

# Our Energy Challenge

Power from the people



**dti**

**MICROGENERATION  
STRATEGY**

March 2006

# Our Energy Challenge: Power from the People

## Context

- Updated Climate Change Programme
- Energy Review
- Response to Biomass Task Force
- CLG Review of existing housing stock
- Climate Change and Sustainable Energy Bill

# Our Energy Challenge: Power from the People

## Why microgeneration?

- Climate change
- Energy security
- Fuel poverty

even...

- Competitive markets

# Our Energy Challenge: Power from the People

## Current situation

- ~ 82,000 installations
- ~ 275 installer companies (120 in solar thermal)
- Estimated annual turnover - £17m
- Highly fragmented
- Real opportunities
  - ICM Poll - 38% likely to install solar panels, 28% a wind turbine

# Our Energy Challenge: Power from the People

## Objective

“creating conditions under which microgeneration becomes a realistic alternative or supplementary generation source for the householder, for the community and for small business”.

# Our Energy Challenge: Power from the People

## Main areas to tackle

- Costs
- Lack of information
- Planning/Building Regulations
- Technical issues

# Our Energy Challenge: Power from the People

## Costs

- Low Carbon Buildings Programme
- Access to ROCs
- Paid for power
- But what about heat?

# Our Energy Challenge: Power from the People

## Low Carbon Buildings Prog

- £50m additional funds
- Details to be worked out
- Budget Statement – fund microgeneration in schools, social housing, businesses, public buildings.
- Massive vote of confidence in the industry

# Our Energy Challenge: Power from the People

## Low Carbon Buildings Prog

- Indicative figures only – keep under review
- Stream 1 - £10.5m
  - Households = £6.5m
  - Small Community = £4m
- Stream 2 - £18m
  - Category 1 = <£100k
  - Category 2 = <£1m

# Our Energy Challenge: Power from the People

## Low Carbon Buildings Prog

- Additional £5m from Carbon Trust for advice/promotion purposes for larger projects
- Still awaiting State Aids clearance for Stream 2
- Stream 1 open
  - receiving applications from 2<sup>nd</sup> May from householders
  - bids for community projects from beg June
- Further details – [www.lowcarbonbuildings.org](http://www.lowcarbonbuildings.org)

# Our Energy Challenge: Power from the People

## Access to ROCs

- Need to remove bureaucracy -
  - Agents to act on behalf of microgenerators
  - ROCs to be issued to agents
  - Agents can amalgamate output
- Clear guidance on ROCs/LECs/REGOs

# Our Energy Challenge: Power from the People

## Reward for power

- Tariffs for export hard to find
- Climate Change and Sustainable Energy Bill will change the position
- Clear signal to industry – microgenerators must be rewarded for exported electricity
- Government **will** intervene if required

# Our Energy Challenge: Power from the People

## What about heat?

- Previous two slides – benefits for electricity producing microgeneration
- Because there are existing mechanisms to tailor
- Biomass Strategy to be developed – looking at longer term support mechanisms

# Our Energy Challenge: Power from the People

## Lack of information

- Public
- Local authorities
- Planning officers
- Construction industry

# Our Energy Challenge: Power from the People

## Planning/Building Regs

- Householder Development Consents
- Review of implementation of PPS 22
- New Part L
- Code for Sustainable Homes

# Our Energy Challenge: Power from the People

## Technical Issues

- Ensure networks can cope with increased levels of microgeneration
- Connection to the network
- Wiring regulations
- Metering

# Our Energy Challenge: Power from the People

## Other Actions

- Targets
- Route maps
- Work on building skills base

# Our Energy Challenge: Power from the People

## In summary.....

- Could be reaching the “tipping point” for microgeneration
- Up to Government, industry and all key stakeholders to seize the moment and make it happen

# Our Energy Challenge

Power from the people



**dti**

**MICROGENERATION  
STRATEGY**

March 2006