

FOR IMMEDIATE RELEASE NOVEMBER 2010

Renewable Energy – Solar Thermal and Photovoltaics Market – UK 2010-2020

New AMA report provides a major review of the UK Solar Energy Market

“In comparison to other microgeneration technologies, solar thermal heating is by far the most popular with over 140,000 unit installations in total to date in the UK, having been on the market for over 30 years. Without doubt, future growth will be heavily dependent on installation costs and the level of grants and subsidies to encourage significant market acceptance, with many industry participants encouraged by recent interest levels,”

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 the **Domestic Biomass** market 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.**

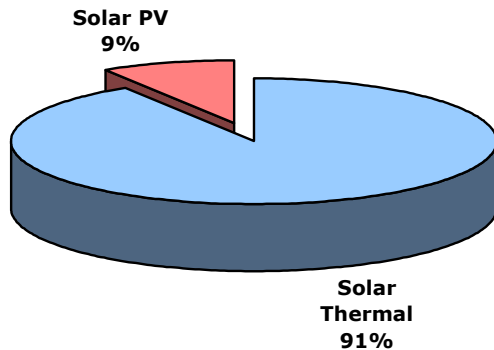
If you would like to receive an extended summary or would like to speak to an author of this report, please contact Chris Moore or Andrew Hartley on (01242) 235724.

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 SOLAR THERMAL AND PHOTOVOLTAICS MARKET UK 2010-2020

Cumulative Solar Unit Installations – Mix by Solar Thermal and PV – 2009 by Volume



This is the third report in a new series of unique studies covering the emerging UK microgeneration industry. Other reports cover the **Domestic Biomass** market and **Ground and Air Source Heat Pumps**.

In comparison to other microgeneration technologies, solar thermal heating is by far the most popular with over 140,000 unit installations in total to date in the UK, having been on the market for over 30 years. It is estimated that an average system will reduce CO₂ by up to 0.75 tonnes depending on the fuel it is replacing.

Photovoltaics (PV) is also considered to be a market with significant potential because there are very few planning issues and, if costs were reduced, almost 4% of UK electricity could be supplied using this technology – in addition carbon emissions could be reduced by 3%. However, prior to Photovoltaics becoming a commercially viable product, significant government support and incentives will be required, combined with major cost reductions to improve investment paybacks.

Market estimates for solar thermal and PV are **around 160,000 cumulative installations** by 2009, with solar thermal dominant as illustrated in the chart above: Our estimates indicate that in 2009 there were annual sales of around **6,000 – 7,000 photovoltaic units** and around **24,000 solar thermal units** into residential, commercial and industrial applications. Solar thermal is dominant, reflecting lower costs and wider usage in domestic properties, while PV is more expensive to install.

Growth up to 2008 has been low in the UK compared to many other countries, due to a combination of factors including high investment costs, low payback returns, lack of incentives, low consumer awareness etc. However, this is now beginning to change, reflecting growing awareness of the need to increase usage of renewables at all levels, and a series of Government actions to meet renewables targets by 2020.

The intention of the government, through the Renewable Energy Strategy, is to introduce Feed-In-Tariffs (FIT) in 2011, although they have become effective from April 2010, as a means of increasing the market value of both renewable electricity and renewable heat. In addition, the Government has piloted trials of PAYS (Pay as you Save), which will give households the opportunity to invest in energy efficiency measures such as solid wall insulation and microgeneration technologies in their homes with no upfront cost.

There are a wide range of market growth forecasts ranging up to 4 million installations by 2020. By contrast, we have forecast the uptake to be about 30,000 in 2010, rising to 180,000 p.a. in 2015 and 300,000+ by 2020. However, the optimism of the more ambitious DECC forecasts no doubt reflects the growth which has been achieved in other European countries in recent years as a result of the considerable financial incentives.

Without doubt, future growth will be heavily dependent on installation costs and/or grants and subsidies to encourage significant market acceptance, with many industry participants encouraged by recent interest levels, though take-up levels will also be influenced by competition from other renewables such as biomass and ground / air source heat pumps.

AMA Research's report "**Renewable Energy – Solar Thermal and Photovoltaics 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.