Newsletter July 2017



### PROTECTING CONSUMERS AND PROMOTING RENEWABLES

# Welcome to the Summer edition of the RECC Newsletter

Our lead story in this edition is about how in one half hour in June for the first time, more than half of UK electricity was being generated from renewable sources.

This quarter has seen some exciting achievements from the renewables industry with Britain's first coal free day since the industrial revolution as well, and industry celebrated its fourth solar independence day, showcasing solar homes, solar schools, commercial solar rooftops and solar farms. The industry has seen more novel ways of promoting renewables, like the Chinese energy firm which arranged a solar panel farm to resemble the image of the country's national treasure, the panda.

This edition also picks up on some interesting articles on government announcements, further growth within the industry, winners from the REA Awards and an opportunity to register free for Solar and Storage Live.

#### Lorraine Haskell, Editor

# **RENEWABLES BREAKTHE 50% BARRIER**



Sources of UK electricity generation on 7 June 2017, 12.30-13.00pm Source: Drax

At lunchtime on Wednesday 7 June 2017, National Grid reported that more than half of UK electricity was being generated from renewable sources. This was the first time that wind, solar, hydro and wood pellet burning had generated more power than coal and gas.

7 June was both sunny and windy, favouring high levels of renewable generation. The day before around 10% of the UK's power was generated by offshore wind farms. Because their operating costs have fallen much faster than predicted, prices fell to a tenth of their normal level.

In June overall 6.5% of the UK's electricity was generated from solar PV. Some 880,000 UK homes, over 40,000 small businesses, 1,000 schools and a quarter of all farmers now have solar PV installations.

Nearly one million schemes generate a record 12.3 GW of power and a recent survey shows that 86% of the British

public back solar energy, more than any other source of energy.

This followed Friday, 21 April which was Britain's first coal-free day since the Industrial Revolution. National Grid described this as a 'watershed moment in how our energy system is changing'. Previously the longest period that Britain had gone without energy supplied by coal was 19 hours.

The world's first coal-fired generating plant was opened at Holborn Viaduct by Thomas Edison in 1882 and coal remained a dominant source of power for many years. But it has been on the decline since the 1990s. In 2016 it accounted for only 9% of electricity compared with 23% the year before.

Coal plants are gradually closing or switching to burning biomass such as wood pellets and the last coal power station is due to close in 2025 as part of the government's commitment to climate change.

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## RECC MEMBER INSTALLER OF THE YEAR



Ceiba Renewables Ltd, RECC member, won the Installer of the Year Award at the prestigious British Renewable Energy Awards held at the Savoy Hotel on 15 June this year. ISO Energy, also a RECC member, was highly commended.

Ceiba Directors Duncan and Debbie Crosthwaite, accepting the Award, said:

"The recognition is a real boost to us. We are a small business who focuses on using good quality products and installing to a high standard. We've persevered with our high standards and this award is great recognition that we shouldn't settle for anything but the best for our customers and the environment. Thanks."

Bio Collectors, a food waste recycling company which has operated in London for the last 40 years, was judged the company that has done most in the past year to advance UK renewables; Octopus Group was recognised for its leadership in the sector; Eco Sustainable Solutions as a Pioneer; British Solar Renewables for an outstanding project; Ground Heat Installation for its innovative approach to heat pumps during the year; and GENeco for its contribution to Sustainability. The Judges' Award winners for an outstanding contribution to and leadership in the sector were Paul Polman, Chief Executive of Unilever and the Rt Hon Sir Edward Davey MP, former Secretary of State for Energy and Climate Change.

Dr Nina Skorupska CBE FEI, Chief Executive of the REA said: "The past year's sudden cuts to renewable energy supports, the lack of clarity about our future relationship with the EU, and the snap election have not wounded these companies' ambition or determination to succeed. They are the best of our industry this year, and we commend their work".



## REGULATIONS LAID TO UPDATE HEAT PUMP STANDARDS

Government has announced that it has now laid regulations in Parliament to update both the Domestic and Non-domestic RHI with reference to the latest version of the MCS installer standard for heat pumps (version 5.0 of MIS 3005), which was published by MCS on 28 April 2017.

