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BEAMA - From Policy to Practice: Unlocking Retrofit Opportunities in Smart Energy and Heating

September 2025

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"From Policy to Practice: Unlocking Retrofit Opportunities in Smart Energy and Heating"

Retrofit is central to delivering net zero, and with 29 million homes requiring upgrades, UK policy is creating a clear pathway where commitments on heating, EVs, batteries and metering align to make retrofit the defining market for smart energy technologies – presenting both a challenge and a major opportunity for manufacturers. This session explores the key policy drivers and shows how they translate into real commercial opportunities across smart energy, heat, batteries and controls.

Slides

- Retrofit opportunity – general stats
- Investment
- Smart building (what does that mean – what the specific tech opportunities). Reference matrix
- - what the commercial opportunities
- Key policy drivers
- Flexibility
- How are beama supporting policy

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Leadership, expertise and independent influence in the areas of product safety, performance, energy efficiency, digital and sustainability.

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Retrofit in homes

Housing is one of the key areas that needs addressing to meet Net Zero target for 2050

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UK TURNOVER
£14 BILLION

90,000 PEOPLE EMPLOYED IN THE UK

EXPORTING
£5 BILLION WORLDWIDE

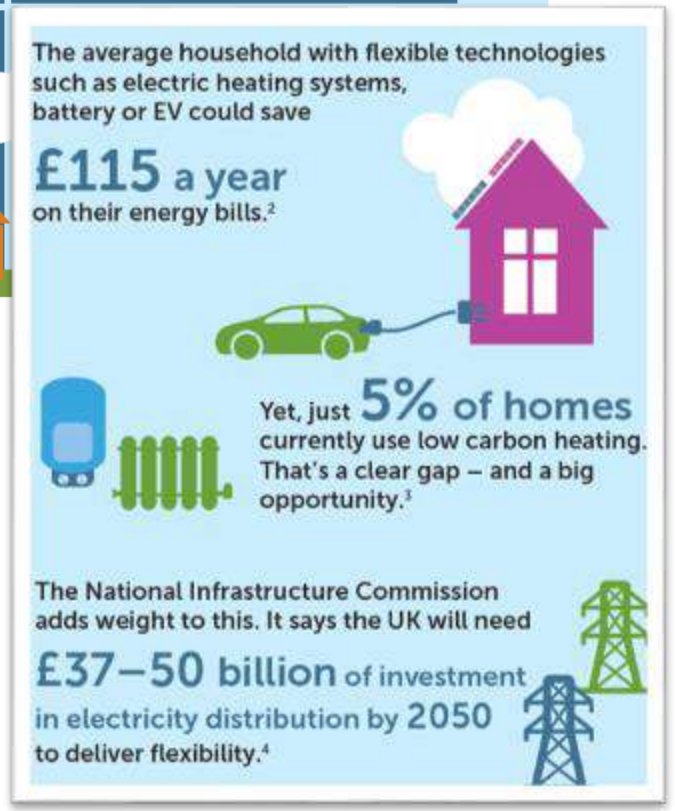
Electricity demand could grow by
70% by **2035...**
...Resulting in a tenfold increase in product demand for some sectors

Net Zero could require private investment of up to
£50 billion per year by
2030

£1tn GLOBAL MARKET OPPORTUNITY

400,000 NEW UK JOBS NEEDED BY 2050

Delaying action by ten years could incur UK debt
23% of GDP higher in
2050



What is the investment worth for Net zero, Flexibility, and Retrofit?

