

# Operating the UK's Green Deal & other Energy Efficiency Schemes

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Head of Operations  
Green Deal Oversight and Registration Body  
February, 24<sup>th</sup> 2014. Gakushi Kaikan, Chiyoda. Tokyo



# Contents

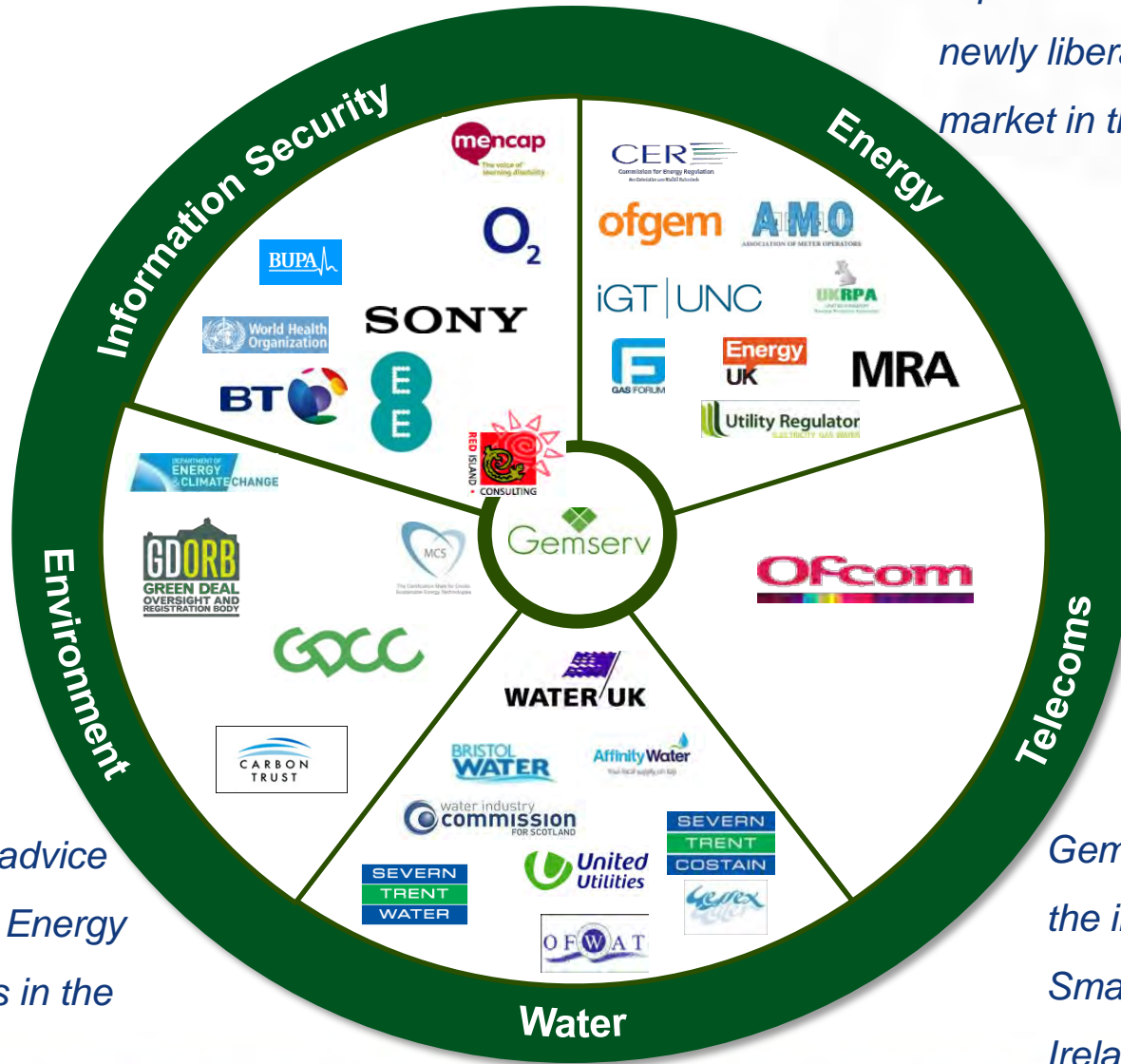
01. Gemserv Background and Green Deal Role
02. The Growth of the Green Deal Businesses
03. Green Deal Operational Processes
04. Consumers
05. Operating other Energy Efficiency Schemes

# 01 Background

- 1.1 Gemserv Background
- 1.2 The Green Deal Oversight  
& Registration Body (GD ORB)
- 1.3 The Market Operating Model

# 1.1 About Gemserv

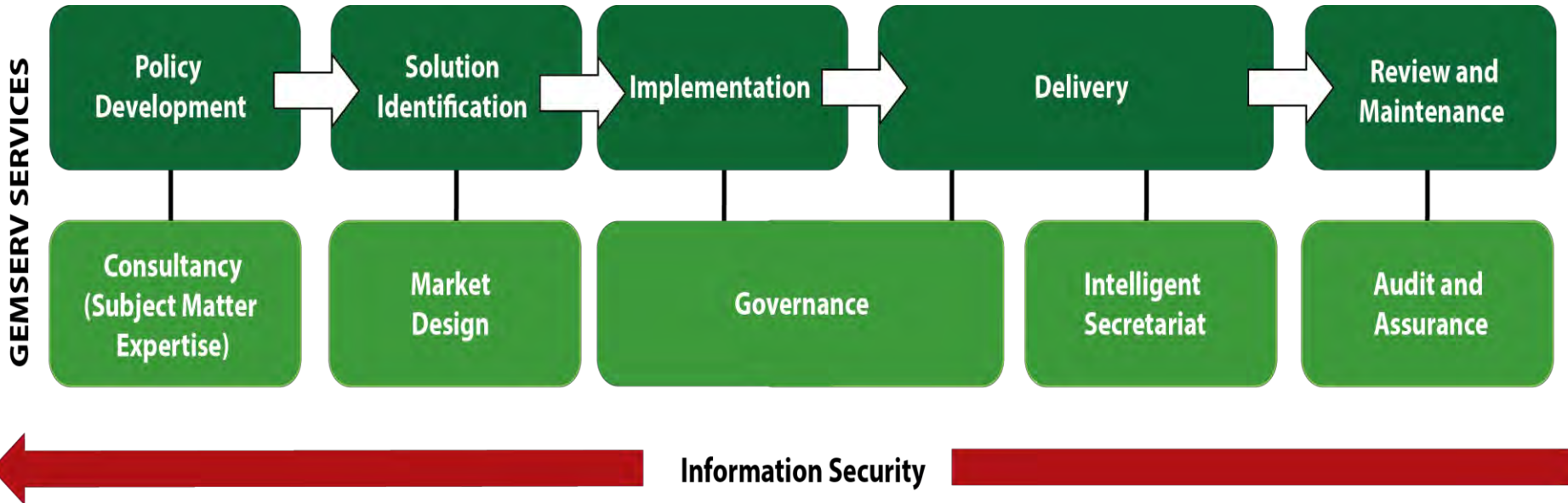
*Gemserv were formed in 1998 to implement and operate the newly liberalised electricity market in the UK*



*Gemserv provides advice and runs the major Energy Efficiency Schemes in the UK and Ireland*

*Gemserv are central to the implementation of Smart Metering in GB and Ireland*

# 1.1 About Gemserv – Services



# 1.1 Gemserv and the Green Deal



Green Deal Central Charge Database

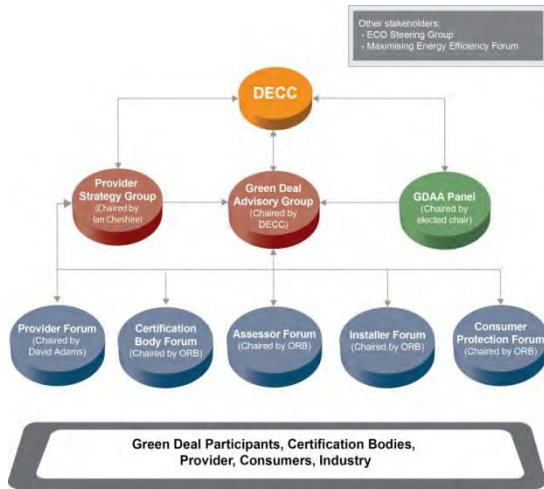
Green Deal Central Charge Database



Green Deal Oversight and Registration Body

# 1.2 GD ORB at the centre of Green Deal

## Workgroups and Fora



## Provider Application Process



## Participant Helpdesk



## Register, Search Tool & Website

GREEN DEAL APPROVED

Department of Energy & Climate Change

Find a Green Deal company

Assessor Organisations - visit your property, tell you what improvements you can make and estimate how much you could save on your energy bills

Providers - help you decide if a Green Deal Plan is right for you, provide finance and arrange for installation of improvements.

Book an assessment directly with an Assessor Organisation or ask a Green Deal Provider to arrange one for you.

A postcode search returns results for authorised organisations that have provided regions of operation.

A search without a postcode returns a list of all authorised Providers and/or Assessor Organisations.

Results

Your search has returned a list of all authorised Assessor and Provider Organisations, current as of 04/02/2013. As you have not selected a postcode the companies on this list may not directly offer services in your area. You may wish to try a post code search for better results.

