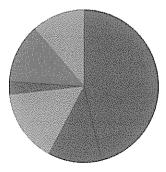
Green Deal and ECO: what's next...

Department of Energy & Climate Change

- Buildings are responsible for 40% of UK energy use.
- 75% of this (or 30% of all UK energy use) - is for heating space and hot water.
- This energy use is the main driver of seasonal energy insecurity
- Energy efficiency is key to addressing
- DECC's carbon plan aims to make buildings near zero carbon by 2050, and to do all cost effective domestic insulation measures by 2027.
- Insulate first, and then change the heating systems over to renewables (rural) and district heating (city centres).

Energy consumption in buildings



- Non-Domestic Space Heating
 Non-Domestic Water Heating
- #Domestic Lighting & Other B Non-Domestic Lighting & Other



The DECC landscape



Green Deal
Insulate homes and reduce bills

Smart meters
Understand and reduce
energy use

Renewable Heat Incentive and Feed-in Tariff Replace heating systems with efficient/renewable alternatives

and generate electricity

Green Deal and ECO: What's next...



1

2

A single joined up proposition

2

3

Advice and information







Government-backed standards







New ways to pay and extra help for those who need it



Find energy grants and help with heating costs

3



Building a robust sustainable market

- Advice and information
- Workmanship you can trust
- A choice of ways to pay / subsidy

Opportunities to enter the market, form partnerships, join up and offer more

Energy efficiency market



Worth £17.6bn in 2010/11



136,000 jobs in 2010/11



5% p.a. projected growth to 2014/15

Green Deal and ECO: What's next...



What we are doing

- 1 Making the Green Deal simpler for consumers and industry
- Energy company obligation consulting on (announced yesterday) and delivering proposed changes to the scheme
- New incentives (e.g. Home buyers, Private Landlords and enhanced delivery of existing incentives (Green Deal Communities, Current Cash Back scheme)
- Private rented sector regulations

Simplifying the Green Deal

We have already:

- 1. Cut the time to get a new provider on board from 3 months to 3 weeks
- 2. Reduced the due diligence required to approve providers' documentation from 80 pages and at least 1 month, to 24 questions and under a week.
- 3. Supported GDFC to introduce Green Deal in a Day.
- 4. Reduced waiting times when the customer is keen to press ahead and the data requirements for making a Green Deal Finance Plan application.
- 5. Clarified how Consumer Credit law affects landlords and tenants opening up this crucial market to Green Deal.

Green Deal and ECO: What's next...



Simplifying the Green Deal

We are also:

- 1. Improving the Green Deal Advice Report that gives householders important information on what an assessment is telling them.
- Giving consumers better signposting to the companies that provide the services they want, through the Energy Saving Advice Service and an online tool to help them navigate the range of support available for energy saving improvements
- 3. Adding more measures that can be supported under the Green Deal
- 4. Working with energy suppliers and GDFC to see how Green Deal finance can work better in combination with the Energy Company Obligation.
- 5. Looking at how the "golden rule" controls what can be borrowed under the Green Deal and consider what adjustments make sense for consumers.



Proposed changes to ECO for consultation

Consultation published yesterday to run for 6 weeks (5th March – 16th April). Key areas to be consulted on:

The March 2015 Carbon (CERO) target will be reduced by 33%

ECO will be extended to March 2017 and new targets imposed for CERO, CSCO and AW at a pro rata of the March 2015 levels

Energy suppliers would be able to carry forward over-performance from CERT/CESP, and count it towards their ECO targets at the maximum possible level

Suppliers that have delivered >25-35% of their current CERO target by 31 March 2014 will receive 1.75-2 times the carbon score for the measures delivered to that date

Lofts, easy to treat cavities and district heating would be eligible measures under the carbon target

A new requirement to deliver a minimum level of SWI – 100,000 - by March 2017

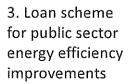
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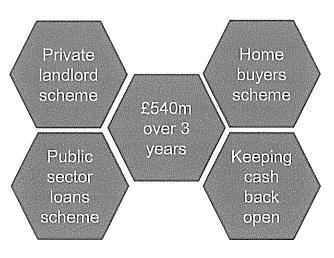


