


Green Deal and ECO

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The Scheme's Origins

•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.


The Coalition: our programme for government (May 2010)

What is the Green Deal?

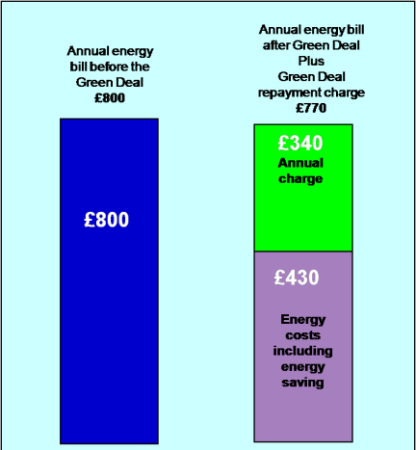


- The customer receives a package of energy efficiency measures at no up-front cost from a ‘Green Deal provider’.
- The cost of the measures is paid back over the long term (for example, 25 years) through repayments made via energy bills.
- The Green Deal will include owner-occupiers, the private and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

The Golden Rule



•Green Deal repayment – *illustrative only*



Category	Value
Annual energy bill before the Green Deal	£800
Annual energy bill after Green Deal Plus Green Deal repayment charge	£770
- Annual charge	£340
- Energy costs including energy saving	£430

The Green Deal Process (1)

Advice/Assessment

Finance

Installation

Repayments

- Remote advice Centre
- In home advice and assessment

Energy Efficiency Rating		
	Current	Potential
Very energy efficient - lower running costs		
101-100 A		
91-91 B		
81-81 C		71
71-68 D		
61-54 E	45	
51-38 F		
41-20 G		
Not energy efficient - higher running costs		
England & Wales EU Directive 2002/91/EC		

Towards a recommended package


- Assessment carried out by an accredited Green Deal Advisor
- The Green Deal Advisor will produce:
 - Energy Performance Certificate (EPC) recommending an appropriate package of measures that may be financed with Green Deal
 - further assessment of **how the occupants use energy in their home/ business**

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Recommended Green Deal package

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

The Green Deal Process (2)




Advice/Assessment

Finance

Installation


Repayments

- No upfront cost
- Repayments attached to energy meter



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The Green Deal Process (3)




Advice/Assessment

Finance


Installation

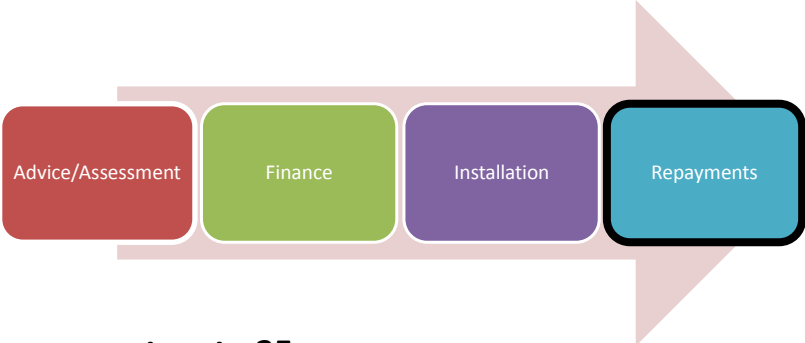
Repayments

- Accredited installation
- Green Deal Code
- Quality mark




Green Deal: Repayment (4)








