



The Green Deal, the Government's flagship energy efficiency programme, which is being launched to insulate millions of UK homes and businesses and drive green growth and jobs, officially gets underway today.

The scheme, which has been described as the biggest national improvement programme since the Second World War, is now open for business, but only partially and with many question marks still hanging over it.

The Green Deal aims to cut energy bills and carbon emissions from buildings by making energy efficiency easy and affordable for householders and businesses. The Government aims to insulate 14 million homes by 2020 through the Green Deal and says it should deliver energy efficiency and heating measures worth an estimated £1.3 billion. It also expects it to double the number of insulation jobs to 60,000 by 2015.

But worries persist over the level of take-up of the scheme, with a number of major retailers taking a 'watch and see' position. It also remains unclear how and when the Government is going to spend a promised £200 million on incentivising people to access the Green Deal, or how and when the Green Investment Bank will support the scheme.

Under the Green Deal, consumers will be able to invest in loft and cavity wall insulation, lagging and other energy efficiency measures, at no upfront cost, instead paying for the work through a levy on their bills.

The so called 'Golden Rule' has been created to protect consumers from higher energy bills and investors from a higher risk of default on the bill, by ensuring the Green Deal finance attached to the energy meter does not exceed the projected associated cost savings on an average energy bill for the duration of the Green Deal finance arrangement.

Up to 45 measures are covered by the Green Deal, including cavity wall insulation, double-glazing, radiant heating, and energy efficient taps and showers.

Green Deal assessments

From Monday, both householders and businesses will be able to register to have their properties assessed for the Green Deal.

Those benefiting from the Energy Company Obligation (ECO), an initiative whereby consumer energy companies will have to provide £1.3 billion a year in energy efficiency upgrades for low income and hard to insulate homes, will be able to access the Green Deal from day one.

But those consumers needing to access the Green Deal's multi-billion financial mechanism to fund their energy efficiency improvements will have to wait until phase two of the programme, in early 2013, when the necessary legislation for the Green Deal finance plans will be in place. It is not expected the Green Deal will gain full traction for another 18 months.

So far seven organisations have been approved to carry out assessments. They include British Gas, the Green Deal Advisor Association, Mark Group and the National EPC Company.

Today's move was welcomed by companies looking to benefit from the Green Deal, as a major step forward.

"With a lack of consumer awareness around the Green Deal regularly highlighted in the press, the announcement of the first Green Deal advisors is a monumental step in the right direction," said Brian Smithers, director, Rexel UK, a leading distributor of electrical supplies. "Solid, impartial advice from accredited providers will be key to the success of both the domestic and non-domestic schemes.

"It's down to us, as an industry, to work together and ensure that all the relevant information is easily accessible for households and businesses alike. It's crucial that we work on educating

people now if we want to see success from day one when the first loans become available in January 2013."

Soft launch

Today's launch is effectively a soft launch. The Department of Energy and Climate Change (DECC) says it will enable Green Deal accreditors, assessors and installers to get up and running and for 'Green Deal Providers' – those managing the finance plans – to test systems and operations.

A number of companies have already signed up to be Green Deal Providers, but so far none of major retailers, such as M&S and B&Q have done so, despite early expectations that they would.

Consumer protection

Elsewhere there are concerns about how well the consumer will be protected under the Green Deal. Consumer group, Which? says its concerned about mis-selling and "dodgy" sales practices. It has published an online advice guide to give householders practical tips on what to look out for during these home energy assessments.

"We know that energy prices are one of consumers' top financial concerns so we support helping people save money and making their home more energy efficient. However, the Government must live up to its promise to protect the consumers from mis-selling and dodgy sales techniques," Which? executive director, Richard Lloyd, said.

"We will be watching closely to see if people get ripped off. Any poor practice must be stamped out as quickly as possible."