

PROTECTING CONSUMERS AND PROMOTING RENEWABLES

Welcome to the Spring Newsletter

Dear RECC Members,

In this edition you will find details of our recently launched webinar training series. You will also find more information on the recent changes to the Boiler Upgrade System designed to boost demand for heat pumps and on the prospects for domestic hydrogen heating.

As we look forward to the summer, you will find details of this year's British Renewable Energy Awards.

It was great to see many of you at the Solar & Storage Live show recently.

Best wishes.

Virginia Graham, Editor.



RECC launches new webinar series

On 7 May RECC launched its 2024 webinar series. Based on the RECC Members' Training Resource, the webinars are divided into a series of five modules. The first looked at the Consumer Code, Advertising and Sales Behaviour. The hour-long session was presented jointly by Michael Thompson and Colin Meek. It attracted some 100 attendees. There were two question and answer sessions allowing RECC Members time to clarify the information they had heard.

The next webinar is planned for 2 July and will cover Performance Estimates, Written Proposals and Permissions. Following that, further webinars are planned for 17 September, 15 October and 19 November and will cover Your Contract, Using Sub-Contractors, and Cancellation; Paying for the Order and Completing the Installation; and After Sales respectively. Following each webinar the presentation will be made available to those who attended and then the recording will be made available in the Members' Area of the RECC website.



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Recent BUS changes aim to boost demand for heat pumps



Government has revealed that applications for its heat pump grant through the Boiler Upgrade Scheme rose by 75% in February compared with the same month last year.

In the four months since the grants available for air source and ground source heat pumps increased to £7,500 more than 2,000 applications have been received each month. Up to the end of February 35,741 applications have been made and nearly £127 million paid out in vouchers to customers.

Further changes to the Boiler Upgrade Scheme, announced in April, are designed to make heat pumps cheaper and easier to install. Householders whose Energy Performance Certificate recommended that they install cavity wall or loft insulation will no longer need to install this before installing a heat pump, representing a considerable up-front saving.

Grants are also now available for biomass boilers linked to cooking ranges. Government has published a guide for potential heat pump owners providing answers from industry experts to frequently asked questions.

However, many in the industry have voiced concern that removing the need to install insulation in older properties will make it much harder to design heat pumps efficiently, that the costs will rise and that a rise in complaints will follow as a result of higher electricity bills.

Industry groups are calling for a 'fabric first' approach to reducing emissions in the home. This would see insulation installed before gas boilers are replaced with heat pumps to ensure that they work as efficiently as possible.

You can access Government's FAQs [here](#).

New data analysis provides evidence on in-situ heat pump performance

Comprehensive evidence published by RECC and the Ground Source Heat Pump Association (GSHPA) provides new insights into the system performance of 1,700 air and ground source heat pumps (ASHPs and GSHPs). These heat pumps were subject to strict monitoring by Ofgem under the Renewable Heat Incentive regulations. The independent research funded by the GSHPA, RECC and the Department for Energy Security and Net Zero (DESNZ) provides:

- median and mean Seasonal Performance Factors (SPFs);
- SPFs for installations carried out in specific years from 2017 to 2022; and
- results broken down by GB country and English region.

The report builds on a similar exercise carried out in 2019 using a previous dataset provided by Ofgem. At that time, a methodology was developed to process the data and calculate the in-situ system efficiencies.

The new research, with a much larger dataset, compares the in-situ efficiencies calculated versus the 'as designed' performance using the installer-provided Seasonal Coefficient of Performance (SCOP) forecasts included in the dataset. The results are also compared with the Renewable Heat Premium Payment (RHPP) field trial published in 2017 and the 2024 results from the Electrification of Heat Demonstration Project (expected to be published in June 2024).

The results provide good evidence of heat pumps performing well. For example, the average GSHP SPF has improved significantly from just over 3.0 in 2017 to 3.31 in 2022. 67% of all GSHPs and nearly 30% of all ASHPs performed at SPF 3.0 or above. Exactly one third of GSHPs and 8% of ASHPs were performing at SPF 3.5 or above.

However, those and other positive results are tempered by findings showing that ASHP performance has *not* improved since 2017; and that a disappointing proportion of installations - ASHPs in particular - are performing with low or very low SPFs.

A significant performance gap between the design SCOPs and the in-situ efficiencies remains for both ASHPs and GSHPs. This research shows that average design SCOPs have jumped. For the ASHPs installed in 2022, the gap between the mean design SCOP and the mean SPF has grown to 1.04.

Overall, consumption and generation data from 1,400 ASHP and nearly 300 GSHP installations subject to 'Metering for Payment' rules was analysed. The research was carried out by rb&m (r-b-m.com) in March and April 2024.

The full report is available on the RECC website [here](#).

