

Green Deal and ECO in Scotland

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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

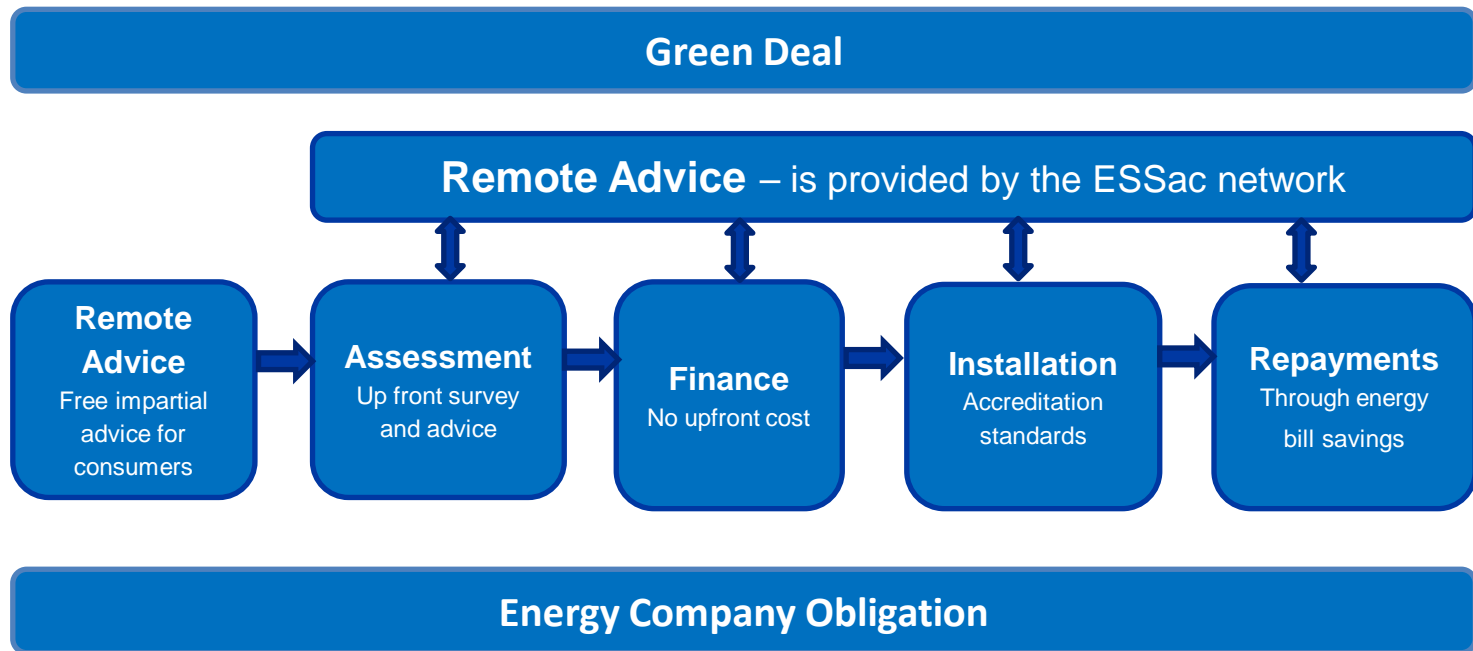
Green Deal

- 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’

