

Carbon Action Network response to the Green Deal & ECO Consultation

Chapter 1 - Assessment

A qualifying assessment (hereafter referred to as a Green Deal assessment) of the fabric and use of a building (domestic and non domestic) is the entry point into the Green Deal. It will not be possible to enter into a Green Deal finance arrangement or install any measure under the Green Deal banner without a Green Deal assessment. The Green Deal assessment is designed to ensure that measures installed in a building are recommended as the most suitable for that building and can improve the energy and thermal performance of that building enough to be eligible for Green Deal finance. The assessment process also helps identify households that may be eligible for further support under the proposed ECO affordable warmth target.

A Green Deal assessment can only be carried out by an authorised Green Deal advisor, who for the purposes of the Energy Act and this document is referred to as a Green Deal assessor. To be authorised as a Green Deal assessor one would need to:

- meet the training and qualification requirements for Green Deal Advisors, currently in development.
- be a registered member of a certification body which has been accredited by the government's chosen accreditation body, United Kingdom Accreditation Service (UKAS).
- be certified by their certification body against the relevant standards and requirements set out in the Green Deal Code of Practice

Continued authorisation would be contingent on all Green Deal assessors continuously complying with the relevant parts of the Code of Practice and quality assurance requirements put in place by their certification scheme.

The Green Deal assessment tool will consist of an improved EPC. This will be based on an improved reduced data Standard Assessment Procedure methodology (RdSAP) in the domestic sector and building on existing Simplified Building Energy Model methodology (SBEM) in the non-domestic sector. This document, along with a bespoke occupancy assessment and a summary report will make up the Green Deal Advice Report (GDAR). GDAR produced will be quality assured in line with certification requirements.

We expect that any measure promoted and installed by suppliers under the ECO Carbon Saving target would have had a prior Green Deal assessment which had identified the measure as appropriate for the property. We are also consulting on whether we should make provision for rare occasions which fall outside the typical scope of RdSAP, where a slightly different assessment process may be appropriate. In these circumstances, we propose that the ECO company would need to satisfy the scheme Administrator that a different assessment method was appropriate.

We would particularly welcome views on whether our approach to the assessment of non-domestic buildings is comprehensive and captures all non-domestic buildings and businesses for which Green Deal might be relevant.

Q1. Do you feel the proposed requirements on Green Deal assessors set out in the main body and at Annex A of the Code of Practice are clear and robust enough to support the Green Deal assessment? Multiple choice checkboxes

Don't know

Please explain: In the main, yes. However concerns exist that the whole process is too complicated for the consumer and therefore the quality of the assessment is seen as key and should not be allowed to be watered down or the quality suffer due to rogue operators.

Q2. Can you think of any requirements that Green Deal assessors will need but that may not be covered by the suggested approach, combining National Occupational Standards (NOS) and Accreditation of Prior Experiential Learning (APEL)?

The advice given at the time of assessment will need to be simple and logical. Therefore as part of the minimum qualifications the assessors will need to demonstrate strong skill set in communications rather than technical or sales approach.

The Green Deal demands a new person specification for an assessor/adviser. In general assessments have been made by technocrats; not known for their people skills. In general advice has been made by people with stronger people skills than technical knowledge. It remains to be proven that the people exist that will meet the new person specification. More worryingly, it remains to be seen if this new breed will be prepared to work for the kind of money that the Government thinks the market will stand by way of an assessment fee (£75 per dwelling assumed to be £25/hr (including salary, NI and pension, training, accreditation and business costs).

Q3. In proposing to allow for the market to determine payment of assessors and cost of assessment, are there any further requirements we should be placing on assessors or providers in relation to (a) payment of assessors, (b) the cost of the assessment, or (c) declarations from the assessor?

We are worried that the recommended time for a survey and the cost, are nowhere near sufficient to provide a good quality, effective and useful survey leading to errors, cut-backs, incorrect reports and sub standard assessors. This needs a complete overall.

Q4. Do you agree with our proposed approach to third party assurance and enforcing compliance for those providing Green Deal assessments?

Agree

Q5. Should the current EPC validity period for property transactions be used for Green Deal purposes or is a shorter validity period more likely to meet the needs of the Green Deal process?

Yes

Your answer: A Green Deal should trigger a new EPC with ten-year validity but with a simple and transparent fuel price inflator mechanism. This could be on the central database. It would report the original financial case and show how that improves over time as fuel costs inflate. It may also need to be discounted by measures costs reductions and adjusted for inflation. But that is a simple action on a national database.

Assessment should have short life span
Validity period to be shorter – 5 years

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Q6. Do you think that the approach to identifying and assessing non-domestic buildings, based upon the requirements and tools for Energy Performance Certificates, will capture all non-domestic buildings and business sectors for which the Green Deal is relevant?

I don't know

Please explain

CAN are housing focused and so cannot answer this question

Q7. Are there alternatives to the simple approach to providing running cost savings in the non-domestic assessment that we should consider?

Your answer

as Q6

Chapter 2: Measures, products and systems

The Green Deal and the Energy Company Obligation (ECO) will work together to drive the installation of energy efficiency improvements, commonly referred to as “measures”. The focus of each will, be different and, as a result, so will the measures falling within their respective scopes.

A measure is a type of energy efficiency improvement made to a property, e.g. cavity wall insulation; a product is the actual product installed (which must fall within a category of measure), e.g. ABC plc Basic Cavity Fibre; and a system is a measure whose component parts are often assembled on site, e.g. external wall insulation systems. A measure must be recognised as being capable of improving the energy performance of a building before it can be considered for eligibility under the Green Deal and ECO. Only products which fall within a category of qualifying measure and are recommended as part of the Green Deal assessment can be installed with Green

Deal finance or receive ECO support. A draft list of the qualifying energy efficiency improvements can be found at Annex A. The amount of Green Deal finance available for a measure will depend on the total estimated fuel bill savings it can generate: this is the Green Deal's Golden Rule principle. We will encourage customers to take up packages of recommended Green Deal measures.

The "Carbon Saving Obligation" within the ECO is designed to focus primarily on supporting those households who live in hard to treat homes and cannot fully fund energy efficiency improvements through Green Deal finance alone. Solid wall insulation is the key technology which we see ECO supporting. We are proposing that other measures under the carbon saving obligation will only be classified as eligible if they are promoted and installed as part of a package that includes solid wall insulation. Views are invited on these issues and in particular the policy for other measures for hard-to-treat properties.

Under ECO's Affordable Warmth obligation we are proposing to class as eligible any measure which will improve the thermal performance of a property, measured through a reduction in the expected cost of heating space or water in the property. We will be interested in respondents' views on whether minimum requirements should apply to ensure major insulation and heating measures are delivered. Suppliers are expected to deliver primarily heating systems and basic insulation measures under the Affordable Warmth Obligation.

Products and systems installed under the Green Deal or ECO must be quality assured. Only products that meet the requirements of the Green Deal Code of Practice can be installed. We propose to put in place a process from summer 2012 for manufacturers and suppliers to confirm that their products comply with the Code and are 'Green Deal ready'. Such products and systems will be listed by the Green Deal Oversight Body, who will act as the Green Deal administrator and oversee all activities under the Green Deal. A sample number of registered products will be spot-checked by the Oversight Body for compliance with the Code and could be struck off the list if they are found not to comply.

