



Notification Number: 2011/613/UK

The Green Deal (Established under the Energy Act 2011)

Date received : 29/11/2011
End of Standstill : 01/03/2012
Issue of comments by : Czech Republic

Message

Message 001

Communication from the Commission - SG(2011) D/52842

Directive 98/34/EC

Notificación - Oznámení - Notifikation - Notifizierung - Teavitamine - Γνωστοποίηση - Notification - Notification - Notifica - Pietiekums - Pranešimas - Bejelentés - Notifika - Kennisgeving - Zawiadomienie - Notificação - Hlásenie-Obvestilo - Ilmoitus - Anmälan - Нотификация : 2011/0613/UK - Notificare.

No abre el plazo - Nezahtuje odklady - Fristerne indledes ikke - Kein Fristbeginn - Viivituste perioodi ei avata - Καμμία έναρξη προθεσμίας - Does not open the delays - N'ouvre pas de délais - Non fa decorrere la mora - Neietekmē atlikšanu - Atidėjimai nepradedami - Nem nyitja meg a késések - Ma' jiftaħ il-perijodi ta' dawmien - Geen termijnbegin - Nie otwiera opóźnień - Nao inicia o prazo - Neotvorí oneskorenia - Ne uvaja zamud - Määräaika ei ala tästä - Inleder ingen frist - Не се предвижда период на прекъсване - Nu deschide perioadele de stagnare - Nu deschide perioadele de stagnare.

(MSG: 201102842.EN)

1. Structured Information Line

MSG 001 IND 2011 0613 UK EN 29-11-2011 UK NOTIF

2. Member State

UK

3. Department Responsible

Department for Business, Innovation and Skills
Knowledge & Innovation Group
1 Victoria Street, London, SW1H 0ET.

Email: 9834@bis.gsi.gov.uk.

3. Originating Department

Department of Energy and Climate Change
3-5, Whitehall Place
London



SW1A 2AW
UK

4. Notification Number

2011/0613/UK - B30

5. Title

The Green Deal
(Established under the Energy Act 2011)

6. Products Concerned

The promotion of energy efficiency in homes and business premises in England, Wales and Scotland.

7. Notification Under Another Act

- This is being notified under the Technical Standards Directive and Supply of Services Directive: we believe it complies with both and is not a barrier to trade or services.

8. Main Content

Enshrined in the Energy Act 2011, the Green Deal will open up a huge new market for energy efficiency measures in Great Britain, financed by the private sector. The Green Deal will launch in England, Scotland and Wales in autumn 2012.

The Green Deal aims to increase the uptake of energy efficiency measures while simultaneously increasing the proportion of the installation cost paid for by the beneficiary of the measure rather than subsidy paid for by all energy consumers. There are two principal barriers to this in the current market: absence of a suitable financing mechanism to finance the installation of measures through the resulting savings, and lack of trust in and awareness of the current market providers.

Green Deal would overcome the finance barrier by allowing the costs of installing energy efficiency measures to be repaid through a charge attached to a property's electricity bill. The obligation to pay the charge would pass to the new bill payer should the Green Deal improver move away. This mechanism would let householders, private landlords and businesses enjoy the benefits of energy efficiency measures without the need for their own up-front finance. Instead, the upfront costs of installing measures would be met by the Green Deal provider who would recoup their costs, including interest, through the charge attached to the electricity bill. Green Deal would increase trust and awareness. Consumer safeguards and a remote advice service would ensure consumer confidence in the quality of the energy efficiency measures that they were installing.

The Green Deal would be, vitally, a voluntary, market driven framework. No single player would be obliged to offer consumers Green Deal plans, to assess a property, or install measures to particular standards. However, should they wish to, certain standards – set out in a Code of Practice – would have to be met. This would reassure consumers of the quality of the offer, and enable Green Deal providers to have confidence that repayments would be made.

Consumer protections underpin the proposed design for the Green Deal. These are intended to ensure that consumers would be confident in the arrangement they enter into – critically supporting demand for the Green Deal, and in turn helping to drive down the cost of finance. The proposed consumer protections include:



- that all advisors meet minimum qualification standards in order to carry out a bespoke property assessment (based on the requirements set out in the Energy Performance of Buildings Directive);
- that measures recommended and installed must prove they meet existing UK and EU product standards and have verified evidence to support any energy savings claims they make;
- all installers must meet standards set out in the new Publicly Available Specification 2030 (due for release in January 2012), which brings together many existing industry standards for installing energy efficiency measures; and
- Green Deal Providers must be licensed (which will be monitored by the Office of Fair Trading) and comply with all existing and future UK and EU consumer protection legislation.

All assessors and installers will have to be authorised through an accredited certification body to have met the appropriate Green Deal standards. The accreditation will be carried out by the UK Accreditation Service to EN 45011 standard. In addition, all Green Deal participants will need to carry a Quality Mark so that customers can see they are accredited and can be trusted to do the job to high standards.

In order to deliver the above, an Oversight Body will be procured to administer the Green Deal on behalf of the UK Government. This will be done through an OJEU tender to be launched later this year, with a final contract likely to be awarded in May 2012.

The Green Deal can be a great offer for customers; it is also a great opportunity for firms to compete in a new market. Our analysis indicates that the Green Deal market could be worth billions of euros of capital investment over the next decade, creating huge opportunities for employment and demand for energy efficiency products.

9. Brief Statement of Grounds

British property is amongst the leakiest in the Western world. Too many people work in energy wasting offices or put up with ever rising domestic energy bills just to keep the living room liveable. That is uncomfortable and unaffordable for them and unsustainable for the environment.

Improvements to the UK's energy efficiency can reduce Greenhouse Gas emissions, improve energy security, mitigate fuel poverty, increase productivity and reduce the costs of meeting the UK's renewable energy target. Government intervention is justified to address market failures and barriers slowing take-up of socially cost-effective energy efficiency measures. These include access to capital and discount rates, information asymmetry, positive innovation externalities, inertia, and incentive incompatibility.

A primary aim of the Green Deal is to contribute to meeting the UK's legally binding GHG reduction targets at the lowest possible cost to society. Climate change results from the build up of GHGs in the atmosphere. The Climate Change Act (2008) created a legal commitment for the Government to reduce UK greenhouse gas emissions by at least 80% by 2050 relative to 1990. The first three carbon budgets (2008-2022) mean that UK GHG emissions must fall by at least 34% in 2020 relative to 1990 levels. The fourth carbon budget (2023-2027) set in June 2011 requires a 50% reduction in UK GHG emissions by 2025 relative to 1990.

Emissions from buildings (non-domestic and domestic) were 93MtCO₂e direct and 111MtCO₂e indirect (from electricity consumption) in 2009. This was 43% of total UK emissions in 2009. Carbon budgets would not be able to be met without reductions in emissions from the built environment.

Both the non-domestic and household sectors have the potential to play a big role in delivering the emissions reductions required to meet UK carbon budget targets cost-effectively. Cost-effective abatement measures are available in both sectors. However, there are a range of market failures and barriers that prevent the uptake of these abatement measures. The Green Deal is designed to help overcome these.



10. Reference Documents - Basic Texts

References of the Basic Texts: UK consultation document covering the Green Deal and ECO (only Green Deal parts are relevant)

11. Invocation of the Emergency Procedure

No

12. Grounds for the Emergency

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13. Confidentiality

No

14. Fiscal measures

No

15. Impact assessment

Yes

16. TBT and SPS aspects

TBT aspect

No - The draft is in conformity with an international standard

No - The draft has no significant impact on international trade

SPS aspect

No - The draft is not a sanitary or phytosanitary measure

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