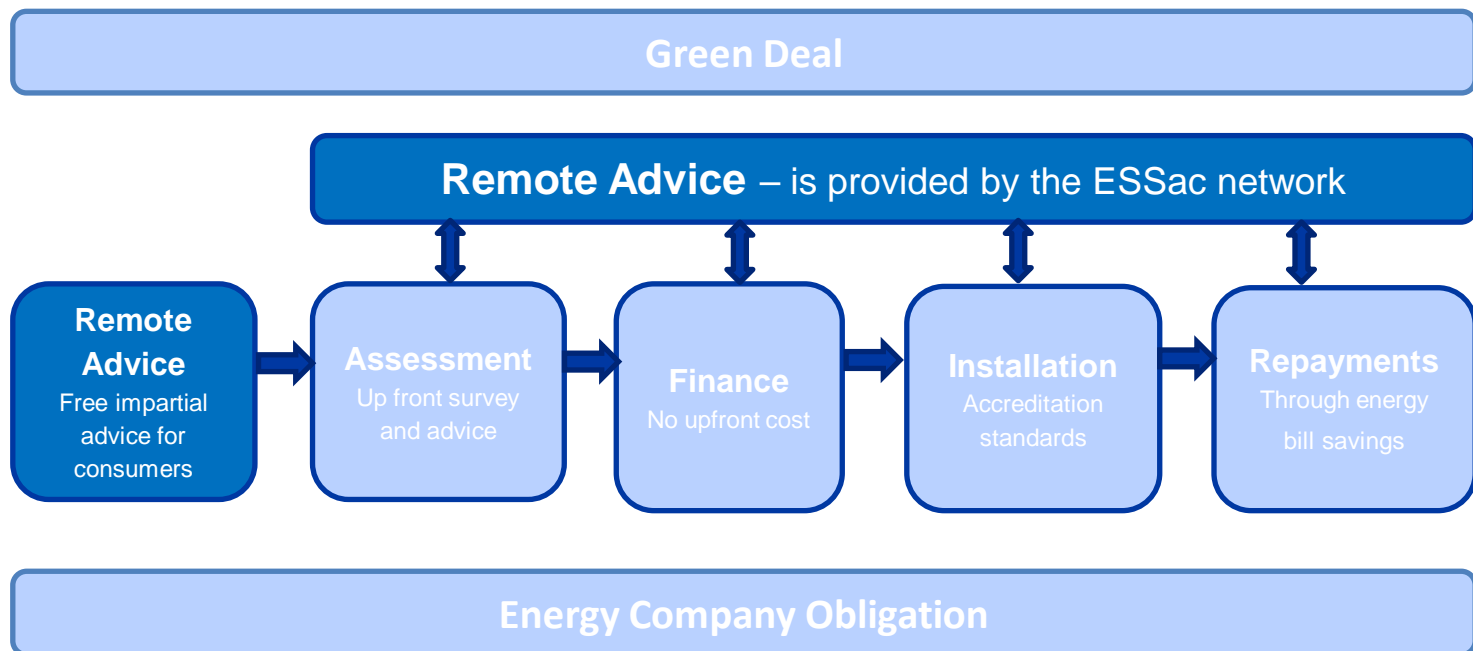
How will Green Deal work in Scotland?

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

The “customer journey”

