

# The challenges and opportunities presented by microgeneration

## Adam Smith Institute Future of UK Utilities Conference

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# Current drivers of growth in microgeneration

## Economics:

- Costs falling
- Energy prices rising
- CO<sub>2</sub> price in power

## Legislative:

- Financial Support
- Planning (Merton)
- Zero Carbon Homes

## Consumer:

- Corporate
- Public Service
- House Builders
- Individual Dwellings

# Microgeneration technologies in focus....

## Electricity



Photovoltaic (PV)



Wind turbine

## Heat and Power



Stirling Engine

## Heat



Heat pumps (Ground and Air)



Solar Hot water

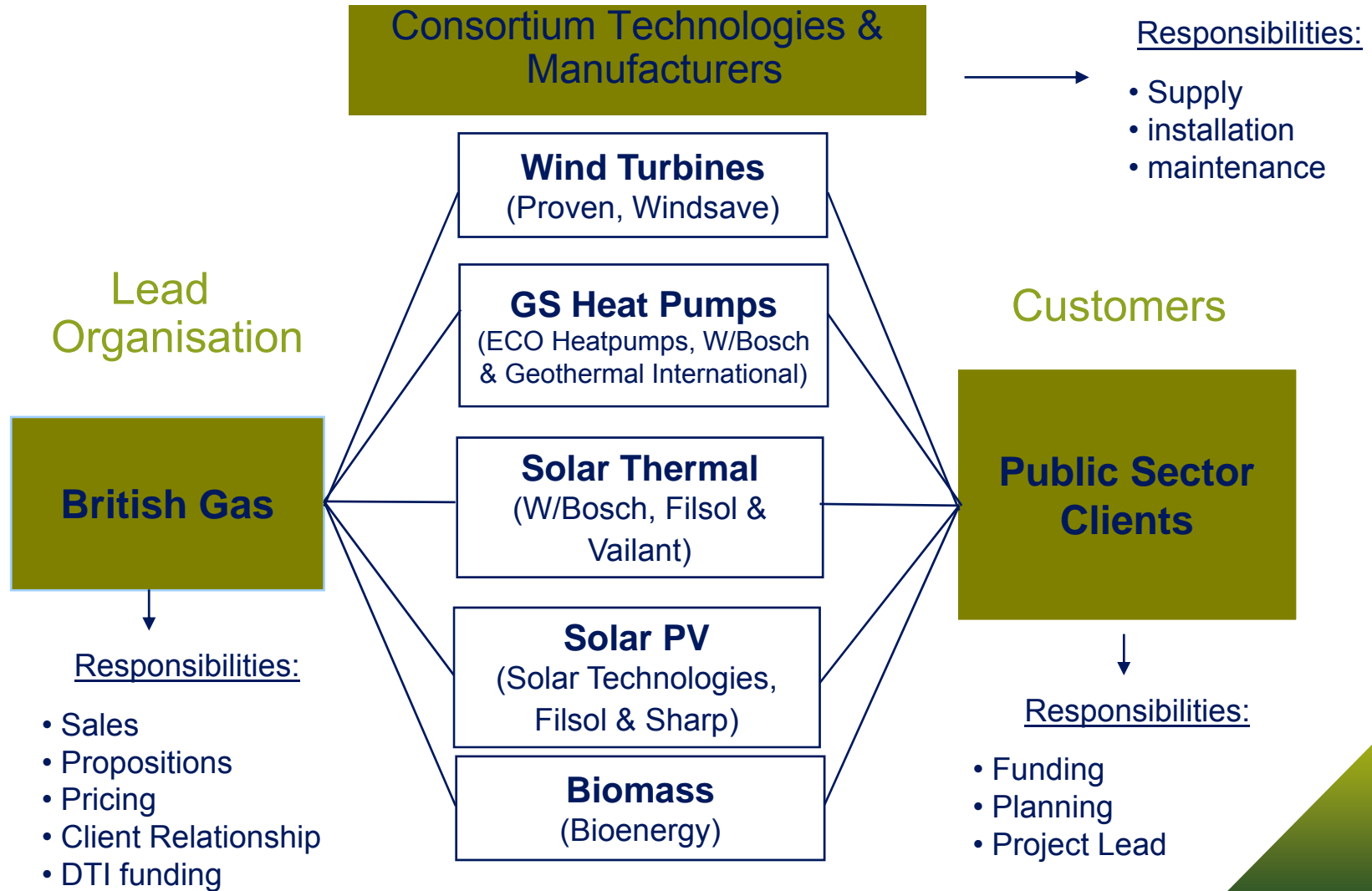


Solid Oxide Fuel Cells

# British Gas and Microgeneration

- Leading installation and servicing capabilities
- Reputation and trust
- Leading supplier of energy efficiency measures
- Investment in Ceres Power
- Solar thermal capability across GB
- Low Carbon Buildings Programme II

