Green Deal and ECO in Scotland
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Green Deal Specialist

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Scottish wider policy context

- Sustainable economic growth
- Climate Change (Scotland) Act 2009
- Energy Efficiency Action Plan
- Fuel poverty – 2016
- Sustainable Housing Strategy
  - National Retrofit Plan
- Energy efficiency standard for social housing
Green Deal and ECO

- Framework set by Energy Act 2011
- **UK Government policies**
- Operational Autumn 2012
- Working closely with DECC to ensure Scottish circumstances taken into account
- DECC consultation response published 11 June
Green Deal in Scotland
Green Deal

- UK’s commitment to encourage energy efficiency improvements paid for by savings from energy bills
- Programme to encourage installation of energy efficiency technology in the home
- Launch of Green Deal in October 2012

– Agreement to package of measures that pays for itself over time – ‘Golden Rule’
How will Green Deal work in Scotland?

- Available across Great Britain, including in Scotland
- Anyone can apply
- The Green Deal customer journey will remain the same
The “customer journey”

Remote Advice – is provided by the ESSac network

Remote Advice
Free impartial advice for consumers

Assessment
Up front survey and advice

Finance
No upfront cost

Installation
Accreditation standards

Repayments
Through energy bill savings

Energy Company Obligation

Green Deal
The “customer journey” – remote advice

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Green Deal

Energy Company Obligation
The “customer journey” - example

Customer interest → Assessment → Quote → Accept quote → Installation & after

- Can happen at the same visit
- Customers choose what work they want done
- Quotes are personal and include subsidies
- Impartial assessors work out what households need
- Installers
  - Costs charged to electricity bill
  - Stays with home if move
The “customer journey” – installation and after

Installation
- Accredited installers carry out work to clear standard.
- Sign off work once complete and inform GD Provider that repayments can begin.

Repayments and follow up
- Payments collected through energy bills with Green Deal charge a separate line on the bill
- Continuing support from the Green Deal Provider throughout
- Customer is free to switch energy supplier
Approval and the Green Deal Quality Mark

- DECC
- Oversight Body
- BSI PAS Installer Standard / Advisor Standard
- Green Deal Code of Practice
- UKAS Accrediting standards
- (Accredited) Certification Bodies
- Approved (Certified) Advisors & Installers
- Issues Quality Mark

John Bull
Representative

energy saving trust

natural scotland
What fails the Golden Rule...

• Hard to treat properties

• Under-heating households (who are poor or vulnerable)
Energy Company Obligation
Energy Company Obligation (ECO)

- UK Government places obligations on energy suppliers to meet **targets**
- ECO replaces CERT & CESP
- Could be worth around £120m to Scotland each year
- Split into 3 separate targets
Energy Company Obligation (ECO)

Target 1: Affordable Warmth
• Heating & insulation for poor & vulnerable

Target 2: Carbon Saving Communities
• Loft, cavity & other insulation measures for poorest areas
• Includes social housing

Target 3: Carbon Saving
• Solid wall & hard to treat cavities, plus packages
ECO

- Scored in terms of carbon or bill savings over the lifetime of the measures installed
- No interim target
- Hard to treat cavities
- Affordable warmth measures
- District heating
- Role of Ofgem
Green Deal and ECO Interaction

**Green Deal** supports the measures that meet the ‘golden rule’
- further loft insulation
- cavity wall insulation

**ECO carbon subsidy and Green Deal** will deliver measures to hard to treat housing

**ECO subsidy for low income communities and fuel poor households** providing heating and insulation measures

GREEN DEAL £

ECO £
Where do I start?

Contact us at the Energy Saving advice centre on 0800 512012
Green Deal and ECO in Scotland

Questions?
Specific-audience slides

Private landlords
Green Deal in private rented sector

63 per cent of landlords say they are aware of the Green Deal and 56 per cent of landlords are considering taking advantage of the energy initiative.

