

## PROTECTING CONSUMERS AND PROMOTING RENEWABLES

### Welcome to the Winter newsletter

Dear RECC Member,

Welcome to the winter edition of the RECC newsletter! The New Year is off to a flying start with continuing high levels of interest from contractors keen to be MCS certified and RECC members. A special welcome to all those who have renewed their RECC membership for 2023 and to those who have joined since we circulated the last newsletter.

This edition outlines a range of initiatives from Government and others designed to stimulate interest in green heating systems including air- and ground-source heat pumps. Research shows that consumers are currently wary of installing heat pumps as they fear domestic disruption and high electricity bills. These initiatives are designed to counter such fears and provide reliable, independent information on which consumers can base their decisions.

The Boiler Upgrade Scheme provides grants for green heating systems in England and Wales while, in Scotland, Energy Saving Trust is administering grants and loans to help pay for them. You can find all the latest information on these initiatives in this edition. And don't forget that there is a zero VAT rate on these systems until 2027.

I hope you find it interesting and useful.

Virginia Graham (editor)



### Record-breaking year for renewable electricity

The National Grid Electricity System Operator (ESO) has revealed that several records were broken during 2022, making it the second greenest year in Great Britain after 2020:

- wind generation reached a new high of over 20GW of electricity
- February was the lowest carbon intensity month since records began, with an average of 126 gCO<sub>2</sub>/kWh
- 28 December was the greenest day on record, down to 52 gCO<sub>2</sub>/kWh.

While gas continued to provide the highest percentage of electricity used (38.5%) wind turbines were the next biggest providers (26.8%). On one day in November, they produced a record of over 20GW for the first time - over 70% of the electricity generated that day - and on 30 December that figure rose to 20.918GW.

Zero carbon sources of electricity produced over 50% of electricity in February (the windiest month), May, October, November and December. Their total share for the year was 48.5%, outperforming the 40% fossil fuel generation from gas and coal power stations. Coal is now down to 1.5% compared with 43% in 2012, while the highest wind share ever was 64% on 29 January.

The demand for electricity fluctuated as usual according to the seasons. The lowest demand was 15GW on 12 June at 4am and the highest was 46GW on 15 December at 5pm.

You can find more information here: [www.nationalgrideso.com/news/britains-electricity-explained-2022-review](http://www.nationalgrideso.com/news/britains-electricity-explained-2022-review)

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## Boiler Upgrade Scheme pays out £33 million in first 7 months

The Boiler Upgrade Scheme (BUS), launched on 23 May 2022, provides capital grants of £5,000 to £6,000 to help pay for heat pumps and biomass boilers in homes and some non-domestic buildings in England and Wales. The scheme is administered by Ofgem.

The latest figures published by Ofgem show that, between 23 May and 31 December 2022, 11,500 BUS voucher applications were received and 8,933 issued with a total value of just under £45 million. In the same period some 6,944 BUS voucher redemption applications were received of which 6,721 were redeemed with a value of £33,749,000.

The remaining budget for the first year of the scheme ending on 31 March 2023 is £105,075,000 and the remaining budget for years 2 and 3 ending on 31 March 2025 is £300,000,000.

You can find more information on the BUS here: [www.ofgem.gov.uk/publications/bus-monthly-scheme-update](http://www.ofgem.gov.uk/publications/bus-monthly-scheme-update)



### Remember! Zero VAT rate for renewable systems

Government announced in March 2022 that there would be a zero VAT rate for small-scale renewable systems and energy efficiency measures from April 2022 until March 2027. This 20% cut also applies to their installation costs.

The list of 'Energy Saving Materials' subject to the zero rate includes solar PV and heating, insulation

measures, heat pumps and biomass boilers and wind and water turbines.

Battery storage systems and other add-ons are excluded unless they are 'ancillary' to the main installation.

You can find more information here: [www.gov.uk/guidance/vat-on-energy-saving-materials-and-heating-equipment-notice-7086](http://www.gov.uk/guidance/vat-on-energy-saving-materials-and-heating-equipment-notice-7086)

### Home Energy Grants and Loans in Scotland

Home Energy Scotland has introduced a new grants and loans scheme to assist homeowners and people building their own homes to install renewable energy and energy storage systems.