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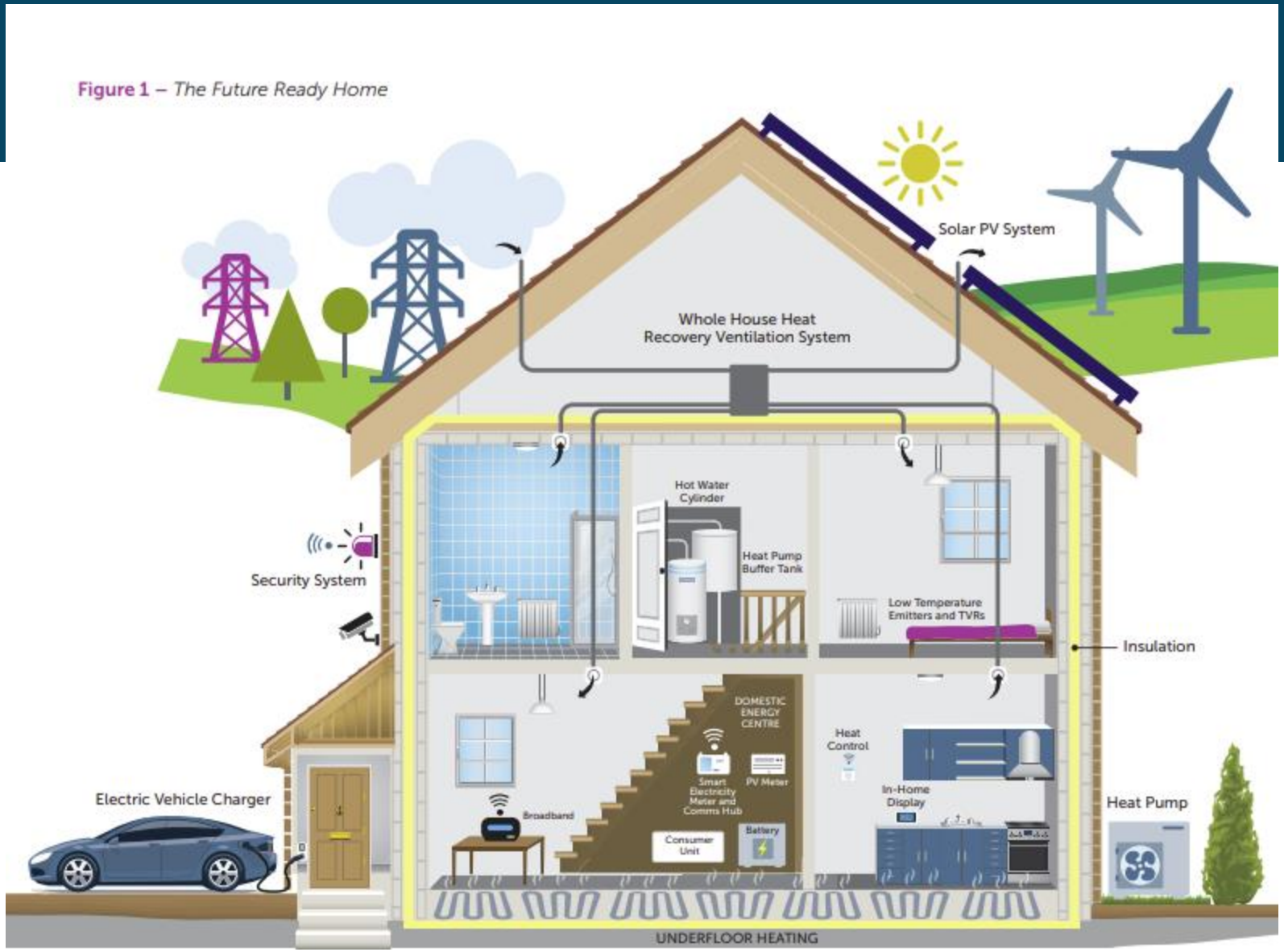
So what products are in scope when we talk about energy efficiency?