This change is to allow heat pumps installed in accordance with the updated standard to be eligible for the RHI and will come into force on 31 July.

To summarise the changes to MIS 3005: an MCS Heat Pump System Performance Estimate (MCS 031) has been created for all MCS Contractors to use at quotation stage, and a recommended procedure to follow from the initial enquiry through to the handover of a heat pump installation. Lastly, updates have been made to the Heat Pump Compliance Certificate and the Heat Pump Handover Pack Information.

The full details of the MCS updates can be found here. Please continue to use version 4.3 of MIS 3005 in order to be eligible for the Renewable Heat Incentive (RHI) until the updated regulations come into force.

The draft regulations for this amendment can be found here.

# FOOTBALL CLUB BACKS ENERGY STORAGE



RECC and REA participated in the launch of a groundbreaking partnership between Manchester City Football Club and the power management firm Eaton, announced in May. At the event, a spokesman for Manchester City FC said: "Eaton shares City's values of operating in a way that promotes a positive impact on our community and environment".

The first Eaton xStorage home energy storage system units are due to be shipped this month and Eaton is planning to expand its network of certified installers with the aim of having two in each postcode. The company has already increased its range of batteries and is investigating various funding and leasing arrangements.

RECC has been working closely with Eaton and its training partner, Carter Sullivan, to ensure that all installers promote the highest standards of consumer protection.

## GOVERNMENT TARGETS STORAGE IN DRIVE FOR SMART ENERGY SYSTEMS



REA Chief Executive Nina Skorupska, and Business Secretary Greg Clark, MP, at the launch of the Smart Systems and Flexibility Plan

Government and Ofgem published their response to a 2016 consultation on reforms needed to achieve a 'smart, flexible energy system' on 24 July. In it, Government cites figures from a 2016 report by Carbon Trust and Imperial College which estimates that the UK could save £17-40bn across the electricity system from now to 2050 by deploying flexibility technologies, with demand-side response, storage and interconnectors providing the key sources of value. Government sets out 30 actions intended to unleash the smart potential which the advent of new technology offers. These include:

#### STORAGE:

Government is to incentivise and promote widespread take-up of storage, in the following ways:

• amend Electricity Act 1989 and other relevant legislation to define electricity storage as a distinct subset of generation;

• review planning framework in relation to storage;

publish further guidance for FIT participants wishing to co-locate storage systems with their generators;
ensure system and consumer benefits of storage for self-consumption and export to the grid at peak time through access to time-of-export tariffs;
make funding for storage available:

o £70m for innovation in smart energy technologies, including storage, up to 2021; o £246m Faraday Challenge to focus on design and manufacture of better batteries for electric vehicles.

o £9m innovation competition to focus on cost reductions for storage, with projects launching in 2017;

o £600k for feasibility studies into large-scale storage to be completed by the end of 2017, to inform follow-on 'firstof-a-kind' large-scale energy storage demonstrator competition.

#### CONSUMER PROTECTION:

Government is to ensure that consumer rights and data protection rules are respected and consumers are treated fairly as new services are offered and new business models emerge, in the following ways:

• potential impacts of smarter energy system on consumers to be monitored;

· requirements on suppliers and

switching sites to be reviewed;

 standards for smart appliances to be introduced;

 voluntary code for domestic aggregators to be considered, in light of non-domestic one;

• Citizens Advice to log relevant complaints.

For more information, find the Government and Ofgem's report here.

Find the Carbon Trust and Imperial College's report here.

## NEW SOLAR ROOF TILES TO BE IMPORTED IN 2018



The US energy storage company Tesla has announced that it will start shipping its new solar roof tiles to the UK in 2018, nearly six months after they become available in the US.

Initially two designs of the tile -"Textured" and "Smooth" – will be on sale. Two further designs - "Tuscan" and "Slate" will follow later in the year.

The roof tiles themselves will come with a structural "infinite" warranty but the energy generation will be guaranteed only for 30 years. UK customers can pre-order the tiles now on the Tesla Energy website but have to pay an £800 deposit. They can choose whether or not to include the option of ordering a Powerwall 2 to complement the installation. No firm prices for the tiles have yet been announced. Nor have arrangements for conducting the installations.