Sort list alphabetically

Send this list enter e-mail here

Results Per Page 10

Results 1 - 15 of 83

Company ProviderCard ID Website Phone Number

Web GreenEnergy Ltd 1176470113 www.greenenergy.com 0800 7797802 More info

## Quality Mark Licensing

Green Deal Quality Mark requirements and guidelines 1.0

Introduction

Contents

ALL companies offering assessment

Property Type

Home or Business

Postcode

Clear Search

GREEN DEAL APPROVED

GREEN DEAL APPROVED

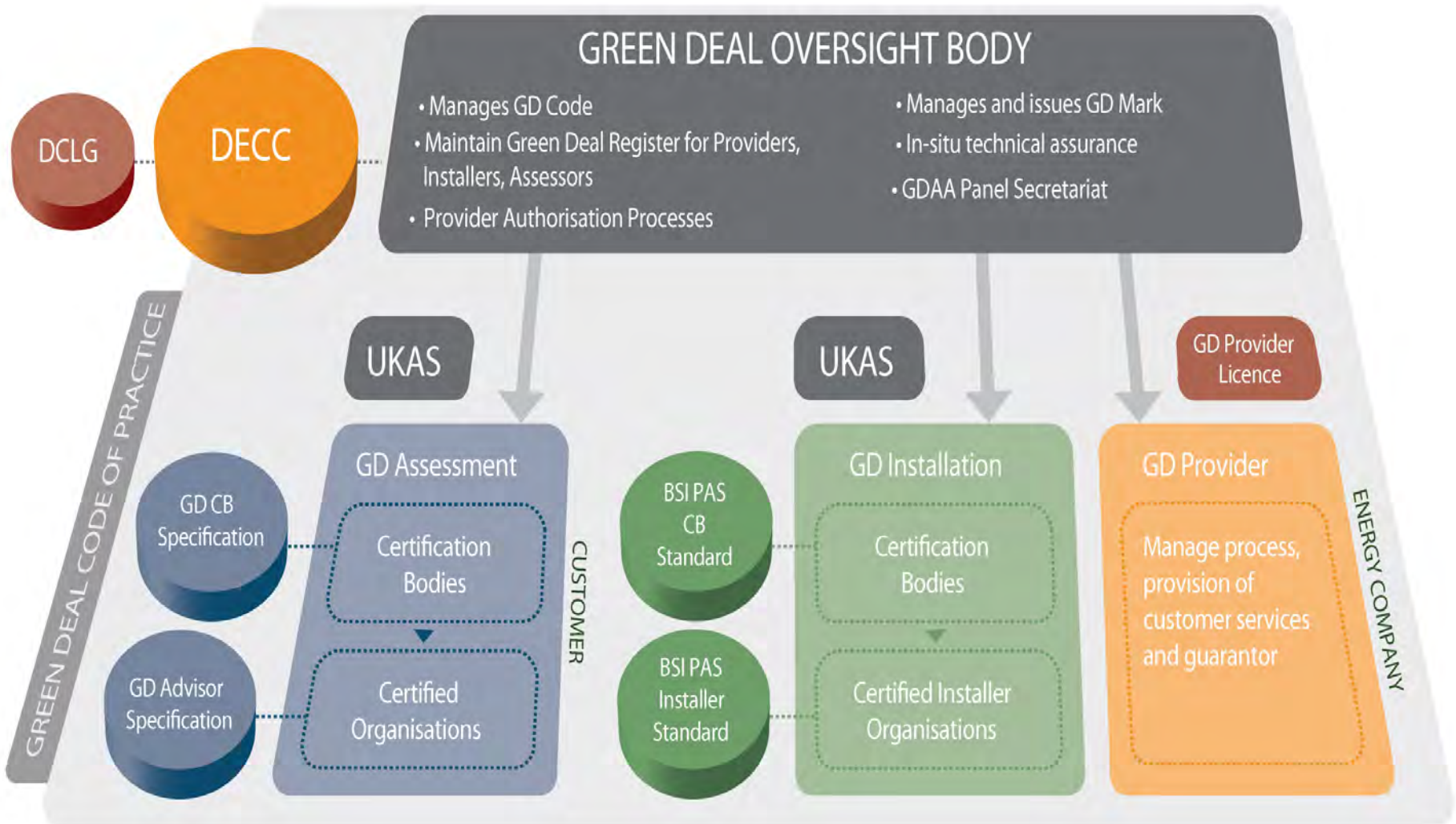
GREEN DEAL APPROVED

GREEN DEAL APPROVED

## Accreditation & Monitoring



# 1.3 Green Deal Market Operating Model





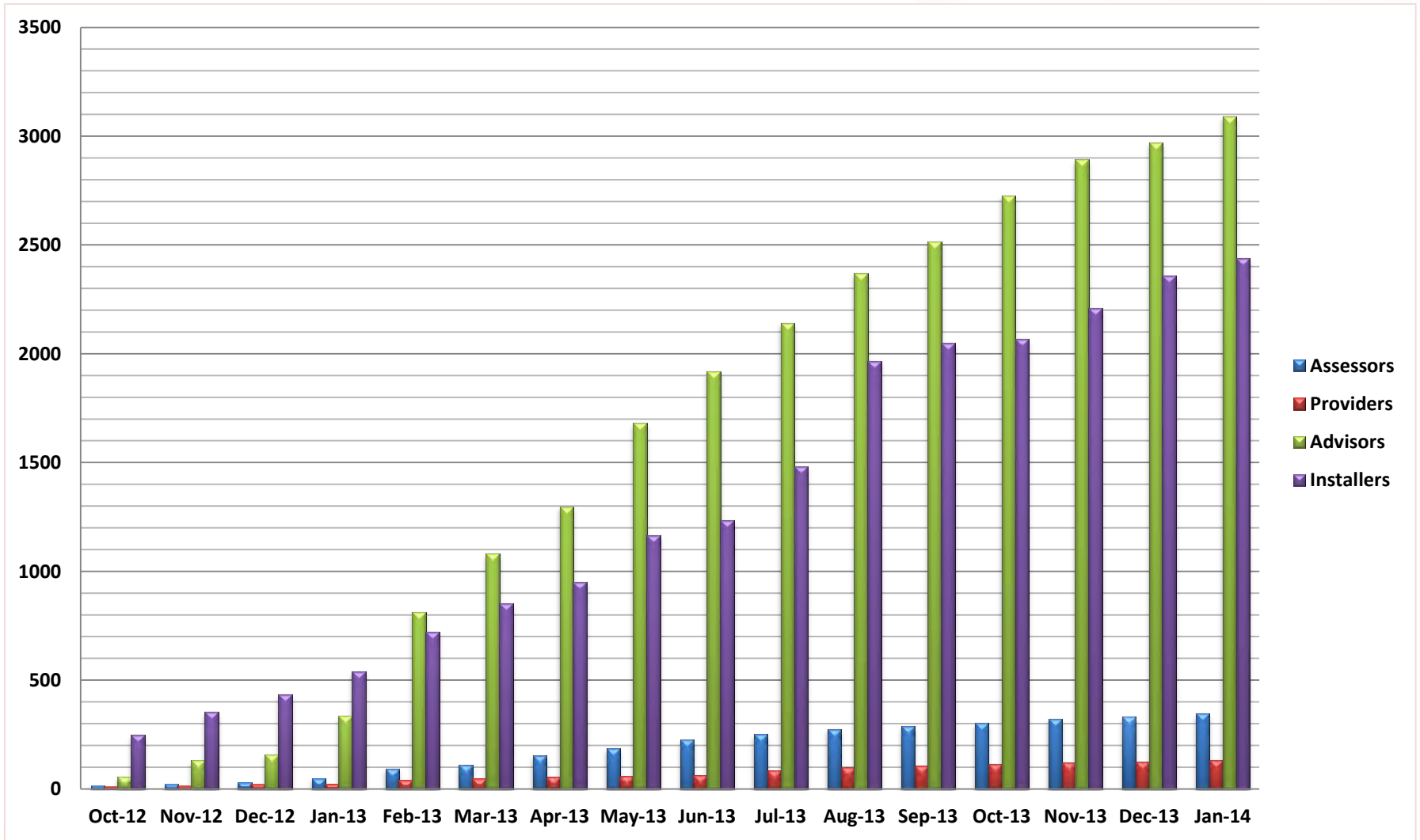


# 02 The Growth of Green Deal Supply Chain

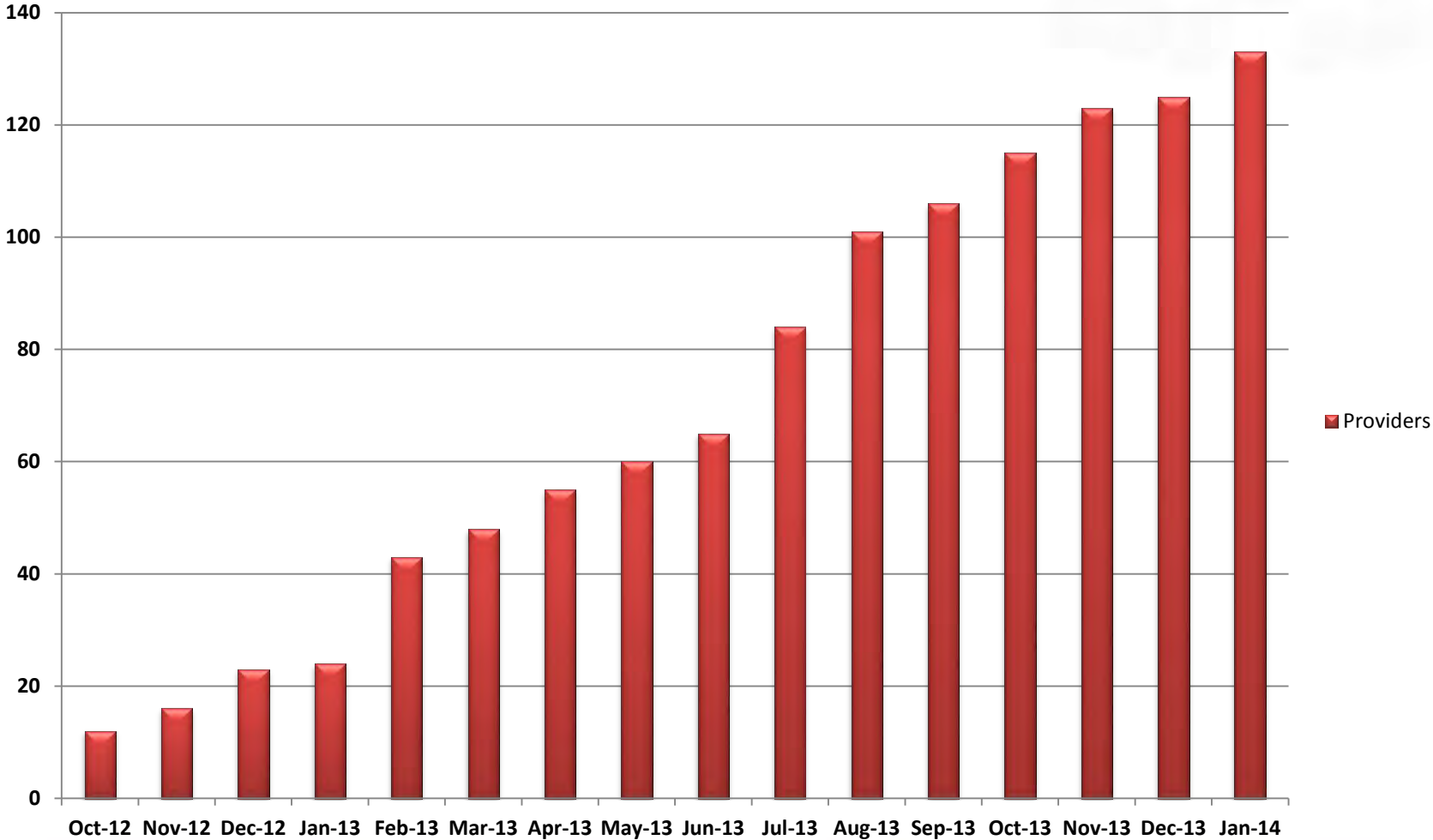
- 2.1 All Participants
- 2.2 Providers
- 2.3 Installers
- 2.4 Assessors/Advisors
- 2.5 Other Statistics
- 2.6 Resolving Challenges



