



# Market Report

A Snapshot of your Marketing Sector

## Renewables

This pack has been designed to provide information on setting up a business in the **Renewables** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website ([www.bgateway.com/businessplan](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **December 2024**.

## What do I need to know about the Renewables market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Renewable generators' revenue is slated to climb at a **compound annual rate of 5.1%** over the five years through 2024-25, reaching **£9.8 billion**. Growth has been underpinned by the UK's rapid expansion of renewable generating capacity. Offshore wind has recorded the most significant expansion in generation volumes as investors look to take advantage of technological advancements to tap into the UK's abundant natural resources. Regulated prices limit the effects of soaring wholesale prices on revenue and profit. (IBISWorld, *Renewable Electricity Generation in the UK*, November 2024)
- ◆ High upfront costs are inhibiting the adoption of small scale renewables in homes. More innovative finance options, which help spread the upfront costs, would help accelerate adoption. Mintel research shows **60% of homeowners believe that attractive finance options could sway more to install renewables** in their homes. Financial institutions are ramping up their green finance products and services. For example, a number of mortgage providers, such as Nationwide and Barclays, offer finance options for 'green upgrades' to mortgage customers. Another alternative business model is demand aggregation, whereby a critical mass of consumers in a local area procure technology at scale to reduce the cost (Mintel, *Residential Small Scale Renewables UK*, July 2024)
- ◆ Total final energy consumption in Scotland continues to fall, with gas consumption now at **70% of the 2005 level and electricity consumption at 74% of the 2005 level**. Renewable electricity capacity in Scotland has risen over the last 12 months, from 15.1 GW in September 2023 to 16 GW in September 2024. In Q3 2024, 7,483 GWh of electricity was generated from renewable sources in Scotland. This is an increase of 8.5% from Q3 2023. Scotland continues to be a net exporter of electricity, exporting 33.8% of its electricity generation in 2023. There are 962 potential renewable electricity projects including storage currently at either the planning or construction stage in Scotland as of September 2024. These have an estimated capacity of 57.3 GW. (Scottish Government, *Q3 2024 Energy Statistics*, December 2024)
- ◆ The national organisations for this industry are [Renewable UK](#) and [Scottish Renewables](#). Other industry bodies include [The Centre for Sustainable Energy](#), the [Sustainable Energy Association](#), and the [Association for Renewable Energy and Clean Technology \(REA\)](#).



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## Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email [info@bgateway.com](mailto:info@bgateway.com).

- ◆ **IBISWorld - Total use of renewable and waste energy sources (June 2024):** Over the five-year period through 2023, the total annual use of renewable and waste energy sources in the United Kingdom is forecast to expand at a **compound annual rate of 6%, to reach 30,029.8 ttoe**. Growth in the use of renewable sources is primarily influenced by the amount of capacity on the supply side economy and regulations and the price of renewables relative to non-renewable alternatives on the demand side economy.
- ◆ **IBISWorld – Wind Power Generation in the UK (October 2024):** Revenue is slated to rise at a compound annual rate of 14.1% to £10.4 billion over the five years through 2029-30. Alongside developers, energy giants have a strong pipeline of large-capacity wind farms due to commence operations in the coming years. Ramped-up government support for renewables should ensure continued investment in wind energy, particularly offshore wind farms. Significant reductions in the strike price secured for wind power will weigh on growth in the short-term, though the extent of capacity expansion prevents this from being a major cause of concern.
- ◆ **IBISWorld - Biomass Electricity Generation in the UK (September 2024):** Revenue is slated to climb at a compound annual rate of 3.2% over the five years through 2029-30, reaching £2.9 billion. The integration of Carbon Capture and Storage (CCS) technology will be vital to addressing environmental criticisms and securing bioenergy's role in the UK's renewable energy mix. The government's plan to create a competitive market for CCS by 2035 signals a supportive stance, evidenced by recent approvals for Drax to convert biomass units to Bioenergy with Carbon Capture and Storage (BECCS).

There are also a number of online resources you may find helpful:

- ◆ [Scottish Renewables](#) is the representative body for the Scottish renewable energy industry. Their website hosts information on industry events taking place, as well as news articles and publications relevant to the renewable energy industry in Scotland. You can also view their membership directory for potential partners, clients, or networking opportunities.
- ◆ The Energy Saving Trust published a report in April 2024 titled "[Community and locally owned energy in Scotland](#)" which looks at small scale renewable energy installations in Scotland for the year 2023.
- ◆ The Scottish Government policy on [Renewable and low carbon energy](#) can be viewed online on the Scottish Government website. There are sections for On- and Offshore wind; marine energy; local and small-scale renewables; bioenergy; low carbon technologies, and other topics and issues relevant to the industry.

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## How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**



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## What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**.

## Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.



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## How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

### Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

### Funding

[Practical information](#) on finance and funding for starting and growing your business

### Insurance

[Business insurance guide](#)

### Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

### Pricing

Business Companion [Pricing & payment guide](#).

**Please note:** the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

### Promotion

[BG guides to Marketing](#)

### Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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**Updated by: Patrick MacDonald**

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