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The new incentive schemes

1. Scheme to support private landlords -





- 2. Stamp duty rebate worth up to £1000
- 4. Keeping the Green Deal Cashback scheme open - applications extended to June 2014 – uplift for some measures eg SWI to £4000



Green Deal Communities

- Minister Greg Barker announced a further 18 Green Deal Communities local authority projects on 2 April.
- This totals 24 Green Deal Communities' projects (6 other projects were announced on 4 March at EcoBuild) which cover 97 English councils.
- £86.m of funding has been awarded to these 24 local authorities (see full list at www.gov.uk/government/news/support-for-local-authorities-to-keep-homeswarm-and-lower-energy-bills) to drive the street-by-street delivery of the Green Deal.
- A further £1.9m has also been allocated to support supply chain training in conjunction with the Green Deal Communities projects.

Proposed changes to ECO and Green Deal



of Energy & Climate Change Private rented sector regulation

The legislative framework to allow green deal finance to be delivered in the tenanted sector is now in place (in force 28 February).

We are soon to consult on regulations to require private landlords to achieve minimum energy efficiency standards from 2018.

We are working with local authorities to pilot new approaches to driving energy efficiency in the tenanted sector



Taichung City Delegation - Taiwan

UK NATIONAL & LOCAL POLICIES AND FRAMEWORKS FOR LOW CARBON CITIES & COMMUNITIES

Keith Thorpe

Department for Communities & Local Government, UK

14 April 2014



THE POLICY CONTEXT

UK towns and cities are major contributors to climate change

The 56 Primary Urban Areas in England:

- · cover over 58% of our population
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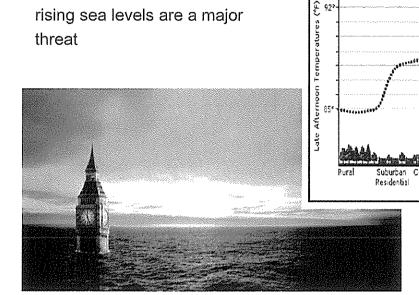


The effects of climate change will also be felt keenly in many cities

Sketch of an Urban Heat-Island Profile

Residential

Many of the world's major cities are close to the sea, so rising sea levels are a major threat





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Residential Farmiand

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- National Policy Framework
- · Role of planning policy and other levers to minimise carbon emissions
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Levers to minimise carbon emissions

- The Government has set out its aspiration to move towards low carbon then carbon neutral developments – an aspiration achievable through sustainable urban design
- The levers to support this ambition include:
 - Planning
 - Tightening of building regulations to support low carbon developments
 - · Exemplars, e.g. BedZed, SmartLIFE



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Exemplar developments and guidance

What can be achieved...

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- · SmartLIFE, Cambridge



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SmartLIFE







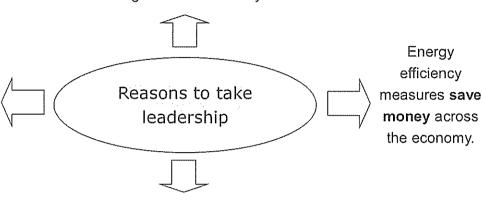
Department for Communities and Local Government

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Climate change policies can help diversify energy sources, helping deliver energy security



Department for Communities and Local Government

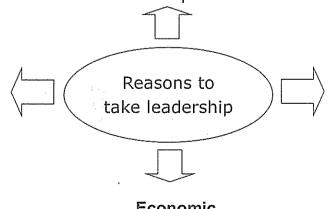
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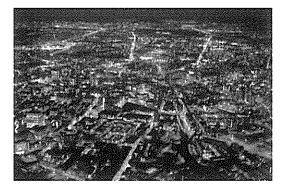
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Manchester at night



GREATER MANCHESTER LOW CARBON ECONOMIC AREA FOR THE BUILT ENVIRONMENT

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CORE CITY DEALS & LOW CARBON INITIATIVES

