

## Welcome to the spring edition of the RECC Newsletter

Our lead story in this edition is the extension of the Consumer Code to include battery storage and other 'related' products sold with solar PV systems.

Pending the outcome of the forthcoming general election, 'purdah' has now begun (during which Government announcements are severely restricted). Most regulations making their way through Parliament are likely to be delayed, including the domestic and non-domestic RHI reforms.

In this edition we also look at Government's proposed industrial strategy and environmental commitments. Their implementation

will also be determined by the outcome of the election.

This edition also picks up some interesting articles from over the last quarter and Jelf, our insurance partner, has contributed an interesting piece around system performance claims and the role of public indemnity insurance.

This is sadly my last Newsletter as editor as I head for pastures new after 7 years at RECC. I wish all our members the very best for the future.

**Mark Cutler, Editor**

## Code extended to include battery storage systems



Picture: Moixa battery storage

**RECC has extended its long-established Consumer Code to include battery storage systems and other 'related' products typically sold alongside solar panels. This reflects increased interest in these products from members, and also a rise in complaints citing mis-selling.**

Although there are currently no Government financial incentives for battery storage systems or other 'related' products, RECC encourages all installers to sign up to its Code so that consumers can have all the reassurance they need when purchasing these products. This in turn will give installers credibility when marketing to potential customers.

RECC is working with some major players in the sector, including manufacturers, suppliers and

distributors so that they can ensure that their equipment is properly sold to consumers. In this way, RECC aims to ensure that only reputable installers approach consumers with offers of battery storage and other 'related' products.

Dr Christian Jardine, Technical Director at Joju Ltd said: 'We know that batteries are going to be a major energy technology in the coming years. However, in the present policy environment, there is only a marginal financial and carbon case for them, and technically the products are complex. With a downturn in the solar market, installers are turning their attention to batteries instead, often aggressively so. It's a recipe for mis-selling, unfortunately, so we welcome RECC's guidance wholeheartedly. Maintaining consumer confidence in the short-term will be vital to the long-term success of this market.'

The Code links directly with RECC's Batteries and Solar Power: Guidance for domestic and small commercial consumers, launched a year ago with BRE National Solar Centre, and available on [RECC's website](#) for free. It also links directly with its installer guidance which supplements the [technical guidance](#) drafted by BRE and IET.

## IN THIS ISSUE

- 1 Code extended to include battery storage systems
- 2 New Government Industrial Strategy
- 2 Possible FIT Review
- 2 Government commits to protecting the environment
- 3 New Ofgem guidance on changes to Domestic RHI
- 3 Jelf insurance services for RECC members
- 3 Cutting emissions has not led to a rise in household energy bills
- 3 Latest solar PV deployment figures
- 4 Europe's carbon emissions cut by 10% in 2015
- 4 Over half of Sweden's energy comes from renewables
- 4 'Click to verify' CTSI logo to be discontinued
- 4 British Renewable Energy Awards

# New Government Industrial Strategy

In January the Government published a Green Paper “Building Our Industrial Strategy” setting out its plans to strengthen the economy by “increasing productivity and driving growth across the whole country”. The strategy is designed to help industry develop itself, building on existing strengths and focusing on innovation, rather than providing massive amounts of new funding.

One of the ten pillars of the strategy is affordable energy and clean growth. While the energy trilemma of security of supply, affordability and decarbonisation remains, the emphasis is now very much on saving costs and innovation. Disappointingly, the strategy does not refer to the growth potential of renewable technologies such as solar, biomass, heat pumps, biofuels, AD and energy from waste although it does mention energy storage, electric vehicles and offshore wind.



During 2017 the Government will set out a long term roadmap to minimise business energy costs, including a review of the potential to reduce the cost of meeting our carbon budgets in the power and industrial sectors.

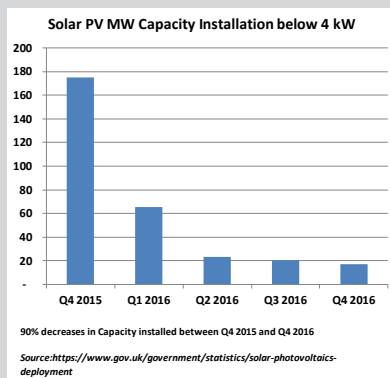
An Emission Reduction Plan will also be published this year giving details of how the Government intends to meet future carbon budgets by reducing demand for raw materials and waste in our energy and resource system and encouraging more use of secondary materials.

