

# Special report

## Legislation (continued)

■ Ground-source heat pumps – £1,250

■ Solar water heating – £300

For more on the RHI and RHP from the Energy Saving Trust, go to [tinyurl.com/647qv3r](http://tinyurl.com/647qv3r).

### Green Deal

The Green Deal, due to be introduced in autumn 2012, is designed to encourage homeowners and small commercial property owners to undertake improvements to the efficiency and generating capacity of their buildings.

In light of the recession and the lack of available funding, the Green Deal will lend money to the property (not the owner) for upgrades to it. All sorts of technologies are being mooted for inclusion:

■ Insulation (cavity wall, loft and solid wall)

■ Efficient heating solutions

■ Smart meters

■ Microgeneration technologies (ie solar PV, wind, etc.)

■ Energy-efficient appliances

For the full list of proposed eligible measures go to [tinyurl.com/3q274nc](http://tinyurl.com/3q274nc).

The eligibility criteria is for equipment that will pay for itself through savings on the utility bills – ie if you pay £300 for cavity wall insulation and it saves you £100 a year, then it will pay for itself in three years.

While it is not 100 per cent clear how this works in practice, it is assumed that the homeowner pays the same on their utility bills for three years and then, once the debt is repaid, their bills reduce.

The key point about the Green Deal is that the money is lent to the property and not the homeowner – so, if you move you are not liable but the person who moves into your house is. That should mean no credit scoring or credit checking – the checking will be focused on the property's suitability for whatever technology is being considered.

The maximum spend allowed per property will be capped at

£10,000, though there have been conflicting statements on this – for the time being £10,000 looks most likely.

There will be the formal appointment of UK Accreditation Service (UKAS), designed to ensure assessors and installers adhere to 'robust standards' in order to participate in the Green Deal, which will be supported by a Green Deal code. Although further details are to be released, its aim is to protect the consumer.

Several major players including Tesco, Asda and Marks and Spencer are all making plans to be part of the Green Deal – it is presumed that this will be on the financing side. There should also be finance available from the Green Investment Bank (though again it's still unclear how much and how it may work).

### Green Investment Bank

The government has announced the creation of a Green Investment Bank from April 2012, which will assist in the financing of a wide range of green measures including:

■ Offshore wind projects

■ Waste processing

■ Non-domestic efficiency

■ Green Deal finance

The amount to be allocated to the bank has fluctuated over the past 12 months; however, the latest figure from government is that it will start with £3bn.

Over time the bank will be able to borrow money itself and it is estimated that it will have around £15bn of investment by 2015.

### How they work together

This is the 64 million dollar question! In theory we have two government financing schemes to actually put in the technologies; the Green Deal and the Green Investment bank and, once you have your efficient or renewable technologies in place, two schemes to help fund the payments for them; feed-in tariffs and the Renewable Heat Incentive (again,



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it's not clear whether Green Deal items will still qualify for FiTs or the RHI).

As with a lot of government schemes, the details are not 100 per cent clear as yet and, until we get nearer to their implementation, we are still going to be second-guessing the finer points.

We can, however, make the following statements:

■ There is going to be a boom in energy-efficient and microgeneration sales and installations;

■ There are going to be ways to finance these technologies without the homeowner having to dip into their own pockets for the upfront costs;

■ As a product supplier, ensuring that your technology qualifies for these schemes will be crucial;

■ As an installer, being up to speed, aware and trained on the installation of this kit will give you a massive advantage in the new green market.

If you think you want to be involved from either a product or installation point-of-view, invest the time now to ensure that you don't miss out on this massive opportunity.



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