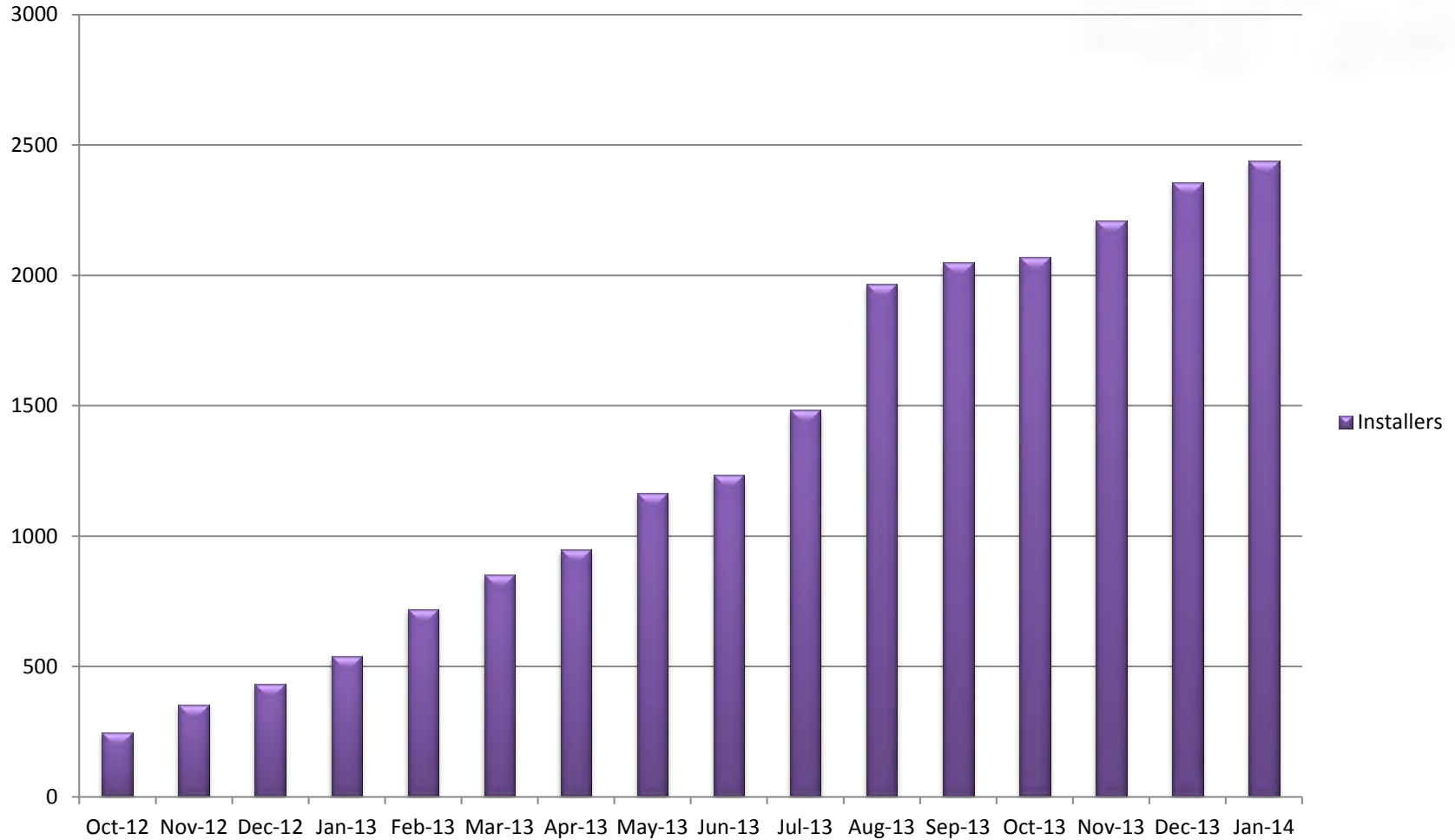
# 2.1 Participant Growth



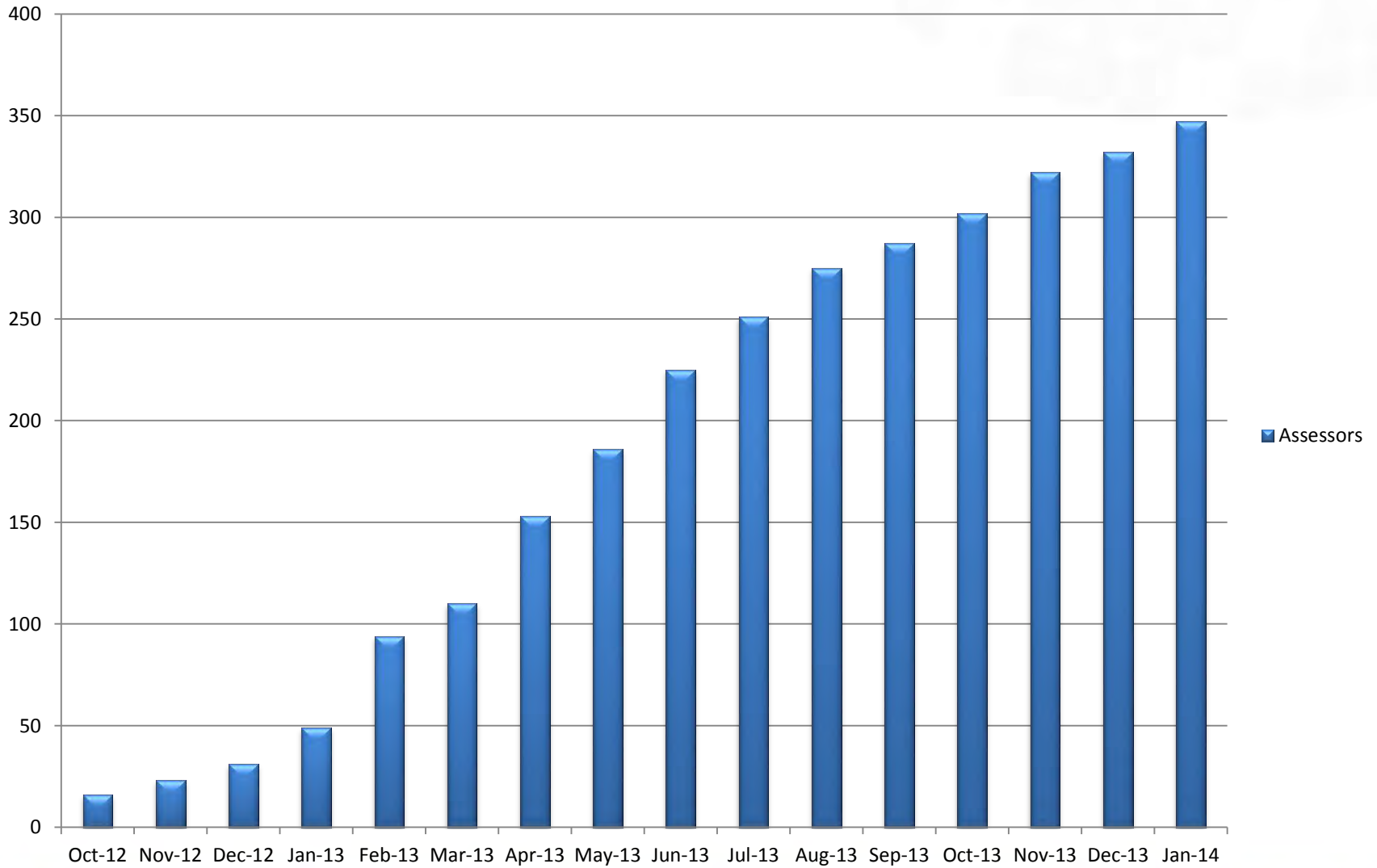
# 2.2 - Providers



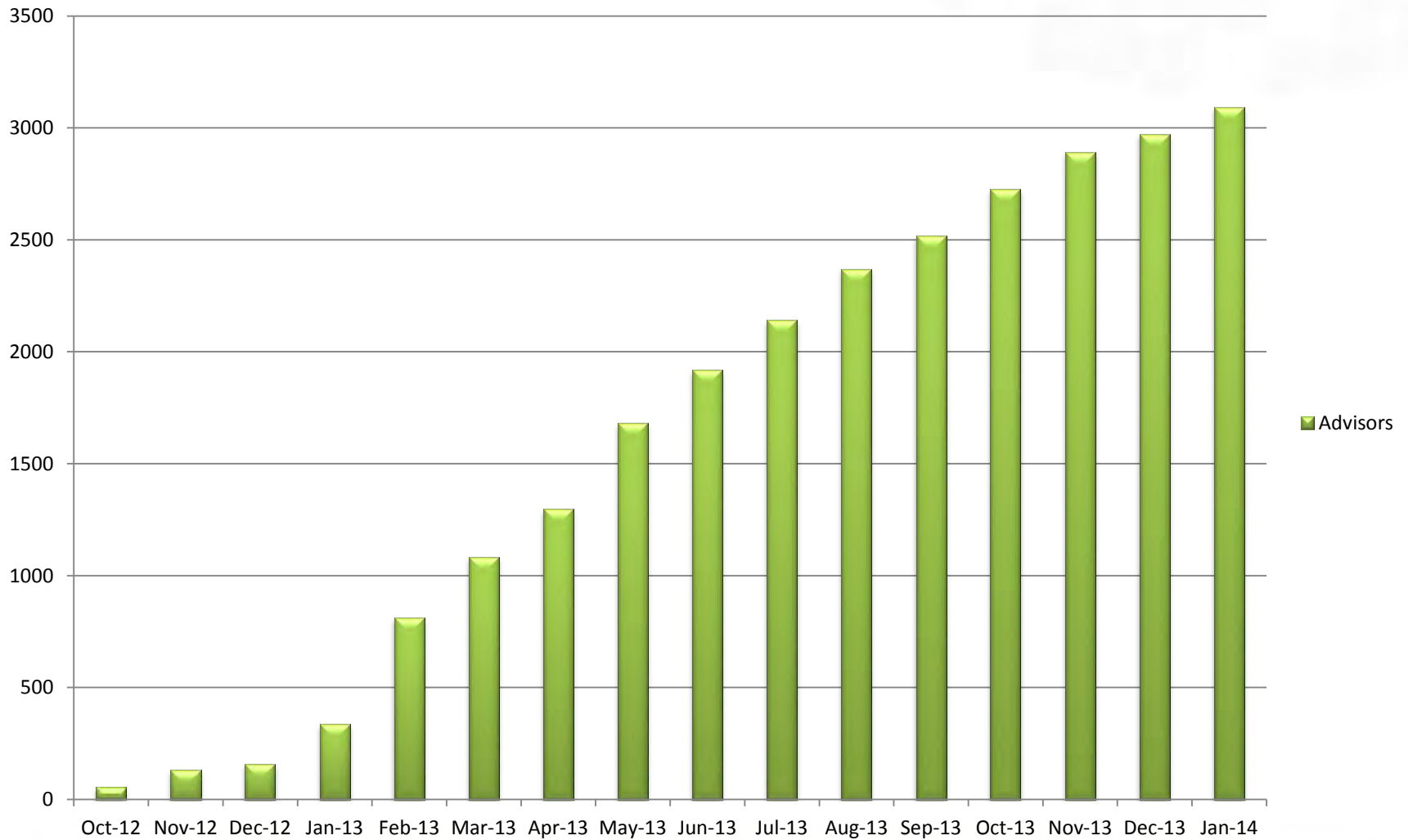
## 2.3 Installers



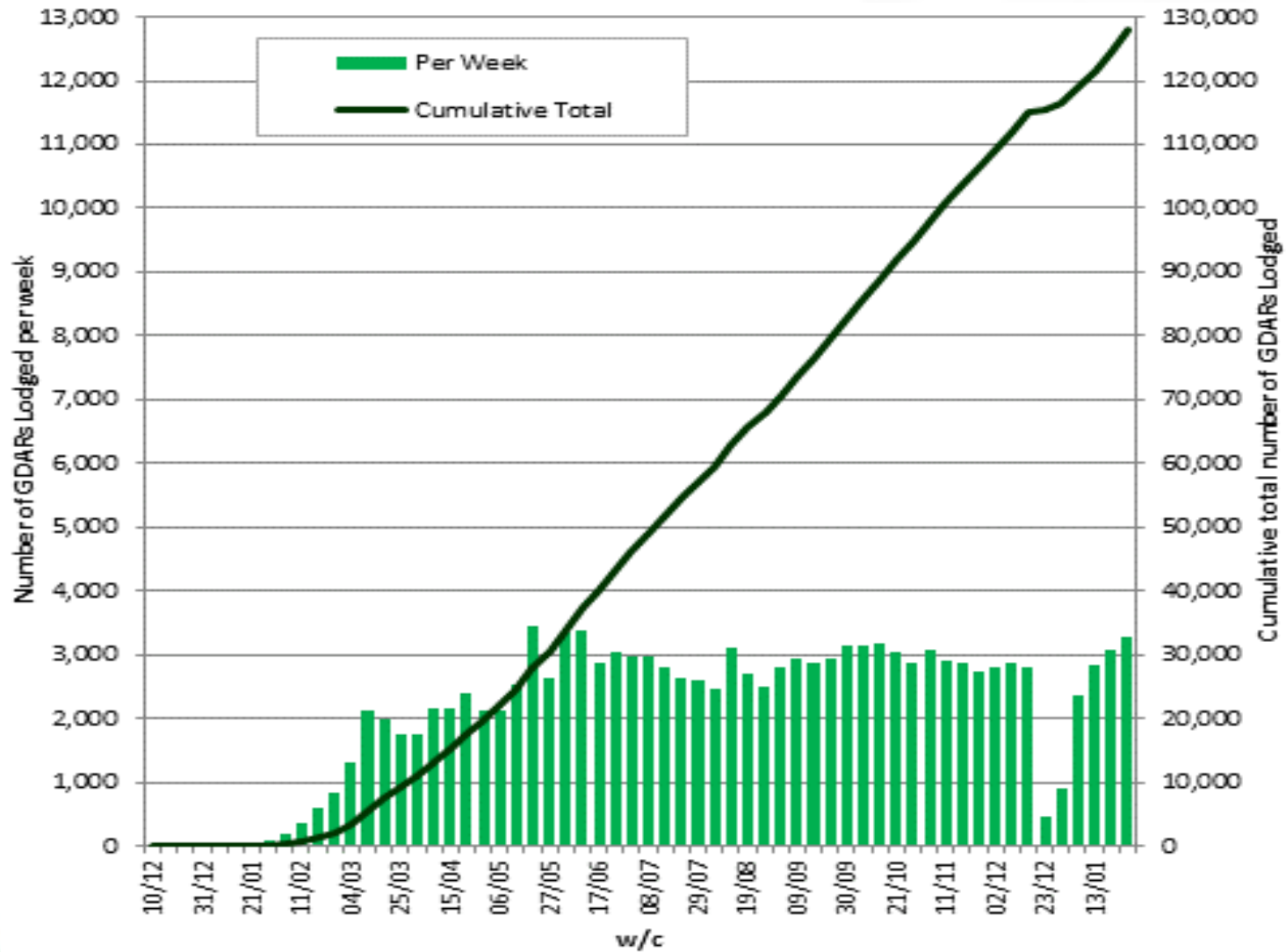
# 2.4 Assessors



# 2.4 Advisors



# 2.5 Assessments Complete



## 2.5 Other Statistics

- 2000+ Green Deal Finance Plans Agreed
- 750+ customers have had measures installed under their Green Deal Plans and have been notified that their electricity bill will now include their Green Deal charge
- 3000+ Green Deal Assessments lodged per week
- 130000+ Assessments
- 40+ Green Deal Providers are currently able to offer Green Deal finance
- 20+ Green Deal Providers are now active in the market and have written at least one GD Plan



