

# Green Deal and ECO

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DECC

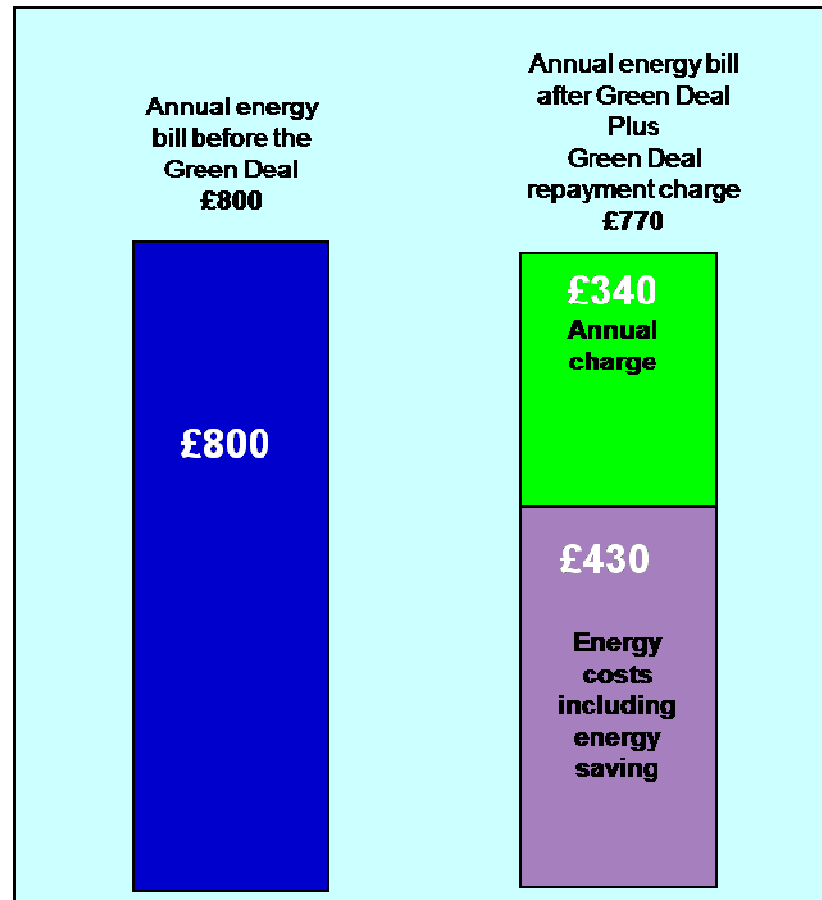
# What is the Green Deal?



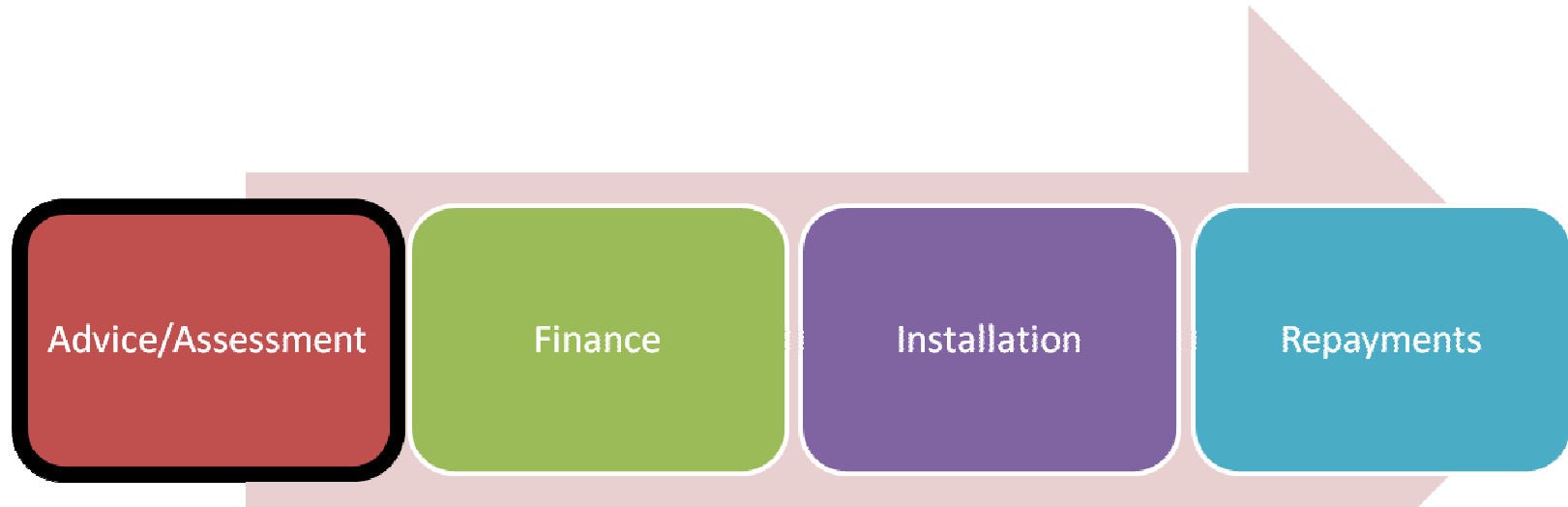
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- **The customer receives a package of energy efficiency measures at no up-front cost from a ‘Green Deal provider’.**
  - **The cost of the measures is paid back over the long term (for example, 25 years) through repayments made via energy bills.**
  - **The Green Deal will include owner-occupiers, the private and social rented sectors and the commercial sector.**