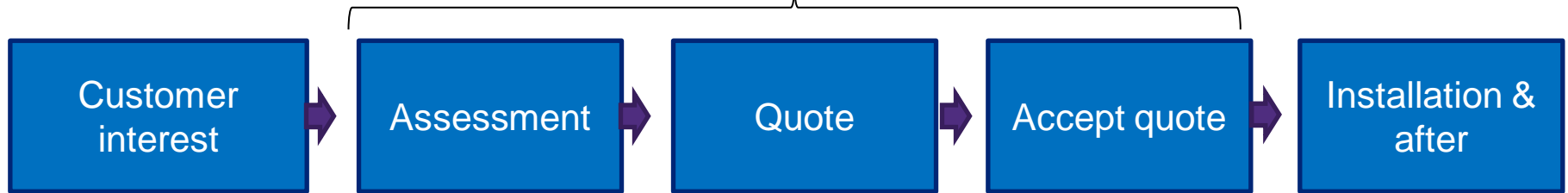


The “customer journey” – remote advice



The “customer journey” - example

Can happen at the same visit



impartial
assessors work
out what
households
need

Customers choose
what work they want
done

Quotes are personal
and include
subsidies

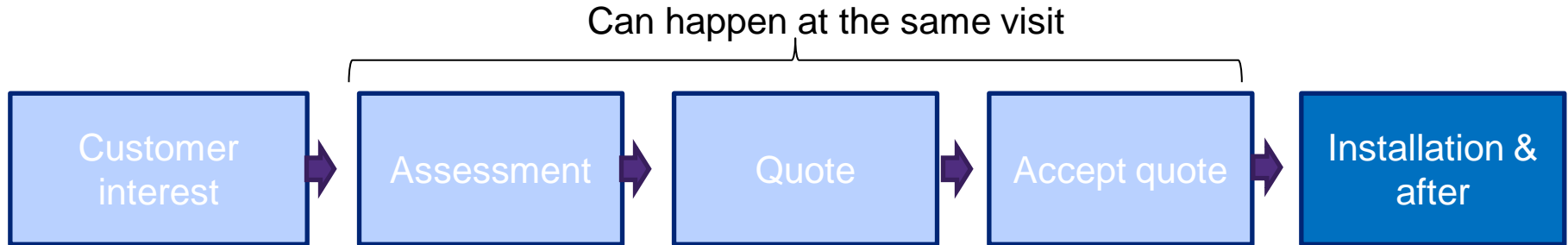


Installers

Costs charged
to electricity bill

Stays with
home if move

The “customer journey” – installation and after



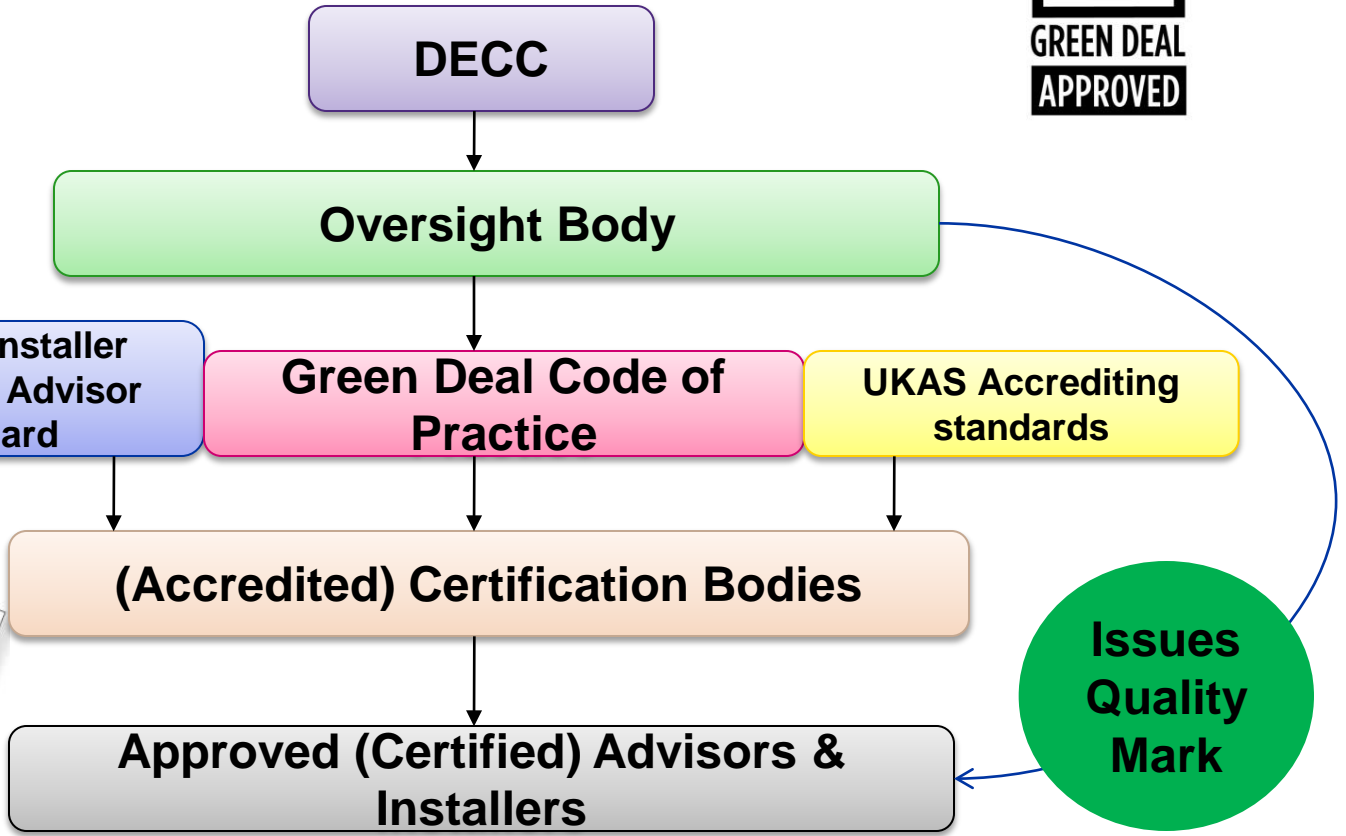
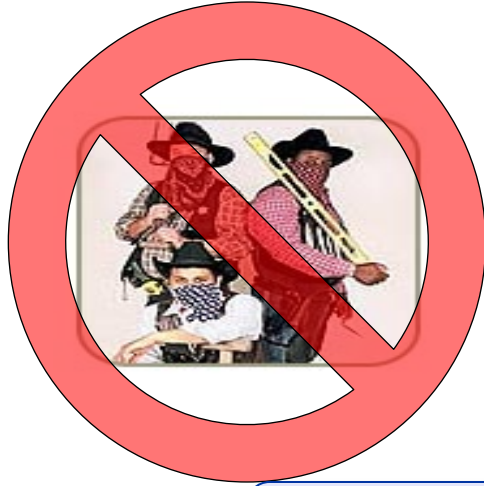
Installation