# 2.6 Resolving Challenges

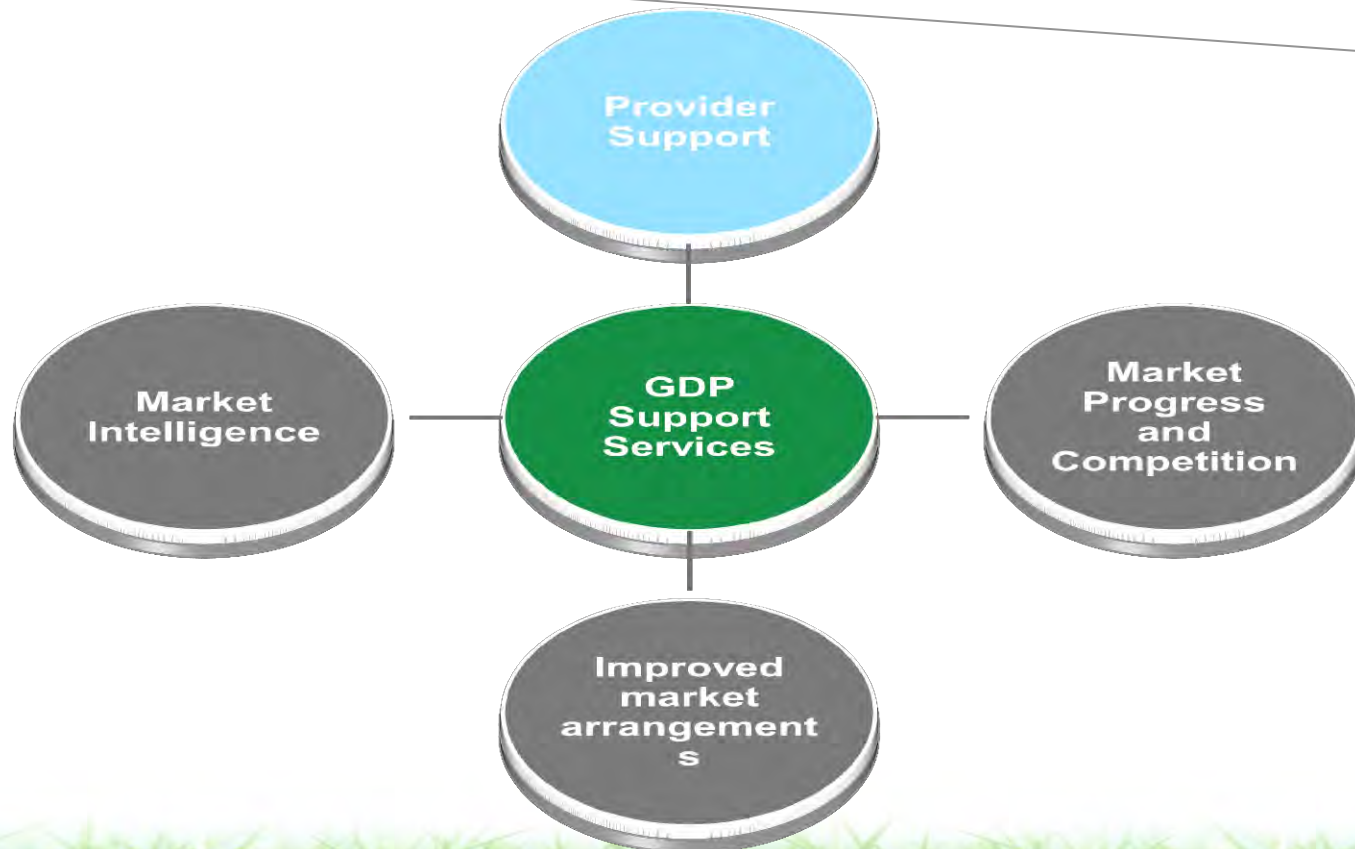
135  
Authorised  
Providers

Interruptions

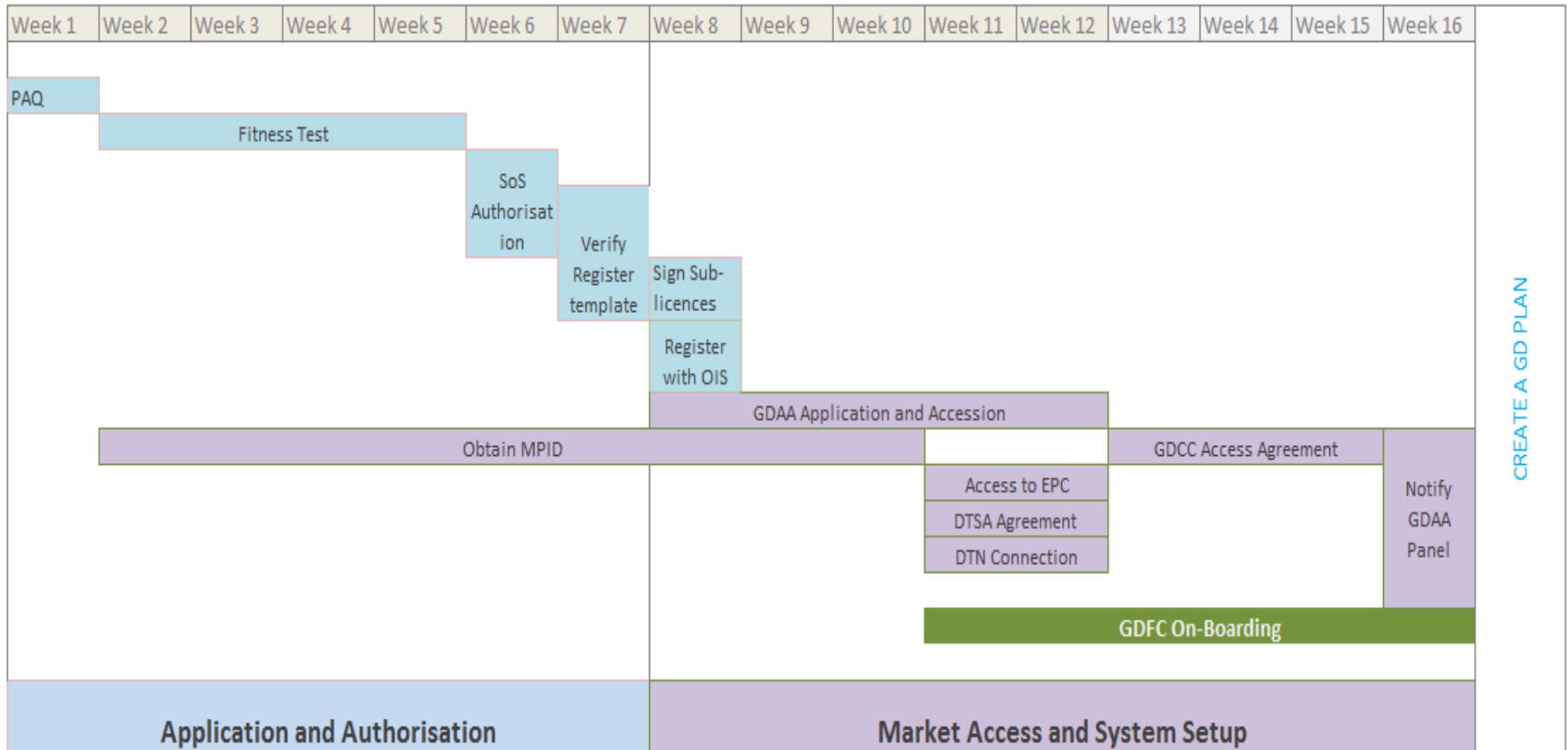
Confusion

Complexity

25  
Active



# 2.6 Resolving Challenges



# 2.6 Resolving Challenges

providersupport@gemserv.com

PROVIDER HUB

About the Hub | Green Deal Provider Discussions | Supply Chain | Commercial Opportunities | Hub News

### Connect to a Provider

**InstaGroup**  
 Info: Areas: South West England, Bristol, London  
 Measures: SWI, CWI, Boilers, Heating supplies  
**Looking for:** Installers, Assessors in SW England

Register Interest  
 Enquire

**enhanceenergy**  
 Info: Areas: South West England, Bristol, London  
 Measures: SWI, CWI, Boilers, Heating supplies  
**Looking for:** Installers, Assessors Nationwide

Register Interest  
 Enquire

**HELMS**  
 Info: Areas: Scotland, North West England  
 Measures: SWI, CWI, Boilers, Heating supplies  
**Looking for:** Installers Manchester, Leeds




Register Interest  
 Enquire

providersupport@gemserv.com

PROVIDER HUB

About the Hub | Green Deal Provider Discussions | Supply Chain | Commercial Opportunities | Hub News

### Search for Opportunities:

TENDERS      PARTNERSHIPS      OTHER

**On the HUB:**

Tenders: 8

Announcements: 7

Partnerships: 3

# 03 Green Deal Operational Processes

- 3.1 The Green Deal Journey
- 3.2 Market Entry
- 3.3 Governance
- 3.4 Finance
- 3.5 IT

# 3.1 Green Deal Journey and Participants



- Green Deal Assessor Organisation
- Green Deal Provider
- Green Deal Installation Company
- *Product Manufacturers and Suppliers*



# 3.1 The Green Deal Assessment

## Key purposes:

- Identify suitable energy efficiency measures
- Estimate the energy bill savings – used for ‘golden rule’
- Create a Green Deal Advice Report

## The assessment process:

- Create an Energy Performance Certificate
  - Undertake an Occupancy Assessment
  - Select package of Green Deal improvement measures
  - Lodge Green Deal Advice Report on the Register
- Undertaken by a Certified Green Deal Advisor
- The customer can take the GDAR to any Provider

**GREEN DEAL**  
Advice Report
**Occupancy Assessment**

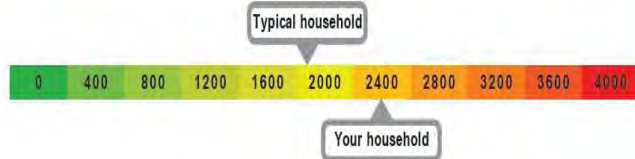
123 Green Street, Boilerton, BT9 1ZZ

Date of assessment: 07 January 2013      Reference number: 1234-4321-1234-4321-1234  
 Date of report: 10 January 2013      UPRN: 9876543210

This report shows how your household uses energy currently, and recommends ways of making your home more energy efficient. The amount of money you could save from Green Deal improvements depends on how much energy your household currently uses - the higher your bills, the more you could save.

---

Current energy bill for your household in £/year



Typical household

Your household

\*Typical household' shows energy usage for a typical property of this size and type. Your household's energy usage is HIGHER than typical. See page 2 for how we have worked this out.

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Green Deal improvements recommended by your assessor

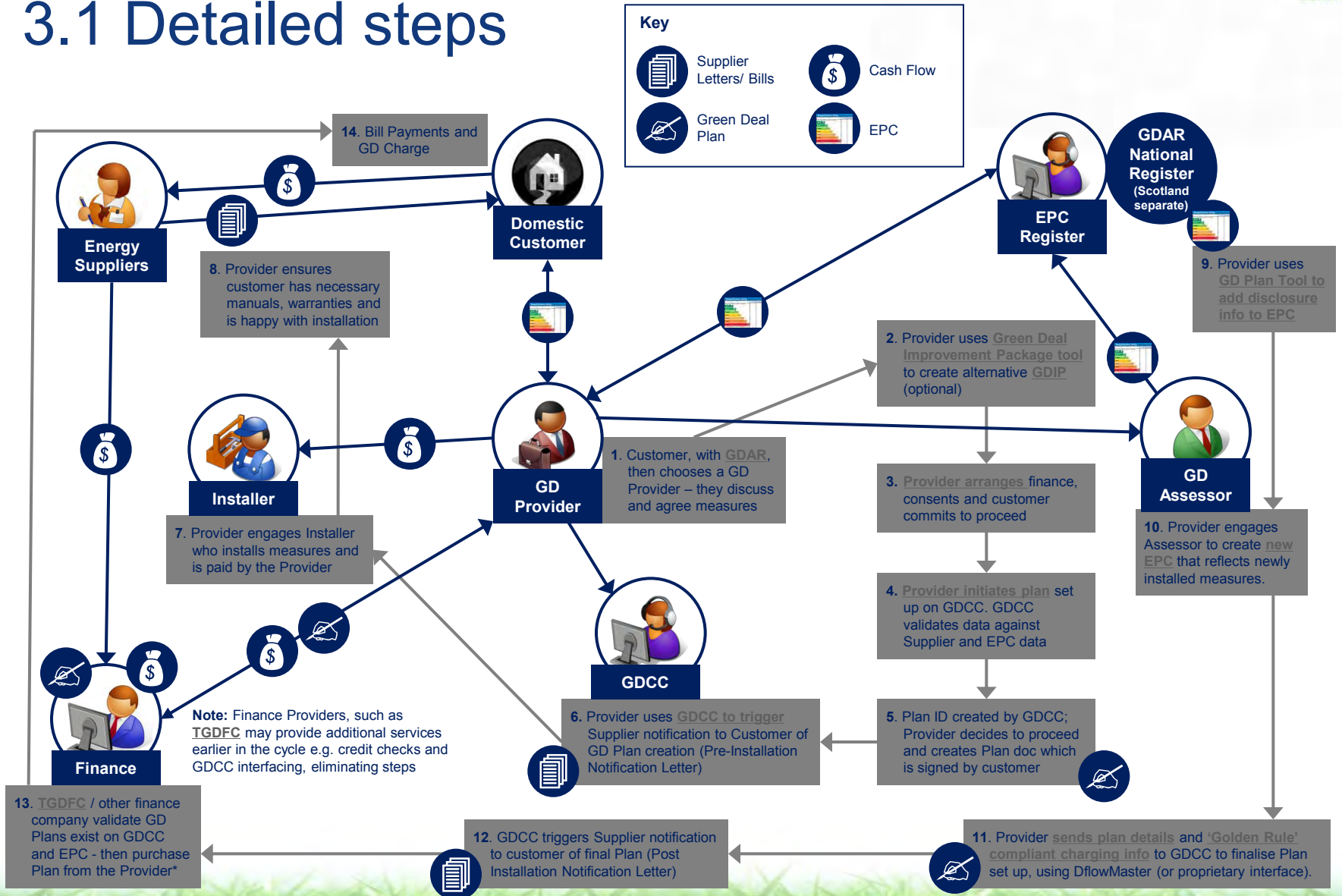
For the list of recommendations on your Energy Performance Certificate, turn to the last page.

Improvements	Estimated costs*	Your household's estimated annual savings	Typical annual savings - maximum Green Deal repayment in year 1**
Internal wall insulation (100 mm) to 100% of insulated solid wall	£4,000 - £14,000	£186	£157
Draught proofing	£80 - £120	£45	£39
<b>Total</b>	<b>£4,080 - £14,120</b>	<b>£231</b>	<b>£196</b>

