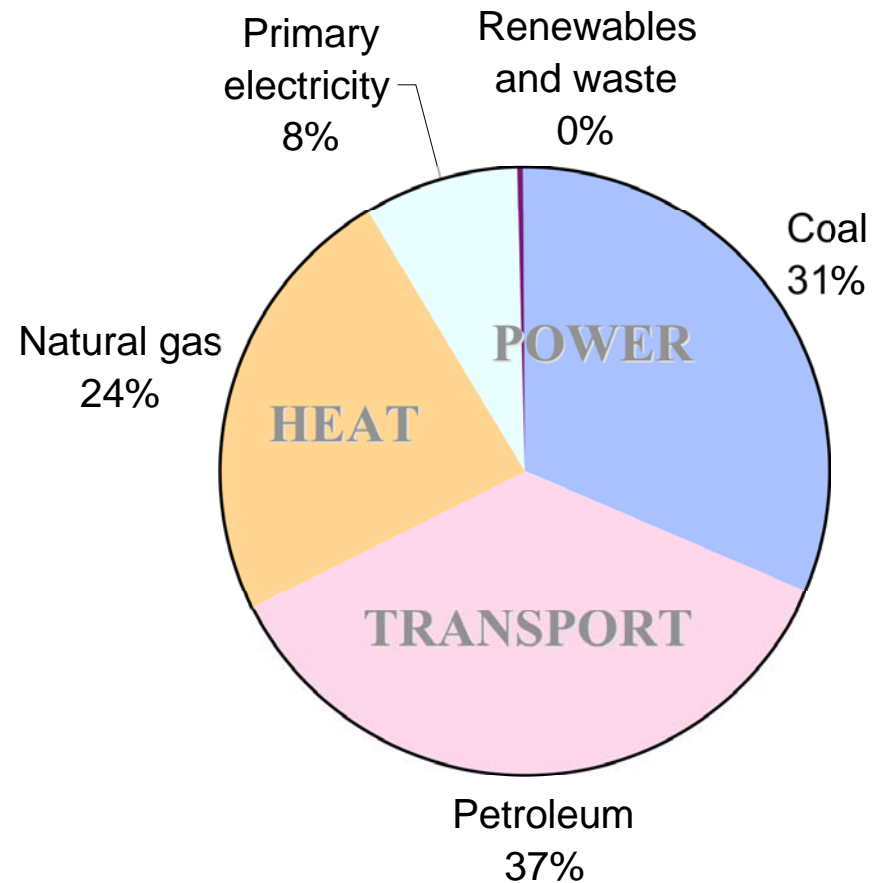


A Renewable Heat Obligation?