- 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



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

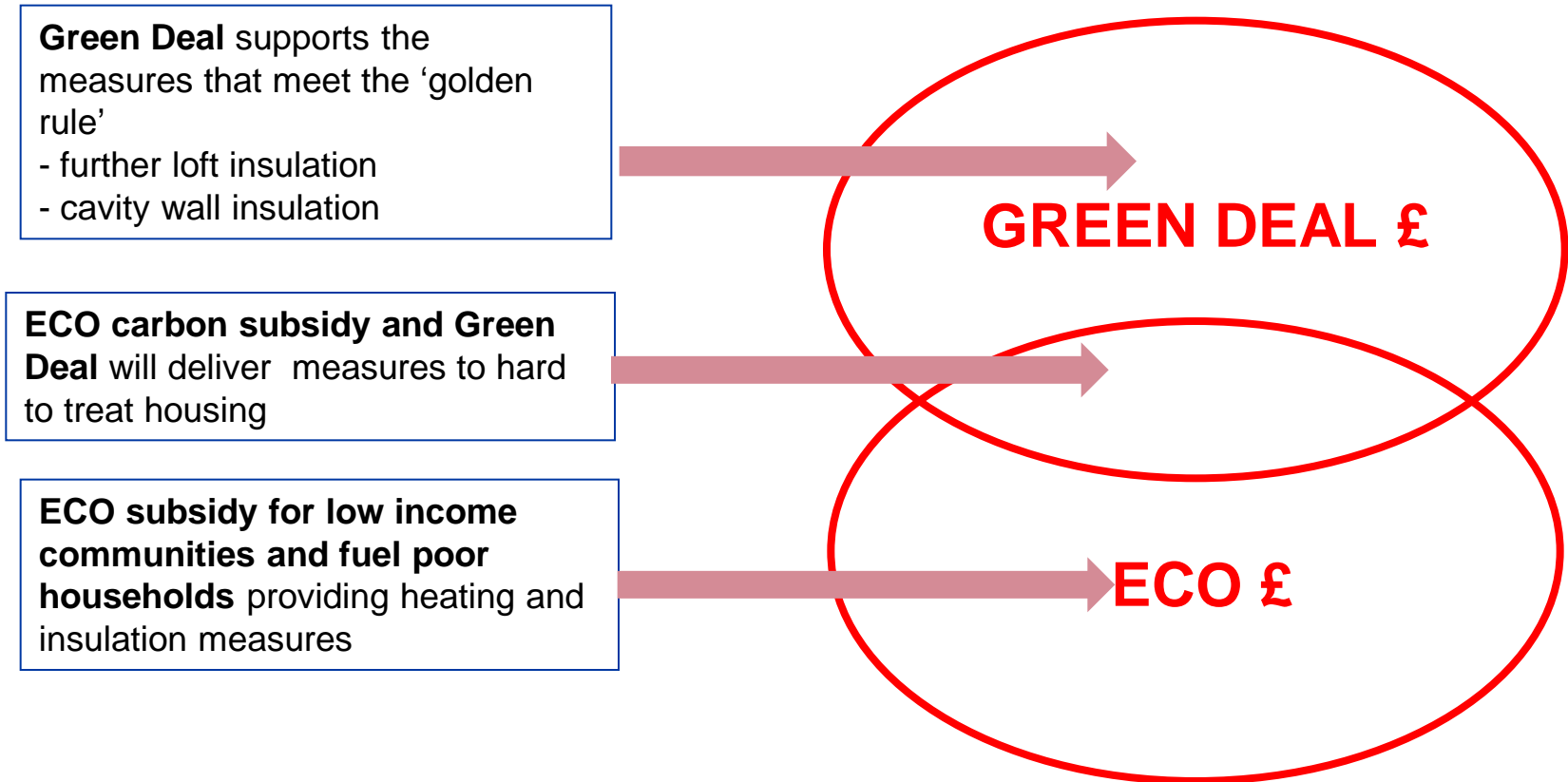
Target 3: Carbon Saving

- 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



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

Improvements recommended on the EPC

Improvements	Estimated costs*	Your estimated annual savings	Expected Green Deal repayment in year 1**	Green Deal finance
Draughtproof 100% of windows and doors	£80 - £120	-	£27	
Hot water cylinder thermostat	£200 - £400	-	£82	
Roomstat, programmer, and TRVs	£350 - £450	-	£28	
Solar water heating	£4,000 - £6,000	-	£29	
Secondary glazing to single glazed windows	£1,000 - £1,500	-	£58	
Solar photovoltaic panels - 2.5 kWp	£9,000 - £14,000	-	£201	
Total	£14,630 - £22,470	£-	£425	

