

# The Green Deal

by

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24 November 2011

# The Challenge

Green Deal and ECO are designed to support three government objectives:

Reduce UK Greenhouse Gas emissions

Maintain the security of the UK energy supply

Tackle fuel poverty



# What is the Green Deal?

- 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, 10 years) through a charge on electricity meters.
- The Green Deal will include **owner-occupiers, the private and social rented sectors** and the **non-domestic** sector.

## How it will work – the customer journey

*Although the customer journey will not always be the same, there are four predominant key steps...*

### Advice

- 1) Consumer can seek advice via telephone or internet
- 2) Accredited advisor visits property, carries out assessment and recommends measures
- 3) Consumer can shop around

### Finance

- 4) Householder signs up to package of measures financed by Green Deal
- 5) Green Deal provider arranges for an installer to visit and carry out work

### Installation

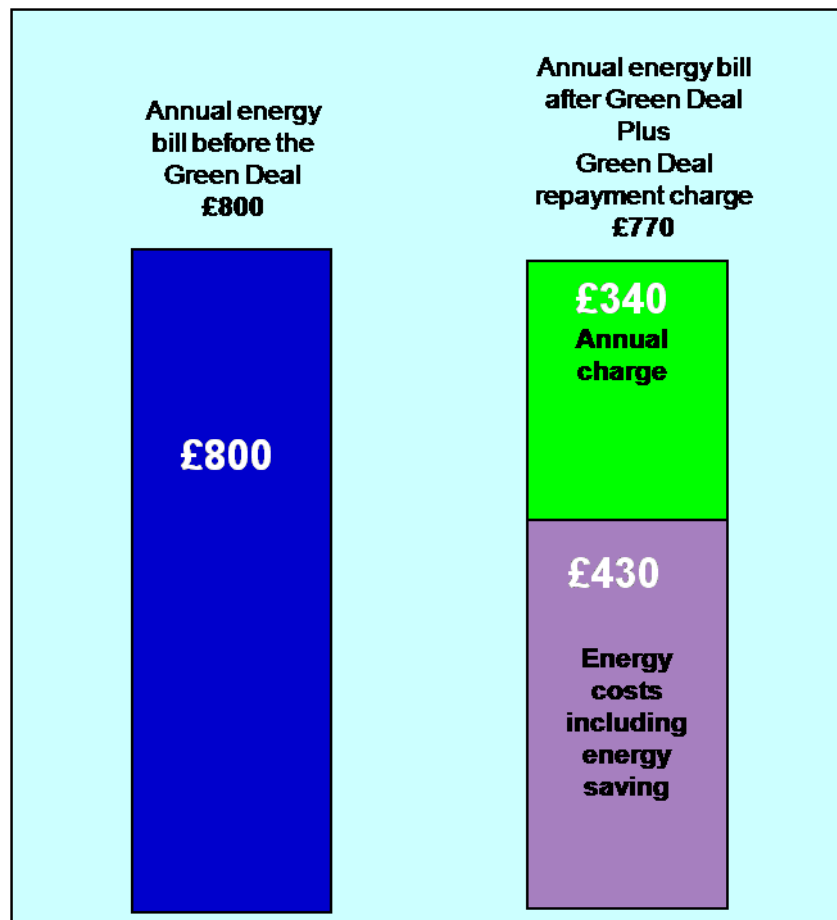
- 5) Accredited installer carries out improvements to the property
- 6) Installer and consumer confirm work carried out as agreed.
- 7) EPC updated to reflect the improvements

### Repayments

- 7) GD Provider notifies energy company
- 8) Payments collected through energy bills
- 9) Charge ends once repayments complete