Judging underway for the 2024 British Renewable Energy Awards

REA has released a shortlist of finalists for the British Renewable Energy Awards (BREAs), the highlight of the renewable energy calendar.

The Awards recognise the hard work of organisations and individuals that have pursued innovative paths to achieving UK energy security and Net Zero by 2050, and whose brilliant work is driving change. Nearly 100 companies and individuals have been selected as finalists across 14 categories.

The winners will be announced at The Gala Awards dinner to be held on 13 June 2024 at the Ballroom Suite, Sheraton Grand, Park Lane, London. Renewables Minister Andrew Bowie MP will address attendees at the dinner which will mark the 19th year that they have been held since they were launched in 2006 to recognise the brilliant work of those driving change.

Judges for the Awards include Nina Harrison-Bell, Head of ITN News, Dr Doug Parr, Policy Director at Greenpeace, Dr Jonathan Scurlock, Chief Advisor on Renewable Energy & Climate Change of the National Farmers' Union and of course Virginia Graham, Chief Executive of RECC, sponsors of the Installer of the Year Award.

Dr Nina Skorupska CBE, Chief Executive of the Association for Renewable Energy and Clean Technology (REA) said:

"I'm thrilled to unveil the outstanding list of finalists for this year's British Renewable Energy Awards, marking what promises to be our most remarkable year yet.

"The competition in each category was fierce, and I extend my heartfelt congratulations to all the nominees. It's truly inspiring to witness the breadth of work happening across the industry as we collectively strive to decarbonise our society. I invite you to join us in celebrating the remarkable contributions of those driving towards Net Zero by 2050."

You can book your place at the British Renewable Energy Awards in London [here](#).



Spring statement encourages greater uptake of large scale renewables

Although there were few announcements in the Chancellor's Spring Statement of direct relevance to renewables and clean technology the accompanying publication of the Contracts for Difference (CfD) Allocation Round 6 Budget was encouraging. At just over £1 billion this was the highest CfD budget so far.

Government announced that £170 million would be invested jointly in zero-carbon aircraft technology to develop a more sustainable aviation sector and zero emissions automotive technology. Government further announced that £120 million will go to the Green Industries Growth Accelerator to support the expansion of clean energy supply chains across the UK. This is in addition to the £960 million announced in the Autumn Statement 2023.

Government confirmed that the North Sea Oil and Gas Windfall Tax known as the Energy Profits Levy would be extended to 1 April 2029, although this could end if oil and gas prices drop below the levels set by the Energy Security Investment Mechanism. It could bring in an extra £1.5 billion. The Electricity Generator Levy (EGL) is unaffected.

A new national energy advice service for businesses could be set up following the SME Business Energy Advice Service in the West Midlands. Finally, VAT thresholds for small businesses will be increased to £90,000 and the Covid-19 Business Interruption loan scheme for small businesses has been extended to March 2026.

Clean heat market mechanism delayed

Government has announced that the introduction of the Clean Heat Market Mechanism will be delayed by 12 months to 1 April 2025. Target levels for 2025/26 (set at 6% of relevant boiler sales) and all other measures included in the original plans will remain as set out in Government's November 2023 response to its consultation exercise. This announcement has allayed fears that the Mechanism might have been scrapped altogether.



Government signals 'game over' for domestic hydrogen heating

Government has confirmed it will not proceed with a hydrogen town pilot project designed to test the feasibility of heating homes at scale with hydrogen, the low-carbon fuel.

It follows the decision last year to scrap a number of smaller scale 'hydrogen village' pilot projects, following opposition from local residents and a fierce debate over the feasibility and cost effectiveness of upgrading the gas network to enable hydrogen to be used for home heating. A spokesperson from the Department of Energy Security and Net Zero (DESNZ) said:

"Government has decided not to progress work on a hydrogen town pilot until after 2026 strategic decisions on the role of hydrogen in decarbonising heat."

However, DESNZ said it had not completely ruled out the use of hydrogen for heating in the UK, and it plans to assess evidence from pilots in the UK and abroad before taking a final decision in 2026.

Dozens of studies have argued hydrogen is unlikely to play a significant role in a low-carbon heating system, concluding that alternative solutions, such as electric heat pumps and district heat networks, are typically cheaper to install and run, and can deliver steeper emissions cuts for households and the UK as a whole.

The shelving of various hydrogen trials has played into an ongoing debate over the economics and safety of hydrogen as a solution for decarbonising home heating. There are also concerns about whether green and low carbon hydrogen can be produced at sufficient scale to decarbonise home heating across the country, given the fuel is likely to be used by other industries that are less amenable for electrification.

By contrast, Government Ministers have signalled they expect heat pumps to play the dominant role in decarbonising home heating but have resisted calls to pull forward the 2026 date for a formal decision on whether there could be some role for hydrogen in parts of the country.

