

Press Release

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MCS certification could cause artificial restraint of British photovoltaic market

The British photovoltaic market has a feature unique to Great Britain: In order to benefit from the feed-in tariff (FIT) for solar generated electricity, the products installed as well as the installer carrying out the installation process both have to be accredited by the “Micro-generation Certification Scheme” (MCS). The certificate which is issued by the British Standards Institute (BSI) is required for systems of up to 50 kW in size. The residential segment in the UK which is also the strongest is most affected by this regulation.

Bonn. With the launch of the “Green Energy Cashback” on 1 April, 2010, the British government has paved the way for the successful development of the renewable energies market in Great Britain. Photovoltaic technologies are set to receive the most lucrative funding whereby homeowners interested in small systems are entitled to the highest remuneration rates. However, the government has attached certain conditions to the payment of remuneration which could lead to the artificial restraint of this all important segment. The market research institute EuPD Research has come to this conclusion in it's latest study of the British photovoltaic market titled “The UK Photovoltaic Market 2010 – Tapping the Fullest Potential.”

A central part of this study was a survey carried out among installers. It reflected the vital role played by small systems or rather the residential sector in the solar industry. Almost 79 percent of those interviewed said that residential customers were their most important customers. Little is expected to change here in 2010, when they are likely to make up a share of 78 percent. Customers from the public sector constitute the second most important group. Their share increased from 14 percent in 2009 to 16.6 percent in 2010. Commercial customers and operators of solar parks play a very minor role which can be seen as a direct result of funding being limited to systems up to a capacity of 5 MW.

Lack of standardization of the MCS Process

The MCS regulation applies to systems up to 50 KW and should be seen in a positive light. In fact, it should enhance the transparency of the quality of products and installations for customers. However, the rule that the FIT is only paid when MCS approved products are installed by MCS accredited installers can be seen as a major bureaucratic hurdle to be toppled by installers serving the most significant customer segment. On the one hand, installers have to cover the costs incurred during the process themselves. On the other hand, a uniform standardized process has yet to be put in place. This means that the accreditation of one installer can take a longer period of time and be more expensive than that of another installer. This could eventually scare off a number of

small installers. The consequence of which would be an insufficient service of demand in this segment as well as a regulation induced limitation of the market.

Yet this hurdle could be seen by manufacturers of solar components as an opportunity to establish distribution channels at a grass roots level. They could target accredited installers but also those who have shied way from the process to date. Financial assistance could be offered for the certification process as a way of binding the installer to the company.

Current study on the British photovoltaic market

Further information on the drivers and barriers in the British photovoltaic market can be found in our comprehensive study “The UK Photovoltaic Market 2010 – Tapping the Fullest Potential. “ EuPD Research, a world leading market research institute in the area of renewable energies has dedicated their current study to a market of the future, namely the photovoltaic branch in Great Britain. In addition to the analysis of the sales markets, the current framework conditions, the procurement market and the distribution channels have also been subject to investigation. The study constitutes a comprehensive guide on entering the British market. More information can be found here:

http://shop.eupd-research.com/shop_content.php/language/en/coID/9/product/UK-Photovoltaic-Market-2010

Our press office is happy to answer your questions on the British solar market.

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