We particularly welcome views on the eligibility of measures specifically relevant to the non domestic sector, which are not already listed in the draft Green Deal (Specified Energy Efficiency Improvement and Qualifying Energy Improvements) Order . Please note that those which are recommended during the consultation process must be proven to be able to improve the energy performance of buildings. Other key issues we are considering are:

- how to best ensure that innovations in new measures and improved product performance can be recognised in the measures framework;
- whether the ECO carbon saving target should focus exclusively on solid wall insulation or should support other similar measures,
- whether we should allow any measure under the ECO affordable warmth target as long it allows eligible households to heat their homes cost effectively.
- whether product performance should be taken into consideration in the Green Deal financing mechanism.

Q8. Which measures should be added to the list of qualifying measures in Annex A for non-domestic properties, and what evidence is there that these measures improve the energy performance of buildings?

Your answer

Not relevant to CAN, as non-domestic properties, although voltage optimisation was suggested.

Q9. Will the existing Appendix Q process, which will allow new measures to be added to the Green Deal assessment tools, and to the list of qualifying improvements, support innovation in the market and how could the process be improved? In particular, what support could SMEs benefit from?

Your answer:

Not relevant to CAN

Q10. What innovative ways can the government use to encourage uptake of a package of measures and could our existing proposals support this.

Your answer

Publication of EPC database.

Incentivisation is vital.

Independent marketing by central government, so not seen as linked to companies.

Impartial advice is necessary.

Q11. Please provide views on the potential inclusion of hard-to-treat cavities (and potentially other measures of a similar type), and proposals for how properties might be accommodated in the ECO without excessive complication or perverse consequences.

Your answer

Should be included to encourage utilities to innovate.

Quick assessment might not pick up on issues with hard-to-treat cavities.

Q12. We propose that the ECO Carbon Saving obligation should be achieved primarily by promoting and installing solid wall insulation. Should any other measures be supported, and how would these be defined?

Your answer:

Flat roofs, attic conversions, dormer properties.

Park homes – could sub-meter and pay back through council tax?

Q13. For the ECO carbon saving obligation, we propose that any other carbon saving measures should only be eligible when delivered as part of a package with solid wall insulation. Do you have any suggestions for the criteria by which eligibility within packages should be restricted, explaining why you think any such restrictions should be included?

Your answer

No other restrictions

Q14. We propose that any measure should be allowed under the Affordable Warmth obligation, provided it allows eligible households to heat homes more affordably. If you disagree, or feel there are risks to this approach, please explain and set out any restrictions you believe should be put in place.

Please explain:

Prioritised list of measures, starting with insulation.

Priority/vulnerable customers should still get free insulation and not have to pay for it under ECO/Green Deal.

Modelling is not necessarily what happens in reality.

Q15. Do you have any suggestions for whether and how we should score, boiler repairs under the Affordable Warmth obligation, such that where repairs are more cost-effective than replacement systems, without significant impact on efficiency, these can be promoted?

Your answer

Repair is better than replace but need to take in to account cost of repair and efficiency of boiler compared to new one.

Q16. We are proposing that any heating measures should be allowed under the Affordable Warmth obligation, including for households off the gas grid, and extra incentives should not be put in place for air or ground source heat pumps. Do you have any evidence to bring to bear on the performance of heat pumps to improve the ability of vulnerable households to heat their homes affordably?

Your answer

No comment

Q17. To what extent can existing product lists, such as the list of Microgeneration Certification Scheme compliant products be used as the starting point for the Green Deal Products list?

Your answer

Q18. Do you agree that allowing enhanced product performance to be recognised in the Green Deal financing mechanism is useful? Do you have any specific views on how this approach could be implemented?

Your answer

Chapter 3: Green Deal Provider and Plan

Q19. Are surety bonds the most effective, efficient way to ensure customers are protected in the event a Green Deal provider becomes insolvent or has their licence revoked. What should be the minimum requirements of a Green Deal surety bond be and how much should Green Deal providers be required to insure?

Your answer

Does our proposed approach to authorisation and oversight of Green Deal providers ensure the necessary standards of consumer protection and proportionate redress without creating barriers to entry into the market?

Yes / No / I don't know

Please explain

Q21. How much weight should be given to the argument for placing financial responsibility for late payment with the payee?

Your answer

Q22. What are your views on the government's proposal of requiring Green Deal providers to offer insurance-backed warranties for the entire repayment period? Please provide evidence to support your views.

Your answer

Q23. What are your views on the government's proposals regarding changes to the Consumer Credit Act for Green Deal Plans?

Your answer

Q24. What are your views on the Government's proposals regarding consumer protections for those Agreements which do not fall within the scope of the CCA?

Your answer

Chapter 4: The Golden Rule

The Golden Rule is the fundamental principle underpinning the Green Deal. It limits the amount of Green Deal finance a provider can offer to the estimated energy bill savings resulting from the installation of measures under the Green Deal plan. The Golden Rule principle helps ensure that a Green Deal customer can reasonably expect their overall energy bill to be no higher than they would have otherwise been without a Green Deal, provided their energy consumption pattern does not increase.

The golden rule is important for two reasons. Firstly, it helps ensure that Green Deal customers should not face higher energy bills and therefore do not run into difficulties in paying. Secondly, it assures investors that the risk of default on Green Deal payments should be similar to the existing relatively low default rate on electricity bills.

The golden rule is based on a snapshot of estimated energy bill savings taken at the outset of the Green Deal plan. Customers should, however, have a reasonable expectation that the charge should not exceed savings throughout the lifetime of the plan and we are therefore proposing to place limitations on how the charge can vary in future years. Indeed, many plans will involve fixed amounts if the interest rates are fixed. In addition, we are setting out what can be included in a Green Deal plan as part of the Green Deal finance to ensure that Green Deal finance is used for the installation of energy efficiency measures and associated costs, as intended. We are proposing to place a limit on any cash advancement promotional offers a customer may receive.

Q25. Is it necessary to afford consumers additional protections and extra comfort where they take out green deal plans in excess of £10,000? If so, is the proposed protection of reducing the saving estimate appropriate and is the 5% figure the correct adjustment?

Your answer

Q26. Do you agree with the approach to the Year One charge that can be used in a Green Deal Plan?

Agree / Disagree / I don't know

Q27. What would be the benefits of allowing Green Deal providers to vary the interest relating to a Green Deal plan in line with the most appropriate component of the fuel and light index?

Your answer

Q28. Do you agree with the proposed approach to how the charge can vary in subsequent years of a Green Deal Plan?

Agree / Disagree / Neither agree nor disagree

Please explain:

Q29. Is £150 or 5% of the total Green Deal package (whichever is the least amount) an appropriate limit on the amount of cash incentives which can be offered by Green Deal providers?

Your answer:

Q30. Do you agree our proposed approach to the Golden Rule principle strikes the right balance between ensuring the necessary consumer protection mechanisms are in place whilst not unduly stifling ambition and investment in the Green Deal?

Agree / Disagree / Neither agree nor disagree

Please explain:

Chapter 5: Delivering equitable support and tackling fuel poverty through the Green Deal and ECO

The Green Deal and ECO have a significant role to play in tackling fuel poverty by helping households to improve the energy efficiency of their homes and reduce their heating costs. ECO's Affordable Warmth obligation has been designed to ensure that specific assistance can be provided to those households most in need of heating and insulation improvements. The proposed eligibility criteria for Affordable Warmth will ensure that support is provided to low income households who are vulnerable to detrimental health impacts of living in cold homes, and do not have access to alternative means of support.

