

Accreditation and Installer Access to the Green Deal

INCA

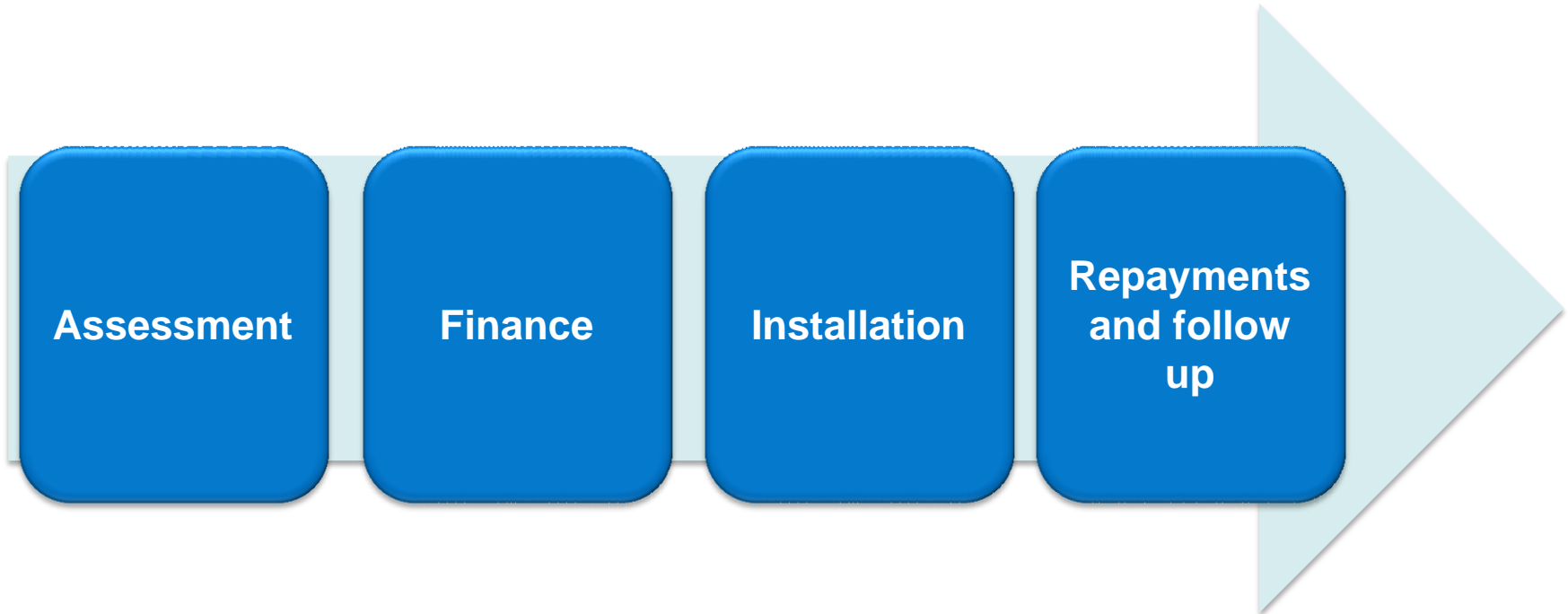
Michelle Frew, Head of Green Deal Delivery

What is the Green Deal? In one slide...



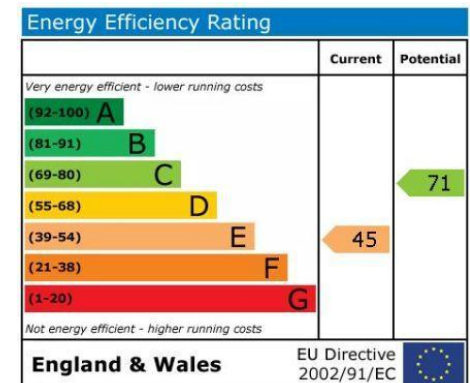
- The customer receives a package of **energy efficiency measures** at no up-front cost from a 'Green Deal provider'.
- The cost of the measures is **paid back over the long term** (for example, 25 years) through repayments made via energy bills.
- The customer's **energy supplier will act as a conduit** to pass the Green Deal repayments to the Green Deal provider.
- The cost of the repayments will be **equal to or less than the likely energy bill savings**.
- Green Deal finance will not be structured as a conventional loan: the **customer will not be liable for the capital sum**, only the repayments whilst they occupy the property.
- If the occupants of the property change, the obligation to pay the Green Deal charge on the energy bills will **pass to the new occupier**.
- The Green Deal will include owner-occupiers, the private and social rented sectors and the commercial sector.