The remainder of funding required for heat pumps can be taken up as an optional interest-free loan. Funds are allocated on a first-come, first-served basis and there is an administrative fee of 1.5% up to a maximum of £150 on loans.

The maximum grant amount for energy efficiency improvements is 75% of the combined cost of the improvements, or £7,500. However, people living in remote rural or island areas could receive up to £9,000. A grant of £2,500 is available for high heat retention storage heaters if installed as part of a package of measures.

You can find more details here: [www.homeenergyscotland.org/funding/grants-loans/overview/](http://www.homeenergyscotland.org/funding/grants-loans/overview/)

### CTSI to target rogue traders

The Chartered Trading Standards Institute (CTSI) has announced that it will be targeting 'green heating' rogue traders.

As part of its 2050 Net Zero target Government committed to installing 600,000 heat pumps a year by 2028 in 2023. Government has committed an extra £6bn to energy efficiency aimed at installing insulation and upgrading heating systems for low-income households.

However, it is estimated that 19 million households have already suffered from a green scam as a result of being approached by rogue traders. The CTSI project will look at ways of protecting the public from rogue traders and criminal activities relating to Net Zero.



## Government backs market-based mechanism for low carbon heat

**Following last year's consultation, Government has decided to proceed with plans to introduce a market-based mechanism for low carbon heat and will bring forward legislation in the forthcoming Energy Security Bill.**

As a result, manufacturers of gas and oil boilers sold in the UK will be obliged to sell a certain number of heat pumps and, possibly, other low-carbon heating appliances, proportional to their boiler sales over a given period.

This mechanism will create the incentive to increase the numbers of heat pumps installed throughout the UK and will provide industry with a clear, long-term policy framework for investment and innovation.

It will also make it easier, more attractive and more affordable for consumers to switch to having a heat pump rather than relying on fossil fuels for heating.

The scheme will focus on retrofit installations of heat pumps under 45kWh, including in smaller non-domestic buildings.

The Government will consult further on the detailed design of the mechanism.

You can read the full response here: [www.gov.uk/government/consultations/market-based-mechanism-for-low-carbon-heat](http://www.gov.uk/government/consultations/market-based-mechanism-for-low-carbon-heat)

## Low to middle income families need help to go green, says group

**The Green Alliance, an independent think tank and charity focused on ambitious leadership for the environment, has published a report 'Locked out' highlighting the barriers faced by low to middle income (LMI) households which prevent them from taking advantage of green technologies and the benefits they can bring.**

A typical LMI household, often referred to as the 'squeezed middle', has a gross income of £29,640 and, after housing costs are deducted, an average disposable income of £19,760. Almost half (44%) of these households have total savings and financial assets of less than £5,000 with over a quarter (28%) having less than £1,500.

The Green Alliance says that we need a new strategy to prevent these families being

left behind. This should guarantee cost savings, access to green infrastructure and financial support.

Upgrading homes to meet the Energy Performance Certificate EPC C standard could save £306 per year on energy bills. The group recommends that green infrastructure projects prioritise LMI households and that financial support should be provided through means-tested subsidies, affordable finance and financial incentives to encourage the uptake of low carbon heating.

You can find the report here: <https://green-alliance.org.uk/publication/locked-out-helping-low-to-middle-income-households-benefit-from-net-zero>

## Renewables fraudster jailed

**RECC gave evidence at a trial brought by Kent Trading Standards. Daniel Welch, formerly of New World Renewables, was accused of fraud by misrepresenting renewable energy systems to consumers, many of them vulnerable.**

Virginia Graham, REAL Chief Executive, took the witness stand to provide evidence of false and misleading statements Welch

had provided to RECC.

In sentencing him to 30 months in prison the Judge, HHJ Brown, said that Welch had "seized any opportunity to make a profit" and that the sentence "must reflect the seriousness of the offences".

## Plumbing group calls for stricter heat pump standards

**The Chartered Institute of Plumbing and Heating Engineering (CIPHE) is calling for minimum qualifications for heat pump installers.**

CIPHE say that any installations carried out by engineers who are not MCS-certified risk being poorly specified, improperly installed, unsuited for the setting and thus uneconomical.

