



Glass & Glazing Federation

Green Deal Update

Green Deal Defined

Green Deal is the Coalition Government's flagship policy for improving the energy efficiency of existing buildings in Great Britain. It is a new market framework and is based on a key principle that the cost of some energy efficiency measures pay for themselves, in effect, through the resulting savings on fuel bills.

Why the GGF is engaging with Government regarding the Green Deal

Enabling householders to install energy efficiency measures at no upfront cost is a revolutionary idea that holds enormous potential benefit for the construction industry. This is true for the glazing industry in particular, as glazing is a popular measure with consumers, but, due to its bespoke nature, one which can be prohibitively expensive. Other Government schemes to improve energy efficiency have excluded glazing, to the detriment of the industry. At first, glazing was not going to be included in the Green Deal. This would have denied the industry the opportunity to benefit from yet another Government scheme.

The GGF lobbied the Government to guarantee that windows would be included in the Green Deal and to ensure that its members stood to benefit from the initiative. Windows are now eligible for funding. However, the work continues. The GGF is constantly lobbying Ministers, MPs and civil servants, fighting hard every step of the way to guarantee that its members will not be disadvantaged. The GGF is also partnering with other stakeholders to strengthen its messages to Government, and ensure the best possible outcome for its members.

Green Deal Finance

Green Deal finance will not be a personal loan on the householder or building owner but will in fact be a debt held on the property. Future owners of the property will take on the remaining elements of the Green Deal until payment is complete.

Green Deal Providers

Green Deal Providers is the term used for companies interested in providing the finance and overall plan for consumers in terms of supply and instalment of energy efficient products. Some large multi-national companies (such as British Gas, B&Q and Marks and Spencer) have already been mentioned as possible Green Deal Providers, however the Government has not yet drafted the criteria for a company to become a Green Deal Provider nor have any Green Deal Providers been appointed.

The Government has indicated that there will be onerous requirements for organisations to meet before they can become Green Deal Providers including meeting the requirements of the Consumer Credit Act (CCA) and the holding of a Consumer Credit Licence.

Green Deal - Energy Assessment

The accreditation framework for energy assessment and Green Deal Advice will be underpinned by a robust qualification and accreditation framework, with more robust methodologies and effective redress routes backed by professional indemnity cover, in the event of anything going wrong.

The assessment of the property will produce an Energy Performance Certificate (EPC) and this will identify the current provision of measures within the property and those which could be improved.

Ideally the Government would prefer to see the Energy Assessment undertaken by an independent accredited assessor to ensure customers have a strong and impartial base on which to choose a Green Deal that is right for them. However, as assessments will not be funded by the Government, it will be for the market to decide how the cost of an assessment will be recouped.

The Energy Performance Certificate (EPC) assessment is split into 2 distinct parts; the assessment of the fabric of the building and how the occupier uses the current building - with a recommendation on how a changed use will save energy. The process is designed to ensure that future occupiers of a house will not be burdened with unrealistic expectations of energy use or savings on their bills.

Green Deal Plan

Once their property has been assessed and they have tailored energy saving recommendations, a customer will be able to agree a Green Deal plan from a firm quotation offered by a licensed Green Deal Provider.

Green Deal Installation

Energy saving measures that are paid for via the Green Deal will only be installed by a Green Deal Installer registered under the relevant certification scheme for their trade, contracted by the provider. Existing trade certification schemes will be required to become accredited by UKAS to have met the Green Deal Standard (PAS 2030) which is being developed by BSI at this time. This will look at the competency and qualification of the installer. The GGF is represented on the PAS Working Party by Giles Willson Director of Technical Affairs and Deputy Chief Executive.

Responsibility for the Energy Performance Certificate

After installation of the products, the Green Deal Provider will be responsible for ensuring the Energy Performance Certificate (EPC) is updated by an accredited assessor to reflect the new improvements installed and to review against the details of the Green Deal Plan.