# 3.1 Supply Chain, System and Consumers

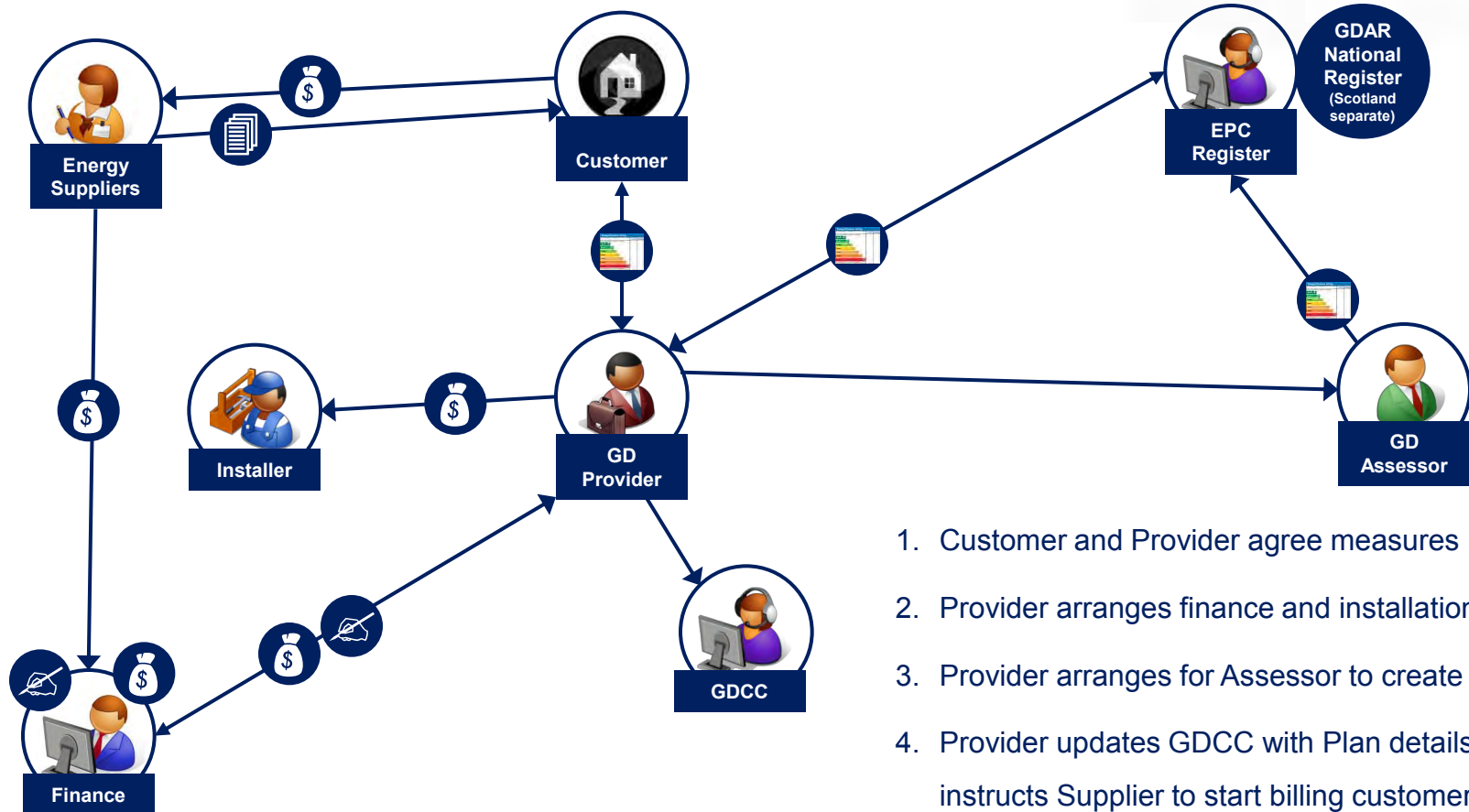


# 3.1 Detailed steps





# 3.1 Simple Overview

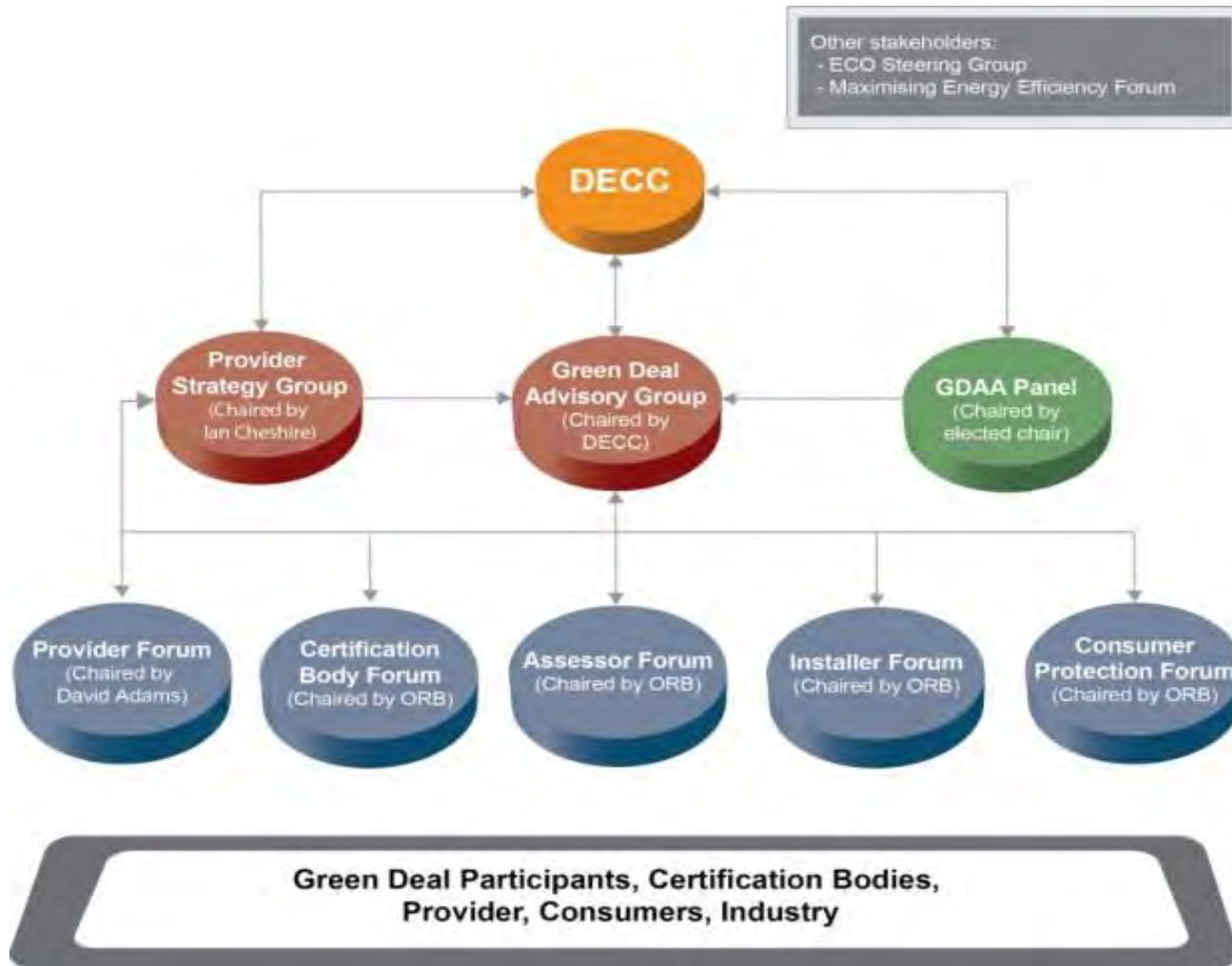


1. Customer and Provider agree measures
2. Provider arranges finance and installation
3. Provider arranges for Assessor to create new EPC
4. Provider updates GDCC with Plan details, which instructs Supplier to start billing customer
5. Optional: Provider 'sells' Plan to Finance Co\*

## 3.2 Market Entry (Providers)



# 3.3 Governance



## 3.3 Green Deal Arrangements Agreement (GDAA)

- The GDAA is the multi-party agreement which sets out the governance for payment collection and remittance of Green Deal charges.
- Parties:
  - Electricity Suppliers
  - Green Deal Providers
  - Finance Parties
- The GDAA also provides the governance of processes carried out by the Green Deal Central Charge database (GDCC).

## 3.3 GDAA Panel

### Membership

- 3 Supplier Members
- 3 Provider Members
- 1 Secretary of State Representative

### Responsibilities

- Applications to become a new Party
- Operational issues and change requests
- Derogations
- Breaches and defaults in relation to the GDAA
- Appeals and disputes

## 3.3 Panel Technical Sub-Committee (PTSC)

Acts under instruction of Panel

Considers operation Issues

Comments on Change Proposals

Membership open to all Parties

Observers from DECC, Authority, MRA, DTSA

Meets monthly

## 3.4 Finance - Green Deal Finance Company (GDFC)

GDFC supports Providers to set-up, finance and administer Green Deal Plans

- ▶ initially for domestic market
- ▶ commercial market once domestic market successfully serviced

**The GDFC is a 'not-for-profit' mutual company funded by Government money via Green Investment Bank (GIB)**

- ▶ all profits applied to reducing the interest rate on finance Green Deal Plans



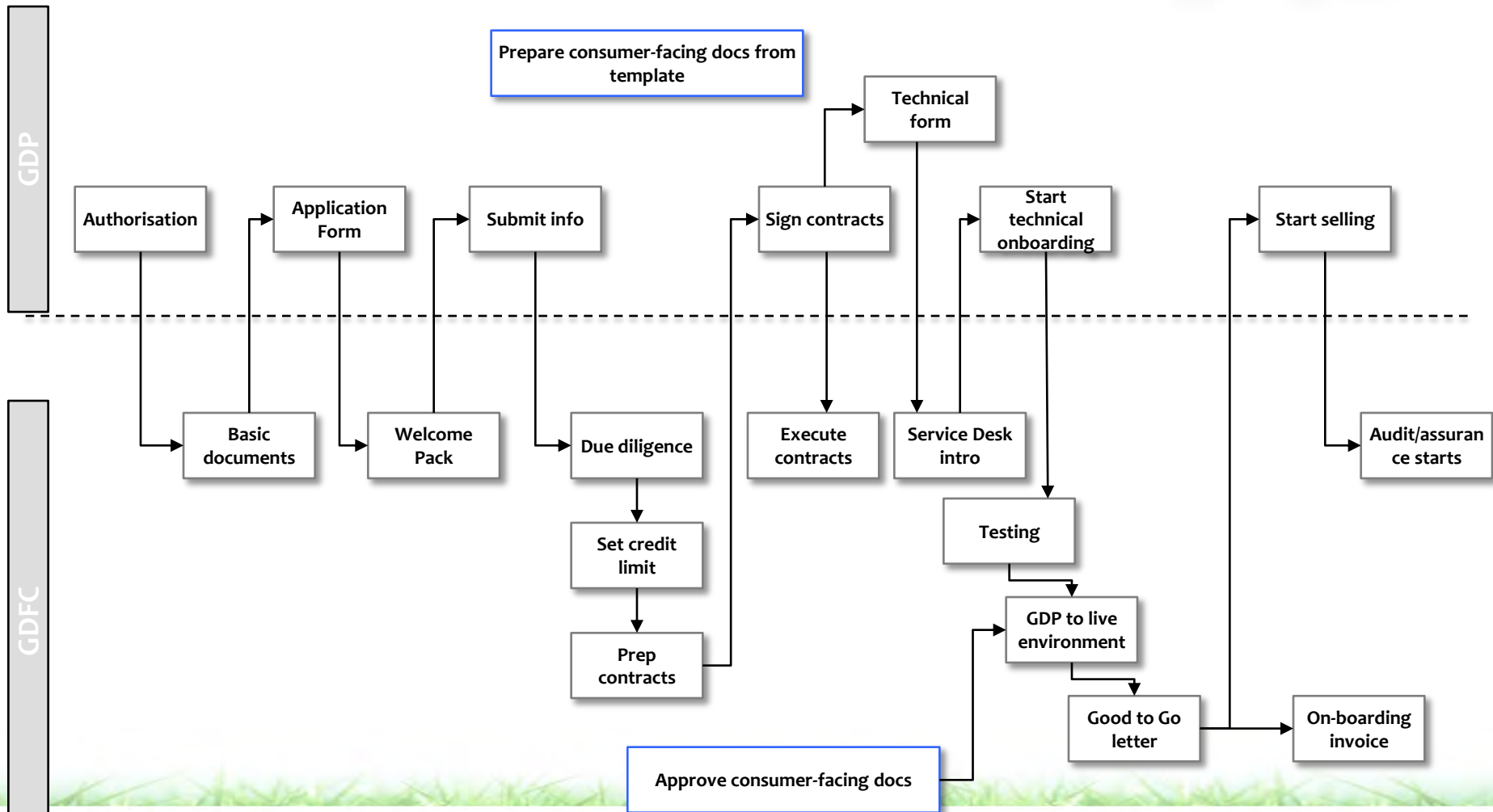
# 3.4 Set-up, finance and administration of Green Deal Plans

On behalf of the Green Deal Provider the GDFC:

- ▶ **provides an ID for the Green Deal Plan attached to the householder's electricity meter**
- ▶ quotes the interest rate and costs of providing the Plan currently:-
  - interest rate of 6.96% per annum
  - set-up cost of £63 and annual maintenance charge of £20
- ▶ arranges a credit check on the bill-payer
- ▶ funds the Plan after the measures are installed and accepted
- ▶ arranges collection of Plan repayments from energy suppliers
- ▶ Supports Consumer Credit Act obligations to the bill-payer



# 3.4 The GDFC on-boarding process



Administered by

## 3.4 Some recent Successes

- ▶ **Reduced 'on-boarding' timeframes**
- ▶ Now supporting the rented/private landlord sector
- ▶ Offering option of top-up loans to consumers
- ▶ Offering standardised contract documentation

# 3.5 Systems/IT – Green Deal Central Charge Database (GDCC)

## **What is the Green Deal Central Charge database?**

- Central database to store Green Deal Plan information

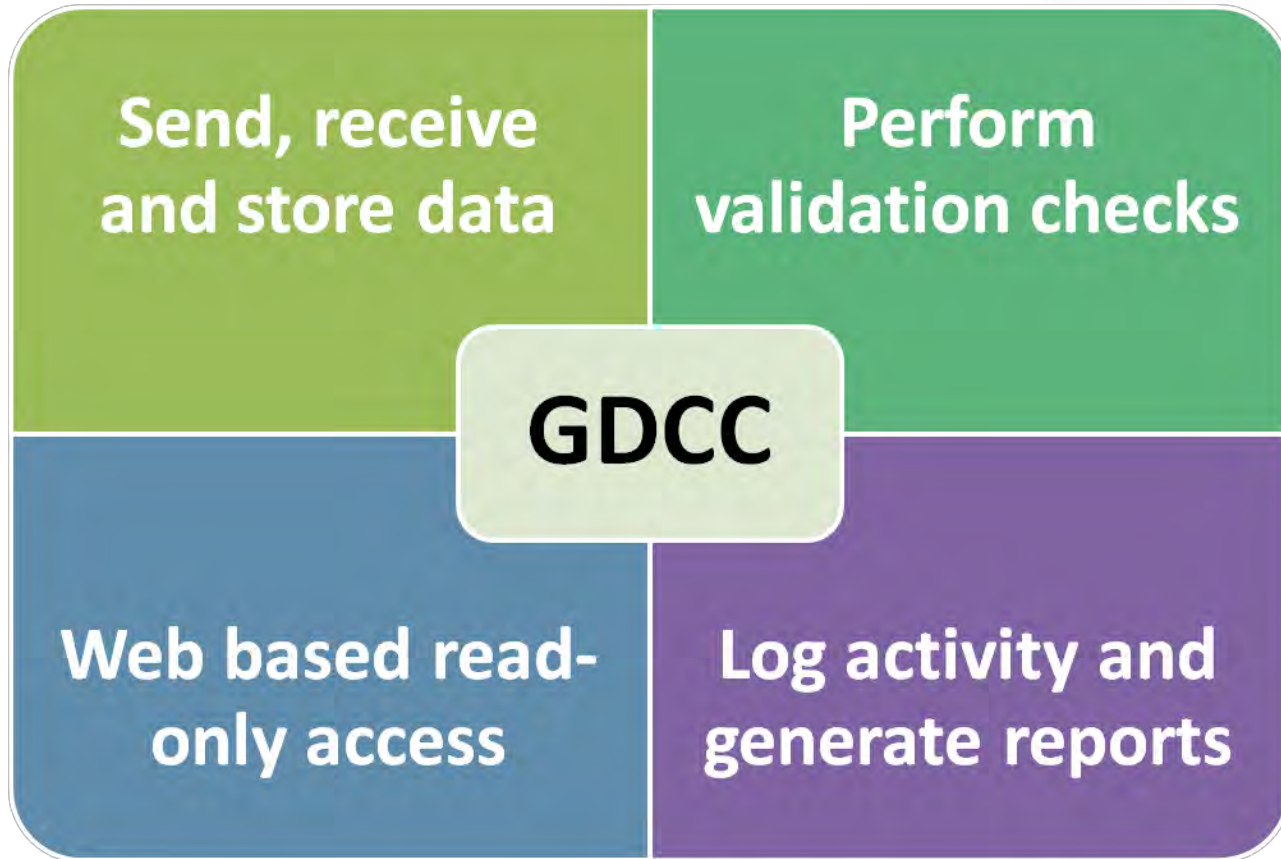
## **How did it come about?**

- Enactment of Energy Act (2011) led to amendment of electricity Supply Licence Conditions

