



Market Report

A Snapshot of your Market Sector

Renewables

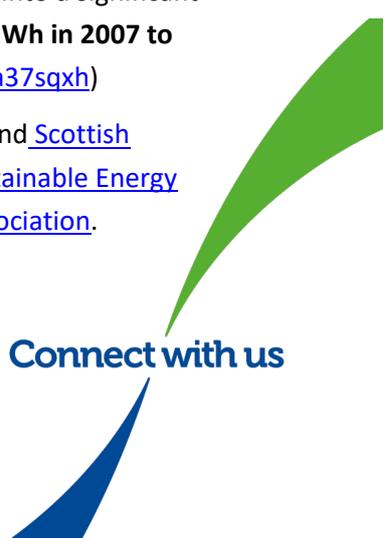
This pack has been designed to provide information on setting up a business in the Renewables industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan),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

This market report was updated by Business Gateway in October 2018. 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:

- ◆ Progress has been made in developing the renewables energy sector, with the proportional importance of electricity generated from renewables in the UK **rising from 9.6% in 2011 to 24.5% in 2016**. The latest data reveals that the share of renewables rose to 26.6% in Q1 2017. (Mintel, *Renewable Energy*, October 2017).
- ◆ Over the five years through 2018-19, industry revenue is expected to **grow at a compound annual rate of 6.5% to reach £3.7 billion**. This includes estimated **growth of 4.4% in 2018-19**. Under the National Renewable Energy Action Plan, which was drawn up in response to EU legislation, the United Kingdom **aims to ensure that 30% of electricity generation is satisfied by renewable sources by 2020**. (IBISWorld, *Renewable Electricity Generation in the UK*, July 2018).
- ◆ Total renewable electricity generation in the UK **rose by a substantial 87% between 2013 and 2017, reaching 99.3 TWh**. Wind power (including onshore and offshore) accounted for the largest share of renewables generation at **50% of the total in 2017**. Electricity generation from solar PV has also shown substantial growth since 2010, when solar PV generation was negligible. (Mintel, *Energy Industry*, August 2018).
- ◆ In 2017, **renewable energy provisionally accounted for 10.2 per cent of final energy consumption**, as measured using the 2009 Renewable Energy Directive (RED) methodology, an increase of 0.9 percentage points on 2016. In 2017, renewable electricity generation represented 69 per cent of total renewable energy. (UK Government Publication – *Renewable Energy in 2017* (tinyurl.com/y9ckvsnx))
- ◆ In 2016 renewable electricity generation **displaced approximately 9,400,000 tonnes of CO2, equal to around 21 per cent of Scotland's carbon emissions in 2015**, the most recent year for which carbon emission statistics are available. The growing capacity of renewables has translated into a significant increase in **renewable electricity output, which has more than tripled from 8,215GWh in 2007 to 24,826GWh in 2017**. (Scottish Renewables – *Renewables in Numbers* tinyurl.com/ya37sqxh)
- ◆ The national organisations for this industry are the [Renewable Energy Association](#) and [Scottish Renewables](#). Other industry bodies include [The Renewable Energy Centre](#), [The Sustainable Energy Association](#), [Renewable UK](#), the [Solar Trade Association](#) and the [Scottish Energy Association](#).



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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.

- ◆ **Mintel – Energy Industry (August 2018)** The UK has signed up to the 2009 Renewable Energy Directive, which means it must achieve 15% of its energy consumption, including heating and transport, from renewable sources by 2020. According to a report published by PwC in May 2015, an estimated £40 billion has been spent between 2010 and 2014 across the renewable energy industry and a further £48 billion is required to deliver against the 2020 renewables targets.
- ◆ **Mintel – Solar Panels (September 2018)** There are three main markets for solar PV in the UK: domestic, building mounted, and ground mounted. There is also a small but growing market for building-integrated photovoltaics (BIPV). According to official BEIS data, there were almost 954,000 installations in the UK by the end of June 2018, with a total capacity of 12.86 GW.

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

- ◆ **Delta-ee** (www.delta-ee.com) is a specialist energy research database which the Information Service has access to. The platform provides information, analysis, insight and advice in emerging distributed energy markets.
- ◆ **Global Data Power** is another specialist database which the Information Service has access to with information on the solar, wind, hydro and bio power markets.
- ◆ **Deloitte Insights Report – Global Renewable Energy Trends - 2018** (tinyurl.com/y9uhfd7w). This report looks at the combination of enabling trends and demand trends and how they help solar and wind power to compete with conventional energy sources.
- ◆ **ING Bank - Five renewable energy trends to watch in 2018**, (tinyurl.com/ycbcn4ja). Solar prices have dropped by around 62% since 2009, while offshore wind costs have also halved in recent years, reaching £57 per megawatt hour in 2017. As a result, governments are seeing record-low prices for solar and wind at power auctions, and subsidy-free solar and windfarms are now being developed.
- ◆ **Business Insider – Here's why 2018 will be a pivotal year for the renewable energy industry – December 2017** (tinyurl.com/yvcgjc97). Scotland's Energy Strategy was launched on 20 December and set a new target: that half of all our energy should come from renewable sources by 2030.
- ◆ **Power Engineering International – August the 'cleanest energy month of the year in modern times' in UK – September 2018** (tinyurl.com/y7er4g7g). For the second August running, the GB power market has seen record low levels of fossil fuel generation driven by low demand for electricity and growth in levels of renewable generation. This occurred despite reduced levels of nuclear and wind generation in 2018

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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 [Retaining and Grow Your Customer Base](https://tinyurl.com/c2fw4o4) (tinyurl.com/c2fw4o4) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

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 website, 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 Account](#)" 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](#).

Last updated: Oct 2018

Updated by: Fiona Elliot

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