

Green Deal

The Green Deal is a new initiative, due to start in 2012, part of the UK Government's drive to improve energy efficiency as it seeks to reduce greenhouse gas emissions. Green Deal is designed to facilitate the retrofitting of energy saving measures.

Consumers and businesses will be encouraged to make their premises more energy efficient at no upfront cost. Instead, the Green Deal will provide a mechanism for home owners and small businesses to access low cost funding packages - removing the capital cost investment barrier for making a property more energy efficient. The measures are aimed in particular at curbing heat loss from homes, which accounts for a quarter of the country's carbon dioxide emissions.

The Government intends that private companies will deliver the Green Deal, financing the cost of the installations. As well as fuel utilities, the 'trusted high street names' expected to become involved include companies such as Tesco, B&Q and Marks & Spencer. There is a 'golden rule', according to Department of Energy and Climate Change (DECC), that the estimated savings will equal or exceed the cost of the measures. These Green Deal providers will recoup their costs through a charge on the customer's energy bill that is intended to be less than the savings made by the improvements.

The funding package will be applied to the meter and the property, not the person/business occupying it. The funding package will continue to be repaid if, for example, there is a tenure change or if a householder switches supplier.

Much of the detail has still to be finalised and confirmed. At this stage, it is expected that the 'eligible' measures will be fairly standard energy efficiency measures i.e. loft insulation, cavity wall insulation and internal/external wall insulation. The organisations involved in delivery – utility, finance provider, installer – will clearly need to cover their administrative costs and will expect a contribution to 'the bottom line'. It is particularly important that the basis for estimating savings for each measure installed is robust, since this will in turn form the basis (amount, timescale) for repayment of the funding package.

The Green Deal does not lend itself well to helping the fuel poor. There will be extra help for those most in need such as the vulnerable, those on low incomes and those with homes that are expensive to treat via a new Energy Company Obligation (ECO). Details of the ECO are also currently being developed by the UK Government.

For more information see [DECC's Green Deal Page](#)



Suite 4a
Ingram House
227 Ingram
Street
Glasgow
G1 1DA

Tel: 0141 226
3064

Fax: 0141 221
2788

Email:
eas@eas.org.uk

Website:
www.eas.org.uk

*"Working to
end fuel
poverty and
achieve
warm, dry
homes for
all."*