We recognise that a referrals system could help energy companies identify those eligible for support under the ECO Affordable Warmth obligation. We intend to pursue a voluntary agreement with companies for agreeing the terms on which referrals provided by Government would be followed up. Referrals of customers who have indicated that they would like to receive measures could be generated during the Green Deal assessment process or passed on from the Government backed independent remote advice service. Should it not be possible to reach a voluntary agreement, we do have the option to direct companies to provide assistance to specific households .

As suppliers are likely to recover the cost of delivering the ECO from consumers' bills, it is important to consider how the benefits of the obligation will be distributed, to ensure the scheme is delivered with a reasonable degree of equity. See section 5.3 for further discussion of equity under ECO.

Q31. Do you agree that eligibility for Affordable Warmth measures should be restricted to households who are in receipt of the benefits and tax credits similar to the CERT Super Priority Group and who are in private housing tenures?

Agree / Disagree / Neither agree nor disagree

Please explain

The proposed amount is too small, needs to be a larger amount, £325m is not enough to cover fuel poor and this will replace Warmfront so there will be no other programmes to deal with the fuel poor.

There are lots of poor people who can't afford to heat or improve their homes that are not on benefits. It needs to be means tested but not benefit tested. SPG is not flexible enough – Warmfront does not help enough people as it is and the criteria are too restrictive (finding eligible clients is difficult as many have already had work done).

We mostly agree that the affordable warmth element should only be for private tenure, due to the higher standards of social housing. But we have concerns about Social Housing – how are the tenants going to be assessed or helped out of fuel poverty if no Affordable Warmth element?

In the private rented sector similar people – similar consumption may live in the property but this is not likely all the time and we have concerns about who takes over payment in future years and their ability to actually save.

This whole approach misses the learning of area based approaches. Complete area based approach for both benefit recipients and able to pay owners who may be on a slightly higher income but cannot afford works will lead to higher take up and neighbourhood improvements – stop “pepper potting” as the individual benefits are easily lost to the area.

Q32. We propose seeking a voluntary agreement with ECO obligated companies as to how they commit to following up referrals. Do you have any suggestions as to what this commitment should consist of?

Your answer

The Green Deal legislation provides a market opportunity for providers to offer loans against energy bills. The ECO is an obligation on utilities and the artificial linking of the two is a concern. The obligation gives the utilities the market advantage as potential GD providers to control ECO payments and exclude certain players and therefore this needs to be regulated not left to a voluntary agreement.

The proposals and DECC representative have alluded to a brokerage system and we understand this is for 50% of the obligation. The conflict is still there. We know under CESP many utilities offer differential rates if you just sell the carbon saving or you use their contractors. In other words whilst its an obligation and they have to procure on the open market its undistorted, when they procure from themselves the market can be distorted. We propose the whole amount £1.3 billion be passed to a third party for complete transparency. However this changes the obligation [ECO] from a delivery requirement to a payment, charge, levy or tax.

There is as yet no requirement for GD assessors to ensure a home is not eligible for ECO and we see this as major flaw which could lead to unintended consequences therefore we propose that GD assessors have a responsibility to ensure households are vetted for ECO eligibility.

Q33. Do you have any evidence or views to put forward on whether the benefits of ECO as a whole, or of the carbon saving obligation within it, are or are not likely to be distributed equitably to all income groups? If so do you think regulatory intervention is necessary to ensure a more equitable pattern of delivery and, in particular, do you have any comments on the likely effectiveness of setting a 'distributional safeguard' as a means of achieving this?

Historically unless the system is a grant, or universal subsidy (such as CERT operates), the benefits of the obligations have predominantly gone to the highest bidders and hence are unlikely to reach the most needy areas unless there is some sort of regulation. Therefore we feel there is a need for some sort of Distributional Safeguard. There is a moral obligation to ensure this, as the ECO will be paid for out of all bills but this will have a disproportionate impact on those on low incomes.

Essentially 75% of the £1.3 billion will be used to subsidise the golden rule in hard to treat homes and the cost of that spread across all users. We have significant concerns that those that will in reality benefit will not only be the able to pay but actually the fuel rich (those that spend more and hence the higher cost insulation measures make more sense at that those thresholds). In essence if your gas bills are £600 [but should be closer to £800 but you cut back as you cannot afford it] there is little room to make significant savings, where as if your gas bill is £1,000 there is significantly more room for manoeuvrability. A typical solid wall insulation benefit of £300 per annum is more easily realised.

We propose that under the Carbon Saving element each ECA, (Energy Conservation Authority as defined by the HECA legislation 1995) be able to determine areas of priority based on local need that addresses those areas of greatest need. This would return an area based approach to green deal and ensure a more equitable distribution and fulfil the distributional safeguard. This would also provide a direct link between GD providers and the community through the ECA. It would also provide a means for ECA to monitor this annually through HECA returns and advise and feedback on the rollout of GD. Each ECA should be able to define vulnerable areas based on local priorities (although we suggest this should be informed by guidance from DECC).

Chapter 6: Consent, disclosure and acknowledgement

Before the Green Deal can go ahead, relevant consents must be gained to the measures and the charge to be included in the electricity bill for the property. Consent to the charge will be required from both the electricity bill payer and the owner of the property (if different). Who must consent to the measure will vary depending on the property and the type of measures being installed, but may include, for example, the owner, the freeholder, and local planning authority. A redress framework is provided for circumstances where the correct consents to the installation of the measures were not obtained. Once Green Deal measures have been installed and signed off, the Green Deal provider will give the customer a Green Deal plan document and a new Energy Performance Certificate (EPC).

As a property changes hands over time, responsibility for paying the Green Deal charge also changes. The Government intends to facilitate this change through disclosure of the Green Deal Plan via the provision of the EPC to potential future bill payers. The EPC will contain key financial information about the Green Deal. So long as the existence of a Green Deal has been properly disclosed to a new bill-payer, the obligation to pay the Green Deal automatically transfers to them.

Disclosure should happen as soon as possible, but always before the potential bill payer has entered into a binding agreement to take on the property. Making an EPC available on sale or rent of a property is already required under the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007 (EPB Regulations) in England and Wales. In Scotland, an EPC must be obtained before the marketing of the property commences. To protect all parties, we will also ensure the potential new bill-payer receives and understands the relevant information in good time. We are building on the EPB regulations for disclosure of the Green Deal, to ensure that a potential bill payer sees the details of the Green Deal on the property in sufficient time to influence their decision whether or not to take it on. In most cases, this will be at the point that someone arranges to view the property.

In addition to disclosure, the person who is, for example, selling or letting out that property will need to obtain an acknowledgment in writing that the person taking on the property is aware of their responsibility to pay the Green Deal and the terms of the plan. We envisage this being a standard term in lease and sale agreements, or associated documents that form part of those agreements, and we are working with the Law Society to determine the most effective way to do this. This will put beyond any doubt that new occupiers are aware and bound by the terms of the Green Deal plan and are now responsible for paying the charge.

An incoming bill-payer may wish to challenge whether they had the Green Deal charge properly disclosed. In these circumstances, they must continue to make payments while an investigation is undertaken and representations made. .. The customer can challenge their obligation to pay the Green Deal charge for non-disclosure reasons, or because the terms of the Plan were inaccurately disclosed. In the first instance the customer must write to the Green Deal Provider who will review the complaint and attempt to resolve it themselves or through independent arbitration. If this is not satisfactorily resolved to all parties' satisfaction, the customer can then approach the relevant Ombudsman service directly. The customer will need

to enclose evidence that they were not informed about the Green Deal Plan, or that the terms of the Plan disclosed were inaccurate. See chapter six for more details on the Green Deal consent, disclosure and acknowledgement obligation and redress mechanism. In extreme circumstances, the Secretary of State may order the Plan cancelled, order refund of Plan instalments following non-disclosure and order the original bill-payer who failed to disclose the Plan to compensate the Green Deal provider for the costs of early repayment. There may also be investigation of possible criminal activity such as fraud where intent to deceive is suspected.