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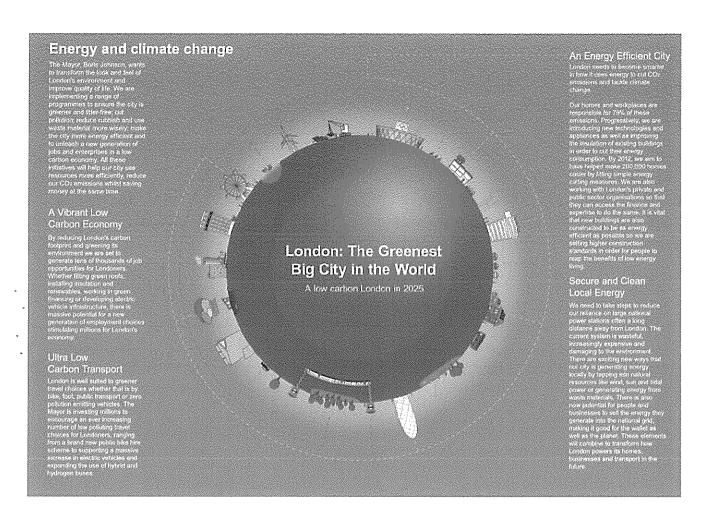


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Department for Communities and Local Government City Action

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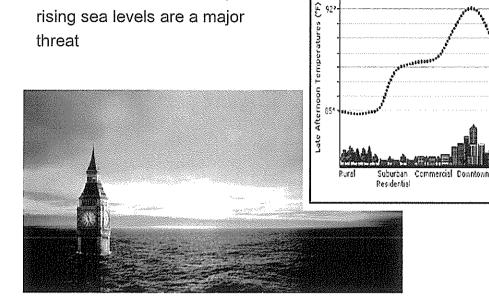


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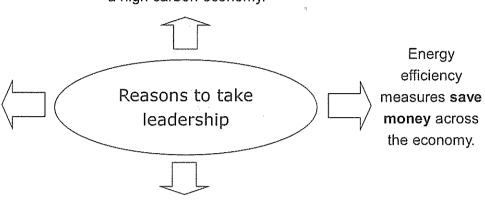
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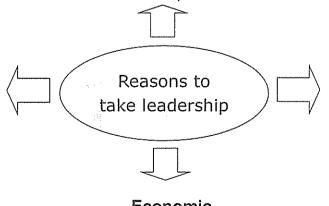
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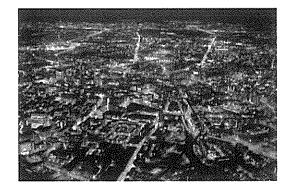
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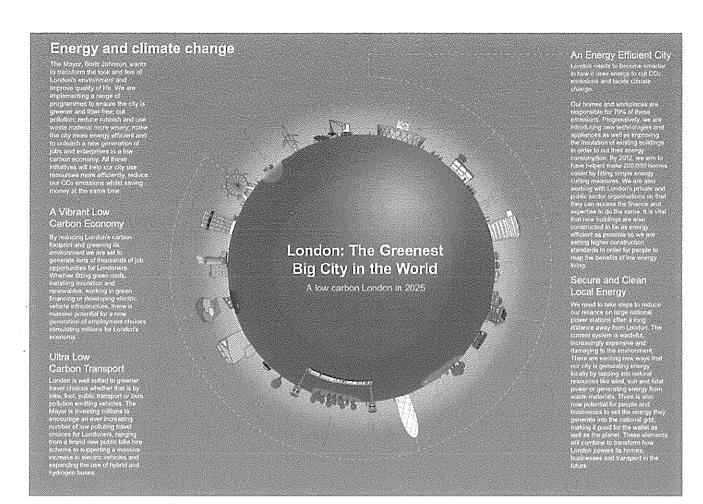


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Department for Communities and Local Government

SOME LESSONS FROM THE UK

- Need for government departments to work together develop and deliver green growth approaches;
- Need to use public procurement strategies at national, regional and local level;
- Higher education institutions (HEIs) crucial role to play in promoting research and innovation to support low carbon growth, at heart of local/ regional efforts to promote green economy and jobs (including skills/ capacity building);
- Can't rely on public sector alone to subsidise low carbon development. Must have mixed funding vehicles (e.g. Green Investment Bank) and new public-private financial models to provide up-front finance needed.
- Need to attract foreign direct investment (FDI) into low carbon economy at all levels.