# The Golden Rule

- Green Deal repayment – *illustrative only*



# The Green Deal Process (1)



- Remote advice Centre
- In home advice and assessment

Energy Efficiency Rating		
	Current	Potential
<i>Very energy efficient - lower running costs</i>		
(92-100) <b>A</b>		
(81-91) <b>B</b>		
(69-80) <b>C</b>		71
(55-68) <b>D</b>		
(39-54) <b>E</b>	45	
(21-38) <b>F</b>		
(1-20) <b>G</b>		
<i>Not energy efficient - higher running costs</i>		
<b>England &amp; Wales</b>	EU Directive 2002/91/EC	

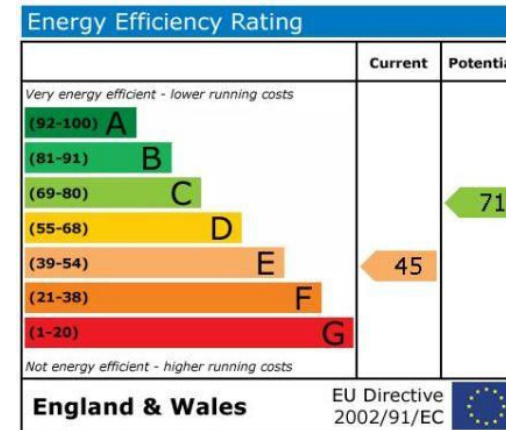
# Towards a recommended package



- Assessment carried out by an accredited Green Deal Advisor
- The Green Deal Advisor will produce:

-**Energy Performance Certificate (EPC)** recommending an appropriate package of measures that may be financed with Green Deal

- further assessment of **how the occupants use energy in their home/business**



Recommended Green Deal package	
Green Deal package	Typical annual savings
Increase loft insulation to 270 mm	£49
Hot water cylinder thermostat	£97
New condensing boiler	£272
External or internal solid wall insulation	£262
<b>Total savings</b>	<b>£680</b>