CAN have decided against answering this section as it falls outside of our remit

Q34. Do you think the framework for consent for the Green Deal charge and measures provides effective protection for the parties involved?

Yes / No / I don't know

Q35. What is the best way to draw the future bill payer's attention to the acknowledgement wording?

Your answer

Q36. What will property professions need to do to assist with the effective discharge of the disclosure and acknowledgement obligations? If property professionals assume a duty to discharge these obligations on behalf of property owners, should they face the same consequences as the owners, where they fail to do so?

Your answer

Q37. Are there any other situations in which disclosure and acknowledgment should be required which might fall outside the proposed framework?

Your answer

Q38. Do you think 30 days after receiving the first electricity bill is an appropriate time limit within which someone can dispute disclosure of the Green Deal?

Your answer

Q39. Do you agree with the Government's approach to allowing Green Deal providers to require early repayment in certain circumstances?

Please answer

Consent call for evidence

Barriers to Consent – Call for Evidence

As outlined in the Consent section above, there are multiple parties who may need to consent to the Green Deal charge and measures. Some stakeholders have indicated that difficulties in obtaining multiple consents may pose barriers to entry into a Green Deal plan for certain properties. The most significant problem suggested is that in multiple occupancy buildings one or a minority of bill payers could prevent Green Deal measures benefitting all properties (such as cavity wall insulation) from going ahead, to the disadvantage of other occupants. There may also be circumstances where tenants or leaseholders need to gain the consent of a landlord or freeholder to make certain improvements to their property.

Whilst there are similarities to previous retrofit or improvement/maintenance programmes (such as Decent Homes), what makes the Green Deal consent process different is the need to gain consent to add the charge to the electricity bills for the property. This means there are no directly comparable schemes for the purpose of gathering evidence on consent. Consequently there is little to indicate with certainty how bill payers and other parties will respond to Green Deal requests in multiple occupancy buildings or whether this might result in significant barriers.

We welcome wider views on the likelihood of barriers resulting from the need to secure consent to the charge or measure, and would like to hear about any relevant evidence stakeholders feel should be taken into account. We are also keen to understand the scope for voluntary, non-interventionist solutions to consent barriers and welcome ideas and views on this.

We are also aware that potential solutions will need to take a number of other issues into consideration. This includes consideration of consumer rights and the property rights of individuals.

How significant do you think consent barriers might be for uptake of the Green Deal in the domestic property sector?

Your answer

How significant do you think consent barriers might be for uptake of the Green Deal in the non-domestic property sector?

Your answer

Is there any relevant evidence from past or current retrofit schemes, or improvement/maintenance works suggesting that consent may be a problem under the Green Deal?

Your answer

Are you able to propose any practical solutions to potential consent barriers, particularly drawing on voluntary and non-regulatory mechanisms?

Your answer

Chapter 7: Installation

Once a property has had an authorised Green Deal assessment, the finance for measures has been approved and the necessary consents obtained, installation is the next step. In order for the Green Deal and ECO to achieve their objectives, it is essential that installations are carried out to a high standard by trained, qualified and certificated installers, hereafter referred to as 'authorised' Green Deal installer.

We are proposing to make it mandatory for an installer to be authorised to operate under the Green Deal and ECO and to have been certified to have met a new Green Deal installer standard. Installers will need to carry the Green Deal Quality Mark, take full responsibility for the quality of their work and comply with the relevant requirements set out in the Green Deal Code of Practice.

The British Standards Institute (BSI) is currently developing the Green Deal installer standard with the sector, and this is scheduled to be published in early 2012. The installer standard will bring together existing standards in one place to ensure greater clarity and consistency of approach, as well as robust levels of monitoring and compliance.

As with Green Deal assessors, we are proposing to implement the Green Deal installer standard through certification bodies with a view to minimising burdens and costs by using existing structures. To ensure a robust and consistent application of the new standard, we have appointed UKAS as the independent third party body that will accredit the installer certification bodies. Once accredited, certification bodies will be responsible for ensuring installers meet the Green Deal standard and comply with the Code of Practice.

We are proposing that all Green Deal and ECO installations be underpinned by a comprehensive scheme of insurance backed guarantees, warranties and redress procedures should anything go wrong.

Q40. Are there any government backed and accredited scheme standards which operate at present (in addition to the Microgeneration Certification Scheme and Gas Safe), that could be considered as meeting the new Green Deal standard already?

Your answer

The system should facilitate a single membership and accreditation for all processes, rather than add to the plethora of memberships and accreditations that are currently required and make multi-skilling, especially in the building services sector, particularly costly and therefore prohibitively expensive. For example, Gas Safe should be in a position to certify electrical engineers for 17th edition electrical installations and NECEIC should be able to certify gas fitters for explosive gas installations and gas under pressure. Diagram 7.1 illustrates the importance of this as a customer could end up employing a heating engineer and a solar water heating system installer who interface at the heat store and controls. Subsequent problems always result in disputes as to where faults lie as a result of these split responsibilities. A CHP system would be worse with now a heating engineer a gas fitter, an electrical engineer and a motor mechanic all refusing to accept responsibility for a failure. Demarcation like this could stop the Green Deal in its tracks the first time a system breaks down. The vested interest of Gas Safe, NECEIC, etc must be overturned.

Q41. It is not yet clear what the accreditation requirements for GD/ECO will be and how they will impact on incumbent firms in the market. Further work is being carried out to understand and quantify the nature of the impact of these, particularly for those firms that are micro-businesses. We welcome views from incumbent CERT installers on what the potential implications of changes to accreditation would be.

Your answer

Needs one but cost is an issue

HSW view on gas regs going to another gas certification

Green Deal provider needs to cover the certifications of installations

Worry about costs

Avoid restrictive practices

DIY

Customer confidence in certification

Chapter 8: Payment Collection

A fundamental component of the Green Deal is that repayments should be collected through energy bills. This allows the charge to transfer automatically and allows us to build on the existing protections which cover vulnerable consumers when they run into difficulties paying their bills. The basic principle we have adopted is that the payment collection mechanism ought to be an integral part of the overall energy bill and incorporate all the existing requirements and protections. To help ensure that the cost of financing the Green Deal is as low as possible, repayments will be collected from the customer via a charge on their electricity bill. This is operationally simpler because almost all households are on the electricity grid whereas many houses are off the gas grid. It also helps protect vulnerable consumers and is designed to ensure that the risk of non-payment of the Green Deal charge is as closely aligned as possible to the historically low risk of non-payment.

Once payment has been received from the customer, suppliers will be required to pass on the monies on a pari passu, or proportional, basis to the Green Deal provider. The Green Deal repayments will appear on the customer's electricity bill as a separate charge. In most cases, the frequency at which a customer receives their electricity bill or statement will not be affected. Customers with prepayment meters will also be able to benefit from the Green Deal with their charge collected via the arrears function in the current generation of meters. We are proposing to use the annual energy statement received by domestic customers to convey information on the total amount of Green Deal charges that are due to be paid over the next year, and the likely energy savings as reported in the Green Deal assessment. This will be in addition to the annual credit statement provided by the Green Deal provider.