Green Deal Process



Assessment

- Robust, impartial assessment is gateway to Green Deal
- Green Deal assessment = fabric and occupancy
- *Fabric* – domestic/non-domestic Energy Performance Certificate (EPC)
- *Occupancy* – more tailored advice based on current occupants' energy usage/behaviour
- Green Deal Advice Report recommends measures and packages
- Portable - fabric assessment used as basis for Green Deal finance quote from any Provider



Measures Eligibility

Step One - Is the measure eligible?	<ul style="list-style-type: none">Green Deal measures must meet high-level eligibility criteria in secondary legislation (split into SAP and SBEM).
Step Two – Is measure suitable for the property?	<ul style="list-style-type: none">This will be based on a physical assessment of the particular property and an understanding of what measures have already been installed.The Green Deal Assessor will make a recommendation on which measures should be installed. They will also indicate which measures are potential “cash for choice” for finance. This is based on the likelihood of “pay-back” (with subsidy) based on standardised cost and savings data for each type of measure.
Step Three – Does the measure meet the Golden Rule in the property?	<ul style="list-style-type: none">The Green Deal Assessor will then make a finance offer based on weighing-up the benefits (generated in the lifetime of the installation work).The measure must be a “cash for choice” measure in the class of measures that are eligible for the Green Deal and perform better than the current standard.

Heating, ventilation and air conditioning

- Condensing boilers
- Air source heat pumps
- Ground source heat pumps
- Heating controls
- Heat exchanger/recovery systems
- Mechanical ventilation (non-domestic)
- Flue gas heat recovery devices
- Floor insulation
- Heating system insulation (cylinder, pipes)
- Energy efficient glazing and doors

Lighting

- Lighting fittings
- Lighting controls

Building fabric

- Cavity wall insulation
- Loft insulation
- Flat roof insulation
- Internal wall insulation
- External wall insulation
- Draught proofing