# Eligible measures



**Air Source Heat Pumps**

**Biomass boiler**

**Biomass room heater (with radiators)**

**Cavity wall insulation**

**Gas condensing boiler**

**Condensing oil boiler**

**Cylinder thermostat**

**Energy efficient glazing**

**Draught proofing**

**Flat roof insulation (need to include pitched roof)**

**Floor insulation**

**Flue gas recovery devices**

**Ground or air source heat pump**

**Heating controls (for wet central heating system  
and warm air system)**

**High performance replacement doors**

• **Hot water cylinder insulation**

• **Internal wall insulation**

• **Lighting systems, fittings and controls**

• **Loft or rafter insulation and loft hatch insulation**

• **Mechanical ventilation with heat recovery**

• **Micro combined heat and power**

• **Micro wind generation**

• **Oil-fired condensing boilers**

• **Photovoltaics**

• **Roof insulation**

• **Room in roof insulation**

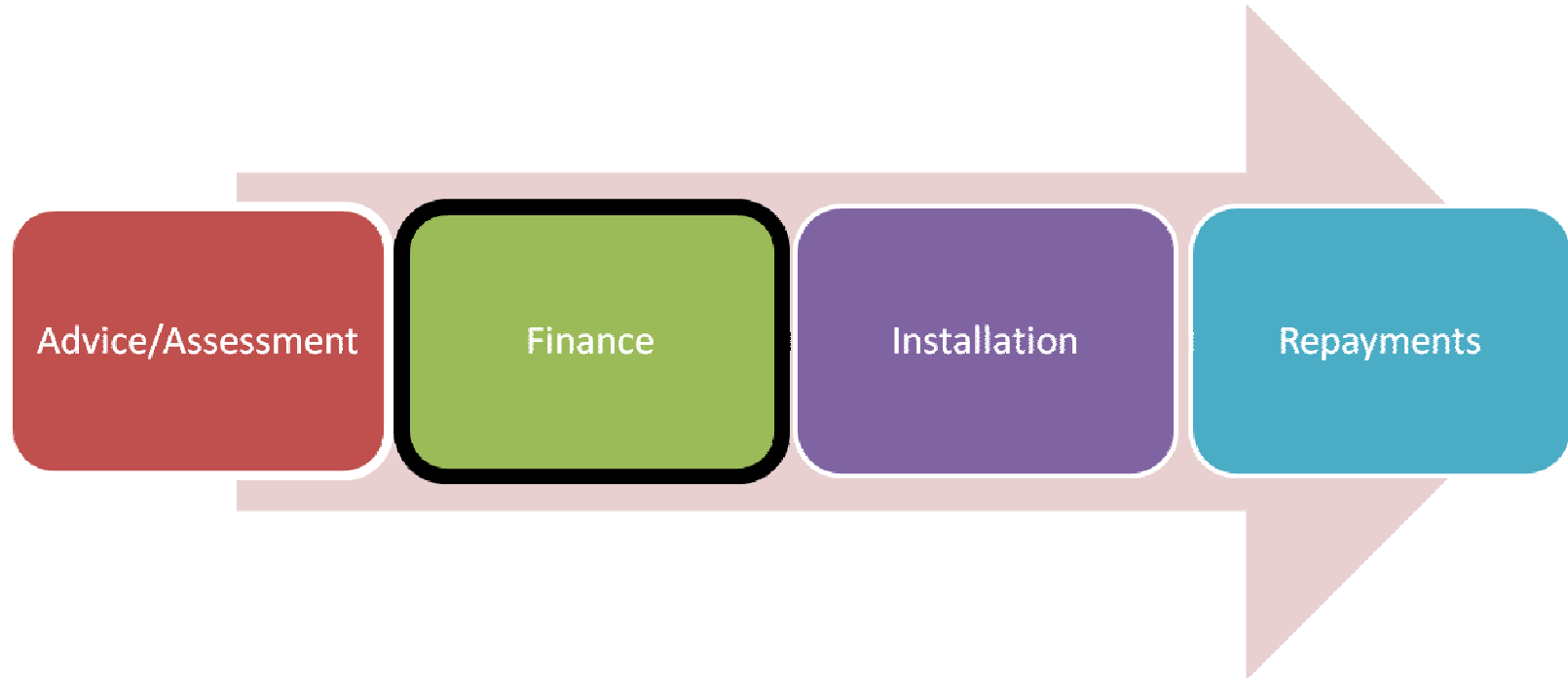
• **Solar water heating**

• **Under-floor heating**

• **Under-floor insulation**

• **Waste water heat recovery devices attached to  
showers**

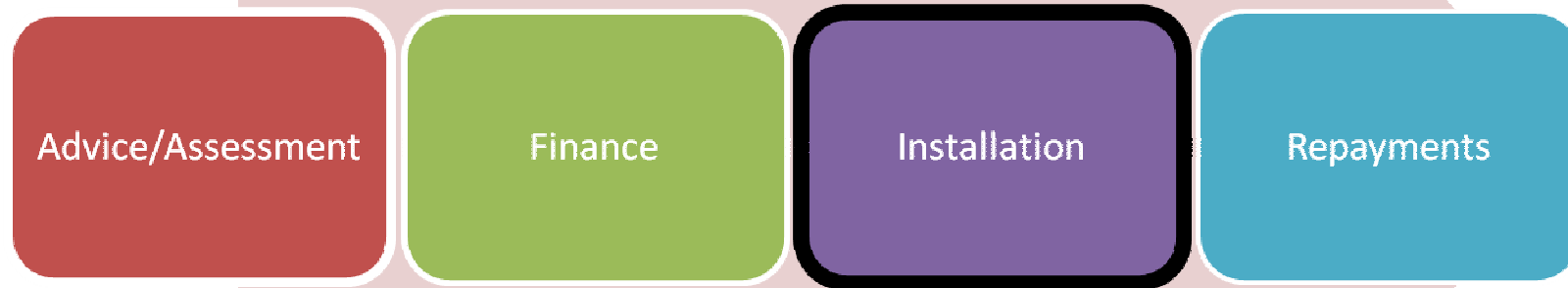
# The Green Deal Process (2)