As part of the Government's commitment to promoting competition in the energy retail market, we are proposing to introduce an 'opt-in' for smaller electricity suppliers. That is, electricity suppliers with fewer than 250,000 domestic and non-domestic customer accounts will not be obliged to collect the Green Deal charge. If they decide for commercial reasons they want to opt in to the Green Deal collection mechanism, they will be able to do so.

We are proposing that all existing obligations in relation to debt and disconnection placed on electricity suppliers via licence conditions be extended to cover the Green Deal charge in order to protect vulnerable consumers.

CAN cannot answer this section as it falls outside our remit

Q42. Do you agree with our proposed debt thresholds? If not, please suggest alternative thresholds with appropriate supporting evidence.

Agree / disagree / neither agree nor disagree

Q43. Do you believe that electricity suppliers as well as Green Deal providers should have the right to prevent customers from taking out a Green Deal finance arrangement if these thresholds are exceeded? Please give reasons for your answer.

Yes / No / I don't know

Q44. Do you think additional infrastructure is required to facilitate payment remittance?

Your answer

Q48. Do you agree with the proposed 72 hour period for the transfer of payments? If not, please suggest an alternative with appropriate supporting evidence.

Agree / disagree / neither agree nor disagree

Q46. During this 72 hour period, should the electricity supplier maintain an account balance at least equal to the total value of Green Deal payments being held?

Your answer

Q47. Do you have an alternative suggestion for reducing the burden on smaller suppliers that would not lead to a potential reduction in the number of electricity suppliers available to Green Deal customers?

Your answer

Q48. Do you agree with the proposed threshold for the smaller supplier opt in? If not, please suggest an alternative threshold with appropriate supporting evidence.

Agree / disagree / neither agree nor disagree

Please explain:

Q49. Do you agree with the proposed level of the annual administration fee? If not, please give reasons for your answer and, if relevant, provide additional evidence of likely cost impacts.

Agree / disagree / neither agree nor disagree

Please explain

Q50. Do you agree with retaining the existing £200 arrears limit (including Green Deal repayment arrears) for prepayment customers with a Green Deal plan? If not, please suggest an alternative limit with appropriate supporting evidence.

Agree / disagree / neither agree nor disagree

Please explain

Chapter 9: Delivering the ECO and Green Deal

We expect the Green Deal and the ECO will frequently work in partnership. For example, measures that save a large amount of carbon and deliver significant energy efficiency benefits, such as solid wall insulation, are currently too expensive to be deliverable within the Golden Rule alone. Green Deal providers will therefore be incentivised to seek out contributions towards a measure from suppliers seeking to

fulfil their obligations under ECO. This is likely to bring the net cost of the measure within the terms of the Golden Rule, thereby allowing a Green Deal provider to put a more attractive offer to a customer and increase the number of Green Deal offers they are able to make.

We propose that energy suppliers receive credit for the full carbon or cost saving benefits of each measure which they are involved in promoting and installing. We expect this to create an incentive for energy suppliers to find Green Deal providers with whom they can develop offers for measures which rely on a mixture of ECO and Green Deal finance. Since energy suppliers will want to meet their obligation at as low a cost as possible, they will be incentivised to leverage in as many other types of funding as possible. In the case of the Carbon Saving obligation this is primarily expected to be Green Deal finance, though other sources of funding are not excluded. Allowing credit for the full carbon savings in this way also creates an incentive to promote packages which qualify for ECO points over those which do not.

It will be crucial to an open and competitive energy efficiency market that access to ECO support is as transparent, efficient and cost effective as possible. To do this we propose the introduction of a market based solution, i.e. brokerage, to help energy suppliers make a significant proportion of their ECO support fairly available to those delivery agents who can commit to delivering in a cost effective way.

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The role of local authorities and other local partners is also likely to be crucial in ensuring effective and intensive delivery of the ECO and Green Deal in particular areas. We believe that many natural incentives will encourage effective partnership

to form, and no particular regulatory requirements are needed. The Big Society agenda also has the potential to support local partnerships.

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Q51. Do you agree that stipulating strict regulatory quotas for partnering with specific types/numbers of third party delivery agents might be unduly burdensome, and the development of a brokerage model may be a more effective means of achieving the desired outcome?

Agree

Please explain **A brokerage model sounds at face value to be a more effective approach to achieve the desired outcome, however in an open market approach the supplier must be excluded from operating as the broker to ensure sellers and buyers are brought together without supplier influence.**

Q52. Do you agree that it is desirable that energy suppliers should have to fulfil some or all of the (carbon) obligation by spending money promoting measures through those organisations who are able to provide the most cost effective delivery options?

Agree / disagree / neither agree nor disagree

Please explain

It depends on what determines cost effectiveness. It is more cost effective for an RP to have a DH framework contractor deliver additional measures than to break up the work and have split responsibilities for after care, e.g. the arguments that break out between heating engineers and solar water heating installers when a fault arises and neither supplier wants to admit liability. Under CERT and CESP the energy companies have been able to argue that an RP's costs are not competitive without opening their books. If the energy supplier's "bid" to the brokerage had to accommodate any premium resulting from the inefficiency created by splitting up an RPs running contracts this might level the playing field.

Q53. Do you agree that we should seek a firm commitment from the ECO suppliers that they will use brokerage for a defined and significant percentage (e.g. 50%) of their obligation? If so, what level do you consider this should be?

Agree

Please explain

100% should go through the Brokerage system. The consultation doesn't mentioned the word "Tax" so it clearly isn't an issue. The cost of the third party will exist whether it transacts 1% or 99% so why not remove the risk of energy suppliers continuing to mess about and make all ECO run through a blind

bidding process. That way an energy supplier might receive ECO funds from an inefficient competitor, putting pressure on energy suppliers to be efficient.

Q54. Do you have any further comments on the detailed design of a brokerage, or any alternative mechanism that ensures the most cost effective delivery?

Your answer

Chapter 10: Consumer Protection

Consumer protection and business confidence in the Green Deal will be central at every stage. Consumers will be protected throughout the Green Deal process. This chapter gives an overview of those protections, which are covered in more detail in the relevant chapters. If something does go wrong for the customer, clear and accessible mechanisms to enable redress will be vital to underpin these protections.

There are two main areas where something could go wrong with a Green Deal. The first is when there is a problem with the installation, the measures installed or the terms of the Green Deal plan. In both cases the Green Deal Provider is responsible for trying to put the problem right. If required, Green Deal providers will compensate the customer, and seek redress from their installers or assessors through commercial contracts. If the Green Deal provider, assessor or installer is found to breach the conditions of the Green Deal authorisation scheme, including the code of practice, the Secretary of State can impose sanctions.

The second is where customers of Green Deal Providers are responsible for disputes, when they themselves have failed to meet their obligations. If people haven't met these obligations, the Secretary of State can impose sanctions against them and ensure the person who is made worse off can seek redress.

When the Secretary of State imposes a sanction in relation to non compliance with Green Deal obligations, there will be a right to appeal against it.

Q55. Do you agree that the Energy Ombudsman should have a role in helping customers secure redress in the Green Deal? If yes, what further powers will the Energy Ombudsman need to investigate compliance by Green Deal Providers and householders? If no, please explain why not.

Yes

Please explain

Yes we agree the Energy Ombudsman should have a role in helping customers secure redress however we doubt that they currently have the resources at their disposal to adequately discharge this responsibility. We are not sure what additional powers they would need to investigate adequately complaints / claims however the customers will always see the supplier as their main point of redress as that is who they pay the monthly charge to. The supplier will not be able or wish to deal with the complaint and neither will the ombudsman due to lack of technical knowledge and resource.

