

Green Deal

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14th March 2012



about egnida

- Welsh renewable energy company delivering renewable electricity and heat solutions to consumers, businesses, LAs and RSLs
- our intent is to create sustainable local jobs
- Micaul Solar is wholly owned subsidiary
- solutions underpinned by government support mechanisms such as FITs, RHI and potentially Green Deal



funding limitations

- Feed-In Tariffs (FITs)
 - funded from energy bills but limited by government imposed spending caps
- Renewable Heat Incentive (RHI)
 - funded by treasury directly and limited by government spending caps
- Green Deal
 - private sector funded so uncapped

Green Deal origins

Coalition Agreement (May 2010):

Through our “Green Deal”, we will encourage home energy efficiency improvements paid for by savings from energy bills. We will also take measures to improve energy efficiency in businesses and public sector buildings.

what is the Green Deal?

- accredited advice and recommendations to improve the energy efficiency of UK homes
- energy efficiency improvements at no up-front cost and with on going savings in energy costs
- reassurance that work is of a high standard
- customers pay via electricity bill whilst they remain in that property and can switch energy suppliers at any time

which measures are included?

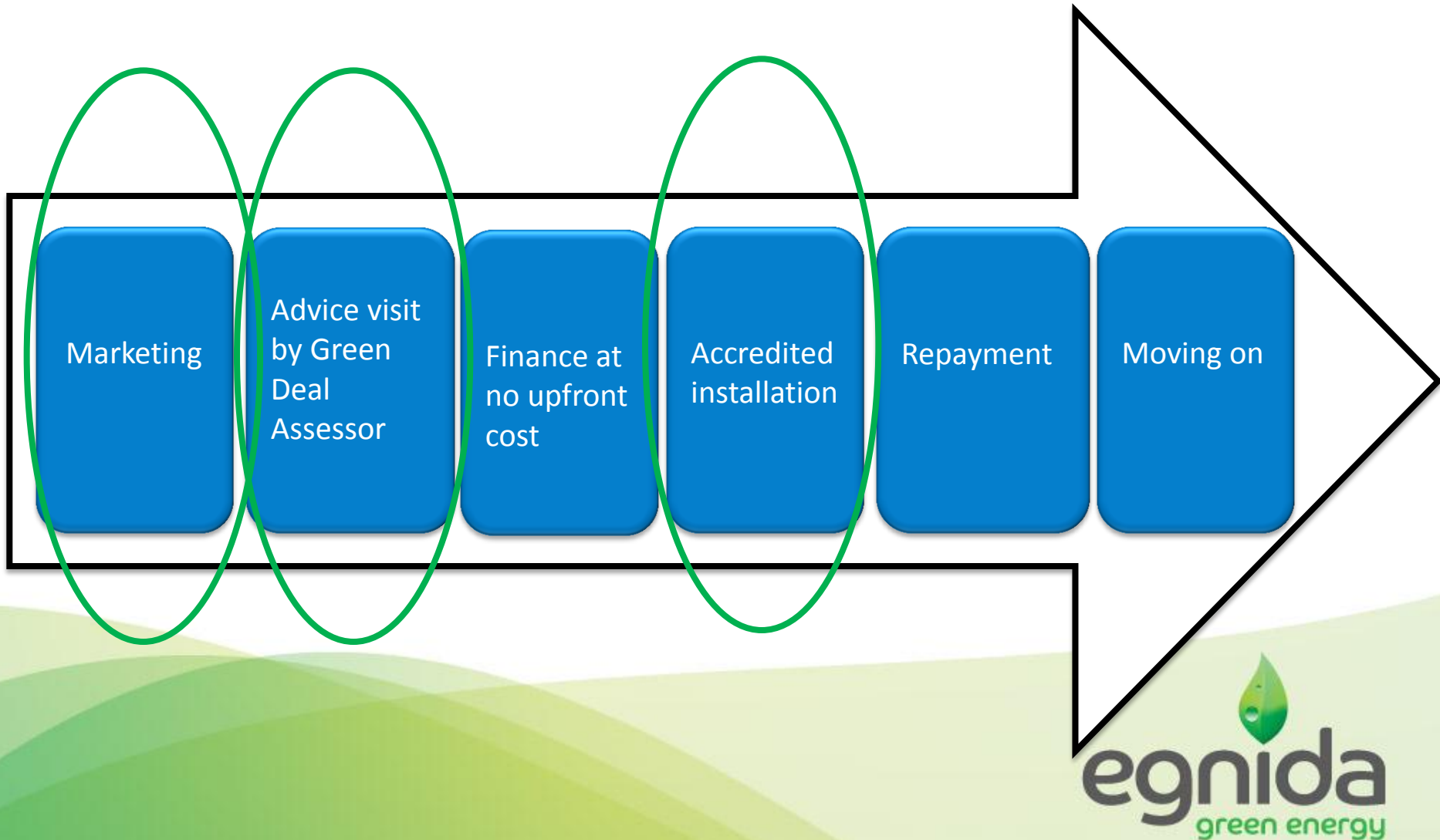
- a. air source heat pumps,
- b. biomass boilers,
- c. biomass room heaters with radiators,
- d. cavity wall insulation,
- e. high efficiency gas-fired condensing boilers,
- f. oil-fired condensing boilers,
- g. cylinder thermostats,
- h. draught proofing,
- i. energy efficient glazing,
- j. external wall insulation,
- k. fan-assisted replacement storage heaters,
- l. flue gas heat recovery devices,
- m. ground source heat pumps,
- n. heating controls (for wet central heating systems and warm air systems),
- o. high efficiency replacement warm-air units,
- p. high thermal performance external doors,
- q. hot water cylinder insulation,
- r. internal wall insulation,
- s. lighting systems, fittings and controls,
- t. loft or rafter insulation,
- u. mechanical ventilation with heat recovery,
- v. micro combined heat and power,
- w. micro wind generation,
- x. photovoltaic,
- y. roof insulation,
- z. room in roof insulation,
- aa. solar water heating,
- bb. under-floor heating,
- cc. under-floor insulation, or
- dd. waste water heat recovery devices attached to showers.