Mark Candlish



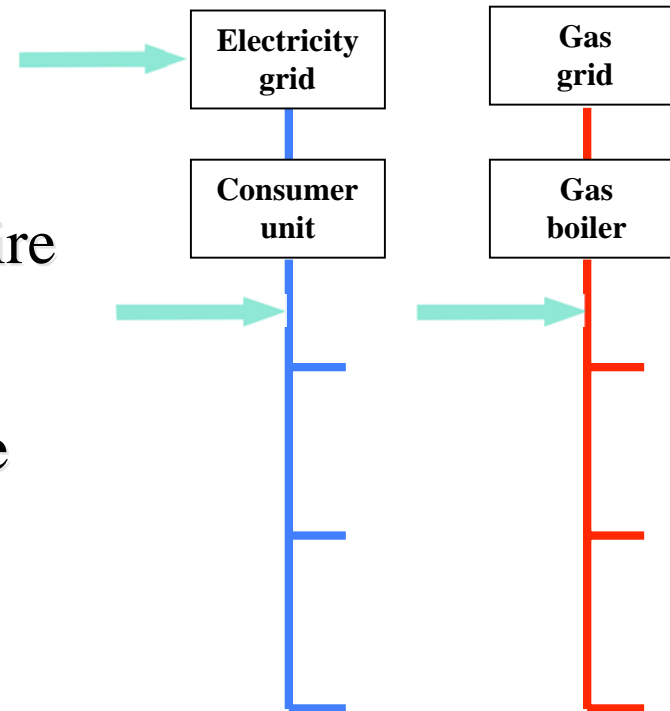
UK primary energy consumption 1990



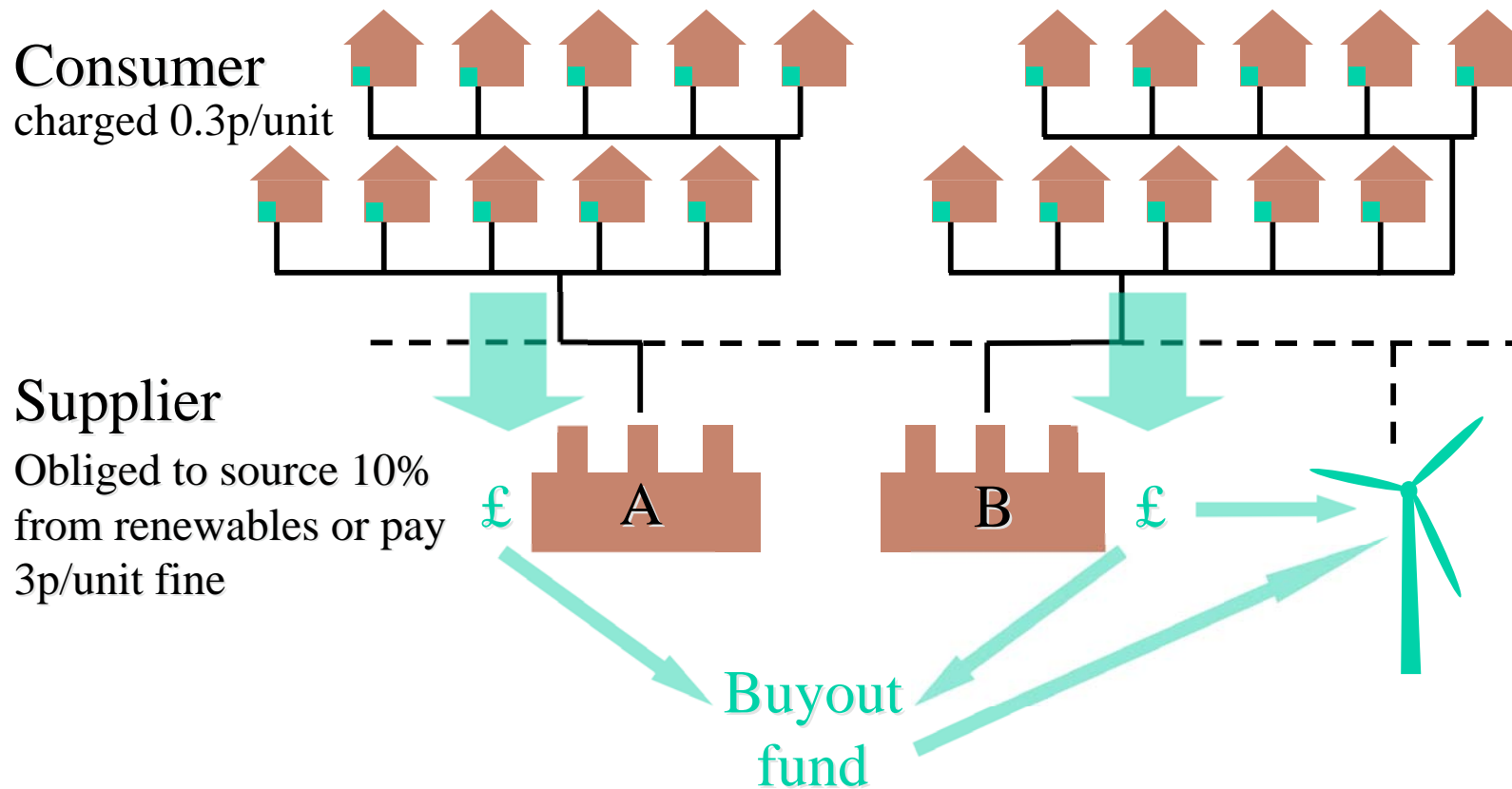
Is heat so different to electricity?

In a typical premises:

- electrical appliances run off a wire network from the Consumer Unit
- heating appliances run off a pipe network from the Gas Boiler



How does the Renewables Obligation work?