Chapter 11: Setting the ECO and target metrics

The overall ambition level of the ECO, when looking at its twin objectives of carbon saving and affordable warm combined, will be set at a level equating to £1.3 billion per annum, and this will be translated into obligations for each ECO supplier under each objective over the course of the life of the scheme.. The two objectives of the ECO differ from each other such that each will require its own target metric. It is proposed that:

- the overall Carbon Saving target will use a metric based on annual tonnes of CO₂ reductions; and that this should be set at a level of 0.52MtCO₂/yr by 2015 (equivalent to 2.0MtCO₂/yr in 2022 pro-rata)
- the overall Affordable Warmth target will use a metric based on reductions in lifetime heating costs; and that this should be set at a level of £3.4 billion reduction in notional lifetime costs of heating for low income and vulnerable households by 2015.

Suppliers will gain credits towards their obligations for each package of eligible measures installed. Property-specific scores will be calculated through a similar SAP or RdSAP methodology used for Green Deal assessments with scores reflecting the modelled reductions in carbon and heating cost reductions.

We propose that the obligation should be placed on large energy suppliers, defined as those with over 250,000 gas and electricity customer accounts. This will avoid introducing barriers to the market for smaller energy companies expecting to grow.

A key issue under ECO is determining the size of the overall target. Greater levels of ambitions under ECO mean greater costs to energy companies and by extension greater costs to all bill payers. The proposal put to consultation represents our assessment of the optimum balance to be struck in this respect. Within this, we would welcome views on the proposed metrics and scoring mechanism, including whether ECO scores should be expressed, and targets set, in terms of annualised or lifetime savings of measure. We also encourage views on whether a move to a supply-volume basis for calculating obligations, rather than a customer account basis, would have beneficial effects. We would also welcome any evidence from consultees that would affect the estimation of the costs and benefits of the targets proposed, as set out in the summary sheet of the Impact Assessment.

Q56. Do you agree that targets of 0.52 million tonnes of CO₂ per year saved, and £3.4 billion reduction in notional lifetime costs of heating by March 2015 represents the correct balance between ensuring high levels of delivery and minimising costs that could potentially be passed through to consumers?

neither agree nor disagree

Please explain

The statement makes no sense and needs clarification

Q57. Do you agree with the estimated costing of this scale of ECO at £1.3bn p.a. as set out in the Impact Assessment? Do you have additional evidence on the costs and benefits of the proposed targets for consideration in further analysis?

disagree

Please explain

We are not in agreement with this cost as the basis for its assessment is fairly rudimentary however we cannot provide any evidence on costs v benefit to support any change to this estimate, other than the view that is likely to be a conservative estimate of the likely actual outturn costs.

An option we would like to see if for large organisations (M&S, Tesco, Virgin, Utility Contractors and so on) to have the option to buy the ECO (including the full target obligation) from Energy Companies to deliver this programme of improvements therefore encouraging more market entrants and a greater chance of efficient implementation and operation.

we believe the whole ECO scheme (and Green Deal for that matter) has too much of a heavy reliance on the ability of privatised Energy Companies to effectively manage and deliver efficiently the programmes to target. The evidence to date indicates that they will fall well short of the performance required to achieve these ambitious targets.

Q58. The division of the overall ECO between energy companies could be based on share of customer accounts, or sales volume. Do you have a preference as to which metric should be preferred, taking into account possible impacts on distributional equity? Please provide evidence for your views.

Your answer

Our preference is for sales volumes as this would be a more equitable way of division based on carbon impact of sales generated e.g. the more carbon generated power you sell the higher the ECO distribution (Carbon Impact => ECO)

However, we would like to see whether the ECO obligation could be opened up to the wider market as an opportunity for non sector companies to bid for: driving low carbon innovation and low cost delivery; rather than leaving it the hands of the big 6 energy companies

It should be on the basis of customer accounts because the customers are contributing to the ECO fund and should have proportional access to its defrayment.

Q59. We propose that savings calculated through the SAP-based Green Deal Assessment methodology be used as the basis for ECO targets and scoring. Can you envisage any undesirable or inadvertent effects, that this approach might result in? If so, please provide details and evidence.

Your answer

SAP is too blunt for the Golden Rule. On its own the SAP would inflate the carbon savings that would be assumed to be made. There needs to be

reference to household assessment. Many household assessments will downgrade the carbon that could be saved and therefore increase the requirement for ECO. The target and scoring has to be based on the same methodology so ignoring behaviour would tend to cause considerable underscoring to be the norm.

Also the SAP approach must be entirely consistent. The Assessment should be lodged so that Electricity suppliers can use the same data. We should be using Full SAP with better control of assumptions and evidencing of the basis on which assumptions have been made. The occupancy assessment should modify the carbon savings. If there isn't a fuel bill there can't be any savings - indeed we might fund, through ECO, measures that cause the use of more fuel and the emission of more carbon because the comfort, health and safety associated with those measures is affordable for the occupant in future.

Chapter 12: Reporting and data

We propose to legislate to ensure that we have access to the information we need in order to monitor and evaluate the operation and effect of the Green Deal and ECO policies.

We are proposing that an action which an energy company intends to count towards their obligation has to be reported to the Administrator in the month following the installation being completed. Suppliers will also be required to provide information to the Secretary of State on costs incurred by energy suppliers in meeting their obligations, although we will not have powers to require information about how funds have been raised. We also propose to ensure annual public reports on progress of the scheme are produced.

Ofgem is the default Administrator, but the Secretary of State now has the power to appoint another person to be the Administrator. Efficient and effective administration of the scheme will help to ensure its smooth running, minimising overhead costs to energy suppliers and, in turn, costs passed on to consumers. The Administrator will monitor compliance with the scheme rules, ensuring carbon and energy bill savings are genuine. For present and past obligations, including CERT and CESP, the role of Administrator has fallen to Ofgem in each case. However, the May 2011 DECC Delivery Review concluded that delivery of new programmes should be led by DECC unless there is a clear case for placing delivery with a particular body, with outsourcing where appropriate .

Consultees are therefore invited to give their views on the following two options for who should administer the ECO:

- Option i - Ofgem is the Administrator.
- Option ii - DECC is appointed Administrator, but outsources technical functions.

Q61. Is there other information the Government should collect in order to enable effective monitoring, evaluation and reporting on the performance of the Green Deal and ECO?

Your answer

Regulated – data needs to be made available collection/auditing/monitoring
Honesty and accuracy required
Monitoring through smart/intelligent meters accessible through independent
accredited body
Licensed regulated scheme

Q62. Should DECC be responsible for administering the ECO, with technical functions outsourced to the private sector, or should Ofgem administer the scheme? Please provide evidence to support your views.

Your answer

Ofgem would be the preferred mechanism, but it needs an overall and some teeth to deal with issues that will arise

General comment

In addition to the specific questions asked throughout this consultation document, do you have any other comments on any aspect of our proposals?

Your comment

General comments received from the CAN membership:

Please note that these are the views of individual members and that some of them might have been received before the consultation started.

(Apologies for the style in which these are presented but many were sent through just before the deadline)

Questions considered by the East Pennine CAN Forum:

Q1: Do you feel the proposed requirements on GD assessors as set out in the main body of the code of practice are clear and robust and enough to support the GD assessment?