Chief Scientific Advisor Sir Mark Walport is conducting a review of the case for a new research institution which would focus on battery technologies, energy storage and grid technology. And Richard Parry-Jones, previously head of Global R&D at Ford, is to work with the car industry on speeding up the transition to ultra low emission vehicles. Some £600 million has been invested to aid this change.

The strategy announced the introduction of “Sector Deals”, encouraging industries to develop plans to deliver growth and improve competitiveness, something which the renewables sector could well achieve. There is also the “Industrial Strategy Challenge Fund” which aims to help capitalise on Britain’s strengths in research and innovation such as robotics, clean energy and Biotechnology.

Lastly, the strategy underlines the Government’s support for SMEs, particularly those outside London and the South East, and ways of increasing the UK presence at International Trade Fairs so as to promote trade and investment.

## Possible FIT Review



Solar Power Portal has reported that The Department for Business, Energy and Industrial Strategy (BEIS) intends to publish a review of the small-scale feed-in tariff by the end of the year.

That review would apparently take into account the balance of deployment caps between and within supported technologies while also considering deployment patterns, balanced against wider government priorities.

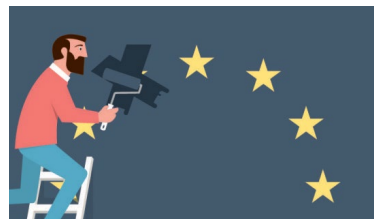
Such a review could see support for small-scale solar PV, wind, hydro and anaerobic digestion redistributed and possibly increased to address a projected underspend since the introduction of significantly reduced rates early last year.

When the then-Department of Energy and Climate Change (DECC) published its consultation response in December 2015, aside from significantly cutting the solar feed-in tariff rate to 4.39p/kWh for small-scale solar, it included a ‘budgetary reconciliation’ clause which allowed the department to revisit both the rates and deployment caps should the need arise.

Since the new regime came into force on 16 January 2016 – deployment of small-scale solar has dropped dramatically and the caps have never been met.

This came to a head in Q1 2017 when residential deployment dropped to a new quarterly low. Just 20.3MW of solar was installed under the <10kW band between 1 January and 31 March 2017, from just 7,900 separate installations.

## GOVERNMENT COMMITS TO PROTECTING THE ENVIRONMENT



The Government’s Great Repeal Bill White Paper, which sets out how EU laws will be transferred into UK legislation after Brexit, includes a commitment to maintaining and improving environmental protection.

Some 80% of UK environmental regulations originated in the EU and green groups and businesses have expressed concerns about the danger of them being watered down, scrapped or left unenforced.

The White Paper states that “the Government is committed to ensuring that we become the first generation to leave the environment in a better state than we found it” and adds “The Great Repeal Bill will ensure that the whole body of existing EU environmental law continues to have effect in UK law”.

Initially all EU Regulations will be converted into UK law but Parliament will have the right to amend or repeal any of these laws at a later date. Ministers will also have the power to change any Regulations or other laws that do not operate correctly once the UK is outside the EU and no longer has access to EU institutions.

In a recent survey more than half of Tory voters ranked renewable energy production as one of their top priorities. They wanted to see regulations relating to this and other environmental issues maintained or even strengthened post Brexit.

The Tory thinktank Bright Blue found that the majority of voters were in favour of onshore wind farms and 90% supported targets for curbing air pollution and combating increasing household waste. 85% supported renewable energy production targets and 70% wanted all homes being sold to meet a minimum energy performance standard. 60% accepted the scientific consensus on the role of human activity in causing climate change.

## New Ofgem guidance on changes to Domestic RHI

Ofgem has produced three guidance documents on the changes to the Domestic Renewable Heat Incentive (RHI) regulations which are due to come into force in spring/summer 2017.