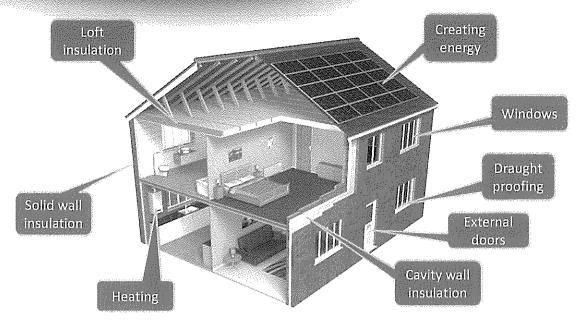
The Green Deal



The Green Deal helps people pay for improvements like insulation or a new heating system through savings on their energy bills.

What's eligible?



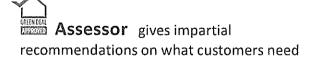


- 45 different improvements can be paid for in part or full
- Covers both residential and non-residential buildings

How does it work?







Provider arranges quotes to customer, provides finance and arranges for installation



Customer enjoys benefits and pays provider over time through savings



- Assessors, Providers, Installers must be accredited –
 Quality Mark to prove it
- Comprehensive advice so you consider all options not pressure selling of one measure
- Standardised advice to make it easier shop around
- · Cooling off periods, protection against cold calling etc
- Insurance-backed guarantees in case of faulty advice or installation
- · Single point of redress: the Provider
- · Ombudsman to handle unresolved complaints

Key Feature 2: Finance



- You can pay for some or all of the cost through a Green Deal Plan, collected as an integral part of your electricity bill
- Costs will vary from provider to provider shop around
- Maximum amount you can borrow, including interest is determined by how much energy you're expected to save. Once plan is agreed, payments are fixed.
- Not a mortgage or a personal loan. If you move out you stop paying.
- "Green Deal Finance Company" a private sector mutual offering finance at
 6.96% (+ fixed admin fees) to providers. 15 investors including DECC and GIB
- You can still change your electricity supplier

Support from DECC



CASHBACK

On 18 February, we announced changes to the government's Green Deal cash-back scheme to better support customers in installing measures including:-

An extension of the current scheme to June 2014

Uplift to some of the rates - Up to £4,000 is now available for solid wall insulation, up from £650; Up to £1,000 for anyone needing_'room in roof' insulation, increased from £220; Up to £650 for households installing double glazing, from £320

An increase in the customer contribution cap - The cap on cash-back payments has been raised from 50 per cent of a household's contribution towards costs, to two thirds, meaning more people will be eligible for the maximum cash-back level.

GREEN DEAL COMMUNITIES -STREET-BY-STREET ROLL-OUT

£88 million for Green Deal Communities from Government – supporting 24 local authorities. This figure includes additional support for installer training to help build supply chain readiness.

Already provided £23m of funding through Core Cities and Pioneer Places initiatives 8 major cities and 39 Pioneer Places (150 local authorities).

LATEST GREEN DEAL RESEARCH FINDINGS

Latest research shows that around 80% of households that had assessment have installed, are in process or intend to install at least one measure.

Extra support: "ECO"



Support for	Available to
Solid wall insulation Hard-to-treat cavity wall insulation	Anyone
Easy cavity wall insulation Loft insulation	People living in low income areas (lowest 15%) People on certain income-related benefits in private housing
Heating improvements	People on certain income-related benefits in private housing

- Don't need to apply separately should be included when Providers make quotes
- Different Providers will have different offers customers should shop around
- Worth around £1.3 billion a year; comes from energy companies ("Energy Company Obligation")

Household Energy Saving Improvements



Millions of people across Great Britain could benefit from making energy saving improvements to their homes and protect themselves against rising energy costs.