Impartiality was considered questionable where assessors were employed by providers. Whilst it is preferable that assessors are entirely independent and qualified, this automatically incurs high costs.

Questions also arose as to how these assessments would be funded; householders are unlikely to accept an EPC assessment charge in cases where nothing can be done to improve the energy efficiency of a home or where a homeowner does not want to go ahead with the proposed measures.

Q2: What requirements will the GD assessor need besides an EPC qualification?

Knowledge of boilers and heating systems and their life expectancy would be advantageous along with advice on warranties and the benefits of regular servicing.

Training should be provided on planning regulations, materials and renewable technologies and providing advice for customers who are not on the gas network.

Q4: Do you agree with the proposed approach to third party assurance and enforcing compliance for those providing GD assessments?

Local Authorities should have direct contact or stakeholder line with which any breaches of impartiality can be reported and dealt with immediately. This would go some way to marking assessors as trustworthy and offer consumers a local route to complain should they decide not to contact the GD helpline.

A point at which responsibility is assumed needs to be identified. An ombudsman would be one way of managing this.

Q?: Approach to identifying and assessing non-domestic buildings; do you think this will capture all non-domestic buildings and business sectors for which the GD is relevant?

Measures should be scoped prior to carrying out any work.

Non-domestic EPCs will doubtless prove a lot more expensive than domestic ones. This may hinder take-up.

Q?: What innovative measures can the government use to encourage take-up of the GD packages? Can their existing proposals support this?

Short-term cash incentives were identified such as cash-back, rebates on council tax and supermarket vouchers. Incentives should preferably be related to energy usage such as vouchers towards fuel bills.

Q11: What are your views on the potential inclusion of hard-to-treat cavity walls and other measures of a similar type and the proposals of how properties might be accommodated in the ECO without excessive complications?

CWI materials vary in substance and suitability to different kinds of cavities. Some cavity walls deemed untreatable under previous grants should therefore be included in the GD. Big problem with this however is with rubble-filled walls; this adds time and expense. Nonetheless, this approach represents an appropriate cost with an appropriate pay-back period.

Some kind of register for cavity walls would be would help to identify where properties have been rejected for CWI and the reasons given by the surveyor for this. This would help to prevent unnecessary surveys being carried out.

Q12: We propose the ECO carbon saving obligation could be achieved primarily by promoting and installing solid wall insulation.

This obligation should be achieved by looking at all measures.

Q13: For the ECO we propose that any other carbon saving measures should only be eligible when delivered as part of a package with solid wall insulation. Do you have any suggestions for the criteria by which eligibility, when packaging, should be restricted? Explain why you think if any, such restrictions should be included. -PLEASE CHECK WORDING!

Consensus is that we shouldn't just be looking at solid wall insulation but we should also be looking at the harder to treat cavities and therefore other measures should be added and not necessarily as part of a package but rather as individual measures.

If this is applied to rigidly, properties that can quite easily be made more energy efficient – for example harder to treat cavity walls - will lose out as a result of the 'package' stipulation.

Q? Any suggestions for boiler replacements and repairs?

Only 'A' rated boilers should be repaired provided they are less than 5 years old. All others should be replaced. The GD should not last longer than the life expectancy of the measure in accordance with the golden rule.

Q? Should any heating measures be allowed?

More data is needed on ASHP and GSHP to prove their effectiveness.

Q? Surety bonds

Setting up a bond is very problematic.

Q? Providing GD providers with insurance-backed warranties....

This is tied up in consumer protection. We shouldn't be suggesting that people install products that don't last as long as the GD.

Q? Is it necessary for additional protection when the customer takes out GD of more than £10k – Do we make an adjustment of 5% for customer protection?

Sensitivity analysis is a good idea. 10 % would be better.

Q26: Do you agree with the year 1 charge? Should GD provider be allowed to increase interest in line with fuel cost rises?

Individual views only:

Chapter 2

Q 12 NO other measures should be considered it should not be viewed as a solid wall ECO scheme consideration should be given to hard to treat cavities in all tenures.

Q13 again no for reason Q12 What about flats where external wall insulation may be impractical also what about listed buildings it should not be a package

of measures offered but what is appropriate for the property in hand which may be only one measure.

Q15 only A rated boilers should be repaired rest should be replaced to A rated Warm Front boilers should be replaced

Chapter 3

Q19 no bonds too high a cost

Chapter 4

Q25 5% too low should be 10% would not expect to offer additional consumer protection

Q27 keep interest in line with inflation or hold interest rate as an incentive

Q28 Pay lone of in full and not have it front loaded

Chapter 5

Q32 should be given a time frame with strict set response times and penalties for slipping

Q61. One of the main failings of past activity has been the lack of an individual property database to record all activities. Either the regulator or Local Authorities through their HECA functions could be charged with recording all data on GD, FiTs and RHI at least on Domestic stock if not commercial as well. This would help with targeting and fraud prevention.

62. I would prefer the function to remain with people who develop a legacy of understanding so that they can inform future iterations, and unfortunately government departments are subject to regular change so I would suggest OFGEM is better placed.

56. No comment

57. Whilst the amount £1.3billion is substantial the split on the affordable warmth of 25% means the whole budget for the vulnerable is very low and below existing allocations. This is likely to mean fuel poverty targets will remain unattained. My concern is not with the amount but with how the money could be allocated. The removal of subsidies for basic insulation could destroy the cavity and loft insulation industry overnight and lead to many missed opportunities. If estimates for unfilled cavities are accurate and remain quite high I would like to see a tapered support introduced as part of the Carbon saving element for example a 50% subsidy in year one and 10% removed in each following year. This would give the industry time to adapt to solid wall insulation and keep basic and high carbon saving activity vibrant while many cavities are yet to be filled. A mass transition in a short space of time will lead to many technical errors that could set Solid wall insulation back many years, so allowing more familiar activity to continue and form part of the obligation will allow some elements of the targets to be dealt with in confidence allow more attention to the quality of solid wall insulation.

58. no preference

59. No real problems other than this will replace Warmfront and hence there is no Energy saving in repairing a boiler and little in replacing a 5 or 6 year old one so unless allowance is offered for affordable warmth SAP may be not be best.

60. Lifetime savings take account of the persistence of the measure so this is preferable but expressing both not be a problem with the way data is collected.

Consent. The Green Deal concept is straightforward in the context of freehold, owner occupied property. It becomes more complicated in rented property, because the consent of both the owner of the building and the energy bill payer are required; and more complicated still in multi occupied buildings where there may be a mixture of tenants and leaseholders all of whose consent is required to carry out works to communal areas (such as external cladding of a block of flats). The Government has not come up with a solution of how to deal with situations where not all residents may consent to works and has called for evidence and suggestions of possible solutions. Without a satisfactory solution it could prove hard to implement schemes in multi occupancy buildings where one or more residents oppose the scheme, on the other hand, there are substantial legal obstacles to imposing, in effect, a credit agreement upon someone without their consent,

In my view it would be very restrictive to keep the eligibility for Affordable Warmth measures restricted to households who are in receipt of the benefits and tax credits similar to the CERT Super Priority Group whether in private housing tenures or not. Too many house holders fall into fuel poverty traps because they are just out side benefit catchment yet still have poor incomes. Such groups of people can be aged couples or single people over retirement age. They can also be younger people struggling on low incomes with little savings or chance to save. A much broader out look is needed on the eligibility criteria for ECO.