- **No upfront cost**
- **Repayments attached to energy meter**



# The Green Deal Process (3)

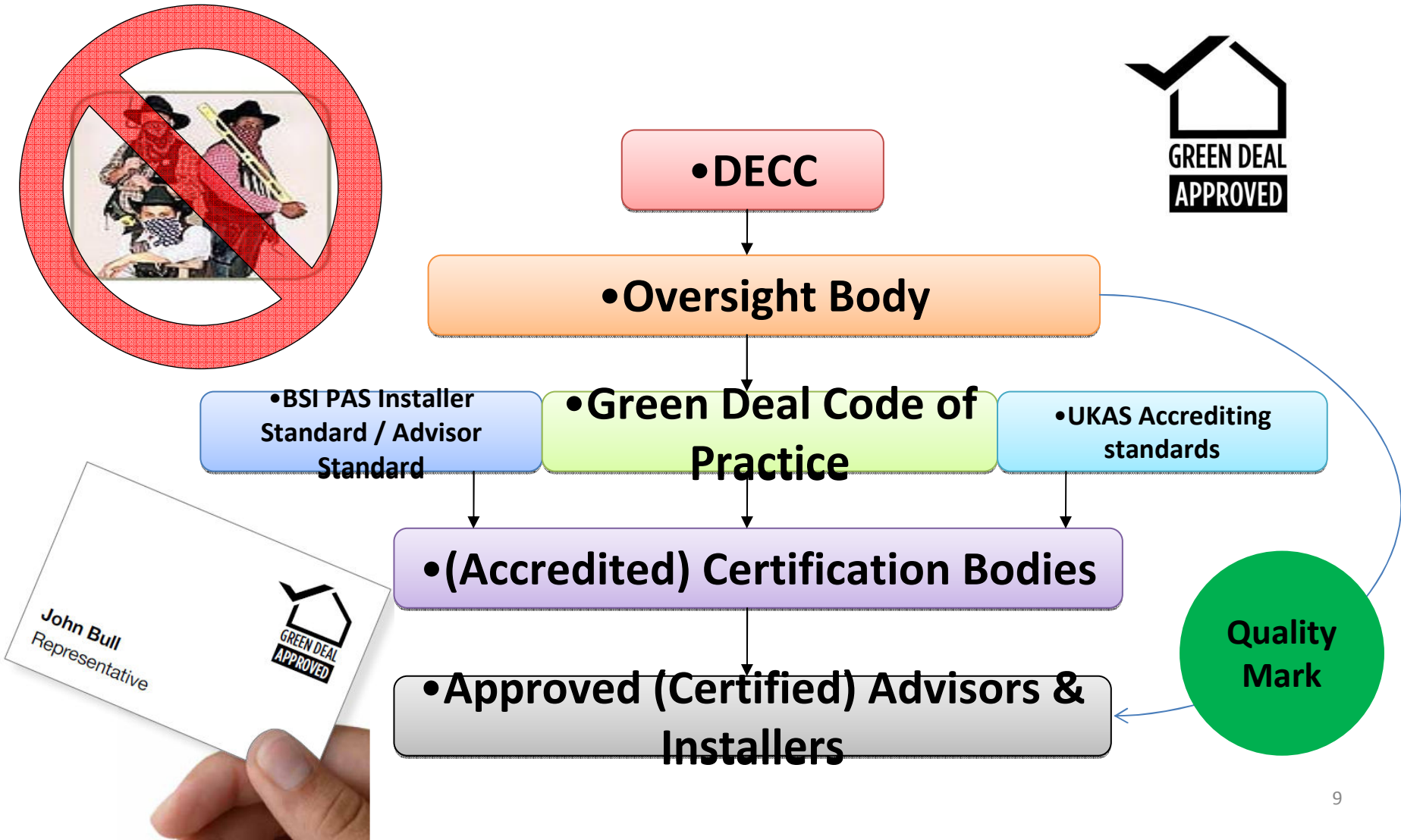


- **Accredited installation**
- **Green Deal Code**
- **Quality mark**

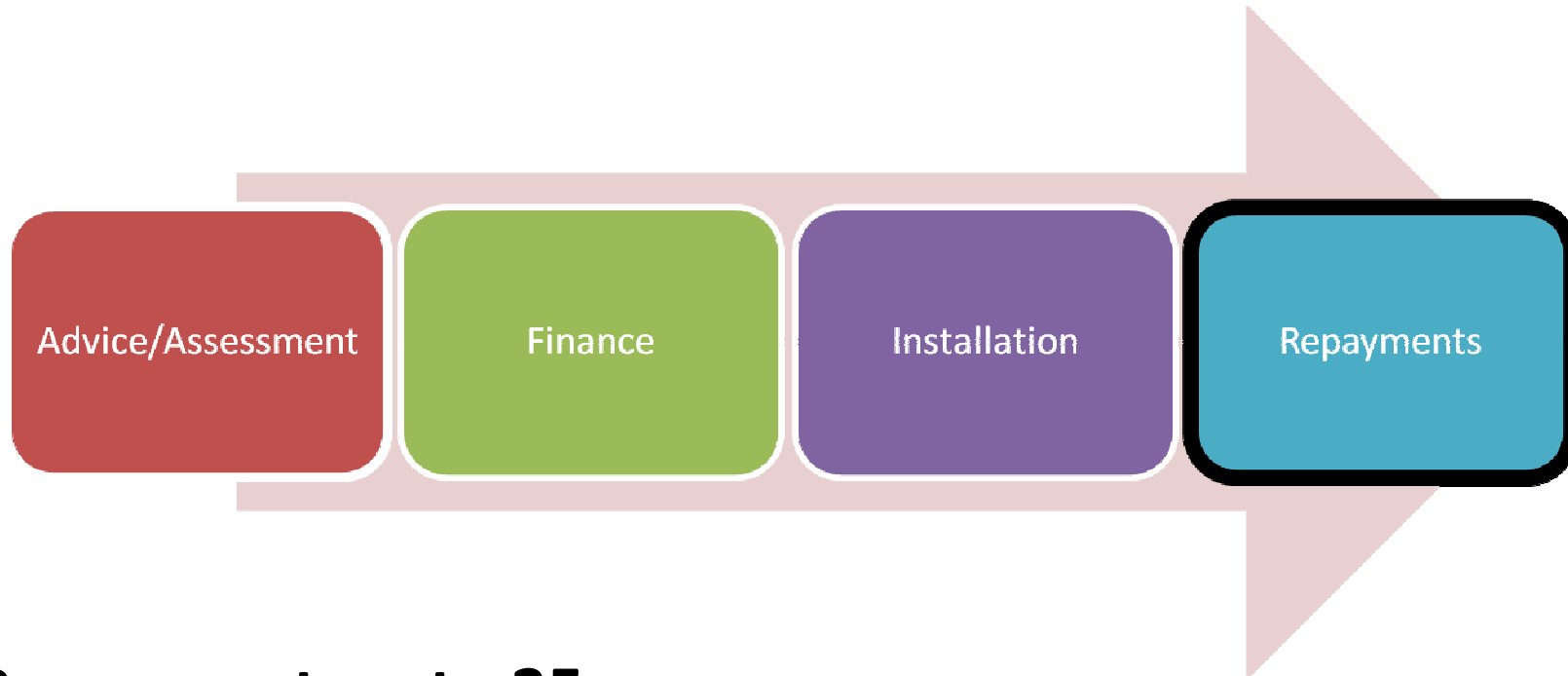




# •Approval and the Green Deal Quality Mark



# Green Deal: Repayment (4)



- Repayment up to 25 years



# What is the ECO?



- ECO is an obligation on the energy suppliers to support household energy efficiency
- Builds on strengths of existing CERT and CESP schemes – but need a new approach:
  - Warm Front scheduled to end in 2012/2013
  - CERT and CESP end in December 2012 and the opportunities for the cheapest and most immediately cost-effective energy saving measures are diminishing, so need to support more expensive measures
  - Green Deal changes the game – need to work alongside and in support of it
- Will commence at end of 2012

