

Slow returns take wind out of green technology sales

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HOMEOWNERS in Ireland are reluctant to install green technologies such as wood-pellet burners and wind turbines in their homes because the initial costs are approximately four times higher than what they are willing to pay.

Research carried out by the Dublin Institute of Technology (DIT) and the Sustainable Energy Authority of Ireland (SEAI) found consumers are only willing to pay €5,430 for a micro wind turbine

that actually costs approximately €22,000, and €3,480 for a wood-pellet boiler that costs between €10,000 and €16,000.

The only exception is solar water heaters, for which consumers are willing to pay the current market price of between €2,400 and €5,000, with annual energy-cost savings of €200.

The study found would-be buyers are concerned about upsetting their neighbours if they install wind turbines, which are perceived as visually intrusive and noisy.

Despite several government incentives designed to encourage the installation of so-called "micro-generation" technologies, the researchers found uptake in Ireland has been low when compared with other countries such as Austria or Denmark.

"There is an enthusiasm for renewable energy here, but people are only willing to pay prices that are way below the current market price," said Marius Claudy, one of the authors of the study.

"They are willing to pay if there is

a 5-6 year payback period, but in reality at the moment it takes 10-15 years to recoup the cost of most of these technologies. Homeowners are not willing to pay that much money up front if they have to wait that long for a return on it," he said.

Claudy said people were more likely to spend on solar water heaters, which are cheaper. "The payback period is still long, but people are still more willing to pay because the upfront investment is low," said Claudy.

The research was conducted on

1,000 householders as part of a four-year project that aims to establish the most cost-effective domestic renewable energy generators funded by the Department of Education. It found that people are often influenced by their peers when considering the technology.

People with friends and family who support microgeneration technologies are more likely to install wind turbines, wood-pellet boilers or solar water heaters in their homes.

"Positive social pressure could be

the way forward," said Claudy. "If people see others on their street putting up solar panels, they are going to start wondering why they are not doing the same."

Consumer finance models or a leasing service, the report said, could make green technologies more affordable for consumers by spreading the repayment of the capital cost over a longer period of time.

"In some developing countries, micro-loans are available from bodies such as the SEAI," said Claudy. "They buy the products in

bulk, give them to householders, and recoup the investment via their energy savings."

Under the National Climate Change Strategy, the government hopes to cut Ireland's greenhouse gas emissions by 20% by 2020 compared with 1990 levels, and provide one-third of the country's total electricity needs from renewable energy sources. In 2005, Ireland's electricity usage per dwelling was 17% above EU-15 average, and Irish houses emitted 92% more CO₂ than the average house in EU-15 countries.