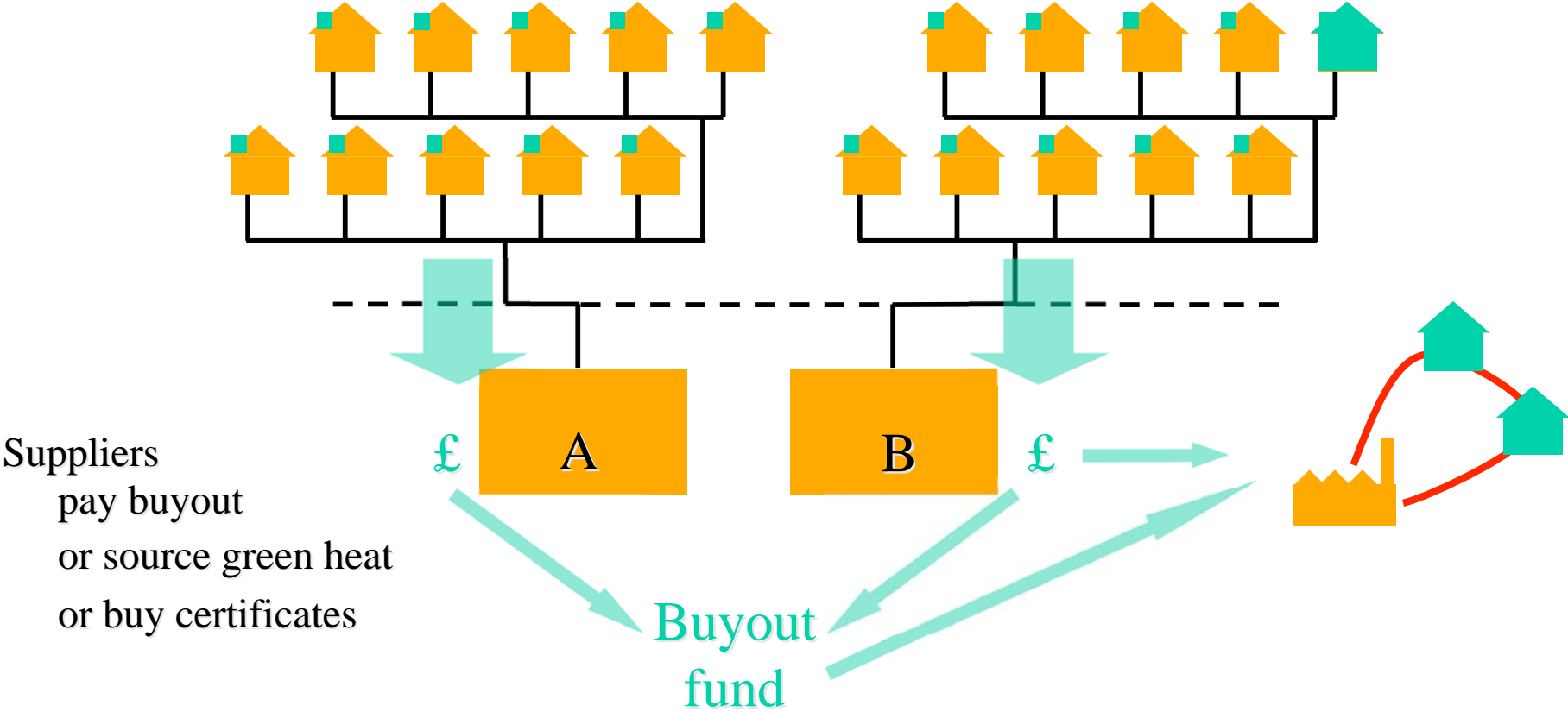
How does the Renewables Obligation work?

By 2010, each electricity supplier must source 10% of their sales from renewables

- either by generating that power themselves
- or by purchasing certificates (ROCs) from someone who has
- or by paying a penalty

ROCs trade at a single price each year

A Renewable Heat Obligation?



Are markets better than grants?

