

# The Green Deal

## What it means for householders

The Green Deal is a government initiative designed to help people make their homes more energy efficient at no upfront cost

The Green Deal has been set up by the Government to help you improve the energy efficiency of your home. The scheme allows private companies to offer you energy saving improvements at no upfront cost. It is based on a 'Pay As You Save' (PAYS) principle where you pay back the cost of your home energy saving improvements over time, using the savings you make on your energy bills. These repayments will be automatically added to your electricity bill as a separate charge on signing up to a Green Deal Plan.

### The Golden Rule

Green Deal finance will only be available where the energy saving improvement you would like to make to your home and the amount of finance you require to do this meets the 'Golden Rule'. This states that the repayments on the finance should not be greater than the savings the improvement makes to your household energy bills. This means that a Green Deal customer should not be out of pocket for the improvements and have a warmer, more energy efficient home.



Solid wall insulation is one of the energy efficiency measures that could become more affordable through for Green Deal

Photos: left CSE; below left, Martin Hartland; overleaf: top, istock.com/Keith Webber Jr; below, Alex Livet

The charge is tied to the electricity meter at the property not the householder – so you only pay towards the cost of the energy saving measures whilst you are benefitting from them. If you take out Green Deal finance and you then move house, the repayments are transferred to the new bill payer. Moreover, you'll always be given the option to pay for the work up front and not utilise Green Deal finance, or to pay part of the costs up front, thus reducing the amount of finance you'll require.

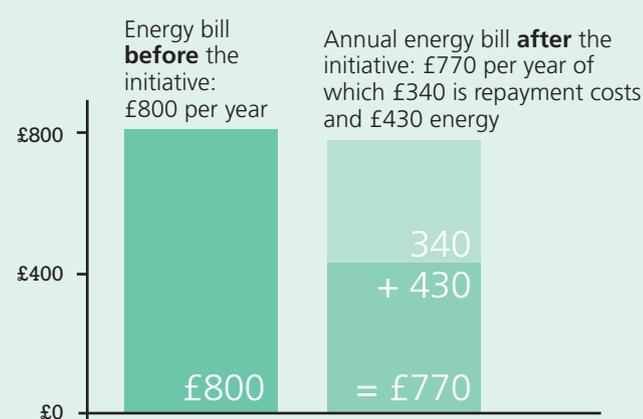
Forty five energy saving measures are eligible for finance through the Green Deal. This includes insulation, which helps reduce heating bills, and others measures such as low energy lighting which helps reduce electricity bills. There will be funding available from energy companies towards some expensive measures, such as solid wall insulation, through the Energy Company Obligation (ECO), making them affordable through the Green Deal.

### The Green Deal process

The Green Deal consists of a property assessment, the provision of finance, installation of energy saving measures, and an after care advice service for customers.

The assessment consists of a property survey and is carried out by an accredited Green Deal Assessor who will produce a Green Deal Advice Report. The report outlines your properties energy performance and describes how the amount of energy you *actually use* compares to the amount of energy you *would be expected to use* based on your type of home and heating system. The assessor will then recommend some possible Green Deal measures based on this information.

How the energy bills for a converted, two-bedroom Victorian flat might look before and after solid wall insulation installed through the Green Deal



## Green Deal

In five simple steps



You can use the Green Deal Advice Report and its recommendations to choose a suitable Green Deal Provider who will offer you a Green Deal Plan. You will need to agree on the contents of this plan with the provider before works commence. This is the contract that sets out the energy efficiency works that will be undertaken as well as the associated costs, the financial agreements and any other terms of the plan, including applicable interest rates and warranties. It also dictates the repayment schedule that the Green Deal Provider will set up with your energy supplier.

The Green Deal Provider is then responsible for ensuring that the energy efficiency works are carried out to your property by an authorised Green Deal Installer. The installer must be certified to meet the new required standard, carry the Green Deal mark and comply with the standards set out in the scheme's code of practice.

Once the Green Deal measures have been installed and signed off, the provider will give you a new Green Deal Advice Report, which will show the new energy rating of your property and outline the key financial terms of the plan.

### The Energy Company Obligation

The Energy Company Obligation (ECO) is a requirement of the six main energy suppliers in the UK to fund works that reduce the amount of carbon dioxide (CO<sub>2</sub>) produced in the homes of their domestic customers and thereby help to reduce their fuel bills. ECO will launch in January 2013. There are two elements of the ECO: **Carbon Saving** (which includes the **Carbon Saving Communities obligation**) and **Affordable Warmth**.

 **Want to know more?**  
Check out the government's  
Green Deal website at  
[www.decc.gov.uk/greendeal](http://www.decc.gov.uk/greendeal)



### Carbon saving ECO

The main objective of the carbon saving ECO is to work alongside the Green Deal to provide additional support for more complex energy efficiency solutions (for example, in older properties with solid walls). These homes may not be able to fund energy efficiency improvements through Green Deal finance alone. Many of these households will receive packages of measures jointly funded by a mixture of Green Deal finance and the ECO.

### Carbon Saving Communities obligation (CSCo)

The CSCo will focus on low income households and areas across the UK, ensuring that these properties receive the energy efficiency measures they need. If you live in one of these areas, you are likely to be eligible for solid wall, loft and cavity wall insulation.

### Affordable warmth ECO

The affordable warmth ECO is designed to provide support to low income and vulnerable households who are least able to heat their homes to an adequate standard. Any measure which improves the thermal performance of a property and reduces the cost of a customer's fuel bills could be eligible for affordable warmth ECO support. Energy suppliers are expected to deliver new heating systems and basic insulation measures, such as cavity wall and loft insulation, under the affordable warmth obligation.



Like this leaflet? There are 25 other energy advice leaflets at [www.cse.org.uk/advice-leaflets](http://www.cse.org.uk/advice-leaflets)

The **Centre for Sustainable Energy** is a national charity that helps people change the way they think and act on energy.

Our Home Energy Team offers free advice on domestic energy use to householders in Bristol and Somerset (including the unitary authorities of North Somerset and Bath & North East Somerset).

Call free on **0800 082 2234** email [home.energy@cse.org.uk](mailto:home.energy@cse.org.uk) or follow us on twitter [@cse\\_homeenergy](https://twitter.com/cse_homeenergy)



3 St Peter's Court  
Bedminster Parade  
Bristol  
BS3 4AQ

0117 934 1400  
[info@cse.org.uk](mailto:info@cse.org.uk)  
[www.cse.org.uk](http://www.cse.org.uk)  
charity 298740