

Welcome to the Winter edition of the RECC Newsletter

Just before Christmas Government published its RHI decisions. Broadly speaking these have been well received, compared with the original proposals. This edition sets out the highlights. Please note that the changes won't come into effect until the spring.

There have also been plenty of other developments in recent weeks, including the long-awaited Each Home Counts Review. In this edition you can also find out about RECC's response to the BEIS and Ofgem Call For Evidence on a smart, flexible energy system, and much more besides.

Mark Cutler, Editor

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RHI CONSULTATION OUTCOMES PUBLISHED



On 14 December Government published its planned reforms to the RHI scheme. All changes will be made effective in Spring 2017.

Domestic Scheme:

- Solar thermal will remain eligible for support.
- Heat demand limits will cap the support larger households will be eligible for, at 20,000kWh for ASHPs, 25,000kWh for biomass boilers and stoves and 30,000kWh for GSHPs.
- The tariff for new biomass boilers will increase to 6.44p/kWh.
- The tariffs for new ASHPs and GSHPs will increase to 10.02 (p/kWh) and 19.55p/kWh respectively.
- All new ASHPs and GSHPs will be required to have electricity metering to monitor the electricity they use. Payments will continue to be based on the deemed heat demand of the property. Payments for second homes

and homes where a renewable heating system is installed alongside an existing system, will continue to be based on heat metering.

- Assignment of rights to RHI payments will not be introduced in this reform package. Instead further work will be done and it will be introduced at a later date.

Non-domestic scheme:

- The three current non-domestic biomass tariff bands will be replaced with a single tariff: The Tier 1 tariff will be set at 2.91p/kWh and the Tier 2 tariff at 2.05p/kWh. Each plant will have a tier threshold equivalent to a 35% load factor.
- Tariff guarantees will be introduced for biomass boilers above 1MW in capacity; biogas plants above 600kW; GSHPs above 100kW, including shared ground loop systems, with a total installed capacity above 100kW; and all capacities of biomethane, biomass-CHP and deep geothermal plant.

Other technologies

- No change to ASHP or GSHP support in non-domestic scheme.
- No change to biomass CHP.
- No change to Geothermal tariffs and eligibility for tariff guarantees introduced.

Access the RHI decisions in full [here](#).

RECC BECOMES TRUSTMARK SCHEME OPERATOR



From 1 January, RECC has been a fully signed-up TrustMark Scheme Operator. This is very good news for you as RECC members. It means that you will now be able to have membership of TrustMark alongside your RECC membership for a small additional cost.

TrustMark is a recognised consumer protection scheme for trades in and around the home. Its core services are in the repair, maintenance and improvement (RMI) sectors of the building services trades. TrustMark's goal is to give consumers the confidence to engage firms to undertake work that is of high quality, protected and at the agreed costs. There is a 'Find Your Local Tradesman' lead generating tool in the TrustMark website.

Like RECC, TrustMark seeks to build consumer confidence and increase opportunities for reputable firms. We think that TrustMark membership could be a good fit for those of our members who are also active in the RMI sectors. If you would be interested in TrustMark membership alongside your RECC membership, please contact trustmark@recc.org.uk.

MCS INSTALLER STANDARD UPDATED

A new version of the overarching MCS installer standard has been published. MCS 001 applies to MCS certified installers working with solar thermal, solar PV, micro wind, biomass and heat pumps. It applies to all contractors who supply, design, install, set to work, commission or hand over any of these technologies.

The main updates relate to contractor responsibilities, software control, subcontracting, control of work in progress, records, complaints and training and competence.

Attached to the new document is an appendix providing templates for the Quality Management System which is one of the requirements for gaining MCS certification. These include complaints, contracts, document and data control, equipment, documented procedure manual, suppliers and training records. These templates should be particularly helpful for small companies.

All contractors need to comply with the new standard by 16 March 2017. Access it from the [MCS website](#).

RECC calls on Government to ensure consumers benefit from a smart, flexible energy system

RECC recently responded to the BEIS and Ofgem Call for Evidence on a 'Smart, Flexible Energy System'.

RECC's response call on Government and regulators to ensure that all consumers are well-informed, well-protected and are in a position to take full advantage of the opportunities on offer to reduce the carbon impact of their energy usage.

RECC fully supports BEIS's and Ofgem's objective to help consumers gain control of their bills and the amount of energy they use.

RECC urges BEIS and Ofgem to ensure that the smart, flexible energy system does not remain the preserve of the better-off, savvy consumers at the expense of those on lower incomes for whom energy represents a higher percentage of their incomes.

Adequate safeguards at the outset will ensure that maximum benefits can be derived, for individuals, for the system and for the planet.

Access RECC's response in full [here](#). The Renewable Energy Association's response, which RECC fully supports, is available [here](#).

Green Energy UK has launched the first Time of Day Tariff for residential customers in the UK. Customers will have smart meters to monitor their electricity usage and will be charged different rates for different times of day. The cheapest period will be from 11pm to 6am and the most expensive from 4pm to 7pm. Green Energy hopes that the new arrangements will help customers to reduce their electricity usage and their bills and bring down demand at peak times.

Read more [here](#).

BONFIELD REVIEW PROPOSES KITEMARK



RECC has welcomed Dr Peter Bonfield's call for a better consumer experience in the retrofit energy efficiency market. In his Each Home Counts Review, published on 16 December, Dr Bonfield calls for improvements in industry skills, training, independent advice and redress across the sector. He recognises that, where good practice exists, as it does in the renewable energy sector, it needs to be extended to include the wider energy efficiency and low carbon sector.