Water heating

- Water efficient taps and showers

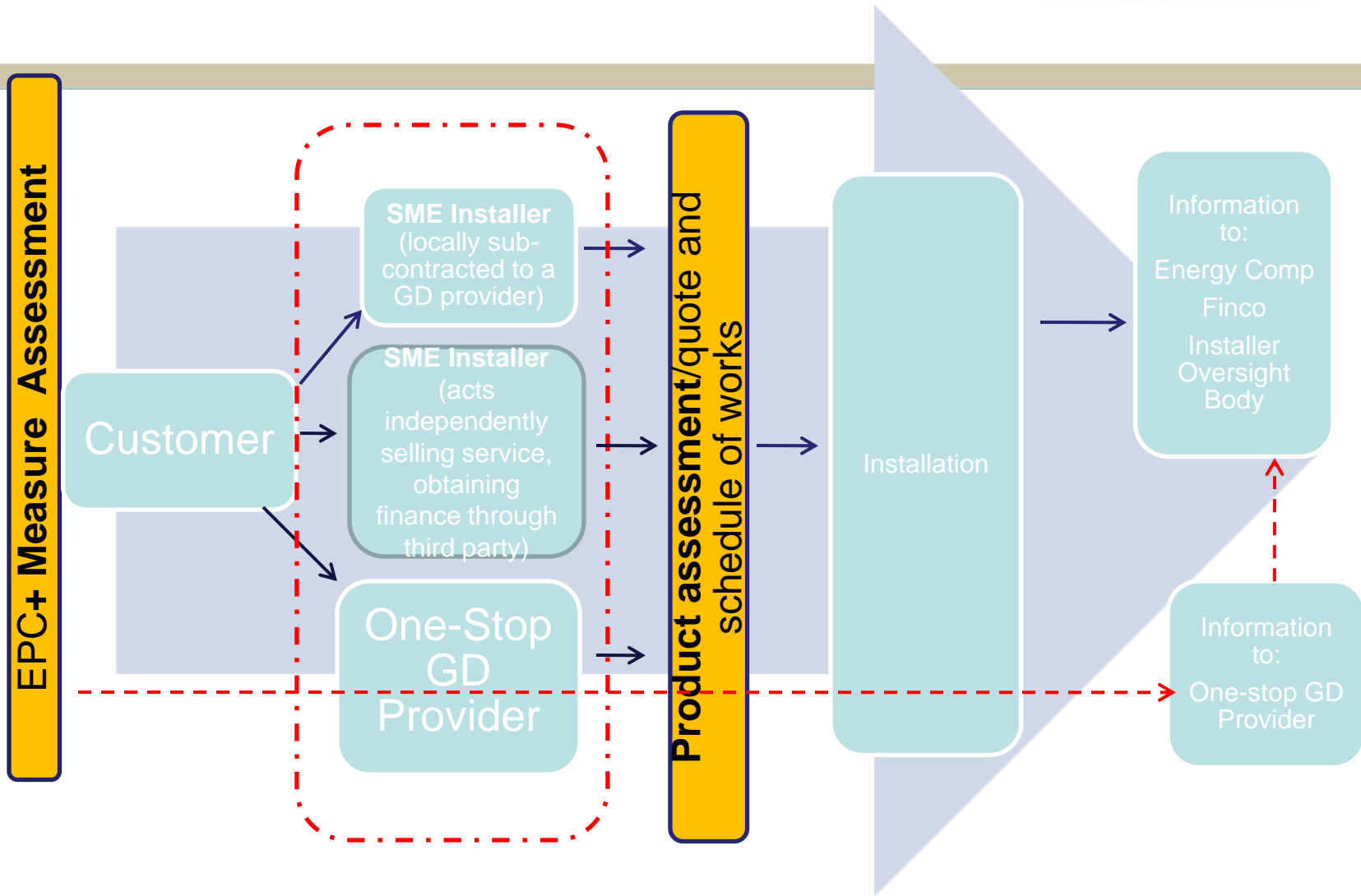
More measures are likely to be added for the Green Deal consultation in Autumn 2011.

Ultimately any measure which can improve the energy performance of a building and can pay for its self in fuel bill savings will be eligible.

- New mechanism attaching payment obligation to the energy meter
- No upfront capital required from the property owner
- Consumer is responsible for payment whilst they consume energy at the property **but not after they move out**
 - = Not a conventional loan
- Private sector finance
 - Discussions with numerous financial institutions underway
 - Need to be able to access capital markets for lowest cost

- Consumer protections
 - ✓ **Golden rule** that likely bill savings must be larger than payments
 - ✓ **Accreditation** – only approved measures by accredited installers following accredited assessment
 - ✓ 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