Juliet Phillips, UK energy programme lead at think tank E3G, said:

"Today's decision makes clear that all attention and investment should be focused on readily available clean heat solutions, like heat pumps and heat networks," she added. "Green hydrogen is likely to be an expensive and scarce resource, which needs to be reserved for niche applications in industry, power and transport."

"Widespread use of hydrogen for heating is widely understood to be an extremely expensive and inefficient way to meet net zero targets, which could exacerbate fuel poverty."

Writing on social media platform X, former Energy Minister Chris Skidmore said it was:

"time to accept it is game over for hydrogen for domestic heating".

Government calls for review of competition in home heating market

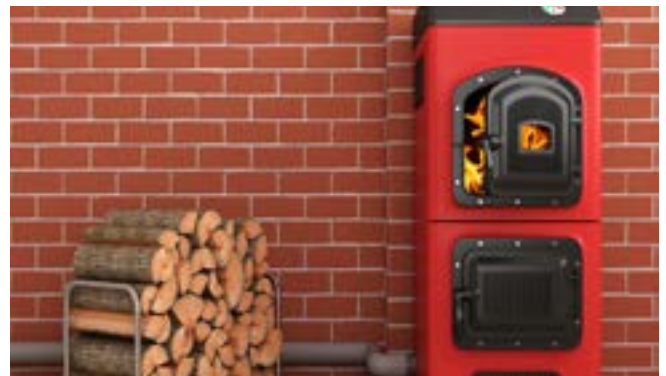


Government has asked the Competition and Markets Authority (CMA) to consider carrying out a review of competition in the home heating market.

Government is concerned that prices charged by some manufacturers for gas boilers indicate that the market is not working well and is damaging consumer interests. It also wants to know whether any weakness in competition is resulting in higher than necessary prices meaning that consumers are not getting a fair deal.

Government is seeking recommendations on any further steps that industry, Government and regulators could take to strengthen competition and to ensure that consumers who buy low carbon heating appliances can expect to pay fair and competitive prices.

The CMA has responded that it will review this request carefully and consider embarking on a review during the second half of the year.



RECC attends Solar & Storage Live at ExCel London

The team had the chance to meet RECC members, exhibitors and other stakeholders who wanted to find out more about the benefits of being a RECC member, how the Code works and the process for becoming a member. This year the show was held over 2 days, from 29 - 30 April.

RECC Chief Executive, Virginia Graham, took part in a panel session on 29 April explaining to participants how best consumers should navigate the solar PV market. She reiterated the need for consumers to have access to independent advice to help them in their purchasing decisions.

The second leg of Solar & Storage Live 2024 will be held at the NEC, Birmingham from 24 - 26 September.



Value of RECC membership endorsed

In an interview on Channel 5 Alexis Conran asked Emily Seymour, Energy and Sustainability Editor of Which? Magazine: 'Are solar panels really worth it?'

In responding, Seymour reminded people of the benefit to the environment which solar PV panels can bring but warned that they are not right for everyone, for example if the location and orientation of the roof is not suitable and no alternative site is available. Though solar PV panels and battery storage systems may take a while to pay for themselves, she said, once they have, consumers would be getting free electricity, at least for some of the time.

She gave her top tips for those thinking about installing solar PV panels. She advised consumers to:

'Work out what your own electricity and energy usage is so that you can calculate what output you would need from your solar panels.' She recommended the Energy Saving Trust online calculator as a good way of doing this

'Consider installing batteries to store the electricity that is generated by the panels.' This is particularly relevant, she said, for people who are out of the house most of the day and not using electricity during that time.

'Avoid being ripped off.' She stressed the need to find a reputable installer and directed buyers to engage installers who are RECC Members and certified by the Microgeneration Certification Scheme (MCS). She explained that these give extra protections.

'Pay cash if possible to take advantage of the 0% VAT rate which applies until 2027.' She also mentioned the Government's Energy Company Obligation (ECO 4) scheme administered by electricity suppliers which provides installations for consumers on low incomes.

RECC to exhibit at InstallerSHOW 24

InstallerSHOW is back at the NEC, Birmingham from June 25 to 27. Up to 20,000 installers, specifiers, and decision-makers from the heat, water, air, and energy sectors are expected to gather. It will be an opportunity for finding new products, networking, connecting with manufacturers, learning from live sessions and staying updated with industry trends.

Get your FREE ticket now at <https://installer-2024.reg.buzz/step/1>

Come see RECC on stand 5B138b.



CEO to participate in UK Solar Summit

Our CEO, Virginia Graham, will also be taking part in the UK Solar Summit this year. It provides a great opportunity for players in the UK solar eco system to come under one roof to learn more and get updates on all things solar.

You may book your tickets [here](#). Follow this link for a discounted ticket: SPEAKER20 with the hashtag #UKSS24