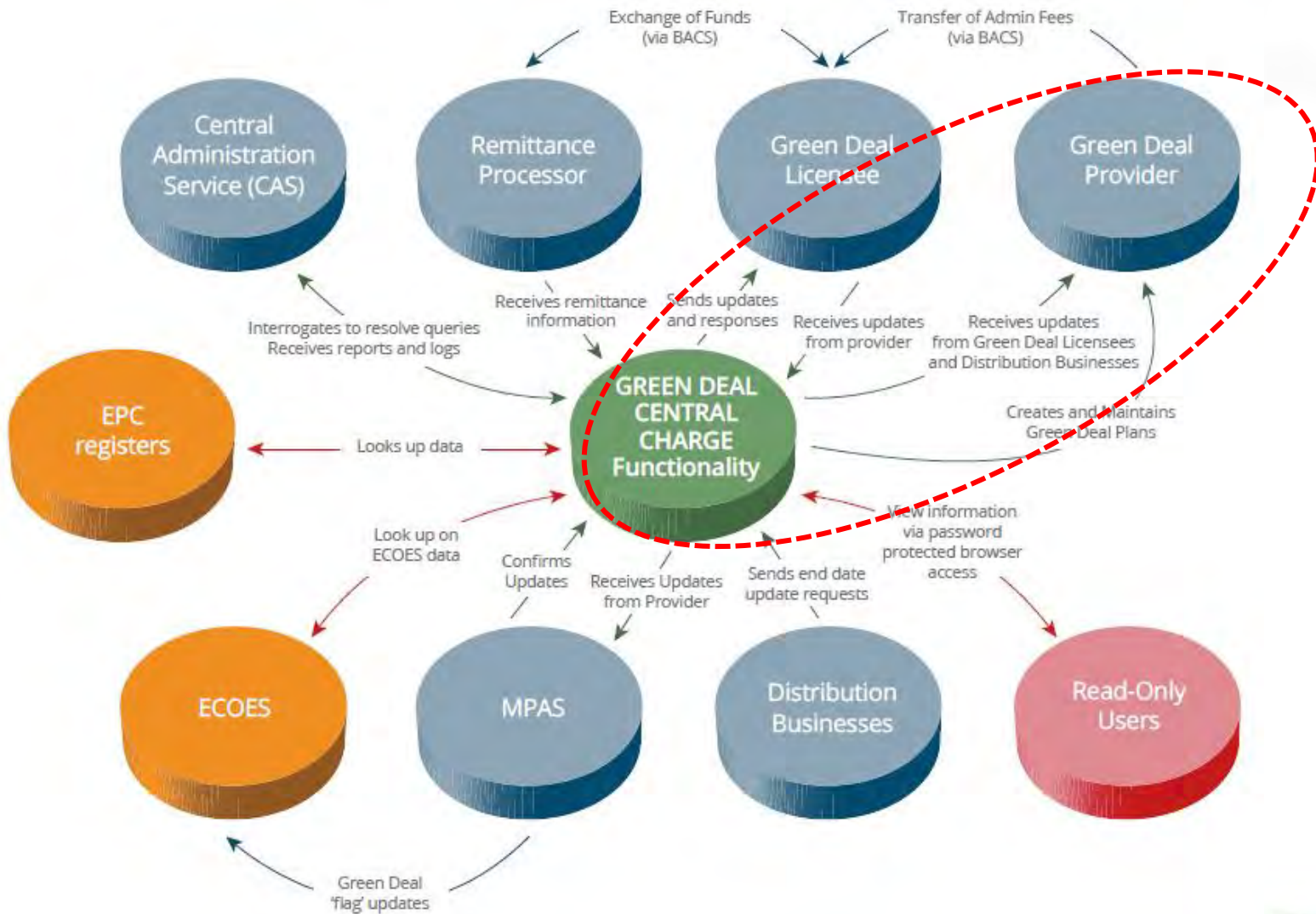
## **Who manages it?**

- GDCC developed by Supplier parties and administered by Gemserv

## 3.5 GDCC – Functionality



# 3.5 GDCC - Interactions



# 3.5 A Data Flow

**Header**

```
ZHV|DFW0000552|D0317001|1|CIDA|Z|GDCC|20120823152420|||TR01|  
86G|101000|S|D|1444444544|0182-2074-0463-4444-7595|DD5 3HL|EST  
PLAN 1 DOM||  
87G|8040000002548|  
ZPT|DFW0000552|2||1|20120823152420|
```

**Footer**

**Content**

# 3.5 GDCC – Users

Green Deal participant	DTN Access	Web View
Providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Licensees (Suppliers)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
GDAA Finance Parties	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Remittance Processors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Distribution/ MPAS Businesses	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Energy Savings Advice Service	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Gas Suppliers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cashback Administrator	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Central Administration Service	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



# 04 Consumers

- 4.1 Consumer Protection Framework
- 4.2 Quality Mark
- 4.3 Sanctions
- 4.4 Consumer Search Tool
- 4.5 Consumer Research



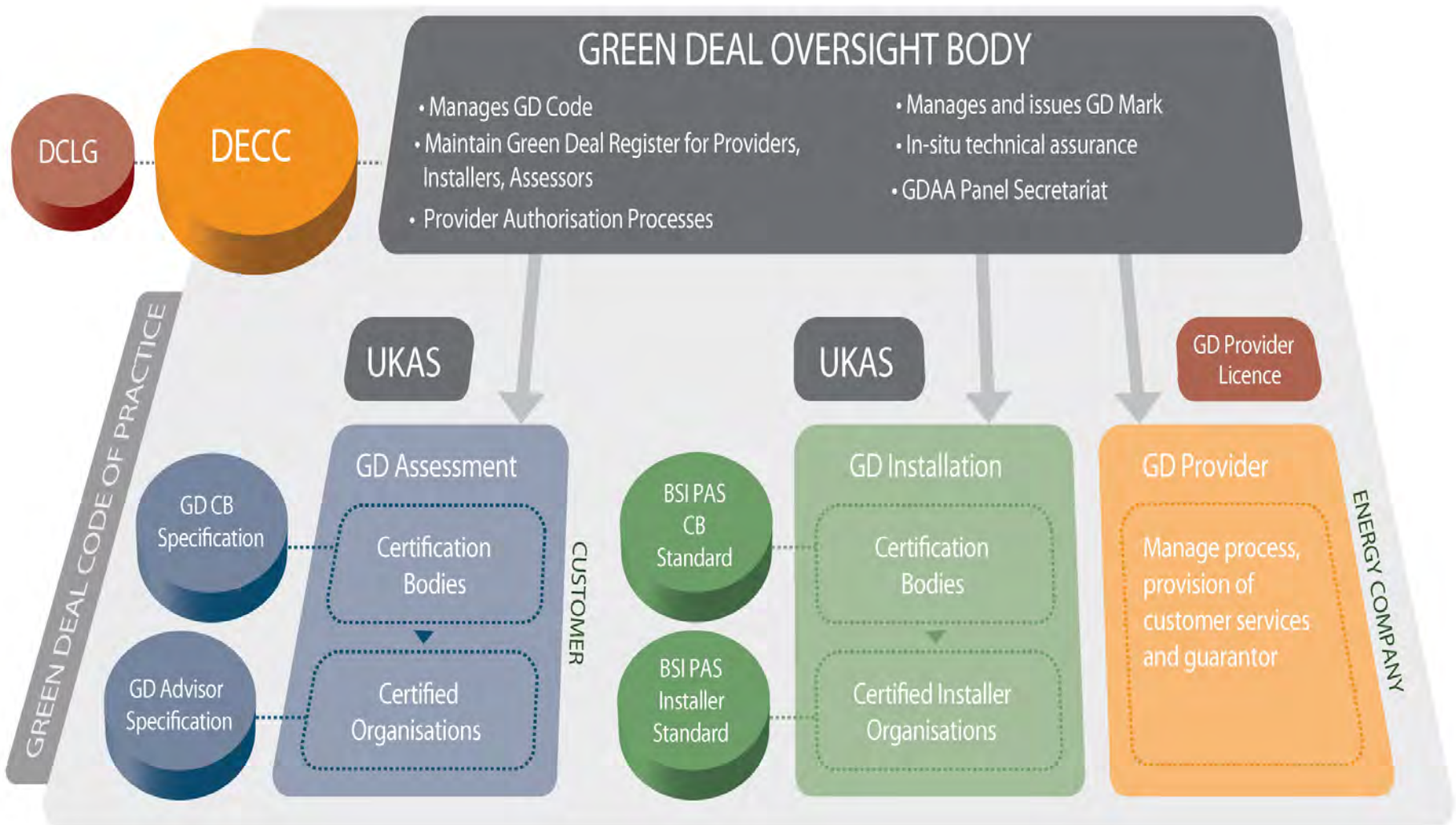


# 4.1 GD ORB - Making the Green Deal market work with efficiency and integrity

- To maintain the list of authorised Participants
- To monitor Code of Practice (CoP)
- To issue Quality Mark licence
- To analyse and report Market Trends
- To oversee and facilitate a transparent governance structure
- To protect consumers and give knowledge to participants



# 4.1 Green Deal Accreditation Framework

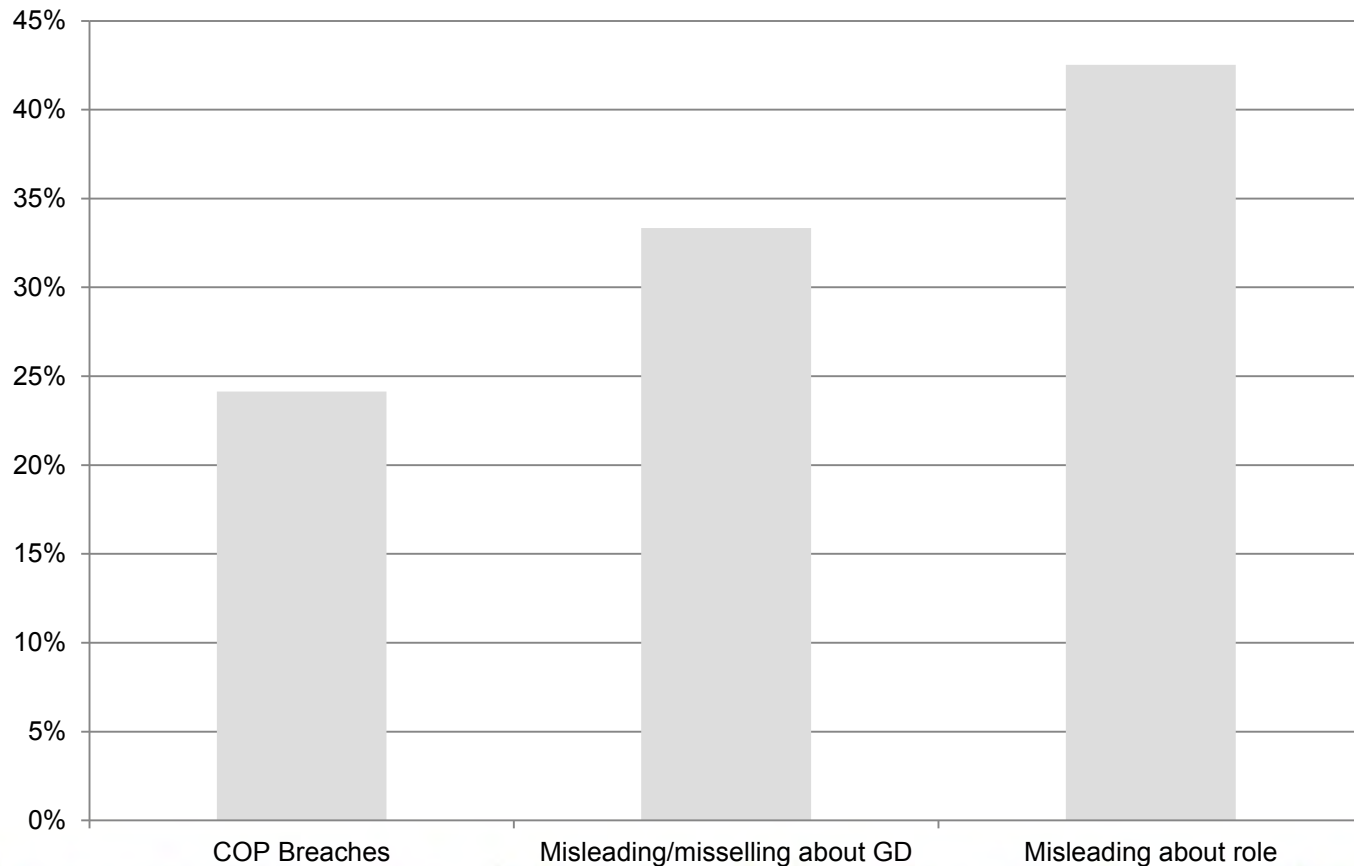


# 4.1 Monitoring Matrix

Document	UKAS	CB	GDP	GDORB
<b>Code of Practice</b>		✓ <b>Monitor</b> Assessors Installers	✓ <b>Verify</b> Assessors Installers	✓ <b>Monitor</b> CBs Providers
<b>PAS 2031</b>	✓ <b>Monitor</b> Installer CBs			
<b>PAS 2030</b>		✓ <b>Monitor</b> Installers	✓ <b>Verify</b> Installers	
<b>CB Assessor Standards</b>	✓ <b>Monitor</b> Assessor CBs			
<b>Assessor Standards</b>		✓ <b>Monitor</b> Assessors	✓ <b>Verify</b> Assessors	
<b>GD Mark Licence</b>		✓ <b>Verify</b> Installers Assessors	✓ <b>Verify</b> Installers Assessors	✓ <b>Monitor</b> CBs Providers Non- Accredited

# 4.1 The GD ORB's Interventions

Three main types of issues (40% of complaints non-accredited companies)



# 4.1 Monitoring Mechanisms

- Analysis of Complaints
- Mystery Shopping
- Audit
- Issues log
- Consumer Protection Forum
- Ombudsman Investigation



# 4.2 Green Deal Licence and Mark

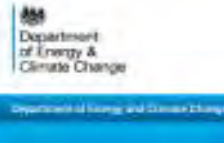
## Green Deal Quality Mark requirements and guidelines 1.0

### Introduction

The purpose of the Green Deal Quality Mark is to build trust and confidence in the Green Deal amongst the public and stakeholders. We want the Quality Mark to become well known and a recognised sign of quality for energy efficiency improvements delivered under the Green Deal. As outlined in the Green Deal Quality Mark, the Quality Mark may be used by all Green Deal Assessor, Providers, Installers and Participants (subject to underlying agreements and any marketing material see page 9-10).

