

Muswell Hill Forum September 2012: Introduction to The Green Deal

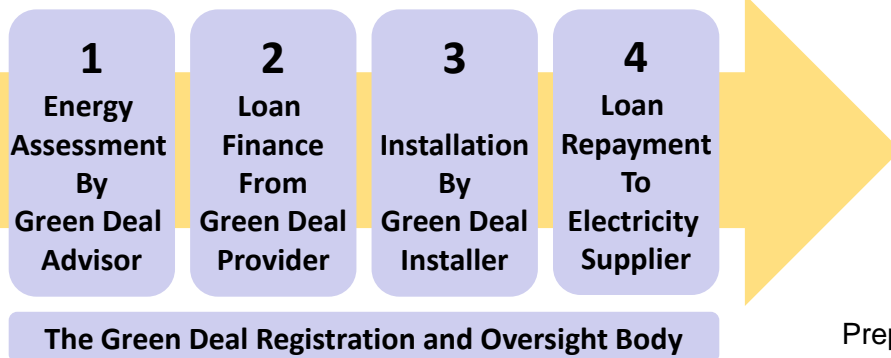
The Green Deal is a central government finance mechanism to provide loans to householders or businesses to carry out energy efficiency refurbishment. It launches in October 2012.

The Green Deal will:

- ❖ Avoid the upfront cost of installing energy saving measures for example wall insulation or boiler replacement.
- ❖ Reduce fuel bills.
- ❖ Improve thermal comfort by making homes cosy and warm in winter.
- ❖ Save energy & carbon.

There are no upfront costs because the loan covers the installation cost and loan repayments must meet the '**Golden Rule**'. This means the expected savings made on energy bills from day one will cover loan repayments. The Green Deal does not guarantee energy savings.

The four Stage Green Deal Process:



Stage 1: Green Deal measures are selected after an impartial assessment by a **certified Green Deal Advisor**. A **Green Deal Advice Report** is prepared using standardised software to identify suitable measures and calculate the Golden Rule.

Stage 2: Green Deal finance comes from **Green Deal Providers**. Customers can compare different Green Deal offers from a range of Green Deal Providers. A Green Deal is accepted by signing a contract between the Customer and the Green Deal Provider called the **Green Deal Plan**.

Stage 3: The Green Deal Provider arranges for the work to be done by accredited installers, using accredited products with warranties. All Green Deal work, from assessment to installation must be Green Deal certified and carry the **Green Deal Quality Mark**. The **Green Deal Registration and Oversight Body** will register Green Deal advisors, providers and installers.

Stage 4: The Green Deal Loan is secured as a charge on the electricity meter and is repaid through the electricity bill.



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Green Deal Loan management:

The Green Deal Provider will administer the Green Deal over the life of the loan. Loans can be taken over a period of up to 25 years. Customers can make complaints to the Green Deal Provider.

The loan is passed on and must be disclosed to subsequent tenants or owners by the current property owner. The Green Deal Provider must provide information about the loan for example amount outstanding to be repaid.

Green Deal Interest Rates:

Green Deal Loans will be subject to a **fixed interest rate** set by the Green Deal Provider. The expected interest rates will be between 6-8%. Green Deal Providers may also charge an early repayment fee.

Green Deal approved measures:

There are over 46 approved Green Deal measures:

- ❖ Roof, wall and floor insulation
- ❖ Draught proofing
- ❖ Improved Heating controls
- ❖ High efficiency boiler replacement
- ❖ Solar thermal water heating
- ❖ Energy efficient window & door replacement
- ❖ Solar photovoltaic



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Incentives & Subsidy:

The Government will launch a £200 million incentive scheme to encourage Green Deal uptake. It is expected that this scheme will be a one-off payment for customers taking up the Green Deal between the launch in October 2012 and March 2014.

The **Energy Company Obligation (ECO)** is a subsidy from the big six energy companies to help fund certain measures. It is estimated that £1.3 billion of ECO will be available annually from October 2012 until March 2015. Every energy consumer pays towards ECO through their energy bill. It is not necessary to take a Green Deal to benefit from ECO.

Carbon saving ECO will help with the cost of solid wall insulation that cannot meet the Golden Rule.

Carbon Communities ECO will subsidise improvements such as loft and cavity wall insulation in deprived areas.

Affordable Warmth ECO will fund any improvements that reduce energy bills for residents in receipt of certain benefits, living in their own home or in private rented accommodation.

Further Information:

For free impartial advice contact:

The National Energy Saving Advice Line

Tel: 0300 123 1234

Or visit the Energy Saving Trust website:

www.energysavingtrust.org.uk



Haringey Council