* The above measures are eligible provided they meet the Golden Rule.

the “Golden Rule”

- expected savings in typical properties must be equal to or greater than the cost of the measure to meet the Golden Rule.
- actual cash savings for the customer cannot be guaranteed by government
- the customer will be given advice but has ultimate responsibility for reducing consumption

Green Deal customer journey



stage 1 – generating interest




Marketing

- market driven promotion of Green Deal by installers and providers. No Government marketing campaign
- Remote Advice Line - DECC funded independent and impartial advice via telephone and internet. Customers will be signposted to accredited assessors, installers and providers

stage 2 – assessment

Advice Visit
and
Assessment

- accredited advisor will make a home visit and produce an assessment and Green Deal Advice Report including:
 - EPC assessment of building fabric – improved RdSAP
 - occupancy assessment – behaviour of occupants and how that impacts on energy use

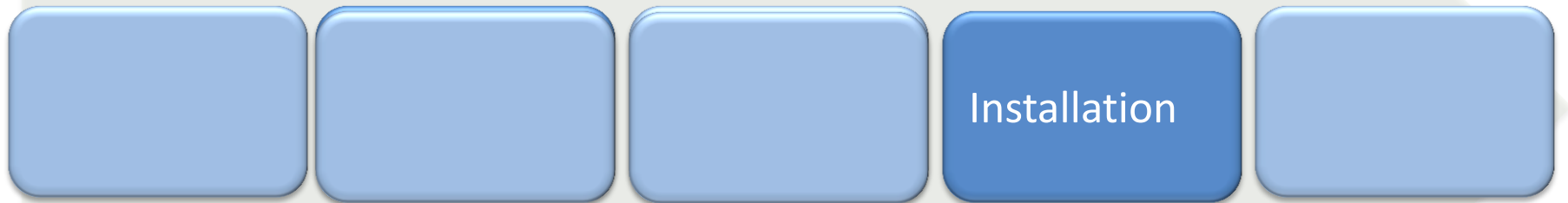
Energy Efficiency Rating		
	Current	Potential
Very energy efficient - lower running costs		
(92-100) A		
(81-91) B		
(69-80) C		71
(55-68) D		
(39-54) E	45	
(21-38) F		
(1-20) G		
Not energy efficient - higher running costs		
England & Wales	EU Directive 2002/91/EC	

stage 3 - funding the solution



- the customer can take the GDAR – assessment report and shop around for the best finance and installation package using one or a mix of providers
- a Green Deal Plan is agreed between the Green Deal provider and the bill payer of the property

stage 4 - installation



- after an approved Green Deal finance package is agreed the accredited installers carry out the installation.
- Green Deal Certified Installation companies install according to the Green Deal installer standards and comply with a Green deal code of practice.

stage 5 - repayment of Green deal



- once the agreed measures are installed, Green Deal repayments will appear on the customer's electricity bill.
- the customer is free to switch energy supplier – no change to the current procedures.

core principles of the Green Deal

The Golden Rule

- The **expected financial savings must be equal to or greater than the costs attached to the energy bill**, known as “the golden rule” of the Green Deal.