Improvements that could be made to your home

LOFT INSULATION

Heat rises and it may be leaking into your loft. Insulating your loft, or topping up your existing insulation, will keep heat inside your living spaces for longer.

CREATE YOUR OWN ENERGY

Technologies like air or ground source heat pumps and solar panels can capture energy and turn it into electricity or heat for your home.

WINDOWS

Homes leak heat through their windows. By replacing your windows with double or triple glazed windows, or installing secondary glazing to your existing windows, you'll keep your home warmer and reduce outside noise.

BOILERS OR RENEWABLE HEAT

Older boilers tend to lose a lot of heat so they use a lot of energy.

High efficiency condensing boilers and air or ground source heat pumps recover a lot of heat so they use less energy.

DRAUGHT PROOFING

Gaps around doors, windows, loft hatches, fittings and pipework are common sources of draughts. Sealing up the gaps will stop heat escaping your home.

CAVITY WALL INSULATION

Some homes have walls with a hollow space in the middle. Putting insulation in this space is quick and makes no mess because the work can be done from outside your home.

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EXTERNAL AND INTERNAL SOLID WALL INSULATION

Older homes usually have solid walls. Installing insulation on the inside or outside of the wall can dramatically reduce the heat that escapes your home.

Getting Started

It all starts with a Green Deal assessment, so you will need to book this to take advantage of any government incentives on offer. A Green Deal Assessor will come to your home, talk to you about your energy use and see if you could benefit from making energy efficiency improvements to your home.

Decide on how you are going to improve your home

Your Assessor will recommend improvements that are appropriate for your home and indicate whether they are expected to pay for themselves through reduced energy bills.

Decide on how to finance your home improvements

There's a range of ways to pay and there are incentives on offer to help.



Install your new home improvements



Enjoy the benefits



I want to have a Green Deal Assessment, where do I go for help?

If you want to find a Green Deal Assessor to carry out your Green Deal Assessment, call the Energy Saving Advice Service (England and Wales) on 0300 123 1234 or Home Energy Scotland on 0808 808 2282. Alternatively, visit www.gov.uk/ greendeal

I have had a Green Deal assessment and want to improve my home. What is there on offer to help me decide?

Once you have had your assessment on your home there is a range of ways to pay or incentives from Government that might help you decide to make improvements:

- Green Deal Finance Plan lets you pay for some of the upfront cost of improvements over time, through your electricity bill, repaid using the savings you can expect to make
- Green Deal Cashback up to £4,000 Go to: www.gov.uk/government/publications/ the-green-deal-cashback-for-energy-savinghome-improvers
- Extra help is available for those on low incomes from the Energy Company Obligation
- The Feed in Tariff pays you for the electricity you generate from solar panels or other renewable technologies
- The Renewable Heat Incentive, which starts this Spring, pays you for the heat you can expect to generate from ground or air source heat pumps, bio-mass boilers or solar thermal panels

Look for the Green Deal Approved quality mark

GREEN DEAL Only Green Deal Assessors, Providers APPROVED and Installers can use it. This shows they meet Green Deal standards and are authorised to operate under the Green Deal. The mark says what they are authorised to do – e.g. to be an Assessor.

You can check whether someone is authorised under the Green Deal:

www.gov.uk/government/uploads/system/ uploads/attachment_data/file/261950/Spotting_ Genuine_Green_Deal_Traders_-web.pdf

Opportunities for Trades



- Green Deal is expected to support up to 60,000 jobs in insulation alone by 2015 (up from 26,000 in 2011)
- Whilst you need to be accredited to carry out each step, you can be accredited for more than one.
- Small and medium sized businesses could get involved by:
 - subcontracting as an Assessor and/or Installer for large Providers
 - providing one-stop services directly to their own customers, and accessing finance from Green Deal Providers
 - providing the full Green Deal service, including finance, to their customers