There is a factsheet explaining the important changes to the scheme for air source and ground source heat pumps and for biomass systems which may be eligible for tariff increases. It also explains that all new applications will need to have electricity metering arrangements installed alongside their systems. This is to enable consumers to monitor the performance of their heating systems and to understand better in the systems' electricity usage.

The other two documents are a webpage and a factsheet entitled Do I Need Metering?

There are also links to the response to the Government's consultation on reform of the RHI scheme which was published in March 2016.

All are available on its [website](#).

# Jelf insurance services for RECC members

## Could your business withstand a claim for negligence?

The recent reforms to the RHI will support growth, particularly in domestic heat pumps and biomass, and will be underpinned by various tariff increases.

This positive news should encourage a much-needed swell of interest and revenue for the industry, but it is worth considering the risks to your business if measures do not perform as expected.

For the vast majority of consumers, the up-front system costs and tariff structure for reimbursement will be a critical element in their decision as to which technology they decide to invest in. Should the quarterly payments not reach the anticipated levels over the seven year term the consumer may be knocking on your door looking for answers.

## What is the risk to your business?

Although the renewable energy industry demonstrates high levels of competency, any small business providing a service is potentially open to a claim of negligence if the consumer considers the advice or service they received has not lived up

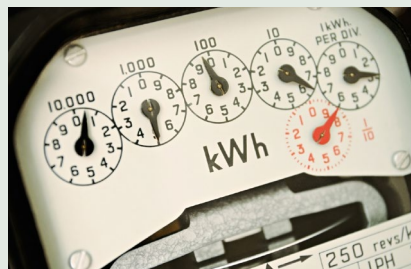
to expectations. Whether you think a consumer's claims are fair or not, it may cost your business considerable time and money to resolve or defend them. This may ultimately put your business under pressure.

As a RECC member you should ensure that, in addition to their public and employers liability insurance, they have the correct level of professional indemnity (PI) cover in place. This is needed to protect your business should a consumer seek legal recourse. Most PI policies are written on a "design and construction" basis, therefore you must ensure your PI policy extends to include feasibility studies and calculations.

Act now to ensure you are covered. Review your insurance policy today and make sure that it adequately protects the whole business, and that the type and level of cover is appropriate for your business activity, including professional indemnity cover.

If you are unsure about what you need, you can contact Jelf on 01905 892367 to review your existing policy or for a quotation. Find more information in the [members' area](#).

## CUTTING EMISSIONS HAS NOT LED TO A RISE IN HOUSEHOLD ENERGY BILLS



The cost of cutting emissions has been more than offset by the savings in energy usage through the replacement of old domestic appliances with more modern energy efficient ones.

The Committee on Climate Change (CCC), which assesses the impact of UK carbon budgets on household and business energy bills, concluded that, although low carbon policies added around £9 a month to a typical 'dual fuel' household energy bill of around £1,160 in 2016, improvements in energy efficiency have saved a typical household around £290 per year since 2008 when the Climate Change Act was passed.

The gradual shift towards low-carbon electricity could add £85 - £120 per year to a typical bill by 2030 but this is likely to be more than offset by further improvements in energy efficiency. The current estimate is for a saving of £150, or more, per household if wholesale costs continue to rise, the CCC said.

Low carbon policies do increase energy prices for businesses but, for the majority of companies, they have only a limited impact on the total costs of production and on competitiveness. Compensation is available for those considered most at risk, the CCC explained.

The low-carbon economy already makes up 2-3% of the UK's GDP and employs hundreds of thousands of people. As Lord Deben, CCC Chairman said: "The UK's progress to reduce emissions, and its comparative advantage in important areas such as the automotive sector, offer opportunities for future growth and employment while delivering vital action to tackle climate change".

Read more [here](#).

## Latest solar PV deployment figures

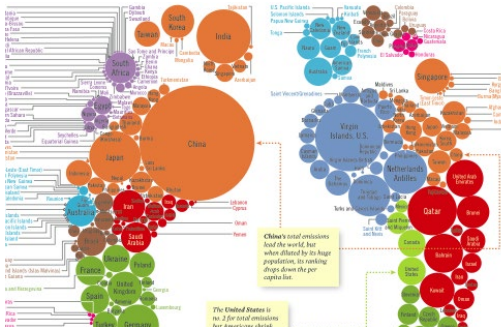


The latest provisional figures on the deployment of solar photovoltaics in the UK show an increase of 18% between February 2016 and February 2017. The total capacity is now 11,770 MW across 907,597 installations.