*National Landlords Association's latest Landlord Panel: 546 online interviews with National Landlords Association members carried out between 7th and 19th June 2012.*
David Salusbury, Chairman of the NLA, says:

‘Whilst our research shows that many landlords are keen to take advantage of the Green Deal, a third of landlords are not yet aware of the initiative. We encourage landlords to become familiar with the Green Deal as the private-rented sector has a key role to play in ensuring Britain meets its energy targets

‘Furthermore, it is imperative that landlords future-proof their properties and their investments. The Green Deal is their opportunity to improve the quality of their properties and demonstrate their ability to engage with government initiatives without the burden of further regulation.’
Specific-audience slides

Renewables
Eligible technologies (GD and Affordable Warmth ECO)

- Biomass boilers
- Biomass room heaters (inc. with radiators)
- Heat pumps - ASHPs/GSHPs/WSHPs
- Solar hot water
- Micro combined heat and power (microCHP)
- Micro-wind generation
- Solar PV (not ECO)

No renewable technologies eligible for the Carbon or Communities elements of ECO.

Note no hydro
Key points

• Reality is that no microgen technology is eligible for 100% GD but partial GD finance is allowed
• Consumers will not be able to use the expected future revenue from, for example FITs payments to count towards the Golden Rule
• Microgen savings based on RdSAP and EST field trials
• RHI payments will be conditional on “Green dealable” thermal efficiency improvements in similar way to solar PV and EPC band D requirement
Example Green Deal Occupancy Assessment

<table>
<thead>
<tr>
<th>Improvements</th>
<th>Estimated costs*</th>
<th>Your estimated annual savings</th>
<th>Expected Green Deal repayment in year 1**</th>
<th>Green Deal finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draughtproof 100% of windows and doors</td>
<td>£80 - £120</td>
<td>-</td>
<td>£27</td>
<td>✔️</td>
</tr>
<tr>
<td>Hot water cylinder thermostat</td>
<td>£200 - £400</td>
<td>-</td>
<td>£82</td>
<td>✔️</td>
</tr>
<tr>
<td>Roomstat, programmer, and TRVs</td>
<td>£350 - £450</td>
<td>-</td>
<td>£28</td>
<td>✔️</td>
</tr>
<tr>
<td>Solar water heating</td>
<td>£4,000 - £6,000</td>
<td>-</td>
<td>£29</td>
<td>✔️</td>
</tr>
<tr>
<td>Secondary glazing to single glazed windows</td>
<td>£1,000 - £1,500</td>
<td>-</td>
<td>£58</td>
<td>✔️</td>
</tr>
<tr>
<td>Solar photovoltaic panels - 2.5 kWp</td>
<td>£9,000 - £14,000</td>
<td>-</td>
<td>£201</td>
<td>✔️</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£14,830 - £22,470</strong></td>
<td><strong>£-</strong></td>
<td><strong>£425</strong></td>
<td></td>
</tr>
</tbody>
</table>

Data taken from BRE Green Deal tool used to train Green Deal Assessors. https://www.gdsap.org.uk/index.php
How do I become a....

Green Deal Provider
• Applications via the Oversight Body (Gemserv) to Secretary of State
• Email your interest to Oversight Body

Green Deal Installer
• Contact a Certification Body that’s been accredited by UKAS
• Become certified against PAS 2030
• They’ll add you to Oversight Body’s Installer Register
• Sign the COP
• Oversight Body will issue you the mark after 1st October
Specific-audience slides

Local authorities
Delivery mode

- How can you prepare for Green Deal & ECO?
- Various delivery models
- Scottish Futures Trust report
- Green Deal Finance Company
- Partnership working
- Communications
Community Interest Company to promote and support Green Deal delivery

Local Authority appoints a Green Deal Delivery Partner

Local Authority is a Green Deal Provider

Local Authority procures a Framework of Green Deal Providers

Do Minimum

Increasing Local Authority Involvement

Courtesy of Scottish Futures Trust - www.scottishfuturestrust.org.uk
Useful references

- Scottish Futures Trust Report: Local Authority approaches to promoting and delivering the Green Deal
  [http://www.scottishfuturestrust.org.uk](http://www.scottishfuturestrust.org.uk) under publications
  [viv.cockburn@scottishfuturestrust.org.uk](mailto:viv.cockburn@scottishfuturestrust.org.uk)

- The Green Deal Finance Company – Local Authority Sub-Group
  Ruth Rule: [ruth.x.rule@uk.pwc.com](mailto:ruth.x.rule@uk.pwc.com)
  John Cordrey: [john.m.cordrey@uk.pwc.com](mailto:john.m.cordrey@uk.pwc.com)