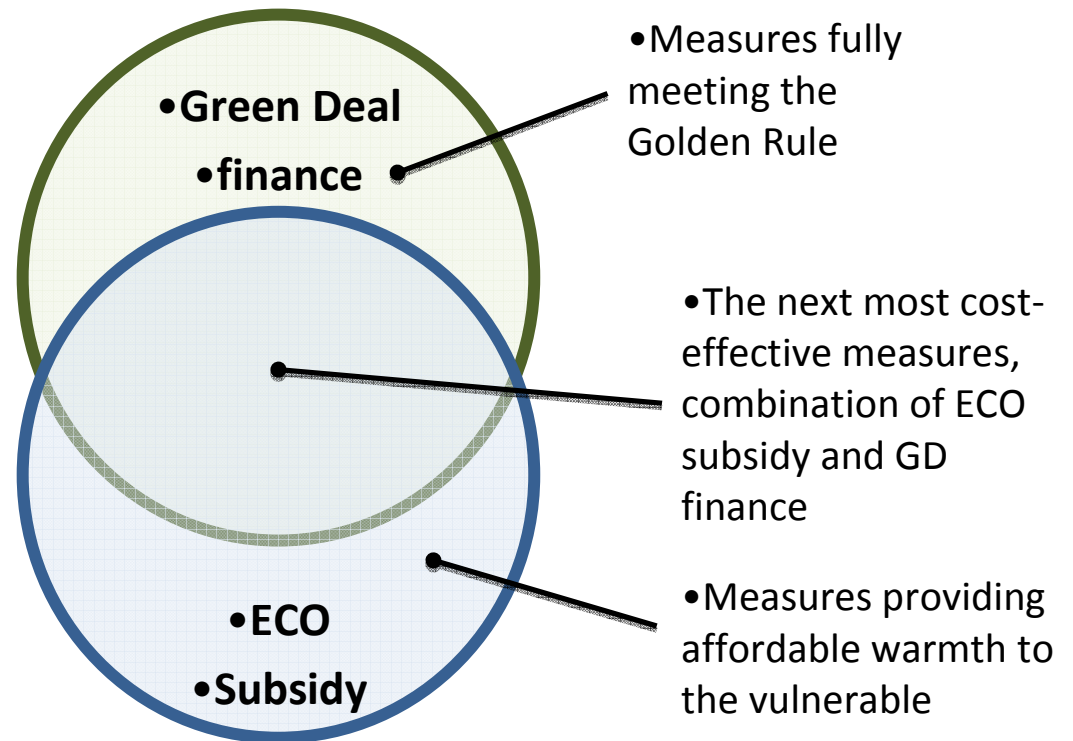
# The role of the ECO

- There will be households for whom Green Deal cannot be (the whole) story
- ECO to integrate with the Green Deal, with a focus on:
  - hard to treat properties; and
  - vulnerable and poor households



# ECO objectives and interaction with the Green Deal overlap

- Clear that ECO will focus on two things:
- The needs of the lower income and most vulnerable
- Those ‘hard to treat’ properties across all tenures needing the most cost-effective measures that do not meet the Golden Rule – e.g. solid wall insulation



# ECO – how it could be structured



## ECO objectives

### Deliver carbon savings

Step change in energy efficiency across all housing

### Support the vulnerable

Thermal improvement for poor & vulnerable household

### Support equitable GD

Encourage innovation and ensure GD works for all

### Affordable warmth target - c £350m pa?

Upfront support for heating, cavity & loft insulation for private tenure low income & vulnerable households – consultation question on eligibility?