The Quality Mark is administered by the UK Climate Change (the UKCC) and therefore is compliant with a Green Deal Quality Mark requirement of the RDE. The RDE wants that the following Green Deal Participant (subject to their own guidelines).

As a result of it is always recognised, also compliance in the wider context. It should be noted that the Green Deal Quality Mark, the Department's registration may be used to register (2014-2015).



### Contents

- 1. The Quality Mark
- 2. Requirements for use
- 3. Assessment of the Quality Mark
- 4. Summary



UKCC  
175, 5/16C  
175, 5/16C  
175, 5/16C  
175, 5/16C

### Reversed-out



### Reversed-out

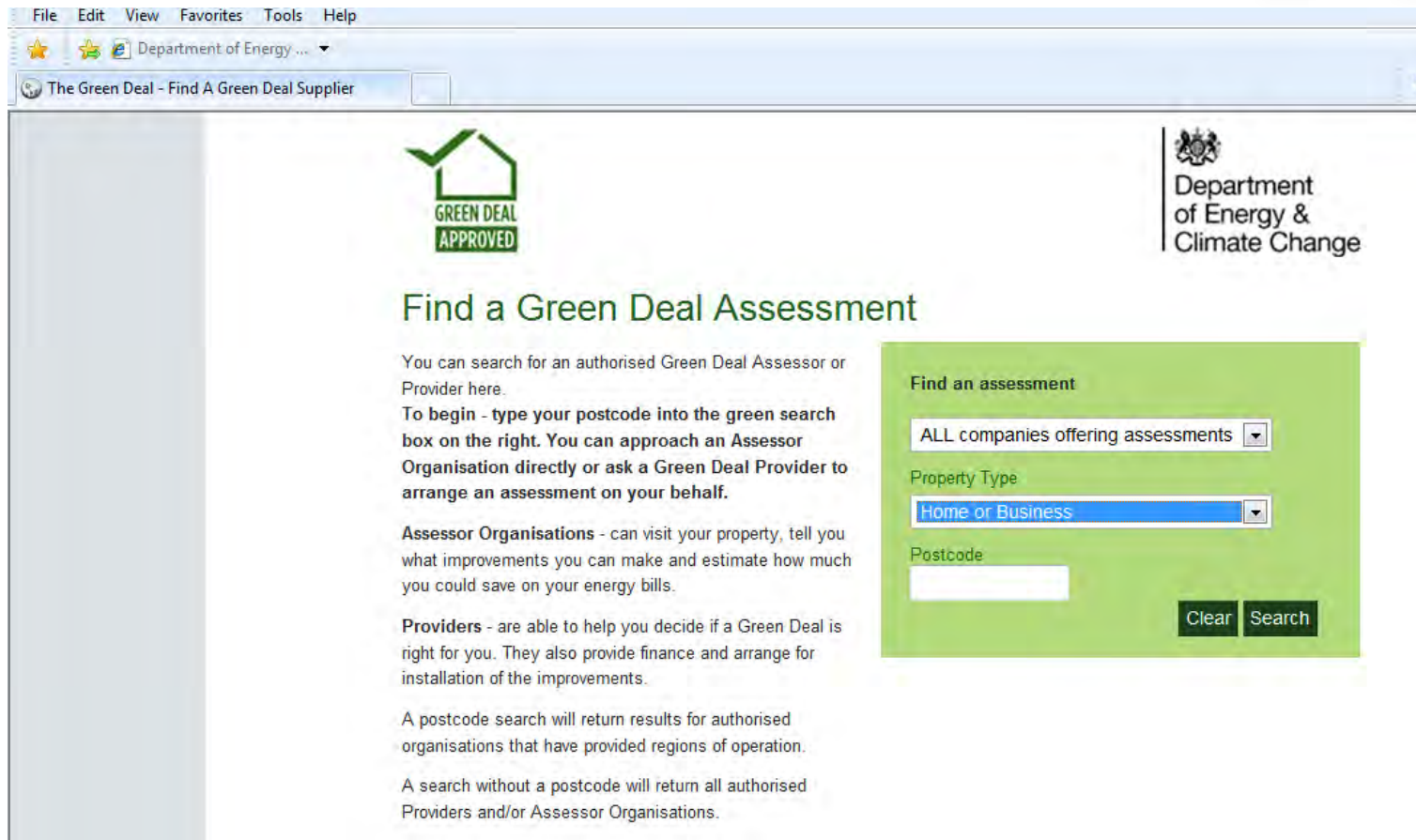


## 4.3 Sanctions that can be imposed by DECC

- The Secretary of State (SoS) may impose one or more of the following:
  - I. cancellation or reduction** of a Green Deal Plan on a Green Deal Provider or payee;
  - II. compensation** further to cancellation on an improver or a notifier, as applicable;
  - III. suspension** of authorisation on an authorised person other than a Green Deal Provider;
  - IV. compliance notice** on a Green Deal Provider;
  - V. financial penalty** on a Green Deal Provider;
  - VI. withdrawal of authorisation** on an authorised person.
- The SoS to consider if the bill payer has suffered a substantial loss;
- The SoS may accept an enforcement undertaking in place of sanctions III, IV, V and VI as listed above.

# 4.4 Green Deal Supply Chain Tool

[www.gov.uk/greendeal](http://www.gov.uk/greendeal) or <http://gdorb.decc.gov.uk/consumersearch>



The screenshot shows a web browser window with the title "The Green Deal - Find A Green Deal Supplier". The page features the "GREEN DEAL APPROVED" logo on the left and the "Department of Energy & Climate Change" logo on the right. The main heading is "Find a Green Deal Assessment". Below this, there is explanatory text and a search form.

**Find a Green Deal Assessment**

You can search for an authorised Green Deal Assessor or Provider here.

**To begin - type your postcode into the green search box on the right. You can approach an Assessor Organisation directly or ask a Green Deal Provider to arrange an assessment on your behalf.**

**Assessor Organisations** - can visit your property, tell you what improvements you can make and estimate how much you could save on your energy bills.

**Providers** - are able to help you decide if a Green Deal is right for you. They also provide finance and arrange for installation of the improvements.

A postcode search will return results for authorised organisations that have provided regions of operation.

A search without a postcode will return all authorised Providers and/or Assessor Organisations.

**Find an assessment**

ALL companies offering assessments ▾

Property Type  
Home or Business ▾

Postcode

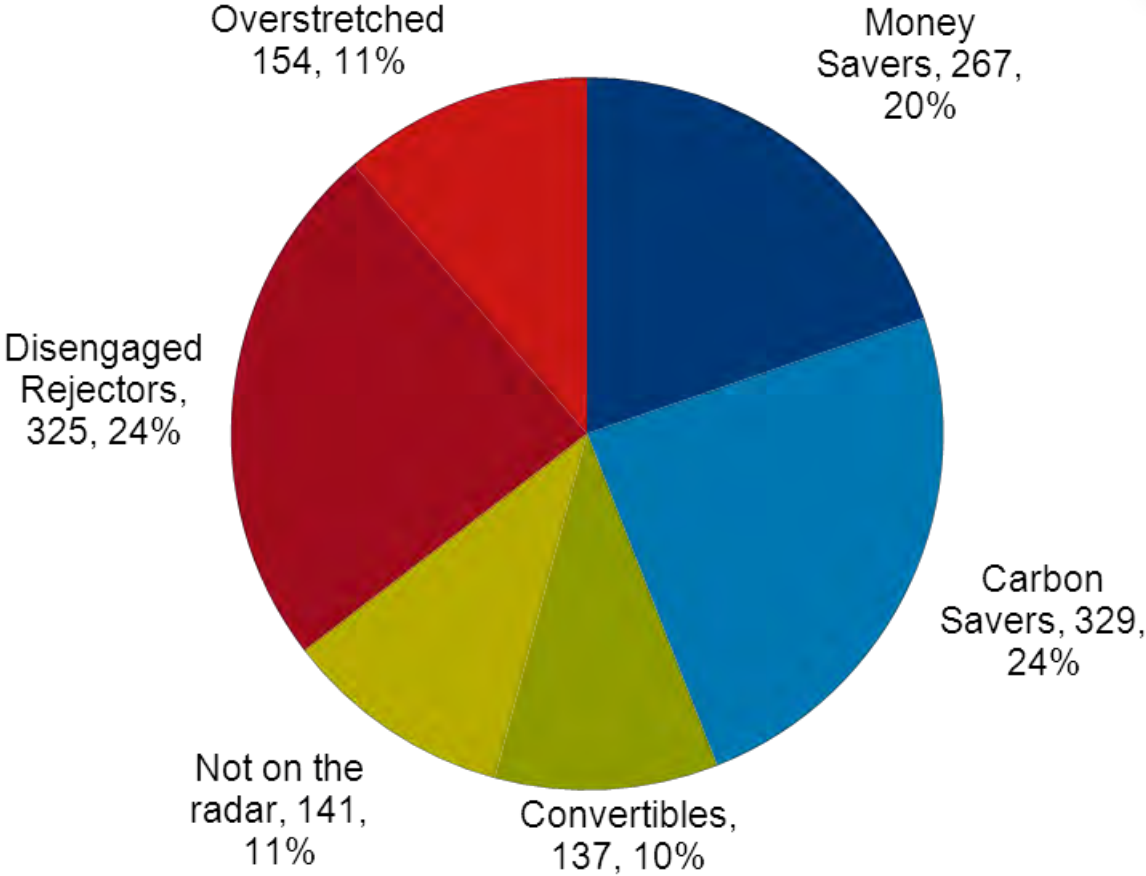
Clear Search




# 4.5 Survey of consumer demand for the Green Deal

- Research identified that **measure and payment term were the most important** elements in the consumers' decision-making (savings, upfront payments and interest rates were less important).
- The main **motivations** for making homes more energy efficient;
  - saving money on energy bills (35%)
  - making the home warmer and more comfortable (32%) and;
  - making the home more energy efficient (31%).
- The most common **barriers** for consumers were identified;
  - cost (35%)
  - aversion to taking out credit (33%)
  - concerns about how long it takes to recover costs (33%) and;
  - the hassle factor (31%)

# 4.5 Green Deal incentives and segmentation research

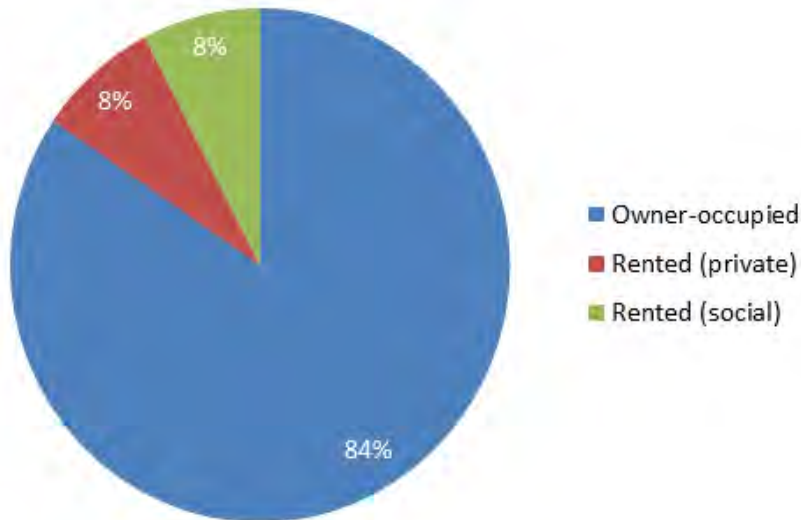


# 4.5 Green Deal incentives and segmentation research

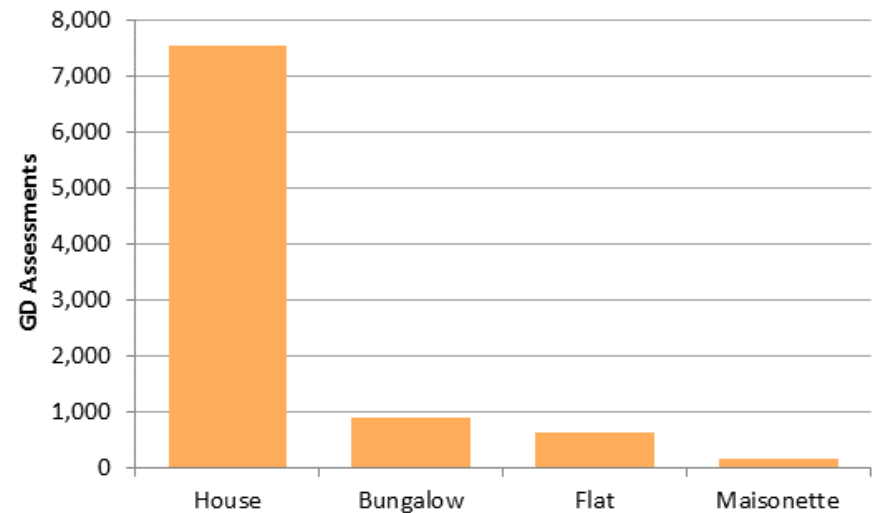
Segment name and size	Key characteristics	Proportion saying they may take up Green Deal <b>Highest</b>
<b>Money Savers</b> 20%	Younger C2DE families on lower incomes who are especially interested in the cost-saving features of the Green Deal to help them make energy efficiency improvements. Their main motivations for taking up the Green Deal include saving money on their energy bills and making their homes warmer and more comfortable. They are not particularly environmentally engaged unless it saves them money.	
<b>Carbon Savers</b> 24%	Young professionals who are particularly interested in the environmentally friendly benefits of making their home more energy efficient through the Green Deal. They are amongst the least likely to be aware of which improvements their property could benefit from, and therefore find aspects of the Green Deal which would help them to understand how their property could be made more energy efficient motivating (e.g. tailored in-home assessments).	
<b>Convertibles</b> 10%	Higher income working families who were already considering making energy efficiency improvements and may easily be persuaded to do these through the Green Deal. The Green Deal could help overcome their distrust of installers & confusion over conflicting information.	
<b>Not on the Radar</b> 11%	Average households for whom energy efficiency isn't a priority at present, perhaps because they aren't having difficulties keeping up with their energy bills. Few had considered/planned energy efficiency improvements in the past	
<b>Disengaged Rejectors</b> 24%	Older C2DE households don't plan to make their homes more energy efficient. They don't appear to want to consider the Green Deal at all, being less likely than other segments to mention good things about home energy efficiency or the Green Deal.	
<b>Overstretched</b> 11%	While they could potentially benefit from the Green Deal, the potential for up-front costs prevents this segment from considering taking it up. This may be because of potential financial difficulties in their household.	
		<b>Lowest</b>