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

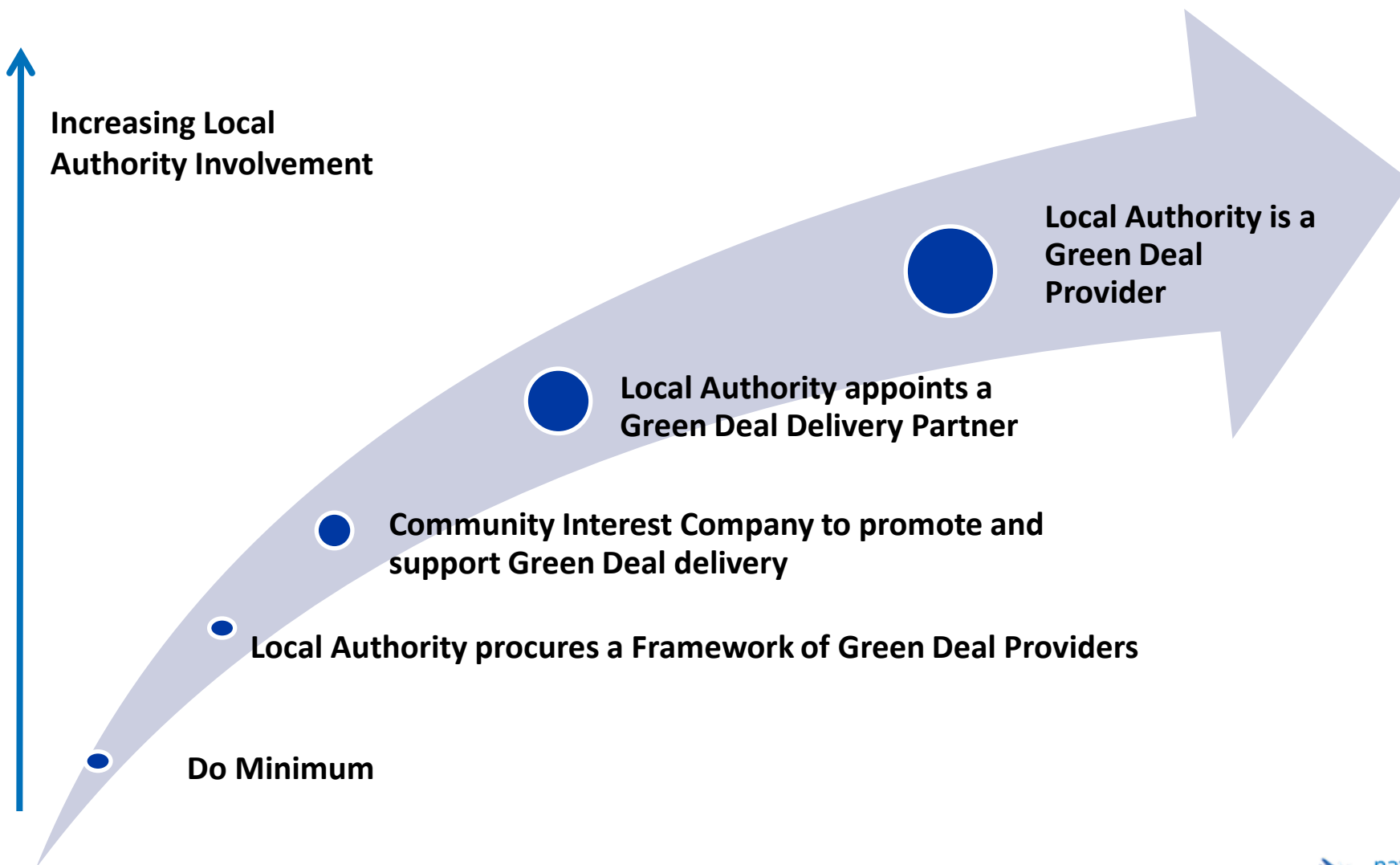
- Contact a Certification Body that's been accredited by UKAS
- Become certified against PAS 2030
- They'll add you to Oversight Body's Installer Register
- Sign the COP
- Oversight Body will issue you the mark after 1st October

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



Useful references

- Scottish Futures Trust Report: Local Authority approaches to promoting and delivering the Green Deal

<http://www.scottishfuturestrust.org.uk> under publications

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- The Green Deal Finance Company – Local Authority Sub-Group

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