

Providing access to energy services for small end-consumers in the UK

Helen Northmore
Energy Saving Trust

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Why is the Green Deal necessary?

- It is estimated that this year up to 4.1m households will be in fuel poverty in England alone.
- The UK building stock is among the most inefficient in the world and responsible for 43% of total UK emissions in 2009.
- However, even though energy efficiency measures will save money on our bills, demand is low as many people cannot afford the upfront costs or lack confidence in the quality of the work.
- More than **15 million homes** in Britain are not properly insulated.
- **6.9m** households could benefit from solid wall insulation
- **6.3m** from cavity wall insulation,

What is the Green Deal?

A regulatory framework being introduced by UK Government enabling companies to offer householders and SMEs:

- accredited **assessment, advice** and **recommendations**
- home energy efficiency improvements at **no up-front cost**
- much easier, **co-ordinated offers** - one point of contact with reassurance that work is of a **high standard**
- the ability to **pay via energy bills** over the long term (e.g. 25 years), making use of the money saved on fuel
- **only to pay whilst they remain in that property** to avoid conventional loans with the risk of defaulting on the entire sum

The Green Deal will include owner-occupiers, the private and social rented sectors and the commercial sector.

Backed up by a reformed Energy Company Obligation (ECO)

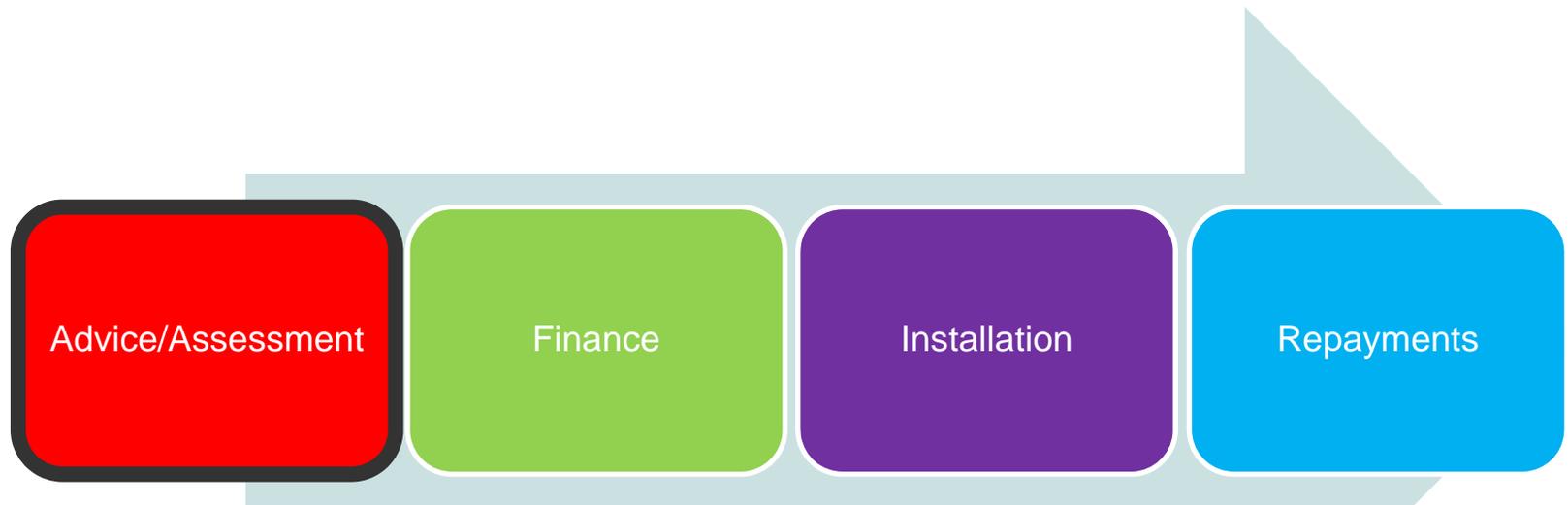


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Consumer Protections

- **Golden Rule:** repayments via energy bill should not exceed the expected savings, and length of payment period should not exceed lifetime of measures
- **Accreditation** – only approved measures by accredited installers using the Green Deal Quality Mark
- Green Deal must be **disclosed** to future owners / renters of the property
- Appropriate **consent** must be sought before Green Deal is taken out on a property
- Adaptation of **Consumer Credit Act** protections
- Existing **regulatory regime for collection of energy debt extended** for Green Deal – including protection for vulnerable consumers

The Green Deal Process (1)



- Impartial advice line and website
- In-home advice and assessment

Energy Efficiency Rating		
	Current	Potential
Very energy efficient - lower running costs		
(91-100) 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	

The Energy Company Obligation

- Energy suppliers currently obligated to provide subsidised or free loft and cavity wall insulation
- The new obligation will require them to subsidise solid wall insulation (ECO Carbon Saving) or, for low income families, entire packages of measures (ECO Affordable Warmth)

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 hard to treat housing and help poorer households:
- 2 to 3m solid wall insulations



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

Local Authorities and the Green Deal

One Stop Shop LA as Green Deal Provider

Raise finance & local assessor/installation

Partnership with
National brand
(Brand provides
finance)

LA joint branding & marketing with
national brand
Delivery by brand or LA contractors

Delivery by
National brand
Provides finance and markets
Green Deals

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

Benefits of the Green Deal

- **1m** low income or vulnerable households will benefit from heating and insulation measures through ECO
- If just **14% of homes** in Britain took advantage of the Green Deal, **3.6m households could take up a Green Deal by 2022.**
- The Green Deal Programme could double the number of jobs in the insulation industry, supporting at least **65,000 jobs by 2015**
- If the take-up is higher than expected, there is no reason why this number could not reach 100,000 by 2015.

Thank you

Helen Northmore

Head of National and EU Programme Development

Energy Saving Trust

Helen.northmore@est.org.uk



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