Measures

- The **measures must be approved** and the claimed bill savings must be those accredited through this process.

Assessment

- The measures installed must have been recommended for that property by an **accredited, objective adviser** who has carried out an assessment.

Installation

- The measures must be installed by an **accredited installer**.

Consumer Protection

- For householders, the Green Deal provider must give appropriate advice within the terms of the **Consumer Credit Act** and take account of the individual circumstances of the applicant.

Consent

- The Green Deal provider must have **consent** from the relevant parties, including the express consent of the current energy bill-payer

Disclosure

- The presence of a Green Deal must be **properly disclosed to subsequent bill-payers (e.g. New owners or tenants)** alongside energy performance information.

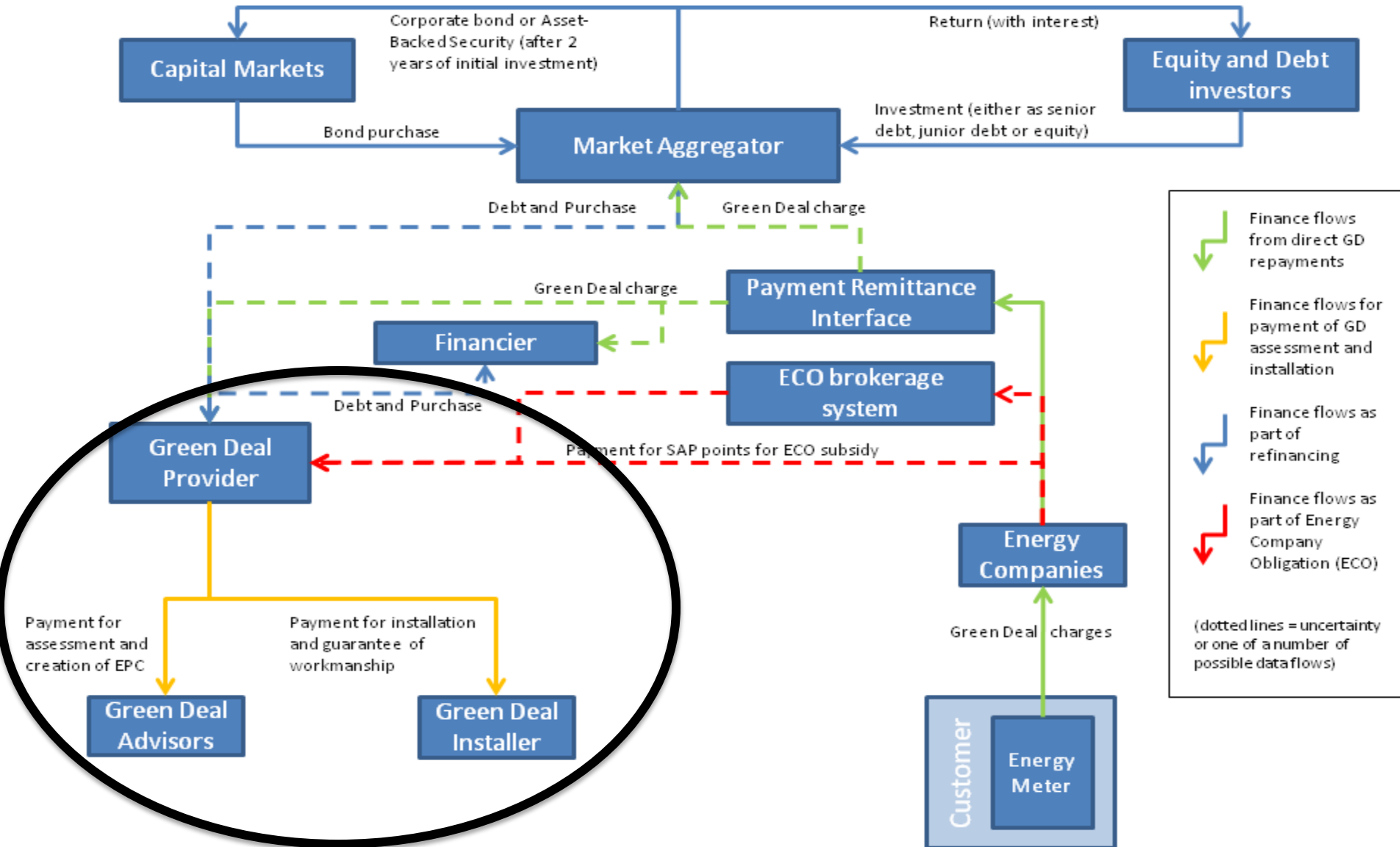
Payment collection

- Energy suppliers must collect the Green Deal charge and pass it on within the **existing regulatory safeguards** for collecting energy bill payments – including protections for vulnerable consumers