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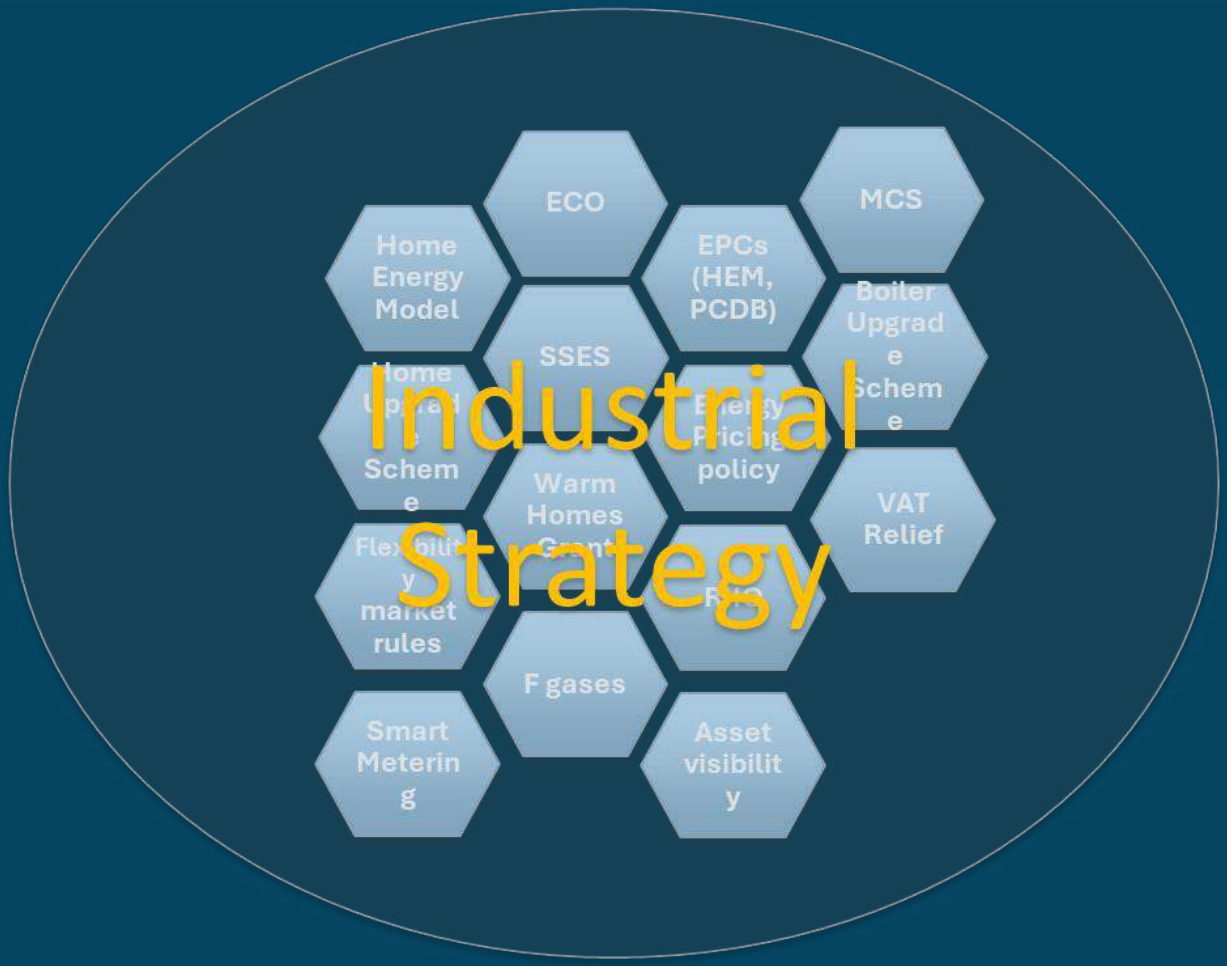
Policy Landscape

The interlinking policies across the board is tricky.
So how do we manage this?



Policy Landscape – a Manufacturer's perspective

Challenges Facing Manufacturers in Achieving Net Zero Initiatives

- Manufacturers and industry stakeholders are currently navigating a complex landscape of evolving policies and legislation related to net zero initiatives.
- This environment requires them to piece together various requirements and frameworks to develop effective strategies for decarbonisation.