Large scale installations greater than 5MW account for nearly half (47%) of the total while less than a quarter (21%) are small scale installations under 4 kW.

At the end of 2016 well over half the total capacity (57%) came from ground-mounted or standalone installations including the first operational solar farm to be accredited for Contracts for Difference (Charity solar farm).

# Europe's carbon emissions cut by 10% in 2015



A sharp increase in the use of wind and solar energy helped Europe to cut its consumption of fossil fuel and reduce its greenhouse gas emissions by about 10% in 2015.

The European Environment Agency (EEA) reported that, overall, renewables rose to 16.7% of total electricity use, up from 15% in 2013 and accounted for 77% of new power capacity. Percentages varied widely across the EU with many Scandinavian countries achieving a 30% share while Malta could only manage 5%.

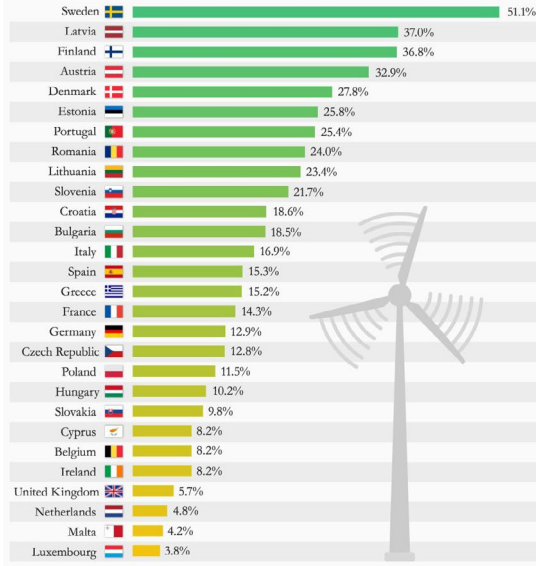
The EEA believes that the EU will meet its targets of a 20% share for renewables and a 20% cut in emissions by 2020. However, greater effort will be needed after 2030 in order to meet the target of an 80% cut in emissions by 2050 and clean energy capacity is still not growing fast enough.

The UK was seventh best as far as intensity of its greenhouse gas emissions was concerned but was only a mid-table performer when it came to emissions per capita.

# OVER HALF OF SWEDEN'S ENERGY COMES FROM RENEWABLES

Renewables account for over half of Sweden's energy

Average renewable energy share in EU countries (2013-2014)



© StatistaCharts Source: EEA

INDEPENDENT statista

A recent survey shows that Sweden tops the list of EU countries in its use of renewable energy. In 2013-14 Sweden's average renewable energy share was 51.1%, over 10% more than the next best countries Latvia (37%) and Finland (36.8%). Over half of the 28 EU countries achieved more than a 15% share. The UK, however, was the fourth lowest with a 5.7% share. Only the Netherlands (4.8%), Malta (4.2%) and Luxembourg (3.8%) did worse.



## 'Click to verify' CTSI logo to be discontinued

The web-based 'click to verify' CTSI logo, pictured above, which was previously available to members will no longer be in use from May 2017. This follows a CTSI review. Members will instead be able to display a simple jpg image, available in the RECC members' area. If you are currently displaying the 'click to verify' logo and require further information do get in touch.

## British Renewable Energy Awards

The British Renewable Energy Awards, organised by the Renewable Energy Association to celebrate the best in renewable energy and clean tech, will be presented at a gala dinner at the Savoy Hotel in London on 15th June. The shortlisted finalists for the 15 categories ranging from energy storage to innovation, leadership and low carbon transport, were announced on 20th April. RECC members Steve Duckworth Electrical Ltd, ISO Energy Ltd and Ceiba Renewables Ltd have been shortlisted for the installer award.

Find out more and register [here](#).