P59, item number 50 addresses the point about householders not having to pay for a Green Deal Assessment if the best solution for these customers does not involve Green Deal Finance. Anyone qualifying for measures under the Affordable Warmth obligation should be provided with this information as early as possible in the Green Deal Process.

Unlikely that anyone eligible for Affordable Warmth obligation would ever apply for a Green Deal in any case. Also DECC know the details of everyone who would be eligible for Affordable Warmth obligation, so why not just contact them directly?

The main concerns as with all initiatives is that this is all done piecemeal and hence logistically flawed. Warmzone style approaches work because you intensify activity and focusing your actions in areas, the impact is such that people in the neighbourhood become aware and share information in the pub, at the school gate or in the queue at the newsagent.

It would therefore be useful to have mechanisms that allow area based activity, then maybe the investments could be linked. As solid wall could be pivotal to this scheme, harmonised external cladding systems, with associated planning and building reg solutions are best suited at an area level than individual. Ideally something like that could also promote district heating and similar communal systems (ie replacing heating systems in blocks of flats). Let's hope whatever emerges is not made available in a way that those with sharp elbows benefit from it at the expense of those that need it (like FiTs).

The Green Deal is probably one of the worst ideas I have heard of for quite some time.

What measure does DECC think that people will rush out and install once the barrier of paying for it upfront is removed and the opportunity to indebted yourself for 25 years is available?

There aren't any measures that will be suitable; payback on solid wall is 20 years, and installed cost is about 10K. If there is anyone out there who would like to lend me £10,000 which I can repay at a rate of £400 per annum please get in touch.

Landlords might find this an ideal opportunity to upgrade their properties and have the tenants pay the cost.

A property with a Green Deal repayment attached to it will be less attractive to prospective purchasers/tenants than one without.

Properties are sold on average once every seven years (might not be absolutely correct, but definitely something like 7 years) - will the Green Deal repayments be recalculated for each new owner or occupier as a single person who works all day uses much less energy than a family with young children?

What Government intends is not usually what the private sector delivers.....

26% of CERT target met by posting 276 million light bulbs.

CESP became a Decent Homes scheme bolt on - only 27 schemes approved by OFGEM as at April 2011 (scheme ends Dec 2012)

Feed in Tariffs hijacked by private sector investors setting up large scale schemes on a large scale completely unforeseen by DECC

FITs massively unfair anyway as enables poor people to pay rich people to install solar panels and get paid for the energy they generate

No opportunities for Local Authorities anyway as cannot compete with cash rich utility companies (BG profits £700 million last year)

Who is going to regulate the "Assessors" - you only have to look at EPC assessors, loads paid out for training then Estate Agents monopolised that, some assessors take an hour and do a "proper" assessment, others I hear take 10 minutes (seriously).

Also, can 1 person be trained in the raft of technologies....external wall insulation for instance, would they check if its in a conservation area before they suggested this option? and is between now and next Xmas enough time to train up / set up this huge industry thats sprouting from nowhere?

Can people use a GD whilst also using a service like the Carbon Co-op who intend to set up a bulk purchase scheme so that people can access PV for a more affordable £6k?

and, if they are offering financial advice (in effect they are suggesting you take a loan whether its tied to you or your house) so will the assessors need FSA regulation?

How do we stop back-handers from installers to assessors? and rogue traders? we have enough problems now with Insulation installers claiming they work with LA's, get funding from places that don't even offer funding, claiming grants for people who shouldn't qualify - on and on and on.....(not all installers I hasten to add).

Then we get on to the pay back, if your property can use a technology like technitherm would it not get a green deal because they aren't 'registered'? who decided what should / shouldn't be included? can I get a new conservatory under double glazing - mmm

The other post mentions selling houses, from memory its an average of 5-7 years, I know I'll be selling up soon I've been here 5.5 years, so if I get a green deal, and my estate agent isn't really on board, doesn't understand the concept and therefore fails to market it as a positive then I'm likely to loose sales - not to mention the solicitors bit, god they can't manage group repair schemes where there is a note added to the property that its had work but no repayment is required back, they still don't get it so do we expect them to get this!

I sound negative.....I'm not, the PAYS concept is a good idea, it offers the opportunity to do your bit, save a bit - but PLEASE POLICY MAKERS YOU NEED TO SPEAK TO US PEOPLE THAT DO DELIVERY BEFORE AGREEING TO ANYTHING.....we speak to the public daily (the LA's and EST especially) we know what people really think, use our knowledge to guide you to make the right choice!

The Green Deal - Comments re. Chapter 4: The Golden Rule

When talking about the vision for the Green Deal, the third paragraph of the preface on page 10 states "Millions of us will live and work in greater comfort, through upgraded and insulated properties" However, in Chapter 4, the premise on which the Green Deal payments will be calculated is that the consumer will not live in greater comfort, or save money, but simply change one payment for another. The Green Deal, at least in the first year, expects the consumer to be only concerned with carbon reduction when all the evidence shows that only a minority are so altruistic, (and have probably already done what they can,) and most people require some sort of incentive before they will take a financial risk. When discussing whether following years' payments can be greater (Chapter 4 para 27-38), the discussion points out that it is impossible to predict how much fuel prices will increase in the future and therefore what savings will be made in future years. It is presumed that by keeping small any increases in payments over the years, the consumer will always be better off, but this is not certain, so provides little incentive either.

Chapter 4, para 30 says "The expectation that the Golden Rule is likely to be met should help increase consumer confidence, and reduce default, keeping the cost of capital low. In a rising energy price scenario, this option also ensures consumers make a greater saving on their bills over time". Default rates are more likely increase because the charge will be fixed, so if the consumer's circumstances change (someone loses a job) energy use can be lowered (turn the thermostat down and wear a jumper) to compensate for lower income, but the charge cannot. The paragraph is also disingenuous as talking

about “greater saving on their bills over time” implies that some saving will be made at the outset, which is not the premise of the “Golden Rule”

The Golden Rule as set out in Chapter 4 only guarantees that in the first year, the anticipated total cost (of energy plus Green Deal payments) will not be greater than the anticipated energy cost (without the deal) of a typical house of this type with typical occupancy and energy use. These are not actual figures for the property or household, but estimates, and there is no margin for error, so cannot promise financial or practical benefit to the consumer. Para 19 even admits that some consumers (low energy users), will find their bills higher with the standard Green Deal calculation. This is because charges will be based on standardised assessments even though Para 13 recommends that estimates should be based on how measures are likely to perform in the particular property.

As an early adopter of energy saving measures, I could not, with any honesty, recommend the Green Deal to someone on the basis that they would see any benefit to themselves, and would have to warn them that they may find that their costs go up. It is obvious to me that if someone puts in energy saving measures to make their house warmer, they would expect their house to feel warmer. It is ridiculous to expect people to keep their house at the same temperature, if before the measures they thought it felt cold, added comfort being one of the main incentives. It is also clear that a cost benefit cannot be guaranteed, the other main incentive. This means the remaining incentive is that they will reduce their carbon footprint, a concept that many people cannot see as important or even understand. Para 47 suggests that a cash back may be allowed and this is probably the only benefit most consumers will recognise.

In answer to Question 25; all consumers should have the protection of at least 5% of potential savings, and schemes over £10,000 should offer at least 10% protection. This may give a (small) financial incentive or a (small) margin to improve the comfort level in the home.

Re. non-domestic consumers: Para 22 It makes no sense to calculate savings based on an energy tariff that is not used by the consumer. There may be good reasons why a particular tariff has been chosen (e.g. policies may dictate a green or ethical energy source).