United Kingdom Renewable Energy Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 95 pages | Mordor Intelligence

AVAILABLE LICENSES:

- Single User License $4750.00
- Team License (1-7 Users) $5250.00
- Site License $6500.00
- Corporate License $8750.00

Report description:

The United Kingdom renewable energy market is expected to register a CAGR of more than 10% during the forecast period of 2022-2027. With the COVID-19 outbreak in Q1 of 2020, the United Kingdom renewable energy market witnessed a negative impact in terms of project delays. Though there was an impact on the supply chain disruptions during H1 of 2020, the renewable energy sector in the country managed to grow in the latter half of 2020. Factors such as supportive government policies and efforts to meet the rising power demand using renewable energy sources and decrease the dependency on fossil fuels to reduce carbon emissions are significant contributors to the market growth. The declining costs of renewable technologies are becoming competitive with fossil fuel sources, and additional subsidies on renewables are driving the market further. However, changes in government policies related to increasing VAT on various clean energy technologies and withdrawal of subsidies on small-scale solar are expected to hinder the market growth during the forecast period.

With the most cost-effective way of power generation, wind energy is leading the renewable energy market in the country. The United Kingdom is also one of the leading countries in the offshore wind market as of 2020.

With ambitious offshore wind energy targets in place by 2030, huge market opportunities exist for wind energy market companies in the near future.

Uncertainties in government policies and regulations are significant factors restraining the market growth.

UK Renewable Energy Market Trends

Wind Energy is Expected to Dominate the Market

The country's wind energy installed capacity reached 24.48 GW in 2020, representing an increase of over 2.5% compared to the previous year's value. The United Kingdom is also one of the leading countries worldwide in terms of offshore wind energy, with an installed capacity of more than 10.3 GW in 2020. With several ambitious projects already in the development phase, the government aims to reach 20 GW by the end of 2030.

One of the major projects is the installation of the East Anglia One offshore wind farm with a capacity of 714 MW. The UK government is all set for the development of East Anglia Two and East Anglia Three with capacities of 900 MW and 1400 MW, respectively. Such large-scale projects are expected to aid the market growth in the coming years.

Another significant installation is the Hornsea one, which commenced its operations in 2020. Therefore, the United Kingdom has been operating the world's largest offshore wind farm with a capacity of more than 1.2 GW generated by 174 turbines.

Hornsea Project Two project commenced construction in 2019 with a total capacity of 1.4GW, and it is scheduled for completion by the end of 2022. The project aims to supply power to 1.3 million households, and it is the world's biggest offshore wind farm.

As per the UK government statistics 2020, the country generated as much as 24 % of its electricity from wind power and enough to supply 18.5 million homes.

Therefore, the high growth rate of wind energy makes the United Kingdom one of the renewable market leaders and drives toward a green future.

Uncertainties in Government Policies are Restraining the Market Demand

The United Kingdom regulated the feed-in tariff in 2010, through which energy suppliers give payments if a property or organization generates its electricity using a renewable source like wind or solar.

The United Kingdom's solar installations across 2017 were less than half that of 2016, with a revised solar feed-in tariff regime being introduced at the start of 2016. The government decided to reduce the subsidies for rooftop solar panels installed by 65%, leading to the slowest deployment of domestic solar seen under the FiT scheme in the country. Further, in March 2019, the government closed this scheme, which, in turn, negatively affected the growth of the solar market in the United Kingdom.

The number and total installed capacity of systems less than 5 MW have been severely affected since 2017. During 2017-2020, the total capacity of less than 4 kW solar PV systems in the country increased by only 281.1 MW, systems between 4 kW-10 kW increased by 92 MW, systems between 10 kW-50 kW increased by 176 MW, and systems between 50 KW-5 MW increased only by 592.8 MW. Therefore, the popular changes in the feed-in tariff scheme first in 2017 and the closure of it in 2019 led to a precipitous drop in the number of new solar rooftop projects developments significantly.

The solar feed-in tariffs had encouraged more than 800,000 homes to fit their rooftops with solar PV systems, and with the removal of FiT in March 2019, the total number of rooftop installations decreased by 94% in 2019. Although the government had rolled out several other schemes to counter the negative effects of removing the tariff on the market, such as Smart Export Guarantee (SEG), the market is not expected to attain the growth rate witnessed between 2010-2018.

Under the SEG scheme, although few companies, like Tesla and Social Energy, are offering tariff rates above 5 p/kWh, major and well-established energy suppliers, such as EDF and EON, are offering very few tariffs - below 3.5 p/kWh?. There is also a chance that these companies can lower the tariff rates in the coming years. Therefore, the tariff prices that are offered under SEG are expected to remain uncertain during the forecast period as compared to the FiT scheme.

The UK government's policies and regulations are significant factors that will decide the future of the renewable energy market. The above factors can restrain the market growth in either way.

UK Renewable Energy Market Competitor Analysis

The United Kingdom renewable energy market is moderately fragmented. The key players in the market include Vestas Wind Systems AS, Siemens Gamesa Renewable Energy SA, Electricite de France SA, Renewable Energy Systems Ltd, and Ecotricity Group Ltd.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

Table of Contents:

United Kingdom Renewable Energy Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 95 pages | Mordor Intelligence

To place an Order with Scotts International:

- - Print this form
- - Complete the relevant blank fields and sign
- - Send as a scanned email to support@scotts-international.com

ORDER FORM:

Select license	License	Price
	Single User License	$4750.00
	Team License (1-7 Users)	$5250.00
	Site License	$6500.00
	Corporate License	$8750.00
	VAT	
	Total	

*Please circle the relevant license option. For any questions please contact support@scotts-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*		Phone*	
First Name*		Last Name*	
Job title*			
Company Name*		EU Vat / Tax ID / NIP number*	
Address*		City*	
Zip Code*		Country*	
		Date	2025-05-08
		Signature