

## PRESS RELEASE

12 May 2010

### UK solar expert identifies solar business opportunities with new FITs

*London, UK, 12 May 2010* – Independent solar expert Michael Pitcher from BFC Solutions has identified potential hot spots for PV investment as the UK gets ready to reap the rewards of feed-in tariffs (FITs).

In April, the UK Government introduced FITs to stimulate growth in the UK renewable energy market. The scheme promises cash rewards to homeowners, businesses and communities who install technologies for renewable energy.

“Countries like Germany and Belgium have embraced PV and are already reaping the rewards, but solar panels perform very well in the British climate so there’s no reason why the UK shouldn’t also harness the benefits of solar energy,” says Michael Pitcher, Managing Director BFC Solutions. “We are already seeing figures from consultants like IMS Research, predicting that by 2011, the UK market will see new installations reach 250MW, compared to just 22MW in 2009.”

“Whilst the benefits of solar PV are well-documented, the opportunity extends far beyond the market for household systems. Our experience tells us that PV entrepreneurs will take advantage of the new FITs by focusing on establishing solar parks, satisfying the fast growing market for domestic installations, and selling or leasing roof space. The FITs also provide opportunities for integrating PV into buildings, as a way for building owners to generate their own power, utility companies to meet their ‘Renewable Obligation’, and for not-for-profit organisations to help cut fuel poverty. However, to boost solar PV in the UK it’s essential to create new ‘green’ jobs along the supply chain and build the infrastructure to support the growing low carbon economy.”

#### **Solar parks**

The FITs will see utility companies pay 29.3p for every unit of electricity produced between 100kWp to 5MW. Investors, entrepreneurs and landowners can earn guaranteed returns by creating solar parks that generate up to 5MW of electricity. The tariffs are state assured by law and the PV panels have a guaranteed operating life of 25 years, but in practice will last up to 40 years, possibly longer.

#### **Fast growing market for domestic installations**

In the UK a typical retro-fit residential 2.5 kWp system installation will cost around £12.5k, generating £900 in the first year with an additional £140 in electricity savings. The FIT will be paid tax free for 25 years together with RPI increases, leading to a significant return on capital for the owner and realistic paybacks in addition to the vital carbon savings. Further installed cost reductions and increases in system efficiency can be expected in the medium term to reduce the payback period.

#### **Sell roof space**

According to the UK Photovoltaic Manufacturers Association, there are 4,000 sq km of available roofs and building facades in the UK. By installing solar cells onto these surfaces, we could generate 460



TWh of electricity – 116% of the UK's current electricity consumption. This is a significant opportunity for owners of commercial buildings with large, flat roof areas. By leasing their roof spaces to third-party solar operators, building owners have the opportunity to generate guaranteed incomes as a result of the FITs.

### **Building-integrated PV (BIPV)**

With the introduction of FITs, the use of PV as part of a building's fabric is set for substantial growth. Tightening building regulations and the Department of Energy and Climate Change's ambition to have all new homes be carbon neutral by 2016 are creating a market pull for on-site energy generation. UK architects and property developers have an opportunity to take advantage of this growing market by becoming specialists in using PV as part of the fabric of buildings.

### **Meeting the Renewable Obligation (RO)**

Under the RO, UK utility companies must source a proportion of their electricity from renewable sources. According to Ofgem, From April 2009, utility companies must present 0.097 ROCs (Renewable Obligation Certificates) per MWh of electricity supplied. Failure to do so will result in substantial fines. However, by embracing the FITs and actively promoting the benefits, utility companies can fulfil their ROs whilst acquiring new customers and generating additional revenue streams by forming partnerships with PV installers.

### **Cut fuel poverty**

According to Consumer Focus, fuel poverty predominantly affects older people, disabled people and low-income families. In 2009, over five million UK households struggled to heat and power their homes and over 20,000 people died due to cold-related illnesses. By taking advantage of PV and the FITs, housing associations, social landlords and local authorities can in some cases, reduce their tenants' heating bills and help them to stay warmer for longer.

"Having seen the solar market prevail across Europe, we're confident that the UK will be successful in its widespread adoption of solar PV, and present a range of compelling business opportunities," says Edwin Koot, CEO, Solarplaza. "That's why on 22 June we are hosting a major PV conference in London to help entrepreneurs, investors, utilities operators and electrical contractors better understand the UK PV market and all of its business potential. Presentations will be given by UK law makers, regulators, industry experts, financiers and other major solar stakeholders."

## **Notes to the editor:**

### **About the FITs**

On 1 April 2010, the Department of Energy and Climate Change brought in the FITs (or 'Clean Energy Cashback' scheme) to encourage households and businesses across the UK to meet their energy requirements by installing renewable energy systems such as solar PV panels.

The FITs entitle householders, communities and organisations that install technology renewable technology to be paid:

- £0.361 per kWh for new build installations up to 4kW
- £0.413 per kWh for retrofit installations up to 4kW
- £0.361 per kWh for installations between 4kW and 10kW



- £0.314 per kWh for installations between 10kW and 100kW
- £0.29.3 per kWh for installations between 100kW and 5MW

In addition, the FIT will pay £0.03 per kWh that that is fed back to the grid.

The aim is for the FIT to offer standard renewable projects a 5% - 8% return on investment.

The scheme applies to installations commissioned since July 2009 and covers virtually every property in England, Scotland and Wales.

-Ends-

**BFC Solutions** [www.bfcsolutions.co.uk](http://www.bfcsolutions.co.uk)

BFC Solutions is an international associate consultancy with high level experience in directing, managing and advising low carbon, high value business development strategy that offers CEO's, directors, private equity entrepreneurs, VC's and public sector executives the opportunity to convert today's green revolution into competitive value creation and sustainable business models, a sustainable enterprise is a profitable enterprise

Michael Pitcher is BFC Solutions Managing Director. Previously he was Director of European Corporate Accounts, and UK General Manager of BP Solar and a recognized PV industry expert.

Michael has over 28 years of specialist experience and expertise as a pioneer and ambassador in the renewable energy industry, developing and marketing innovative low carbon state of the art solutions in over 100 countries worldwide; BFC can show organisations how the latest low and zero carbon technologies can transform the way you work, reduce your carbon footprint and improve bottom line performance.

**Solarplaza** [www.solarplaza.com](http://www.solarplaza.com)

Solarplaza is the provider of the leading global PV industry portal [www.solarplaza.com](http://www.solarplaza.com) and has previously organised international PV trade missions and PV expert conferences in Spain, Germany, California, China, Germany, Italy, Greece, India and Taiwan.

**UK PV Conference** [www.ukpvconference.com](http://www.ukpvconference.com)

The conference will take place on 22 June 2010 at Central Hall, Westminster, London. A full conference programme will examine solar market potential, investment opportunities, regulatory issues and technology developments. The conference aims to bring together entrepreneurs, investors, financiers, property developers, utilities operators and electrical contractors to learn, discuss and network. The event is being organised by Solarplaza.

For further information please contact:

Alice Cambata

Resonates SLM Ltd

Tel: +44 (0) 1635 898 363

[solarplaza@resonates.com](mailto:solarplaza@resonates.com)

**SOLAR**PLAZA

[www.resonates.com](http://www.resonates.com)