Green Deal Plan Payment

It has been proposed that Payment for the Green Deal Plan will be in instalments collected through the respective energy bill. The on-going billing of the Plan instalments would need to be kept up to date and transparent to the energy bill payer. Green Deal plans can last up to 25 years or the lifetime of the product installed.

It is worth noting that all window designs and make ups will be covered by Green Deal but they must meet with The Golden Rule.

The Golden Rule

Based on the findings of the Green Deal Assessment, the Green Deal provider will make a finance offer based on an assessment of the estimated savings that will result from the measures, if installed, and their likely costs for the installation work including finance costs. This is what the Government is calling “the Golden Rule”. The cost of the work must be less than the expected savings over the length of the Green Deal plan.

The cost of the window will vary depending on the style, number of opening lights etc. An A rated window regardless of the design will save the same amount of energy and money to the occupier. Therefore Green Deal may meet the Golden Rule for a basic window design however the consumer can pay the difference in cost as a top up to get the chosen product.

For certain measures an extra up front subsidy could be sought via the new Energy Company Obligation (ECO). The Government will introduce ECO alongside Green Deal. The obligation will require energy companies to support the installation of energy efficiency improvements to homes. ECO will offer further support in addition to Green Deal finance for harder to treat properties, where measures such as solid wall insulation are required and will not meet the Golden Rule. ECO also covers properties where the occupier is within the classification of “Fuel Poverty”.

The Government has stated that it would hope that Green Deal would be inclusive of and open to companies of all sizes down to SMEs. The GGF is concerned that it may not be that easy for the smaller companies to be able to get involved with Green Deal Providers initially. With this in mind, the GGF is fighting every step of the way, through meetings and letters to ministers and MPs, and submissions to the Energy Bill Committee, to ensure that SMEs are not disadvantaged.

The GGF's Role in Green Deal

The Voice of the Industry

Representing the majority of the key companies in the industry the GGF executive has been a strong voice in Green Deal discussions for over a year. Today, the Glass and Glazing Federation is very much at the forefront of the discussion and The Department of Energy and Climate Change (DECC) is well aware of the GGF and importance of the industry's issues within Green Deal. In June, the DECC website confirmed that windows were eligible for Green Deal inclusion.

Influencer and Driver

The GGF has worked for over a year in meetings with Department of Energy and Climate Change (DECC) Officials, MPs and other organisations to promote the enormous benefits both in reduced emissions of carbon and carbon dioxide, but also reduced energy bills resulting from the installation of energy efficient windows. The results of this effort are clearly visible in a recent DECC publication in May 2011 entitled "What measures does the Green Deal cover?" under Building Fabric it clearly includes energy efficient glazing and doors.

Sub-Provider

The GGF is in constant discussion with DECC to consider the idea of the GGF becoming a "Sub-Provider" to provide the details of its installation companies to undertake the necessary work, in order to ensure maximum access to the Green Deal for its members.

If glazing is highlighted in the original assessment, then the Green Deal provider could approach the GGF to access our listing of Green Deal accredited Members to select for the work.

The GGF has also started dialogue with likely Green Deal Providers (such as British Gas) to find common ground with a view to becoming a sub-provider.

Green Deal Time Line

The Green Deal will be enacted from the Energy Bill which is currently (Aug 2011) going through Parliament and will ultimately become the Energy Act. The Bill has passed through the House of Lords, has been debated in the House of Commons and amendments suggested. It had been hoped to get Royal Assent before the Summer Recess but this has not proved possible. It will now be put forward in the period between the end of Summer Recess and the start of the Party Conference Recess during early September 2011.

After this has occurred the next step will be for a Consultation Document being released in October which should run for three months.

The Government is hoping to release Secondary Legislation in the Spring of 2012 and this is when most of the outstanding questions will be answered. This will then allow Green Deal to be launched on 1 October 2012.

Nigel Rees
Chief Executive and National Secretary

5 August 2011