Policy Complexity:

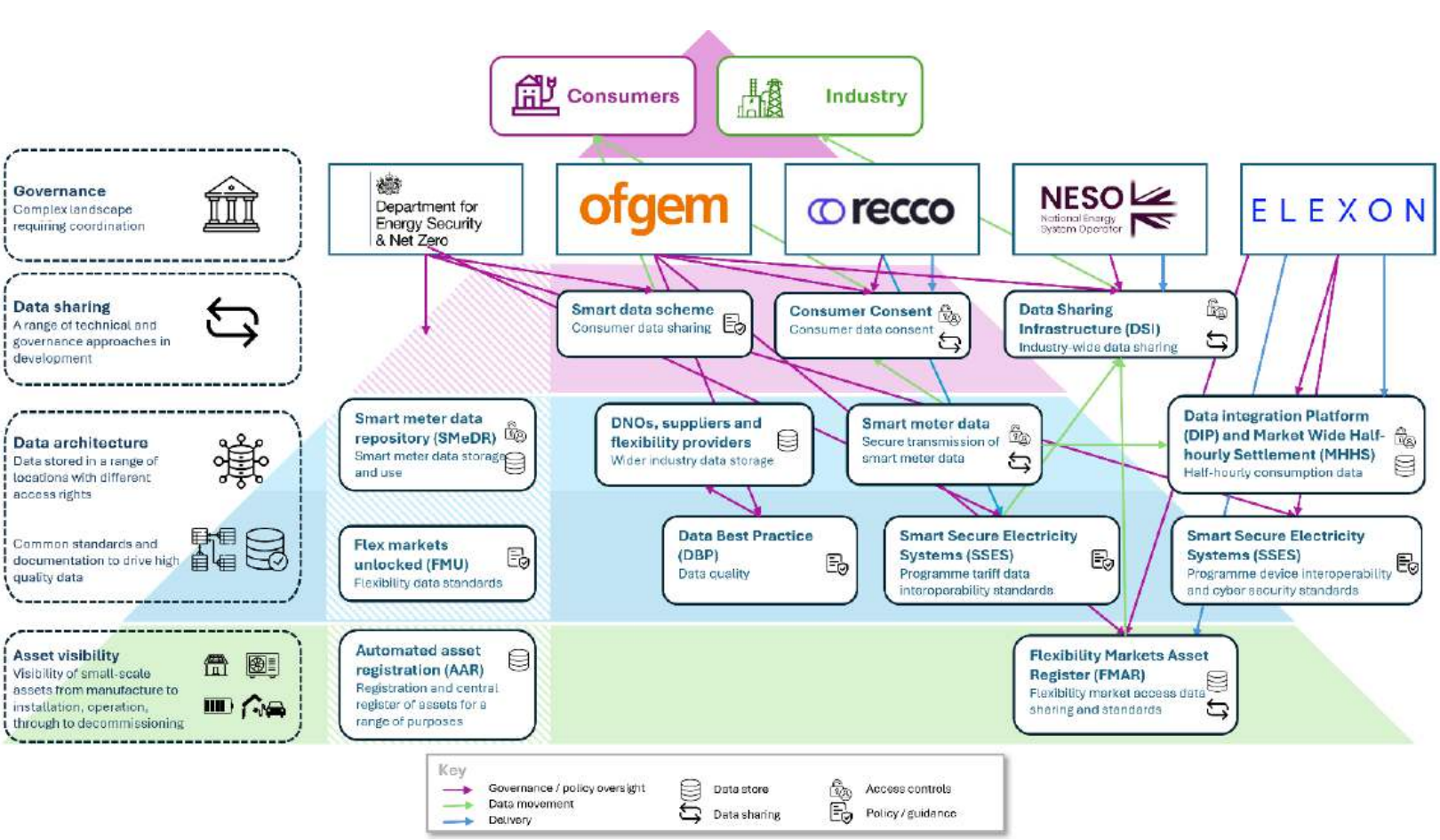
- Multiple, overlapping policy and legislative efforts are underway, making it challenging for manufacturers to understand how they interconnect and what is required for compliance.

Uncertainty in the Commercial Landscape:

- Manufacturers are eager to establish a clear commercial pathway, but progress is hindered by a lack of clarity in current regulations and guidance..

The Flexibility landscape – why is flexibility important?

Hitting the UK's Clean Power 2030 target depends on a huge scale-up of flexibility, especially from homes and small businesses.



