



## **AES Limited**

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### **UK Energy Policy - solar water heating**

I write as a director of AES Limited, a long established UK manufacturer of solar thermal equipment, now 50% Dutch owned, and also as a council member of the UK Solar Trade Association.

I have been actively involved in the solar water heating industry for over 25 years and have seen the UK slip from being a European market leader with a wealth of innovative design and technical expertise to that of an also ran.

Solar water heating installations within the UK can:

- Provide up to 70% of domestic hot water requirements.
- Last over 30 years
- Reduce CO<sub>2</sub> emissions by up to 1500kgs annually.
- Provide tenants in social housing with lower cost fuel bills.
- Offer the most cost effective and proven access to renewable energy technology.
- Cost in the region of £1500.00 - £2000.00 in new build applications and £2000.00 - £3000.00 in existing properties.

It would appear that in recent years almost all support has been geared towards the electricity producing renewables and relatively little support given to solar thermal which seems to be viewed as a mature technology requiring little or no further assistance.

Whilst it is true that the technology is certainly mature and reliable, the market needs stimulation and the industry is too small to fund this. In all countries with growing sales, subsidies ranging from 20 - 50% are in place and the market is growing at an average 25-30%, a rate which is expected to be maintained over the next five years.

As this rate of growth continues, larger, international companies are moving into the market place, and without the export achievements of one particular manufacturer the UK would rapidly become a net importer of solar thermal equipment.

Political influence, market incentive and regulation will shape the future of the industry:

- Subsidies similar to those for condensing boilers and enhanced control systems could be implemented. This has proved highly successful in Holland and Germany.
- Further tightening of building regulations.

- A campaign to increase public awareness.
- High profile installations on public buildings to heighten public awareness.
- Tax breaks for homeowners installing solar thermal systems.
- Development of the new electricity obligation to include solar thermal technology.

Development of the UK solar water heating industry will in the relatively short term, assist the government in meeting its commitment to reduce CO2 emissions, and provide jobs in manufacturing, installation, training and R & D.

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