role of the ECO

- an obligation on energy suppliers to support household energy efficiency in hard to treat houses and vulnerable and poor households
- integrates with Green Deal but for households where Green Deal finance is not suited
- builds on the strengths of the existing CERT and CESP schemes

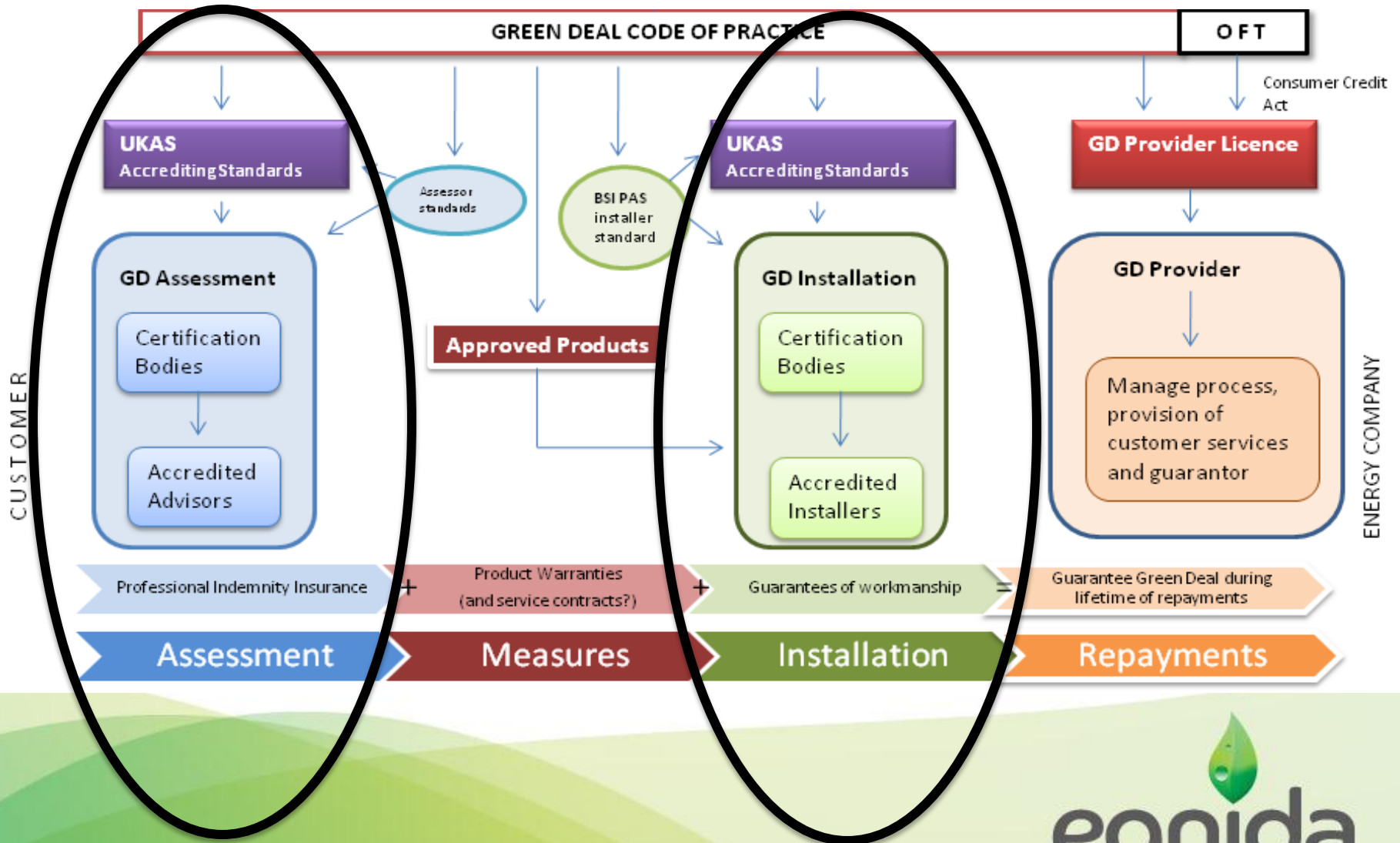
finance flows in Green Deal



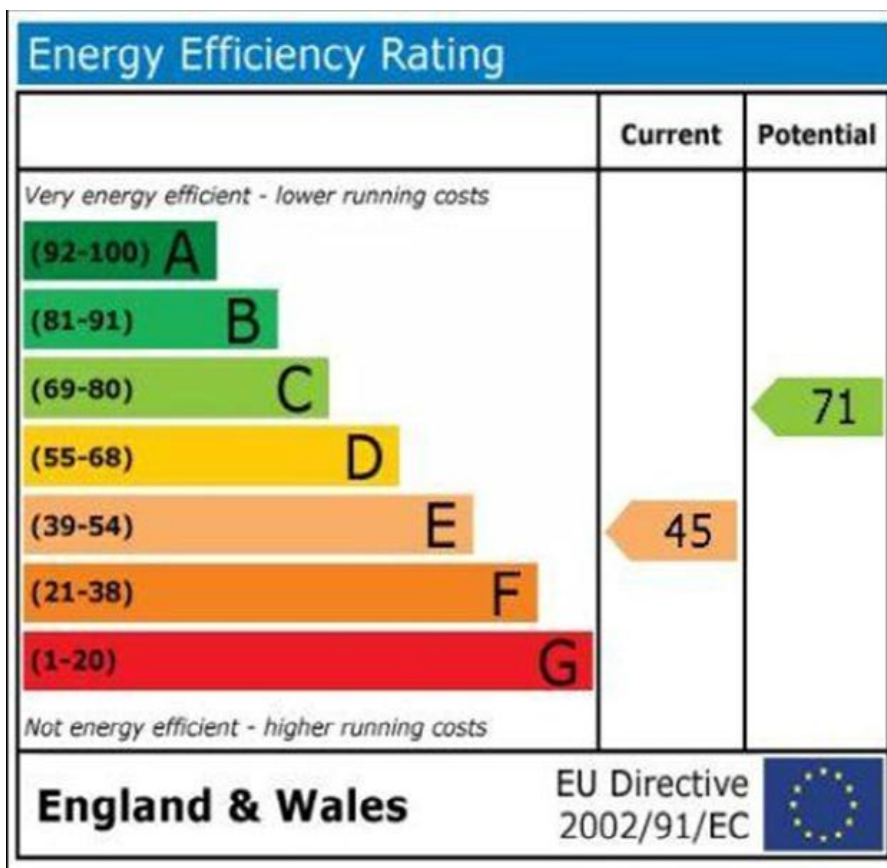
role of the Green Deal provider

- the counter signatory, with the customer, to the Green Deal plan for the provision of finance and energy efficiency works and is responsible for:
 - offering a Green Deal Plan, including finance to customers, based on recommendations from an accredited assessor. The plan sets out the financial terms of the agreement and sets out further consumer protection mechanisms and obligations on Green Deal providers such as warranties and guarantees.
 - making arrangements for energy efficiency works to be carried out to a property by an accredited installer
 - ongoing management of Green Deal plans, including dealing with customer complaints and fulfilling Consumer Credit Act obligations in the domestic sector

Green Deal accreditation



EPC based energy assessment



Green Deal customer drivers

- saves money on energy bills
- makes houses warmer and more comfortable
- can improve the appearance of properties
- reduces environmental impact
- can create many local jobs (but only if RSLs and Local Authorities get involved)

DECC vision - local authorities/RSLs

One Stop Shop as Green Deal Provider

Raise finance & local assessor/installation

Partnership with
National brand
(Brand provides finance)

Joint branding & marketing
with national brand

Delivery by brand or LA/Social
Housing Provider contractors

Delivery by National
brand

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

Facilitation role

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

Green Deal way forward

- consultation addresses key issues:
 - definitions of energy efficiency improvements and other measures eligible for the Green Deal
 - definitions of various parties in the Green Deal
 - details of accreditation and consents required
 - draft Code of Practice setting out criteria that advisers, providers and installers must meet
 - the terms of the Green Deal plan
 - details of ECO and licence modifications
- Green Deal planned start in Autumn 2012



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