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Renewable Energy – Domestic Biomass Market – UK 2010-2020

New AMA report provides a major review of the UK Domestic Biomass
Market

“Market forecasts vary enormously, but our forecasts indicate the total number of biomass boiler installations could rise to an estimated **240,000+ installations by 2019-20** - this is below the figures in all scenarios contained in the latest forecasts suggested by DECC, which indicates the volume of systems installed rising to **450,000+ total installations** by 2019-20 –and even much higher in some forecasts. Ultimately, growth rates will be dependent on a wide range of factors, while also overcoming some significant barriers to large-scale consumer acceptance.”

A brief summary of the report is included on the following page.

Priced at £650, the report is currently available from AMA Research Ltd,
Telephone 01242 235724 or e-mail at sales@amaresearch.co.uk.

This is the second report in a new series of three unique studies into the emerging UK microgeneration industry. Other reports cover **Solar Photovoltaic and Thermal Products** and **Ground and Air Source Heat Pumps**. For more information on these titles please contact sales@amaresearch.co.uk

Editors Note:

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

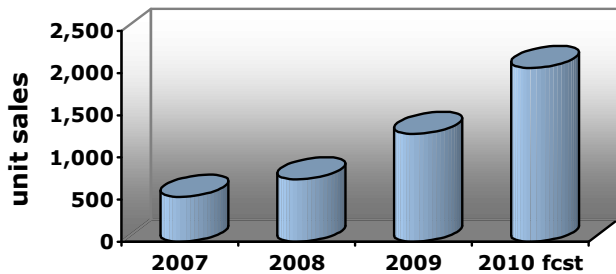
If you would like to receive an extended summary or would like to speak to an author of this report, please contact Chris Moore or Andrew Hartley on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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MAJOR REPORT ON THE DOMESTIC BIOMASS MARKET UK 2010-2020

Sales of Biomass Boiler Installations by Volume



This is the second report in a new series of three unique studies covering the emerging UK microgeneration industry. Other reports cover **Solar Photovoltaic and Thermal Products**, and **Ground and Air Source Heat Pumps**. Biomass is material of biological origin and can be either plant or animal matter, although plant matter, such as wood from forestry or processing which is the main feedstock in the domestic market. A key attraction of using biomass is that it is close to being carbon neutral in terms of the amount of carbon absorbed during its growth is similar to that which is emitted when it is burnt.

As with many of the renewable technologies, estimating the size of the UK market is difficult since there are no official or reliable statistics quantifying either the number of installations to date, or the annual sales of biomass boilers / installations into both the domestic and non domestic sectors. Industry sources indicate that in 2009 sales were estimated at around **1,100 – 1,300** residential, commercial and industrial installations.

As the figures show, biomass boilers are still in their infancy in the UK when compared to other leading markets, such as Germany, but consumer acceptance is growing and the market is forecast to increase by over 75% in 2010. There is now considerable political drive to include biomass boilers as an integral part of the renewable solution to achieve lower carbon emissions and efficient energy usage.

The residential sector accounts for over 80% of the market by volume – and offers the greatest potential for market growth in biomass boilers. New build housing, particularly in 'off gas' areas, represents a large potential market, but real substantial growth can only be achieved through penetration in the replacement market in existing housing. Self build is also a key sector where homeowners are more receptive to innovative, higher specification, energy-efficient and environmental products.

Market forecasts vary enormously, but our forecasts indicate the total number of biomass boiler installations could rise to an estimated **240,000+ installations by 2019-20** - this is below the figures in all scenarios contained in the latest forecasts suggested by DECC, which indicates the volume of systems installed rising to **450,000+ total installations** by 2019-20 –and even much higher in some forecasts. Ultimately, growth rates will be dependent on a wide range of factors, while also overcoming some significant barriers to large-scale consumer acceptance

Key drivers of growth are continuing government incentives / subsidies, growing awareness of environmental benefits, suitability in both 'mains' and 'off-gas' areas, larger-scale projects / district heating systems, prospects in commercial applications etc.

However, there are a range of barriers that will need to be overcome in order to ensure rapid and substantial growth. Financial incentives will no doubt stimulate demand for biomass, but there will also need to be an urgent step change on the supply side in terms of manufacturing capacity and skilled installation labour if demand is to be satisfied in the short term. Other key barriers include fuel supply chain constraints, consumer awareness, investment costs/paybacks, competitive position in 'mains gas' areas, fuel storage, performance for water heating etc. Finally, competition from other renewable technologies will also be an issue, with heat pumps a key competing product in non-gas areas.

AMA Research's report "**Renewable Energy – Domestic Biomass Market – UK 2010-2020**" is available in hard copy or electronic format for £650 and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.