



Market Report

A Snapshot of your Market 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), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **January 2024**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

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:

- ◆ The industry is expected to continue to expand over the next five years. The government targets to decarbonise the power sector by 2035 and exit from coal in 2024, which will necessitate higher investment in renewables. **Industry revenue currently stands at £8.7 billion**, is expected to **increase 0.4% in 2023-2024** and at a **compound annual rate of 7% over the five years through 2028-29 to reach £12.3 billion**. (IBISWorld, *Renewable Electricity Generation in the UK*, Dec 2023).
- ◆ While renewables provide approximately 40% of the country's power, the majority is generated by wind energy. Wind power experienced the highest growth rates, with onshore and offshore wind farms generating **35 and 45 TWh of electricity in 2022** respectively. Bioenergy is the second greatest contributor to renewable electricity generation after combined wind power, producing some **35 TWh in 2022**. (Statista, *Renewable Energy in the United Kingdom – Statistics & Facts*, Nov 2023).
- ◆ Renewable technologies generated more electricity than fossil fuels for the first time in 2020. UK renewable electricity generation installed capacity is dominated by wind (onshore and offshore), which accounted for **53% of installed capacity at the end of Q1 2022** up from 45% in 2016. Rising global energy prices, further inflated by the Ukraine conflict, have resulted in a government pledge to expand capacity and accelerate transition to renewables for energy independence. New government targets are set at 50GW for offshore wind (including 5GW of floating wind) by 2030 and a five-fold increase in solar capacity to 70GW by 2035. (Intel, *Renewable Energy UK*, Oct 2022).
- ◆ Scotland's renewable electricity output has more than quadrupled from 8,003 GWh in 2007 to 32,063 GWh in 2020 and generation equivalent to approximately 97% of gross electricity consumption. In 2022, wind generated 78% of all renewable electricity output (21,788 GWh onshore and 5,755 GWh offshore), with hydro contributing 12% and biomass and marine a smaller amount. The speedy growth of the renewables sector has also enabled a dramatic 89% reduction in emissions relating to the electricity sector since 2011. (*Scottish Renewables, Renewable Energy Facts & Statistics*).
- ◆ 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)

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.

- ◆ **Globaldata Power – UK Power Market Outlook to 2035, Update 2023 – Market Trends, Regulations, and Competitive Landscape.** Renewable power capacity is expected to increase at a CAGR of 8.9% during 2022–2035 to reach an estimate of 176.1GW by 2035 when it will constitute 74% of the total installed capacity. In 2022, residential power consumption had the dominant share in power consumption accounting for 35.1%. This was followed by industrial and commercial sector which contributed 31.0% and 29.4% respectively.
- ◆ **IBISWorld - Wind Power Generation in the UK, Sep 2023.** Industry revenue is expected to increase at a **compound annual rate of 8.5% over the five years through 2028-29 to reach £7.4 billion.** There is a strong pipeline of large-capacity wind farms due to commence operations in coming years. Increased government support should ensure continued investment, though growth may be restricted by reduced strike prices for wind energy. Rising battery storage capacity and floating offshore wind developments should benefit the sector.

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

- ◆ [Scottish Government Renewable and Low Carbon Policies](#) – details on the Scottish Government’s actions to support low carbon energy including low carbon energy infrastructure, onshore and offshore wind, marine energy and tidal innovation, local and small-scale renewables, bio energy, low carbon transport, and geothermal
- ◆ [Scottish Government Statistics and Research](#) – a selection of energy statistics for Scotland
- ◆ [GOV.UK Renewable statistics](#) – data on the UK’s sources of renewable energy, including capacity, generation, and transport fuels, as well as regional statistics. The Renewable Energy Planning Database tracks the progress of renewable electricity projects
- ◆ **The Association for Renewable Energy & Clean Technology (REA)** – publishes an [annual Review23 report](#) on the renewable energy sector and has a member directory that is searchable by business area and technologies
- ◆ [International Renewable Energy Agency \(IRENA\)](#) – a useful source of data and statistics, policy and publication on renewable energy. Information is available on a range of topics and regions
- ◆ [Deloitte Insights: Power, Utilities & Renewables](#) – a series of reports and publications from analysts at Deloitte providing insight into a range of power topics including ‘Clean Energy Transition’, ‘The Future of Power’ and the 2022 ‘Renewable Energy Industry Outlook’

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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 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 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.

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.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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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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