# 4.5 Consumer Types – Assessments

Assessments by tenure



Assessments by property type



- Greater proportion (84 per cent) of assessments were in owner occupied properties compared to housing stock in England and Wales (65 per cent)<sup>1</sup>

- Greater proportion (82 per cent) of assessments took place in houses compared to housing stock in England (71 per cent)<sup>2</sup>

# 05 Operating other Energy Efficiency Schemes

- 5.1 Micro-generation Certification Scheme (MCS)
- 5.2 Smart Metering
- 5.3 Energy Efficiency in Ireland



# 5.1 What is the Micro-generation Certification Scheme?

# 5.1 What is the MCS?

- Certification scheme for:
  - Microgeneration products
    - Performance, safety
  - Microgen installation companies
    - Technical competence, business practices, consumer protection
- Government-owned, industry-led



# 5.1 Benefits of the MCS

Producers and Installers

**Quality Branding through  
MCS Mark**

**Access to govt incentive  
schemes for Customers**

**Publicity & Route to Market**

Consumers

**Confidence in products and  
service**

**Access to govt incentive  
schemes**

**Information and  
awareness**

**Protection – linked to TSI  
scheme**



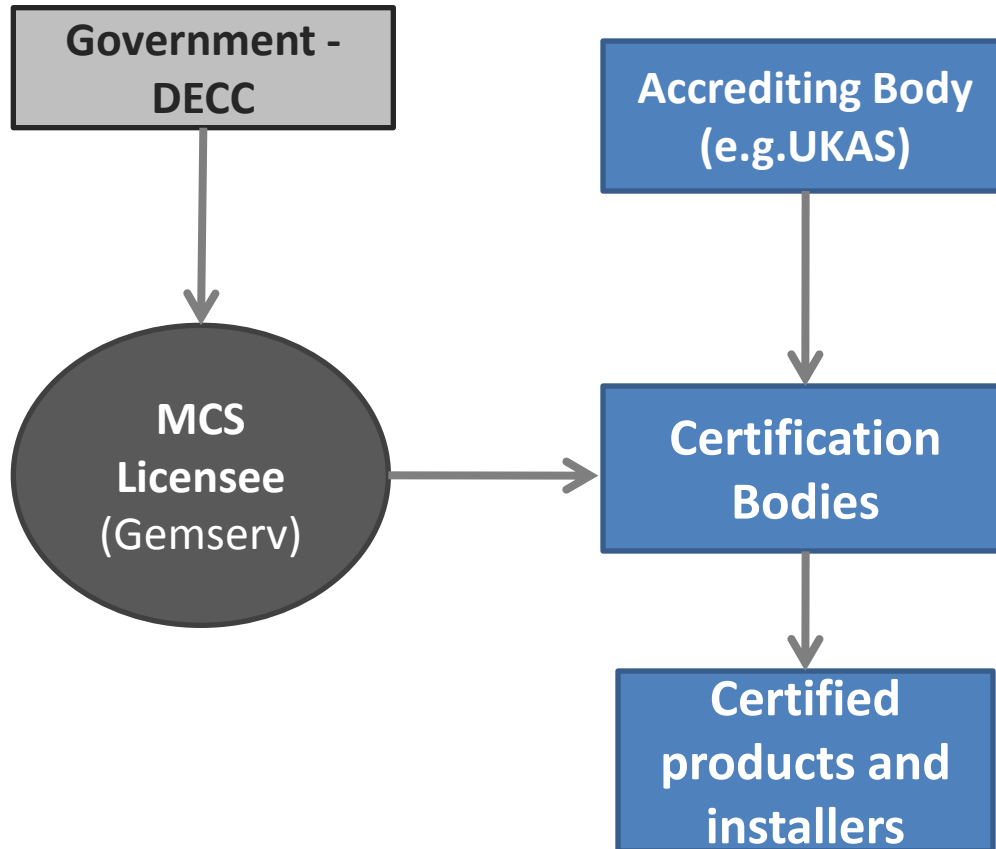


# 5.1 What does it Cover?

Category	Technology
Electricity generating technologies up to 50kW	<ul style="list-style-type: none"><li>• Solar photovoltaics (PV)</li><li>• Micro-Wind</li><li>• Micro-Hydro (under development)</li></ul>
Heat generating technologies up to 45kWth	<ul style="list-style-type: none"><li>• Solar thermal technologies</li><li>• Heat pumps (ground source &amp; air source)</li><li>• Biomass</li></ul>
Co-generating technologies (electricity and heat)	<ul style="list-style-type: none"><li>• Micro Combined Heat and Power (CHP)</li></ul>

- These technology types are included in the scheme because they meet the criteria set out in the Energy Act under the definition of renewable.
- Each individual product must meet minimum performance characteristics that are defined in the corresponding MCS technology standard.

# 5.1 MCS Ownership



# 5.1 A Mark of Quality

APPROVED INSTALLER



APPROVED PRODUCT



# 5.1 Establishment in the Market

## Installation Company

- Show you have been independently assessed to demonstrate quality of service delivery
- Provides support to help business grow by establishing best practice

## Manufacturer

- Route to the market
- Demonstrate product is of an industry expected performance
- Can be used as a marketing tool - as the Scheme grows, so will recognition of products approved

# 5.1 Gemserv Responsibilities

License the Mark	Develop scheme & standards	Secretariat
Marketing & Promotions	Administration	Website
Data Mgmt	Phone & email helpdesks	Database of installations



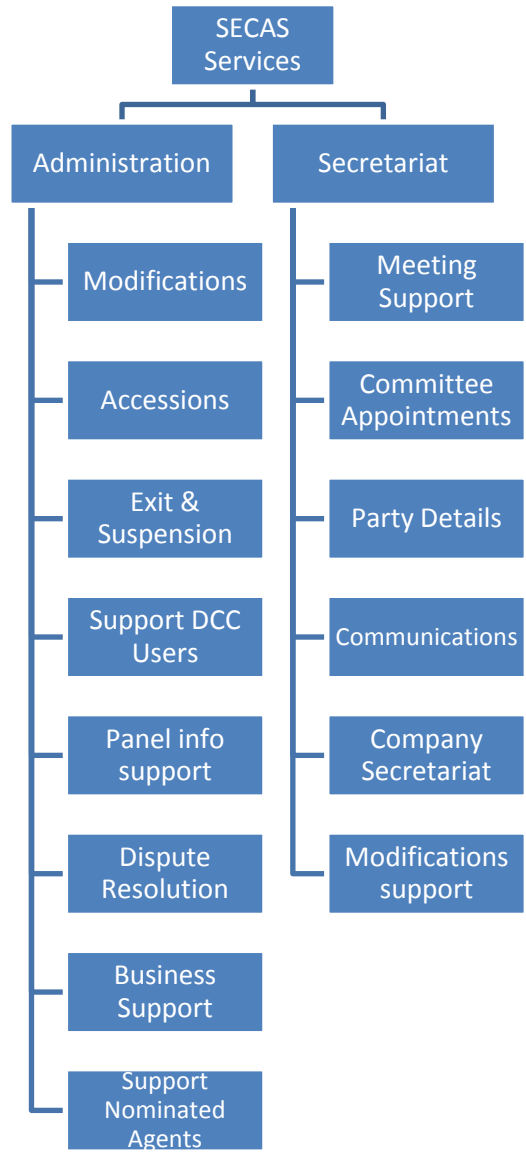
# 5.1 Statistics

Date	2009	2010	2011	2012	2013
Technology					
Air Source Heat Pumps	103	1,342	3,684	7,515	9,705
Biomass	34	158	659	1,278	1,892
Exhaust Air Source Heat Pumps	0	28	163	127	14
Ground Source Heat Pumps	466	943	1,467	2,088	1,324
Micro CHP	0	124	330	112	31
Micro Hydro	0	18	37	12	1
Small Wind	89	586	969	2,178	409
Solar PV	1,181	24,352	205,488	167,776	103,185
Solar Keymark	219	1,874	3,476	4,621	3,027
Solar Thermal	172	468	1,646	1,591	1,610
<b>Grand Total</b>	<b>2,264</b>	<b>29,893</b>	<b>217,919</b>	<b>187,298</b>	<b>121,198</b>

## 5.2 Gemserv – Smart Metering

- Smart Metering Implementation Programme (SMIP) established in 2010 to support Government's vision for smart energy meters in every GB home and small business
- Smart Meters will play an important role in Britain's transformation to a low-carbon economy
- Approximately 53 million meters will need to be replaced by 2020

# 5.2 Gemserv – Smart Energy Code



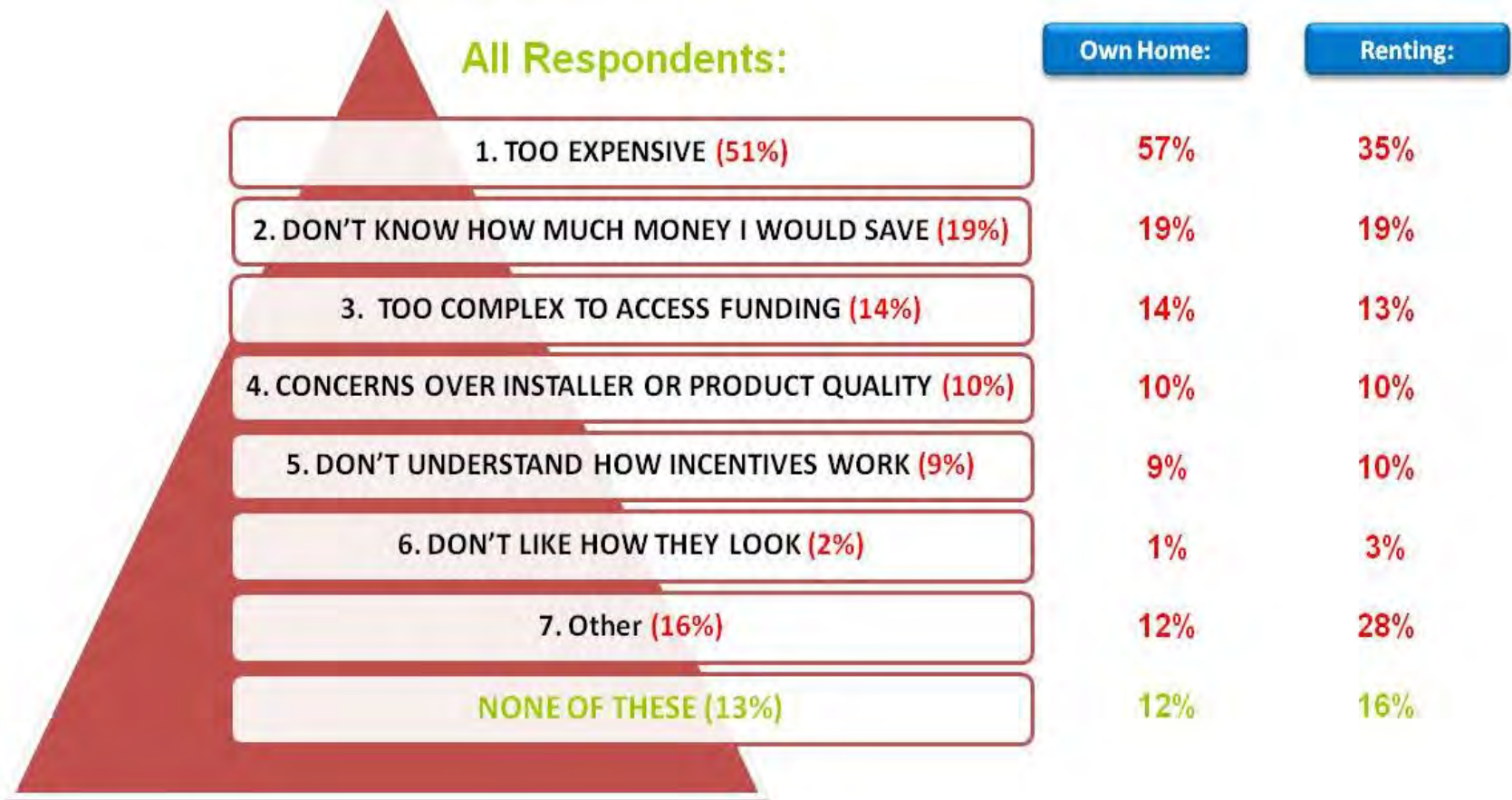


## 5.3 Gemserv – Energy Efficiency Ireland

- The development of a national Pay-As-You-Save (PAYS) scheme in Ireland represents a Programme to move from Government funded grants for energy efficiency measures to a market-orientated approach
- The Better Energy Financing project (BEF) has been set up as the government's PAYS initiative to take a market-orientated approach to realising energy efficiencies in domestic buildings.
- Gemserv has used our unique position and expertise in relation to the Green Deal to provide ongoing support and knowledge to the BEF project.



# 5.3 Ireland – Barriers to Uptake (PAYS)



Thank you 感謝の意

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