# The Golden Rule

- **Green Deal repayment – *illustrative only***



# Why we are doing this – the benefits of Green Deal



- Reducing energy demand and carbon emissions

- Consumer choice

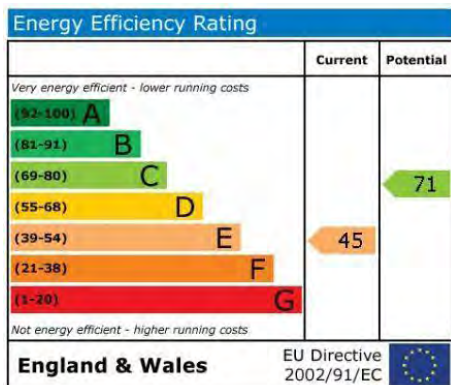
- Opportunities for Green Growth

- Improving the thermal efficiency of properties

- Saving households and businesses money



# Delivering Green Deal: putting the customer in charge



**Flexibility:** ensures the customer is in charge

**Competition:** benefit from competition and impartial assessment

**Choice:** shop around in the marketplace

**Renewable heating and micro-generation:** supported by separate financial incentives

# Delivering the Green Deal: extra support where it's needed – the ECO

## Energy Company Obligation (2012 – 2022) Objectives:

### Deliver carbon savings

Step change in energy efficiency across all housing

### Support the vulnerable

Thermal improvement for poor & vulnerable household

### Support equitable delivery

Ensure Green Deal works for all, encouraging innovation

Green Deal and ECO subsidy will significantly increase private sector spending



**Green Deal alone** will support the remaining low cost measures:

- further loft insulation
- cavity wall insulation



**Green Deal and ECO subsidy** will deliver measures to hard to treat housing and help poorer households:

- up to 2m solid wall insulations



**ECO subsidy alone** will be there to help the fuel poor through heating measures and insulation



# Delivering the Green Deal: growing the supply chain

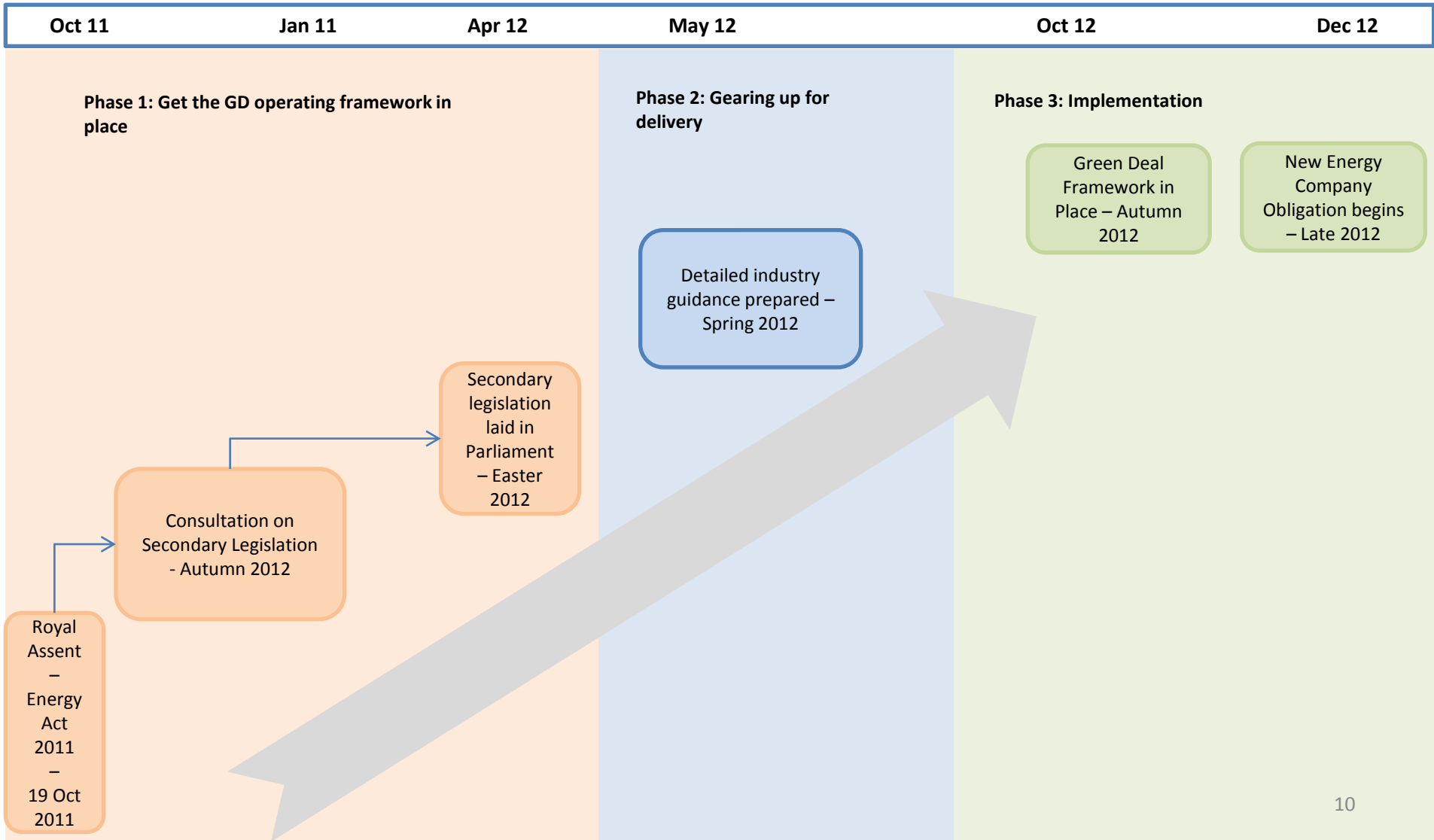
**Huge potential market:** could be worth billions of pounds over the next decade

**An open market:** enabling both established players and new entrants to innovate around customer needs

**'Brokerage':** we are proposing a 'brokerage' function for the ECO



# Timeline for making Green Deal real



## Purpose of the consultation document

**The consultation document has three main purposes:**

To explain the context for the development of Green Deal and ECO;

Set out our proposals for the Green Deal and ECO; and

Consult on key issues around our proposals on the operations/delivery and monitoring of the Green Deal and ECO.

A number of other documents will be published alongside the consultation:

- detailed impact assessment
- customer insight studies
- draft statutory instruments

## Green Deal for Non Domestic Buildings

### **Key consultation questions:**

- Have we designed an assessment procedure that captures all non-domestic buildings and business sectors for which the Green Deal is relevant?
- Are there alternatives to the simple approach to providing running cost savings in the non-domestic assessment that we should consider?
- What measures should qualify for Green Deal for non-domestic properties?

# Vision

An innovative policy designed around consumers;

A new, open and dynamic market for businesses; and

Investment driving economic growth.

**Our vision for the Green Deal and ECO is:**

## Resulting in:

Less carbon emitted

Fewer families in fuel poverty

Improved homes

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# Thank you

**GD & ECO Consultation:**

**[www.decc.gov.uk/en/content/cms/tackling/green\\_deal/green\\_deal.aspx](http://www.decc.gov.uk/en/content/cms/tackling/green_deal/green_deal.aspx)**

**(Or type 'green deal consultation' in Google!)**