Looking at the US prices, it seems likely that the solar roof tiles will work out a lot more expensive than traditional solar PV panels.

### £43 MILLION FOR SCOTTISH SMART GRID AND STORAGE PROJECTS

Thirteen demonstrator projects for smart grid and storage technologies have been awarded £43 million as part of Scotland's Low Carbon Infrastructure Transition Programme (LCITP), designed to prove the feasibility of low carbon technologies across a range of applications.

One of the projects is the development of a local energy system on Fair Isle, one of Scotland's most remote islands, based on renewables and storage. Nearly £1.1 million of LCITP capital will be used to build a Class 1 wind turbine, storage system, fly wheel and solar generation. If successful, this model could be used on other Scottish islands to meet their energy needs and replace fossil fuel generators.

Scotland's target - announced in the Scottish government's draft Energy Strategy - is to meet 50% of its energy needs through renewables by 2030.

## **BIOMASS TARIFF REDUCED**

The tariff for biomass technologies will be reduced from 4.28p per kWh to 3.85p per kWh for new applicants who apply for the Domestic Renewable Heat Incentive Scheme (RHI) between July and September 2017. This so-called 'tariff degression' has been made with a view to ensuring that the scheme keeps within its budget.

Tariff rates for air source heat pumps and ground source heat pumps have not been changed and existing participants in the scheme are, of course, not affected.

The next review of tariff rates covering the period from October to December will take place in September and will be led by the Department of Business, Energy and Industrial Strategy (BEIS).

### RECC TO CARRY OUT DESK BASED AUDITS

This year RECC has decided to shift its emphasis from a site-based audit process to primarily a desk-based one, though site based audits will still be carried out.

The process will evaluate the same areas of compliance as site-based audits, with the Code Member filling in a self-assessment form and returning it either by post or electronically, along with all the supporting documentation via email or an online Dropbox.

This approach allows for a more efficient transfer of information from Code Member to auditor, as well as enabling RECC to increase its audits, by reaching more Code Members based in remote locations.

## BRE issues Fire and Solar PV Systems report



Over the past few years there have been a number of media reports linking solar PV with fires. With the increase of installations comes a natural increase in faults with the potential to cause fires.

BEIS commissioned BRE to collate accurate information on fire incidents involving solar PV systems, to feed the data and its conclusions into industry standards and into guidance used by the fire and rescue services.

The project began in July 2015 and will run till 2018.

A summary of the main findings to date include: • Total number of unique fire incidents investigated and
incorporated into the report is 58.
Of these 42 were caused by
the solar PV system. 10 were
not attributable to the solar PV
system, and for 6 incidents the
cause was unknown.

• 17 of the 42 were considered to be serious.

• Injuries have been mostly been minor.

• Most fires were at domestic properties.

• The root cause of the fires is mainly unknown, but where it is known this is mainly due to poor installation, faulty products and design, in this order.

• Fires mainly originate in the DC side of the installation.

Find the published report and further information here.

### ELITE INSURANCE WITHDRAWS FROM SECTOR

Underwriter, Elite Insurance Company Ltd has announced that it has now ceased writing any new business with immediate effect. All policies issued up to this date will remain in force and existing policyholders will not be affected. Any claims should continue to be submitted to the company's claim handling agents as stated on policy documents.

For those insurance providers that used Elite as their underwriter, RECC is aware that alternative arrangements have now been set up.

An updated table of insurance providers that RECC is aware of can be found **here.** 

### SOLAR & STORAGE LIVE, 3-5 OCTOBER 2017

RECC is to speak and exhibit at Solar & Storage Live, to be held at the NEC, Birmingham.



RECC's Chief Executive, Virginia Graham, will be speaking on good practice for installers of battery storage covering: the scope of RECC, consumer protection issues, good practice guidance and the resources available to installers and consumers.

This year's show heralds an exciting new focus on Solar, Storage, EV infrastructure and related technologies that will empower the transition to cleaner energy. Register for free here.



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