

# Everyone's business

Microgeneration is making a significant contribution to the energy mix and needs to be properly accommodated, says Charles Yates

According to recent figures from Ofgem, UK homes and businesses have installed nearly 380,000 green power projects in the first three years of the government's feed-in tariff regime. Microgeneration has moved beyond being a niche concept, and while not yet mainstream these producer consumers are becoming a significant element of the power system.

Greater involvement of customers in this way can be hugely beneficial, particularly as regards attitudes towards energy efficiency and renewables. Nonetheless, all stakeholders in the energy industry need to be thinking ahead in terms of how this will affect their future incomes, as well as how best to make the most of the new opportunities microgeneration will undoubtedly bring.

Energy companies will be significantly affected – from the way they manage their networks and deliver

the smart meter rollout, to how they balance supply and demand, cope with peak loads and engage with new storage options, including electric vehicles. They will need to think about new business models to both facilitate the transition to more widespread microgeneration and to thrive within that environment. For example, how will the consumer selling a car battery electricity storage service get paid?

The government will have to deliver the rules and regulations needed to create a stable and appropriate physical and regulatory infrastructure for microgeneration. Small and medium-sized enterprises will see a lot of opportunities well beyond the current provision and installation of solar panels in the home.

*Charles Yates, associate director, energy, environment and sustainability at Grant Thornton*

## People power – staffing green business

Green growth has become big business. For companies of all sorts and sizes, the traditional compliance (driven by legislation) approach to environmental strategy has been superseded by market forces such as customer preferences, consumer boycotts of organisations that fail to implement environmentally sound practices and new lines of funding.

Ordinary businesses are making a significant contribution to progress towards a low-carbon economy. If they are to continue to do so, they will need political certainty to maintain the current high level of private investment. In the UK, existing financial incentives are insufficient to encourage a broader uptake of green products and services. Many industry sources have urged the government to make a greater commitment to such incentives, and although there has been some progress, the UK still lags behind other countries such as Germany and those in Scandinavia.

There are also a number of issues related to human resources that will need to be addressed for businesses to continue to make a significant contribution:

- Management training. Green management initiatives require a high degree of expertise at the executive level, particularly in

employee recruitment and management, since the development of environmental initiatives will have significant managerial implications.

- Skills shortages. Moving to a low-carbon economy is increasing demand for engineering, technology and relevant commercial skills. We are already failing to produce sufficient engineers and technologists to feed in at entry level. This will be exacerbated by the retirement over the next ten years of approximately 20 per cent of middle and senior managers. Small and medium-sized businesses in particular will find it hard to compete for talent against much bigger companies, especially those in the oil and gas sector. Encouraging more women to enter non-traditional professions is an option.

- Executive recruitment: entrepreneurs are already looking outside the green sector to find individuals with a track record of successfully managing fast-growth, venture capital-backed organisations to cross pollinate their renewable/environmental investments.

*Ian McAnearney of executive search firm Tyzack*