

Information Sheet

Green Deal



Introduction

26% of the UK's carbon dioxide emissions, the main greenhouse gas which causes climate change, comes from our homes. Therefore the reduction of energy consumption and its associated emissions is important to mitigate climate change and this can be achieved through the introduction of retrofitted energy efficiency improvements and micro-generation renewable energy technologies. This will make UK homes more comfortable, warmer and have lower energy bills.



Who is the Green Deal Open to?

Homeowners/occupiers

Private rental tenants (with the permission of the property owner)

Private landlords (with the permission of their tenant)

Social Housing Providers (with the permission of their tenant)

Social Housing Tenants (with the permission of their social housing provider)

Community buildings, businesses and other non-domestic properties are also eligible for the Green Deal.

It is not open to people who are not connected to the electricity grid

It is likely that the Green Deal will offer advantages for those in rural areas, especially those in older properties, with solid walls and who do not have access to mains gas. These are often expensive properties to live in and energy saving improvements can create long-term savings on heating bills. As energy costs increase over time so will the long term savings provided by increasing the efficiency of your home and reducing your consumption. The Green Deal can support new efficient heating systems and alternatives for off gas grid properties such as biomass and heatpumps.

Hard to treat properties in rural areas can also be eligible for discounts through the Energy Company Obligation.

The Green Deal is designed to tackle fuel poverty, instances of thermal discomfort are most prevalent in households with low incomes also living in homes that have energy ratings of E, F and G; Homes with oil, solid fuel or portable heating, living in a rural property off the gas grid, having solid walls, or being built before 1945; vulnerable groups such as the elderly, infants, disabled people and those living with long term sickness.

Where Can You Can Get Advice?

- **The Energy Savings Trust** - For independent, expert advice on saving energy in your home, you can call the EST helpline! Tel: 0300 123 1234 or <http://www.energysavingtrust.org.uk/>
- Department of Energy & Climate Change <https://www.gov.uk/government/organisations/department-of-energy-climate-change>
- DARE (The Devon Association for Renewable Energy) Tel: 01837 89200 www.devondare.org
- Green Deal ORB - Green Deal Assessors, Providers and Installers in your area can be found at: www.greendealorb.co.uk Tel: 0207 090 1031



The Green Deal

- **Energy efficiency improvements at no upfront cost**
- **A way for householders to reduce their energy use and costs**
- **The main initiative to meet UK targets and reduce fuel poverty**



Sustainable South Brent



July 2013

www.swdcep.org.uk

- A market-led mechanism, funded by private capital

GD Assessment & Advice

- A Green Deal assessment has to be carried out by a qualified and registered Green Deal Assessor (G.D.A)
- An assessment includes an Energy Performance Certificate (EPC) and an audit of occupancy and actual energy use at the home
- This produces a Green Deal Advice Report
- An assessor can be employed by an installer or Green Deal Provider directly
- Quotes are then obtained by the Green Deal Provider(s) from Green Deal Installers

Green Deal Assessors



- The assessor is required to carry out an 'impartial' assessment, but is not required to be independent of a company selling energy-

saving improvements or renewables. They must make clear to you when and where their independent advice ends and where selling improvements begins.

- It is the EPC that is used to decide the amount of Green Deal finance you can borrow. This means there is a risk -particularly for low energy users - that the EPC could overstate how much energy you could save, meaning that your repayments might be higher than your savings.
- A more accurate picture of your actual savings from your particular home and energy use is provided within the occupancy assessment.

What Improvements Are Covered By The Green Deal?

Heating, ventilation and air conditioning

- Condensing boilers
- Heating controls

- Under-floor heating
- Heat recovery systems

Building fabric

- Cavity wall insulation
- Loft insulation
- Flat roof insulation
- Internal wall insulation
- External wall insulation
- Draught proofing
- Floor insulation
- Heating system insulation (cylinder, pipes)

Renewable Energy

- Ground and air source heat pumps
- Solar thermal
- Solar PV
- Biomass boilers
- Micro-CHP

Fenestration

- Energy Efficient Glazing and Doors

It is important to note that some energy savings improvements will require planning permission, building regulations or in some cases listed buildings consent.



The Golden Rule

- That savings from improvements should repay the capital cost plus interest over a minimum of 10 years and a maximum of a 25 year period or within the lifetime of the improvements.

- These savings are not guaranteed
- This can apply to individual improvements or a package of improvements
- Annual re-payment must be less or equal to the projected energy bill savings

Green Deal Provider

- A Green Deal Provider will organise quotes following your Green Deal Report for

recommended measures which you would like installed.