- Repayment up to 25 years

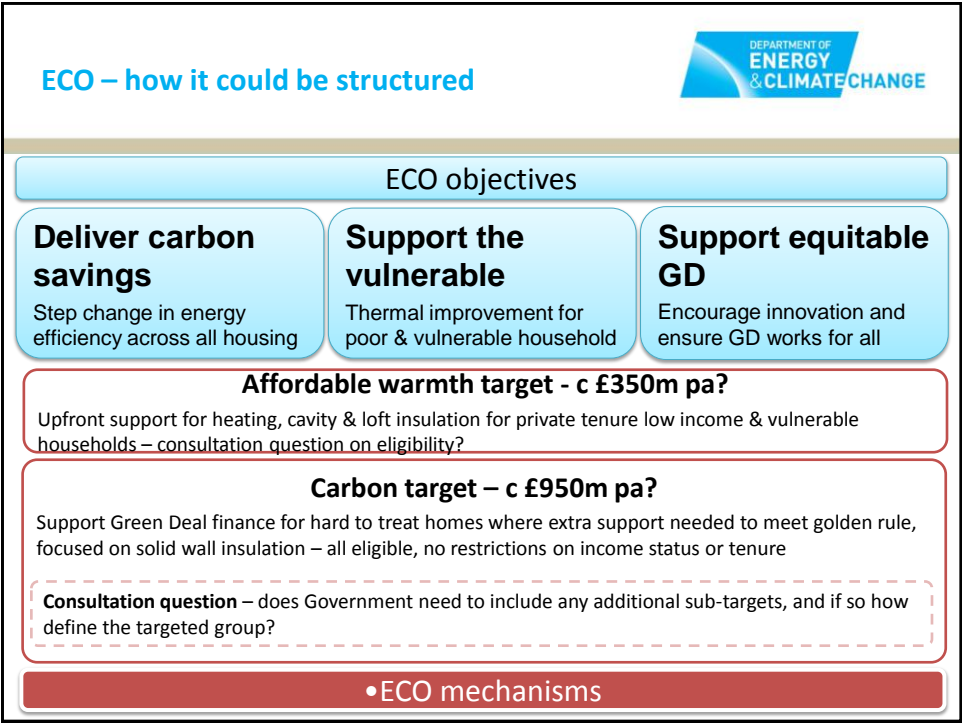
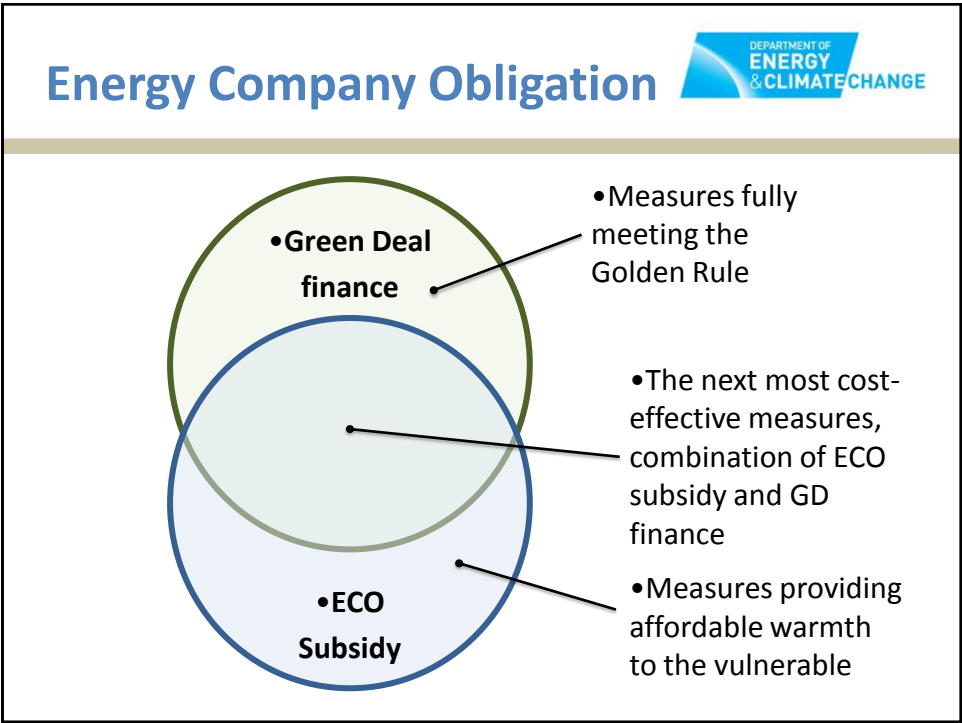


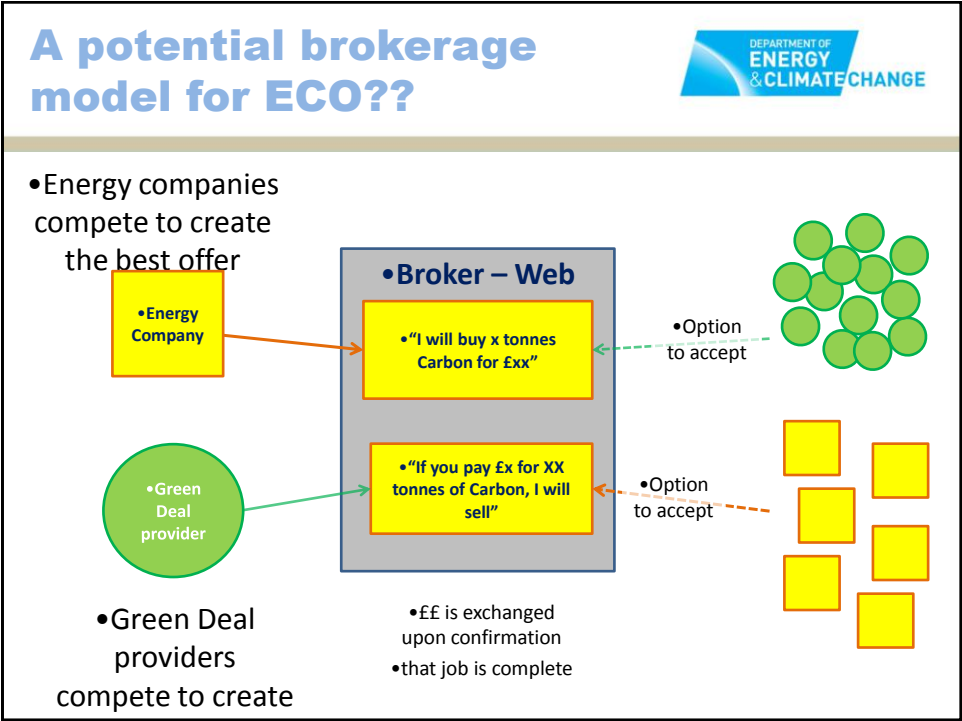
The role of the ECO




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



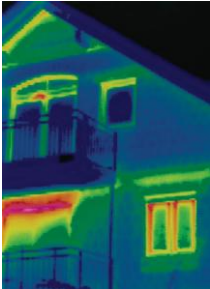





Green Deal Opportunities & Challenges for social housing



- **Challenges**
 - Need to obtain consent from sitting tenants (as energy bill payers)
 - Mix of social and right to buy occupants
 - Flats
- **Opportunities**
 - Economies of scale
 - Past experience of delivering large scale improvement programmes
 - Overcomes the ‘split incentive’ - no upfront costs to landlords



Some questions



- How can Green Deal and ECO work best for the specific needs and circumstances of the social housing sector?
- What are the best delivery models and partnership arrangements to ensure maximum take up on a local, area basis?
- How can we ensure that Green Deal finance and energy company obligation (ECO) money come together easily and seamlessly for the households concerned, maximising impact?



Thank you

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