub-scale demand from the market.

An initial growth in installers with RHI-specific accreditations under the Microgeneration Certification Scheme (MCS) all but stagnated as the FiT scheme unfolded. While further growth in eligible accreditations was seen prior to the launch of the RHI, delays in the domestic scheme, coupled with the fallout of the FiT tariff cuts, have hindered further growth in approvals. As a result, accredited installers have remained broadly flat for the past 12 months.

Meeting DECC’s installation targets by 2020 will require a large increase in the number of RHI-specific accreditations. Based on DECC’s forecasts, at peak demand 170,000 installations in 2020 will be required (across the domestic and non-domestic schemes) to meet DECC’s targets. This compares to just 13,500 RHI eligible MCS registered installers in 2012.

This suggests that the number of MCS accreditations needs to rise from just over 3,000 at the end of 2012, to almost 22,000 by 2020.

“A lot of players entered the market in 2009 – 2010, but then a lot deviated to install PV. Some installers have dropped out this year as they have not seen enough business to justify their MCS accreditation.”

Kensa Heat Pumps
Our research indicates that UK installers will be the main beneficiaries of the RHI, though the extent to which it generates new employment is debatable. It’s likely that the majority of new accreditations will be driven by existing installers acquiring new skills.

Established European and Asian manufacturers are likely to supply the majority of hardware in the short- to medium-term. However, as a performance advantage can be obtained by optimising the system for the British market, UK-customisation will be required. UK based system manufacturers will need to ensure that they are able to improve quality and price to compete, and not just rely on customer service and the ‘made in Britain’ image. Now is the time to gear up and develop channels and relationships.

As is the case for all new industries, we expect slow take-off as awareness grows followed by strong activity across the downstream segment. In the medium term, the industry will then begin to consolidate and professionalise – especially in the domestic market.

Barriers to entry into the non-domestic market are higher for many smaller players unable to handle the scale and complexity of commercial installations. Nonetheless, our market intelligence suggests that the commercial market is becoming more competitive with the results that installation (rather than equipment) prices are falling. While greater competition is welcome, it must not lead to lower standards as installers seek to undercut their rivals.

The domestic market is likely to be subject to more intense and open competition arising from a larger pool of smaller suppliers vying for work that has lower barriers to entry. To avoid a race to the bottom among price-cutting rivals that risks lowering quality or potential mis-selling, MCS has a part to play here, ensuring the standards of installers gaining accreditation does not drop as the number of installers rises.

“There are a lot of fantastic EU suppliers out there who have very good products, but they have poor technical and customer support in the UK. As such, they are not a viable alternative as we want to install the best all-round product.”

Sungift Solar
Hardware prices are not expected to fall significantly since these are mature technologies and the UK demand will not drive economies of scale. However, costs will come down in the installer marker as they able to install more systems.”

Danfoss Heat Pumps

Slow down of the new housing market has meant many heating engineers are setting up as one man companies

We are now seeing a lot more competition in the market. Now projects will often have five or six quotes

Optimum Heating
Maximising RHI potential

Recommendations

The RHI has the potential to show countries across Europe how to stimulate the take-up of renewable heating and to drive growth in domestic jobs and qualifications. The barriers and complexities of the scheme mean, however, that DECC and industry need to work together carefully to make this a success.

Many different issues need to be resolved and fall into place – now and in the short, to medium term. But if all stakeholders manage to make this work, then a number of the government’s targets and aspirations appear achievable. There are a number of considerations for each group of key stakeholders.

Manufacturers considerations:
• Identify key channels to market and segments (domestic, non-domestic), and invest in their development.
• Develop strategic alliances with a range of installers, implement product specific training programmes and monitor quality levels.
• Be agile to competition from European and Far Eastern players.
• Gain a competitive advantage by optimising products for the UK market, taking into account the climate and heat demand, and focusing on making installations quicker and easier, as this will be where the majority of cost savings are achieved.

Installers considerations
• Don’t lose sight of core business – the RHI can be a major (but possibly volatile) driver of revenue.
• Invest in people and operations to ensure business processes and quality are not impacted as volumes grow.
• Be prepared for fierce competition and seek competitive advantage through lean, efficient operations without sacrificing customer service.
• Maintaining integrity and a professional approach in the market will be critical to consumer confidence, and avoiding the ‘hard sell’ mentality seen in the early days of the FiT scheme.
• Expand service offering to include support with application and accreditation, alongside finance.
• Build relationships with utilities and local authorities to develop you channels and drive volume.

Government considerations
• The launch of the domestic scheme in Spring 2014, without further delays, is critical to protect many small installers who are currently fighting to survive in the market, after a series of delays in launch.
• The non-domestic scheme should be updated with the key changes consultation proposed in the consultation to allow the industry to grow with minimal intervention. Uptake of biomass needs to be closely monitored to prevent fuel supply issues in the future, while the GSHP market may need to be restimulated.
• Ensure timely and honest consultation with industry to build market confidence in the policy’s long term direction and its delivery.
• Provide more clarity on how the RHI scheme will be funded after 2015, and what will happen to the RHI once the current commitment expires in 2020.
• Continue to promote the commitment to renewable technologies, and ensure the policy towards shale gas and nuclear power are in line with this commitment.
Daniel is a consultant in our Strategy Industrial Products team, and focuses on the Renewable Energy and Cleantech sector. He has two years' experience working on a range of transaction and strategy pieces. Prior to joining PwC, Chris worked in the automotive industry for over two years and holds a Masters degree in Engineering.

Daniel leads our Strategy and Deals Renewable Energy and Cleantech sector. He has over 12 years' experience in advising corporate and financial clients on both transactions and strategy development. Daniel has led numerous assignments across the renewable energy cleantech and energy efficiency sectors.

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