Kevin Wellman, Chief Executive of CIPHE, said: "If plumbing and heating professionals are not appropriately trained and a legal

standard put in place, the consequences could be severe".

According to MCS data there are currently 1,300 contractors certified to install heat pumps out of a total of 4,000 certified contractors. If the target of 600,000 heat pump installations per year by 2028 is to be met, CIPHE estimates that the sector will need to recruit an extra 5,000 to 7,000 heating engineers each year from 2025 to 2035.

You can find more information here: [www.ciphe.org.uk/news-and-advice/press-releases/no-standard-training/](http://www.ciphe.org.uk/news-and-advice/press-releases/no-standard-training/)

## Net Zero report highlights green economy opportunities

**Mission Zero, former Energy Minister Chris Skidmore MP's report on the wide-ranging Net Zero Review, was published on 13 January. The report makes 129 recommendations on measures that should be implemented to meet the UK's Net Zero commitments and create a green economy. It emphasises the benefits implementing these measures would bring.**

The report highlights the success that the UK's leadership on tackling climate change has already achieved in bringing about changes in this country and abroad, with more than 90% of the world's GDP now committed to achieving Net Zero by 2050.

The report underlines the importance of supporting businesses in playing a greater role, making better use of infrastructure and ensuring that homes are more energy efficient.

The recommendations build on the lead that the UK has already established in areas such as clean technologies, science, manufacturing and green finance. Implementing the measures would bring strong economic growth, encourage investment and create new jobs and opportunities, as well as providing essential protection for the environment.

Some of the main recommendations include:

- a review of incentives for investment in decarbonisation, including via the tax and capital allowance system
- the launch of a Help to Grow Green campaign offering small businesses the information and advice they need to plan ahead
- reform of the planning system to make the requirements of Net Zero nationally and locally a key consideration
- backing at least one Trailblazer Net Zero City, local authority and community with a target of reaching Net Zero by 2030
- a range of measures designed to deliver energy efficient homes, including a ban on the use of gas boilers in new homes and setting a 10-year target to encourage the installation of heat pumps across the UK
- the development of a cross-sectoral infrastructure by 2025 to increase the use of new green energy sources such as hydrogen to support the green economy.

Official statistics show that there are already 400,000 jobs in low carbon businesses and supply chains in the UK with an estimated turnover of £41.2 billion in 2020. The Government's Energy Security and Net Zero strategies aim to increase private investment by £100 billion and create an extra 480,000 jobs by 2030.

You can read the report here: [www.gov.uk/government/publications/review-of-net-zero](http://www.gov.uk/government/publications/review-of-net-zero)

## IAA appointed MCS Certification Body

**The MCS has appointed the Insulation Assurance Authority (IAA) as its first new installer Certification Body for a decade. Together they will help to ensure high quality installations of small-scale renewables and improve confidence in home-grown energy.**

The IAA already has 140 members who meet the MCS standards and new entrants to the industry can now apply to the IAA to become certified.

The IAA assesses the work of contractors involved in the design and installation of air source

heat pumps, ground source heat pumps, solar PV and solar heating. Its assurance framework enables homeowners to be confident that all the work is being carried out to the highest standards.

Ian Rippin, CEO of MCS, said that "Joining forces with the IAA will allow MCS to expand our industry reach, help us to champion quality and to grow the number of MCS-certified installers which currently stands at 2,943".

You can find more information here: <https://mcs-certified.com/mcs-appoints-the-iaa>

## Futurebuild 2023

**RECC team members will be attending this year's 'Futurebuild' exhibition which will be held from 7 to 9 March at ExCel in London. It aims to provide 'the stage for inspiring ideas, innovative solutions and knowledge sharing to drive sustainable construction to help us reach our goal of Net Zero'.**

Key topics are materials, interiors, offsite, retrofit, sustainable infrastructure, energy, buildings and digital. New spotlight areas are lighting, future innovation and district energy.

The RECC team looks forward to seeing you there!

You can register on the website: [www.futurebuild.co.uk](http://www.futurebuild.co.uk)



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