

Sunnier days ahead for solar?

Is solar thermal set for a revival? **Peter Bennett** believes the doubling of payments under the Renewable Heat Payment Premium could kickstart the industry

In May energy and climate change minister Greg Barker responded to intense industry lobbying and agreed to give a much-needed boost to the UK's renewable heat market.

Barker announced a doubling of the one-off payments under the Renewable Heat Premium Payment (RHPP) scheme and new "money-off" vouchers for eligible technologies. The RHPP is an incentive intended to encourage homeowners to install renewable heat technologies and Barker said he hoped the measure would kick start what is seen as a key plank in the UK's drive towards cleaner technologies.

Indeed Barker's intervention will serve as a long overdue act of support for an industry that has endured a testing time in recent years. Blighted by a rash of unscrupulous cowboys who mis-sold solar thermal in the 1990s, the sector has always faced an uphill battle to win back consumer trust.

However, things began to look positive when the government started to form the Renewable Heat Incentive (RHI) back at the start of the decade. The RHI would work in a similar way to the successful feed-in tariff (FIT) scheme, whereby system owners are paid a certain amount for each unit of green energy they generate.

Pulled the rug

Originally scheduled to begin in April 2011 for both the domestic and commercial market, the solar thermal sector braced itself for a dramatic rise in demand. However, much to industry's dismay, the Department for Energy and Climate Change (DECC) suddenly, and without warning, pulled the rug out from the sector's feet: the RHI scheme would be delayed for another year. This pattern continued right up to March 2013, when DECC announced that the domestic RHI would be delayed yet again until spring 2014.

The latest announcement was a hammer blow for the sector. Leading lights in the solar thermal



Solar thermal could become a stalwart of UK energy generation if DECC allows it

industry were quick to mobilise, rallying behind Stuart Elmes, chair of the Solar Trade Association's Thermal Working Group, who organised a social media campaign that asked users to 'tweet for heat' in order to catch the energy and climate change minister's eye.

So Barker's announcement on the RHPP could not have come at a better time. Under the new measures eligible RHPP technologies will receive the following revised payments:

- solar thermal: £600;
- ground source heat pumps: £2,300;
- air source heat pumps: £1,300; and
- biomass boilers: £2,000.

However, there is a catch: in order for householders to claim the increased money-off vouchers a Green Deal assessment must be undertaken on the property before the claim is submitted to the Energy Saving Trust.

But DECC hopes that the move will encourage homeowners to evaluate how energy efficiency improvements could bolster their renewable heat installation. The revised money-off vouchers are intended to help homeowners bear the cost of a Green Deal assessment

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as well as the cost of having the renewable heat measures installed.

The doubling of the available RHPP payments has been well received by the sector. Indeed, Stuart Elmes describes the development as a positive step forward for the industry: "This is fantastic news for solar heating. The industry can really get behind the improved voucher levels and vigorously drive towards a spring 2014 launch of the domestic RHI with renewed enthusiasm."

"This announcement is, at last, a tangible demonstration of government's oft-proclaimed commitment to domestic renewable heat technologies. Many within industry had wavered in their belief that they would ever see a domestic RHI! We now need

to get the good news out there and let householders know that solar heating is more affordable."

New voucher levels

Dave Sowden, chief executive of the Micropower Council, adds: "These new voucher levels are a welcome boost for an industry which has, in some sectors, seen dramatic drops in sales. This market uncertainty followed a series of delays to the long term incentive scheme and the threatened watering-down of the carbon emission requirements for new build homes."

The grant increase will unquestionably help increase demand for solar thermal products in the short term but as the level of incentive is not as attractive as the long-trailed RHI scheme, the sector must work harder to attract the available market.

Looking forward, DECC is expected to announce the key details of the RHI this summer. The government must not only get the initial tariff rates set at the right level but it must provide clarity around the finer details, including qualification criteria.

Industry events such as the upcoming Solar Energy UK 2013 exhibition at the NEC in Birmingham must be used wisely to galvanise the sector by spreading best practice. A number of industry's leading lights will be offering reaction and analysis of the upcoming RHI announcement at Solar Energy UK 2013 – dissecting the details of the new policies to help solar thermal companies understand the implications and opportunities presented by the launch of the domestic RHI in spring 2014.

In the meantime, solar thermal's outlook is now a lot sunnier and the technology could become a real stalwart of UK energy generation if DECC manages to successfully complete all the pieces of the renewable heat puzzle. ☉