### Carbon target – c £950m pa?

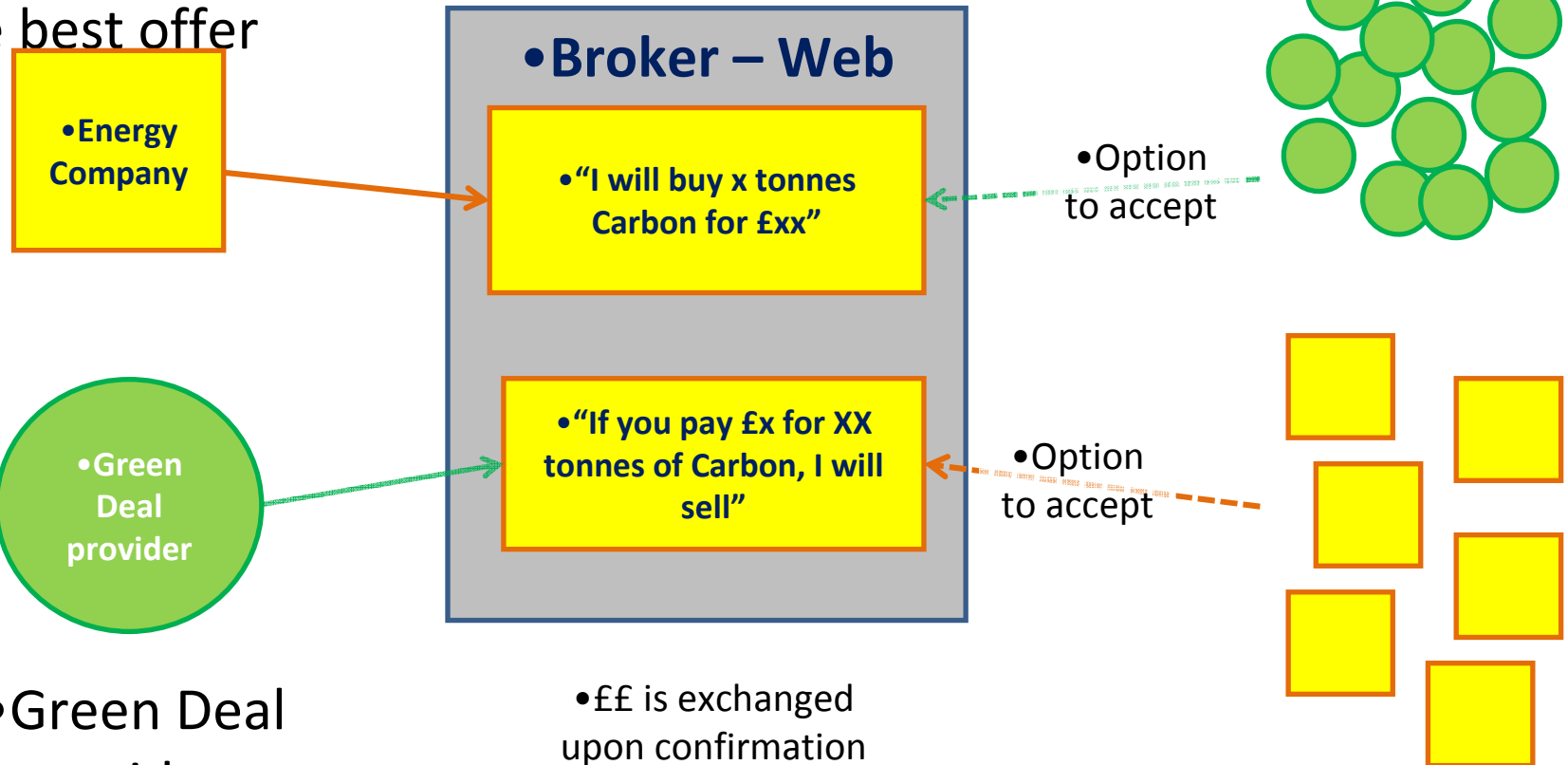
Support Green Deal finance for hard to treat homes where extra support needed to meet golden rule, focused on solid wall insulation – all eligible, no restrictions on income status or tenure

**Consultation question** – does Government need to include any additional sub-targets, and if so how define the targeted group?

## •ECO mechanisms

# A potential brokerage model for ECO??

- Energy companies compete to create the best offer



- Green Deal providers compete to

- ££ is exchanged upon confirmation
- that job is complete

# The role/s of local authorities



## One Stop Shop LA as Green Deal Provider

Raise finance & local assessor/installation

### Partnership with National brand

(Brand provides finance)

LA joint branding & marketing with national brand

Delivery by brand or LA contractors

### Delivery by National brand

Provides finance and markets Green Deals (through existing customer networks or leads)

LA facilitation role

May provide leads for commission or simply act a conduit/post box for local activity

.....Refreshed obligations under HECA.....



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**Thank you**

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