# Our Low Carbon Building Programme II activities

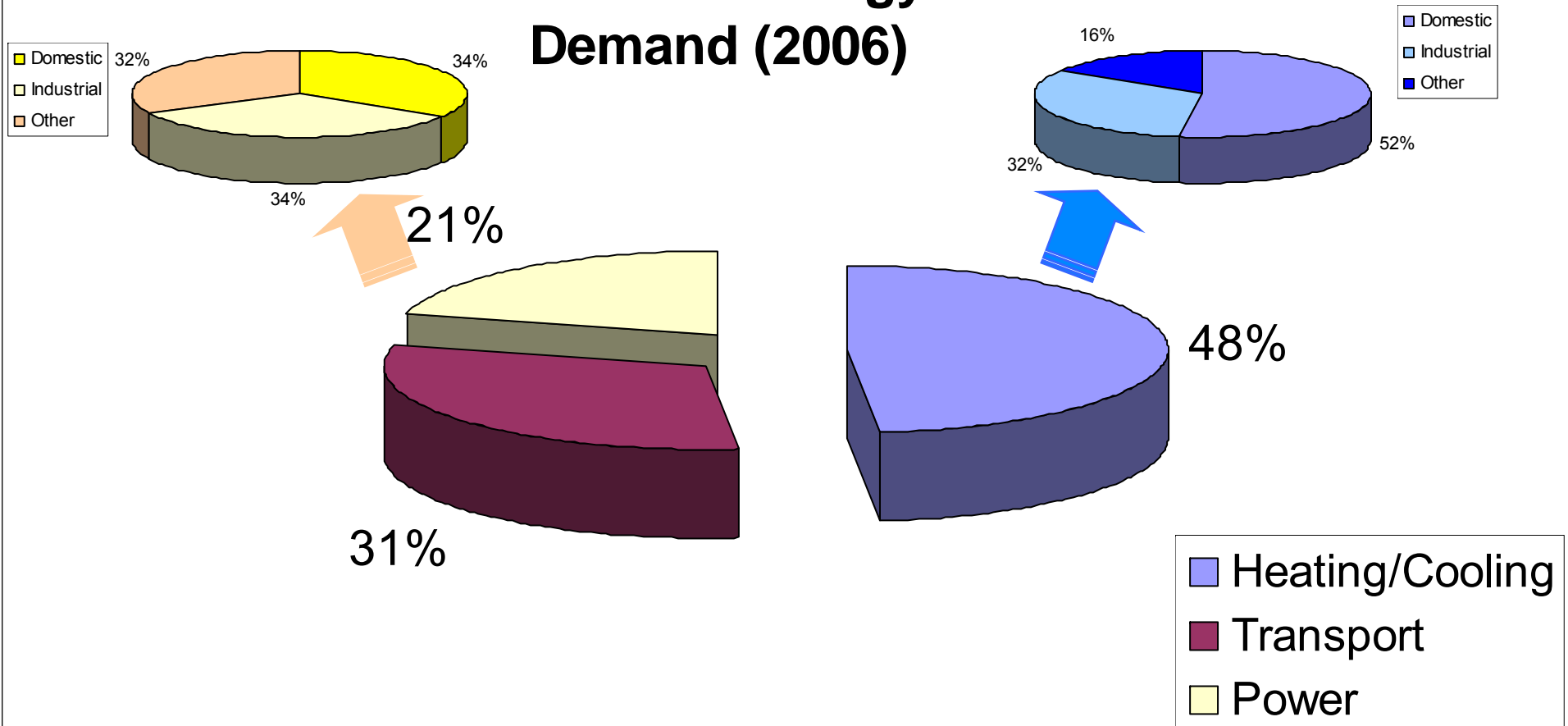


# Microgeneration faces many challenges

- Nature of support mechanism
  - Structure
  - Level of support
- Metering and reward
- Planning
- Consumer acceptance

# Domestic heating is a large proportion of the UK's energy mix

## Total UK Energy Demand (2006)



# Opportunity

- We have set huge overarching targets:
  - 15% of all energy from renewable sources by 2020
  - 60% (80%?) reduction of GHG emissions by 2050
- Mistake to think that big targets can only be delivered by big projects
- Half of UK energy demand is heat
  - Over half of this is domestic
- The more renewable heat delivered the more attainable the target for renewable electricity becomes

With the right support, microgeneration will make a huge contribution and British Gas will be at the forefront of delivering it