Markets

- larger scale, longer term
- automatically adjust for market conditions
- reward efficiency and delivery
- incentivise the whole process from source to consumer

Grants are a good way of kick-starting technologies

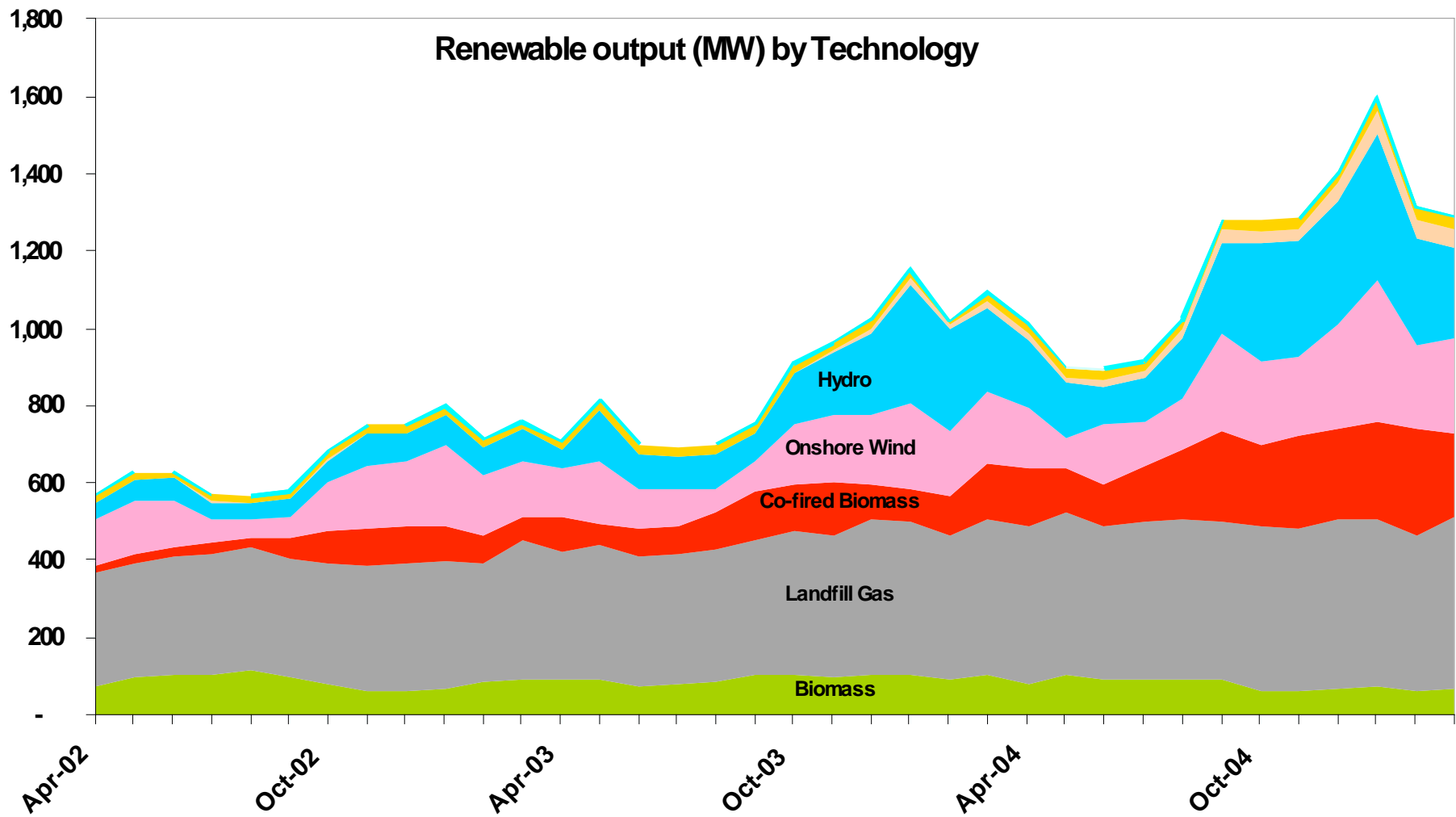
Is the RO working?

Positive Energy

Juice

Power2

H2O



A Renewable Heat Obligation?

Green heat will happen

- it should get value for its benefits

An Obligation will bring large scale commitment
from the whole industry

“... we believe that it is possible to justify policies, like the RO, which serve to provide market participants with greater certainty and so increase the likelihood of creating the critical mass needed to form the base of a successful biomass-fired industry”

Biomass Task Force

