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Sustainable Energy and Products in the Residential Sector UK 2008-2012

New AMA report provides a major strategic review of the UK Sustainable Energy market

"Latest energy statistics show that 72% of the carbon emissions coming from energy used in the home are to provide space and water heating and the energy used for appliances and lighting make up a further 23%. Although new housebuilding has currently moved into recession the projected rise in the number of households over the next 40 years suggests that the market for primary heating systems and microgeneration is likely to grow significantly in the long term. In addition there is an expectation that new house building, mainly through the Code for Sustainable Homes, must achieve zero carbon by 2016."

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.com.

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.**

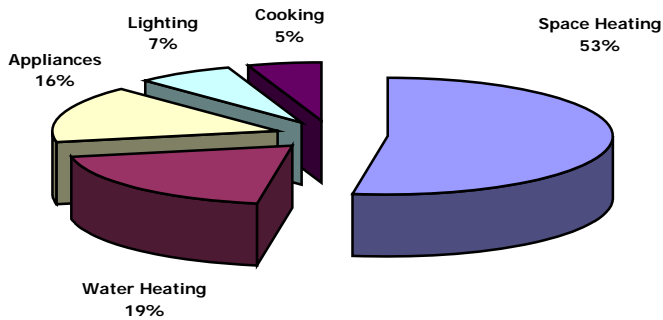
If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Keith Taylor or Chris Moore on (01242) 235724.

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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Domestic Energy Consumption in the UK 2007



Since our last report on sustainable energy and products in the residential housing sector the challenge of becoming a low carbon economy and achieving a cut in carbon emissions target of 60% by the year 2050 has moved to the top of the political agenda. Indeed some sources suggest that this target should be increased to 80%. Energy use from housing accounts for 27% of the UK's CO₂ emissions and by 2050 there could be almost 37m homes, a rise of 12m from today's figure of 25m.

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According to recent government reports, microgeneration under the most optimistic scenarios, contributes 30MtCO₂ reduction by 2030 which corresponds to 8.4 % of the required 60% (355 Mt CO₂/year) cut from UK 1990 annual emissions of 592 Mt CO₂/year. Currently there are 95,000-98,000 microgeneration installations in the UK - by far the majority are Solar Thermal which is used mainly for hot water but not central heating, with sales levels of 5,000-6,000 units a year.

At the end of 2004 there were 82,000 microgen installations – a growth rate of 22% by the end of 2007, however, in order to achieve the carbon emission targets, a step change in the uptake of the current technologies - probably close to 10m installations by 2030 - will be key to the success of the microgeneration contribution. This much higher volume usage will depend on technology development and continued government policy, funding and grants in addition to consumers being willing to pay more in up front capital costs in order to reduce the ongoing costs of energy.

According to a recent microgen strategy report there has been some progress made, however according to the latest government strategy report, a decision needs to be made by November 2008 as to whether targets should be set for microgeneration. In addition there are still a number of barriers to be tackled. including planning permission issues, certification and energy assessments.

Housing output needs to increase in the medium term to overcome the problems of supply shortages and rising prices, and buyers are becoming increasingly aware and interested in the energy performance of a prospective home, particularly in view of the recent rapid rise in energy costs. Reducing carbon emissions and saving energy will continue to have a significant impact on the way in which new houses are constructed in the future whether through new technologies such as the use of combined heat and power to serve communities, renewable technologies such as wind turbines and solar panels or an increase in the use of sustainable materials such as newspaper and sheep's wool for insulation, or less PVCu and more sustainable timber for windows, doors and housing construction.

However, many of the technologies are on trial to test whether they are technically and commercially acceptable and many still appear to be some years away before they become serious alternatives in the supply of energy and the subsequent reduction of CO₂.

AMA Research's "**Sustainable Energy and Products in the Residential Sector – UK 2008 - 2012**" report is available in hard copy or electronic format for £650 and can be ordered online at www.amaresearch.co.uk or by calling 0871 3103450.