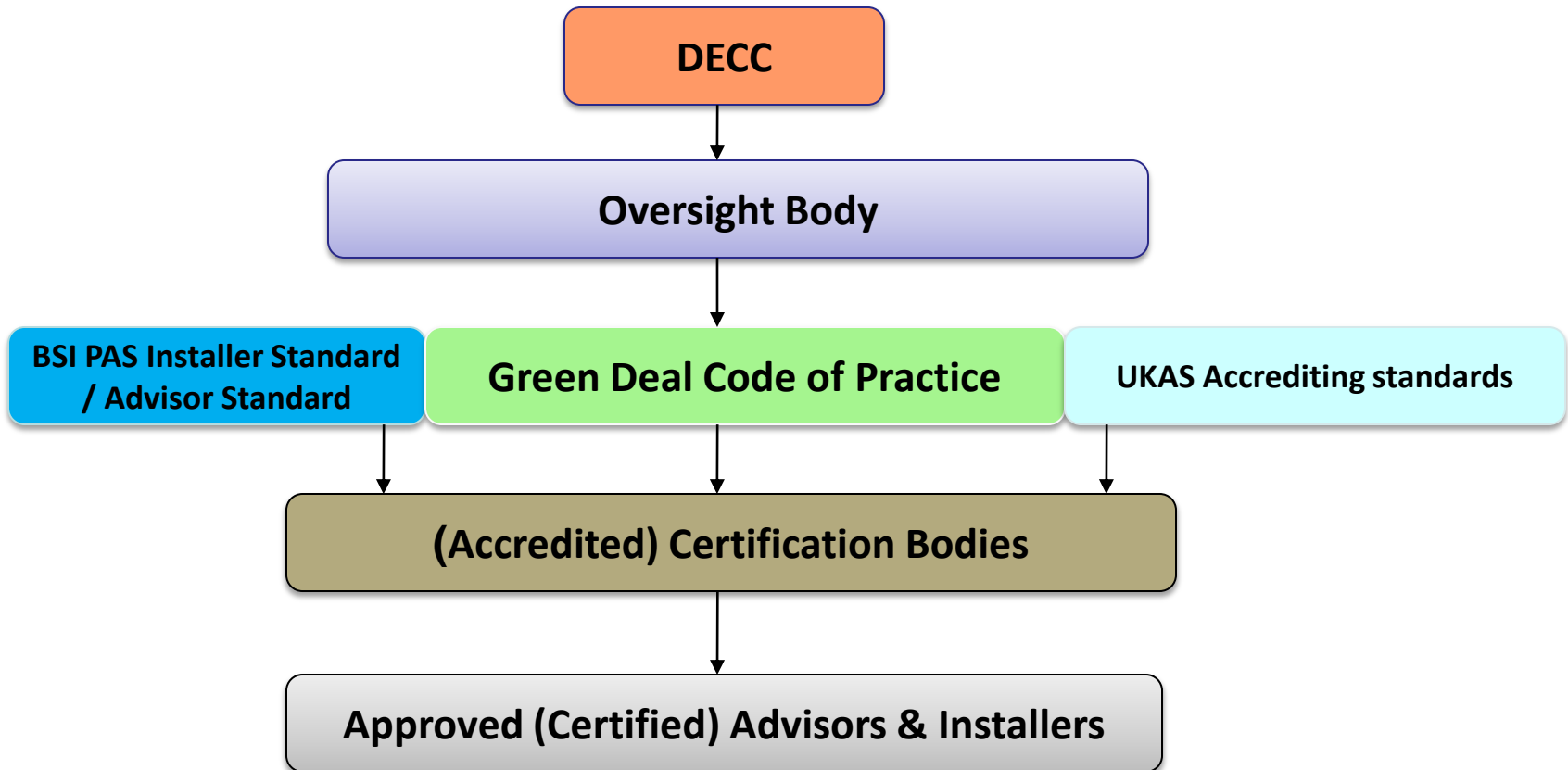
Green Deal Customer Journey: Installation



- Green Deal will require standards and certification for products and installers
- Installer will need to:
 - meet certain standards to practice under the Green Deal
 - carry the Green Deal quality mark / logo
 - sign off work once complete and inform GD Provider that repayments can begin



- A new installer standard – BSI developing a Publicly Available Specification (PAS) covering:
 - Certification of products/materials
 - Technical criteria for installation
 - Installer competence via appropriate qualifications
 - Customer conduct and complaint processes
 - Provision of warranties to cover work carried out
- Implement standard through accrediting certification bodies
- Independent accreditation of certification bodies – by UKAS



- *Autumn 2011:*
 - Bill receives Royal Assent: The Green Deal will be enshrined into Primary Legislation
 - Consultation on the detail of the scheme: An opportunity for you to formally engage over the detail of the scheme
 - Code of Practice being developed in partnership with stakeholders from advisory forums – will consult as part of main consultation
- *Early 2012:*
 - Secondary legislation laid in Parliament
 - Early Adopters work with Green Deal Providers over the development of packages in advance of legislation
- *Autumn 2012 – First Green Deals appear*

More information on the Green Deal at:

www.decc.gov.uk

Thank you