



The Green Deal and Energy Company Obligation - ECO

7 May 2013

Green Deal

-What it isn't

- Something for nothing

-What it is

- A method of financing energy efficiency property improvements but with a difference
- Bigger ticket items
- Where it is
 - Govt launched but detailed process still being finalised



Green Deal

-Who can benefit

-Any homeowner including tenanted properties

-Who is likely to benefit

-Want to reduce energy use.... £££

-Home improvement mindset

-Improve quality and value of property

-Green mindset, carbon reduction



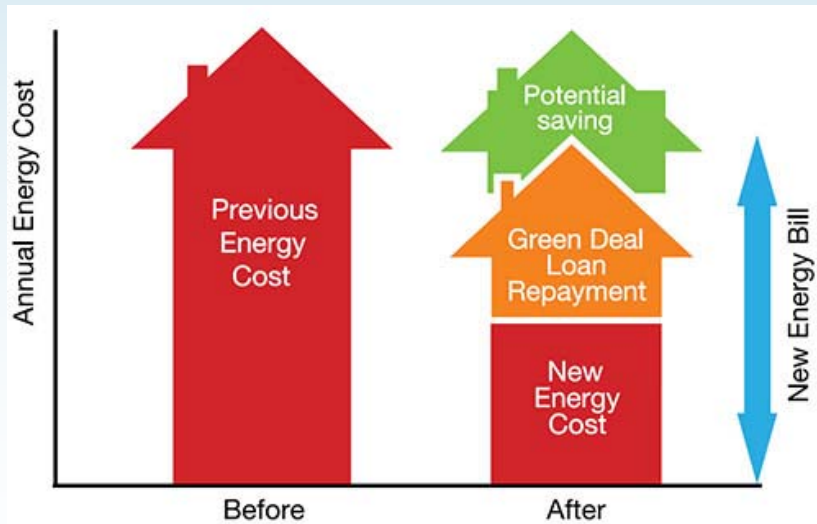
What is Green Deal?

- A Government backed initiative that enables domestic customers to have retrofit energy efficiency improvements to their premises with minimum upfront costs.
- Funding can be via the Green Deal Finance Company with repayments collected via the Electricity Bill.



What is Green Deal?

- To qualify for GD financing, measures must meet the ‘golden rule’ where the expected financial savings from installation of measures is equal to or greater than the costs of the improvements.



The *expected financial savings must be equal to or greater than the costs attached to the energy bill, known as “the golden rule” of the Green Deal*

Department of Energy and Climate Change



Customer Journey

Sales & Marketing

How does it work?

Assessment



Assessor

Gives impartial recommendations on what customers need

Recommendations



Provider

Arranges quotes to customers, provides finance and arranges for installation

Quotes



Installation



Installer

Installs improvements

Benefits



Customer enjoys benefits and pays provider over time through savings

For more information on Green Deal visit
www.gov.uk/greendeal

or call the Energy Savings Advice Service on
0300 123 1234

After Care



Energy Company Obligation

A legal obligation on energy companies requiring them to promote measures which improve domestic energy efficiency, reduce emissions and reduce the cost to households of heating their homes.

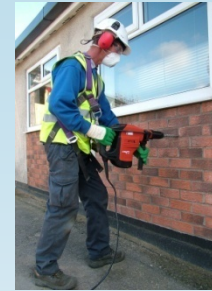
ECO will be entirely focussed on:

- the needs of the lower income and most vulnerable
- those properties needing the next most cost-effective measures that do not meet the Golden Rule – for example, solid wall insulation (SWI).

ECO Obligation

- ECO is split into three strands: Carbon Emissions Reduction Obligation (CERO), Carbon Saving Communities Obligation (CSCO) and Home Heating Cost Reduction Obligation (HHCRO)

- CERO – This primary carbon saving target focussing on hard to treat cavity wall and solid wall insulation.**
- CSCO – This target promotes measures in an area based approach to the lowest 15% of areas ranked in the Index of Multiple Deprivation.
- HHCRO – This target focuses on providing support to low income households in the form of boiler repair/replacement, cavity and loft insulation.



ECO & Green Deal Interaction

- Improvements funded by Green Deal pay for themselves through savings. SWI installation costs don't...
- SWI – high carbon saving but higher install cost
- ECO to the rescue - providing a mechanism for SSE ECO to contribute to the costs of the improvements and meet the Golden Rule

Solid Wall Insulation Example

Overall Cost	£10,000
Green Deal	£4,000 Customer Contribution
Net Cost	£6,000 SSE CERO Contribution (ECO)



Green Deal and ECO – key points:

- Installing improvements – cut energy use / carbon
- Minimises large upfront costs
- Pay as you save – repayments cannot be more than projected energy saving
- Re-pay via home electric bill
- Loan stays with the property, new owners takes on repayments and enjoy the benefits
- No cowboys – strict accreditation qualifications for all involved ..Green Deal quality mark
- Guarantees and warranties
- ECO support for SWI and HTT



SSE is a Green Deal Provider:

- Full customer service
- Initial enquiry, advice and information
- Arrange assessment reports
- Discuss reports with customers
- Provide plan quotes / discuss eco funding
- Coordinate full install process
- Be with the customer throughout the journey



Next steps :

- GD trained customer services in place....
provision of information and education
- Industry software testing continues
- GD Assessments available late summer
- ECO investment projects under way and ongoing



SSE Green Deal Provider

Green Deal and ECO

Further questions and discussion