- They will project manage the visits from tradespeople and the installation of the energy saving measures.
- They will organise the finance and the recovery of the loan through your electricity bill.
- They are liable for all works carried out

Green Deal Finance

- Green Deal loan repayments are added to your electricity bill – this is organised between your energy supply company and Green Deal Provider.
- The loan is associated with your property and not you as an individual
- It must be declared when selling or renting a property
- Green Deal Finance is subject to interest rates of between 6.9 – 9.5% - this is set by the Green Deal Provider and can differ between providers.
- The interest rate is fixed for the term of the loan.
- Your lender will be the Green Deal Provider and they will decide the terms of your loan (amount, length & rate of interest) within your Green Deal Plan
- You can combine Green Deal Finance with your own money, improvements do not have to be 100% Green Deal funded.
- Measures will be implemented immediately and hence savings will begin immediately but the measures will be paid for over time. It will protect consumers against energy price rises as they will use less energy although specific energy costs may swap during the repayment period as savings that are made on a heating bill, gas or oil perhaps, will be paid for on the electricity bill by a fixed additional charge which will be used to pay for the measure(s).

Energy Company Obligation (ECO)



ECO is an obligation on the energy suppliers to

support household energy efficiency – inclusive of:

- **Affordable Warmth Obligation** – *heating/hot water systems & insulation improvements* for low income and vulnerable households in receipt of certain income related benefits (not applicable to social housing) for measures which reduce the cost of heating the home.
- **Carbon Saving Obligation** – *solid wall & hard to treat cavity wall insulation improvements* – not means tested and open to all households.
- **Carbon Saving Communities Obligation** – *Insulation improvements* for homes in defined low income areas, the bottom 15% UK most deprived areas (15% to be delivered in low income households in rural areas).

ECO can be used in conjunction with Green Deal finance for improvements which do not meet the Golden Rule. ECO discounts do not apply to all improvements or all households for full details visit https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48406/5504-which-energy-efficiency-improvements-qualify-for-g.pdf

GD Cash Back – Kick Start

The Green Deal Cashback Scheme is a first-come, first-served offer where householders in England and Wales can claim Cashback from Government on energy saving improvements. Packages could be worth over £1000 - the more you do, the more you get.

- Have a Green Deal assessment carried out on the property
- Get and agree quotes from a Green Deal Provider
- Apply for Cashback voucher online or by phone.
- Receive a voucher confirming the Cashback amount
- Complete works within a specified period

<https://gdcashback.decc.gov.uk/>



Green Deal Installers

Green Deal energy saving improvements must be carried out by a registered Green Deal Installer.



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All works will be coordinated by your Green Deal Provider.

Green Deal Customer Protection

- Accredited installers (Green Deal Installer Standard – PAS2030)
- Product Certification (Green Deal Code of Practice)
- Codes of Practice for Green Deal Assessors, Providers and Installers
- Quality Assurance Mark (see above logo)
- The Green Deal Provider is responsible for customer support, protection and warranties of installed products and systems
- There is also a Green Deal Ombudsman who will deal with all complaints which cannot be resolved by the provider

Alternatives to the Green Deal

People over 60 currently benefit from a Winter Fuel Allowance and this will not affect the finance arrangements for Green Deal and Vice Versa.

Other fuel and heating benefits such as Warm Front which ended on 19th January 2013 may be announced by the Government from time to time. Such benefits will need to be assessed in terms of their compatibility or otherwise with Green deal financing.

The Green Deal and ECO are not the only ways to make energy saving improvements to your home.

You can use:

- Personal Savings
- Traditional Loan Finance
- Credit Cards
- Add to existing loans such as mortgages

You can also benefit from other incentives from the installation of renewable energy technologies such as the Feed in Tariff and Renewable Heat Incentive.



Feed In Tariff

The feed in tariff enables owners of renewable

electricity systems to earn an income from the electricity which they generate. This financial incentive consists of three parts, and aims to provide a financial return of around 5% - 8% on the investment required to pay for the system's installation.

- 1. Total generation:** is payment received for every kWh which the system generates.
- 2. Export:** is payment of, 4.5 p/kWh, which is received for electricity that is exported – for small domestic systems this will be assumed (or “deemed”) at 0% of total generation unless the system owner chooses to meter it.
- 3. Own consumption:** the system owner will also save approx 12 p/kWh by using the electricity generated on site.

Renewable Heat Incentive (RHI)



The Renewable Heat Incentive policy is designed to revolutionise the way heat is generated and used.

This is the first financial support scheme for renewable heat of its kind in the world.

The RHI is designed to give a 12% return on investment for renewable heat technologies, by paying owners renewable heating systems for generating heat. There will be two phases for domestic customers:

Phase 1 - RHI Premium Payment (Domestic Sector Only). To apply for the RHI Premium Payment and for more information please visit the Energy Saving Trust's website <http://bit.ly/EST-RHI> or call one of their advisors on 0300 123 1234

Phase 2 – RHI Tariff Payment (Domestic Sector) Long term RHI tariff support once these tariffs are introduced (summer 2014), for anybody who has installed an eligible technology since 15th July 2009.

Technologies covered:

Solar thermal, Air to water source heat pumps, Biomass boilers & Ground source heat pumps

How does the FiT & RHI work with the Green Deal?

You can still receive incentives such as the Feed in Tariff and Renewable Heat Incentive while qualifying for a Green Deal loan. However the payments you receive are not included in the finance package for repayment and therefore cannot be incorporated into the requirements to meet the 'Golden Rule'.