In July 2015, the Secretaries of State for the former Department of Energy & Climate Change (DECC) (now incorporated into the Department for Business, Energy & Industrial Strategy (BEIS)) and the Department for Communities and Local Government (DCLG) jointly commissioned Dr Peter Bonfield, CEO of BRE, to conduct an independent review of consumer advice, protection, standards and enforcement for home energy efficiency and renewable energy measures in the UK.

RECC contributed in large part to the Review's work streams. We are pleased that our long-established Consumer Code will be a prototype for the proposed sector-wide Code of Conduct. We will now bring our 11 years' experience to assist with implementing the Review's proposals throughout the home improvement sector. In this way, we hope that consumers can have confidence in the sector and engage positively with it.

The full report is available [here](#).

BIG JUMP IN RENEWABLE ENERGY GENERATED BY COMMUNITIES IN SCOTLAND

The Energy Saving Trust (EST) has reported a 17% increase in the amount of renewable energy generated by Scottish communities between September 2015 and June 2016. The total capacity is now 595MW – well in excess of the original Scottish government target of 500MW.

The EST counted 15,570 locally- and community-owned projects and said that farms and estates were responsible for 41% of the renewable energy generated, followed by local authorities with 18%.

The Scottish government welcomes these projects which will help to meet their climate change obligations and hopes that local people can decide on how to spend the money generated by them. Access the [report here](#).

Electric charge point installer opportunities

Website startups.co.uk has pipped becoming an electric charge point installer as a strong business opportunity for 2017.

Intelligence suggests that Electric Vehicles (EV) will dominate the vehicle market in the next decade. EV's will need charging, so expect to see the appearance of charge points all over the UK in your friends' and families' homes, your workplaces, the supermarket and street corners. This will inevitably lead to peripheral business opportunities such as those installing the supporting network of charging points. Read more [here](#).

CONSUMERS PREFER PRODUCTS THAT DO GOOD

An international study conducted by Unilever has found that a third of consumers choose brands that they believe have a positive social and environmental impact.

The study also concluded that companies could unlock some £800 billion if they included a message about sustainability in the marketing of their brands. More than one in five consumers would be influenced by such a message.

Unilever's view is that companies must now think about including social and environmental messages in their marketing as well as the more traditional ones about performance and affordability.

More information [here](#).

Cost of large scale solar PV generation predicted to fall

(€/MWh)	2016	2020	2030
Large scale solar PV	80	67	60
Onshore wind >5MW	67	63	60
Offshore wind	121	106	96
Biomass conversion	87	87	-
CCGT (reference case)	57	66	99
CCGT with CCS	-	-	96-119
OCGT (reference case)	152	166	214
Nuclear	-	-	78*
Coal with CCS (reference case)	-	-	131-144
Energy from waste	45	45	41

*nuclear is £78/MWh in 2030 assuming Hinckley gets built in 2025 at £95/MWh

The latest Government update shows that the costs of large scale solar plants will come down significantly by 2030.

The Department for Business, Energy and Industrial Strategy (BEIS)

estimates the levelised cost for different generating technologies. This is the average cost over the lifetime of a plant per MWh of electricity generated and takes into account the cost of building, operating and decommissioning the

plant. It does not consider revenue streams and is not the same as the 'administrative strike price' which also considers factors such as market conditions and policy.

On this basis the cost of a large scale solar plant will fall from 80 to 60 between now and 2030. Onshore wind plants are already cheap at 64 and will also fall to 60. Offshore wind plants are more expensive (109 falling to 96). The cheapest form of generating electricity is still an energy from waste plant (45 falling to 41). The costs of non-renewable technologies will increase over the same period.

Access [BEIS' cost report here](#).

CONSULTATIONS: HEAT IN BUILDINGS, THE FUTURE OF HEAT

Government has launched two consultations on the future of domestic and non-domestic heating. The first mainly relates to minimum standards of heating components such as boiler standards, temperature control etc. but also looks at how to reduce the use of coal and oil in domestic buildings. The latter seeks to understand heating in non-domestic buildings. [More information here](#).

EXTENSION PLANNED FOR THANET OFFSHORE WIND FARM

Vattenfall, a Swedish energy company, is consulting people living along the Kent coast on its plans to extend one of its offshore wind farms. The company wants to add a 34 turbine extension to its 100 turbine Thanet Offshore Wind Farm which is less than 10 miles off Foreness Point.

Vattenfall also owns the Kentish Flats and Kentish Flats Extension wind farms and aims to be carbon neutral by 2050. The company is hoping to treble its wind capacity to 7GW by 2025.

MORE SMALL BUSINESSES GENERATING THEIR OWN POWER

A survey conducted by the Federation of Small Businesses (FSB) has shown that 12% of small firms in the UK are now generating at least some of their own power with solar panels being by far the most popular choice.

More than 4 in 10 firms think that renewable and low carbon energy will be cheaper than fossil fuel in the future and a third consider that energy efficiency savings will offset any increase in the cost of their energy. This is important as energy reduction is the single best way for small businesses to cut their costs.

Some 86% of firms think that the UK imports too much energy from abroad, while security of supply is the top concern for 60%.

The FSB has called on the Government to set a strong strategic direction on energy and to produce an updated Carbon Plan specifically taking into account the needs of small businesses.

Read more [here](#).