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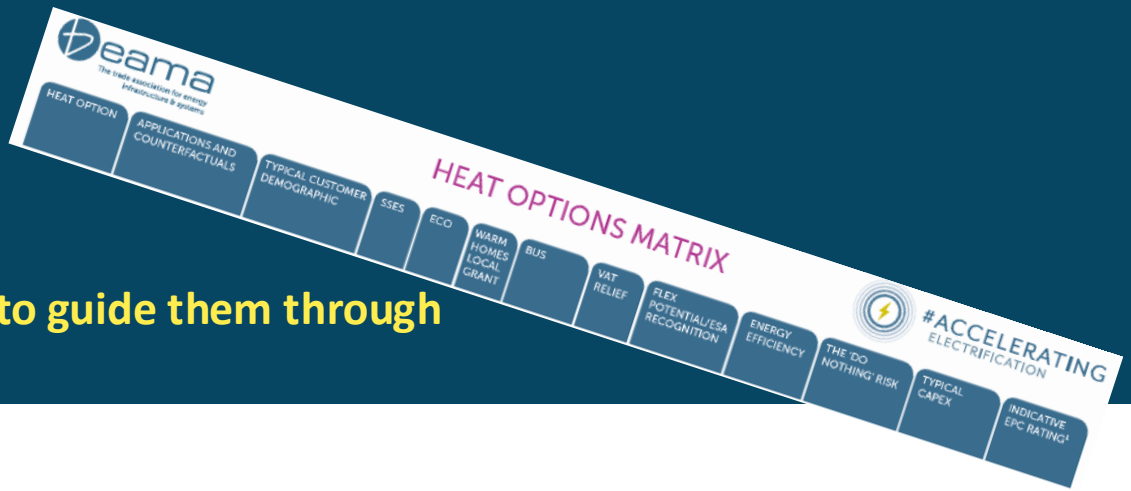
What are the Consumer challenges?

How do we reach out to consumers to guide them through retrofit options?



BEAMA's guiding principles – customer first

1. Normalise electrification through the provision of clear guidance and customer choice.
2. Incentivise flexibility across all aspects of energy policy.
3. Boost customer confidence through high standards for safety and consumer protection.

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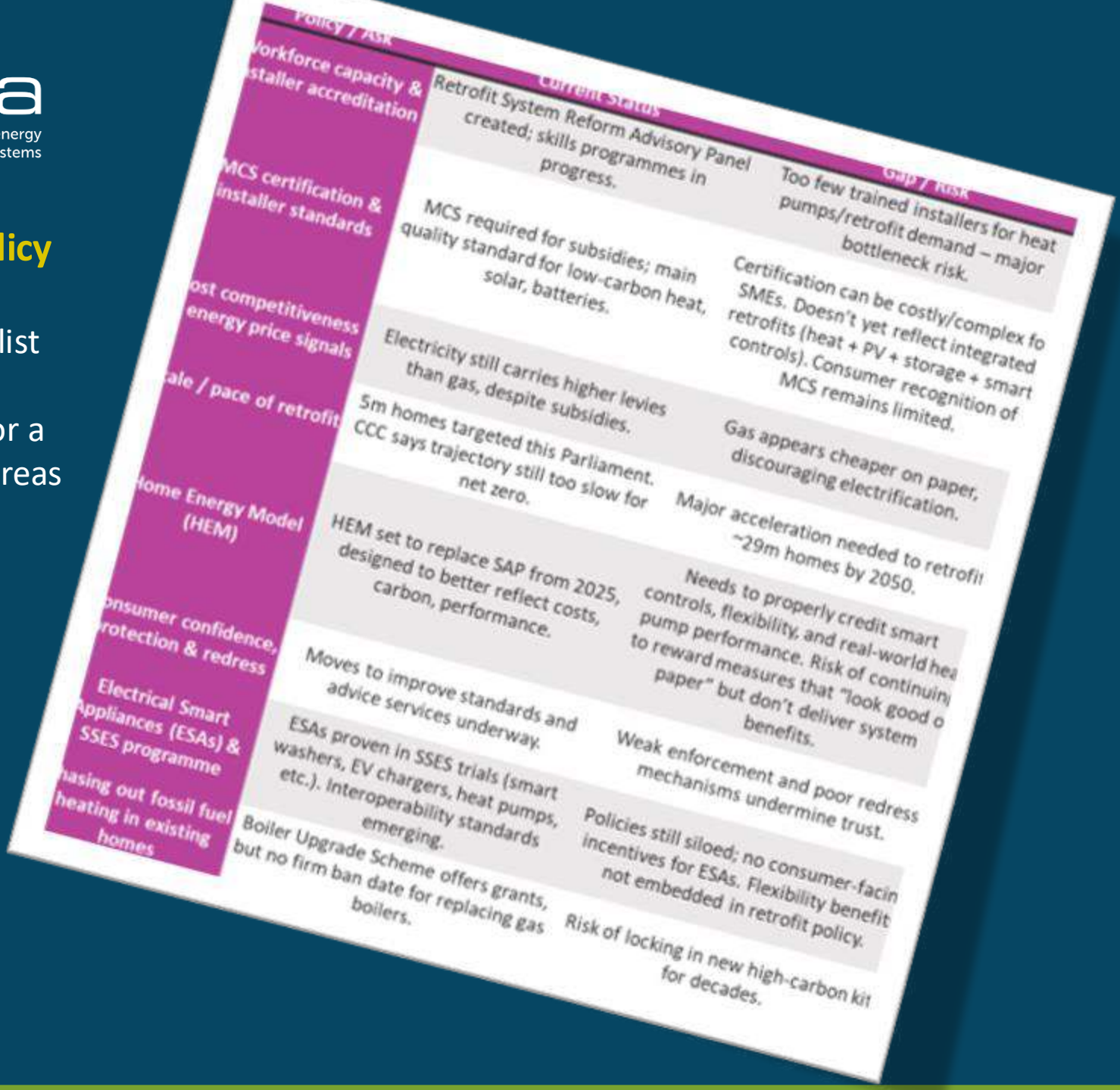
What are the policy gaps?

Not an exhaustive list

BEAMA lobbying for a number of policy areas



Policy / Ask	Current Status	Gap / Risk
Workforce capacity & installer accreditation	Retrofit System Reform Advisory Panel created; skills programmes in progress.	Too few trained installers for heat pumps/retrofit demand – major bottleneck risk.
MCS certification & installer standards	MCS required for subsidies; main quality standard for low-carbon heat, solar, batteries.	Certification can be costly/complex fo SMEs. Doesn't yet reflect integrated retrofits (heat + PV + storage + smart controls). Consumer recognition of MCS remains limited.
ost competitiveness energy price signals	Electricity still carries higher levies than gas, despite subsidies.	Gas appears cheaper on paper, discouraging electrification.
ale / pace of retrofit	5m homes targeted this Parliament. CCC says trajectory still too slow for net zero.	Major acceleration needed to retrofit ~29m homes by 2050.
Home Energy Model (HEM)	HEM set to replace SAP from 2025, designed to better reflect costs, carbon, performance.	Needs to properly credit smart controls, flexibility, and real-world hea pump performance. Risk of continuin to reward measures that "look good o paper" but don't deliver system benefits.
onsumer confidence, rotection & redress	Moves to improve standards and advice services underway.	Weak enforcement and poor redress mechanisms undermine trust.
Electrical Smart Appliances (ESAs) & SSES programme	ESAs proven in SSES trials (smart washers, EV chargers, heat pumps, etc.). Interoperability standards emerging.	Policies still siloed; no consumer-facin incentives for ESAs. Flexibility benefit not embedded in retrofit policy.
hasing out fossil fuel heating in existing homes	Boiler Upgrade Scheme offers grants, but no firm ban date for replacing gas boilers.	Risk of locking in new high-carbon kit for decades.

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Inform and Influence

Lobbying for policy, standards, technical change

Extensive Political Engagement with Ministers and Departments

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