

Why does energy efficiency matter?

Housing and business premises in the UK are throwing away up to £3 billion of energy every year. Many homes are poorly insulated, our appliances are left on standby, and thermostats are used inefficiently. That means most families and businesses are spending more on gas and electricity than they need to.

The Green Deal – the future of energy efficiency

The coalition Government will introduce legislation to make it possible for you to have energy efficient measures carried out through the Green Deal from autumn 2012. The Green Deal is a way of making your home or business more energy efficient – whether you own or rent it – and paying for the work from the savings on your energy bill.

You will be able to have quality-assured work carried out through accredited high-street retailers and you won't pay for the work upfront. It will be a major step forward in making the UK's energy supplies more secure and helping households cope with changing energy prices. It's not like a personal loan – if you move house, instalments for the work will be taken from the new occupier's fuel bills. After all, the new owner will be benefiting from the work you have had done.

The Green Deal is the biggest shake-up in the history of energy efficiency. It has the potential to support tens of thousands of jobs as part of a green industrial revolution. Insulation installers, manufacturers and others in the supply chain – including many small businesses – all stand to benefit.

With millions of British homes and businesses requiring insulation, the Green Deal offers a unique opportunity to help drive economic growth. It will unlock billions of pounds of private investment.

The coalition Government will also require energy suppliers to help deliver energy efficiency improvements. This means that there will be extra support available to low income and vulnerable households – and those who live in homes which are particularly difficult to improve – enabling them to benefit from Green Deal offerings.

For more information about the Green Deal visit www.decc.gov.uk or email green.deal@decc.gsi.gov.uk

Green Deal for businesses

We're working to make the Green Deal accessible to businesses too – enabling them to access the benefits of savings on energy bills without the need to provide up-front finance. By paying for the work from savings on future energy bills, you won't need to use capital you want to invest in the business.

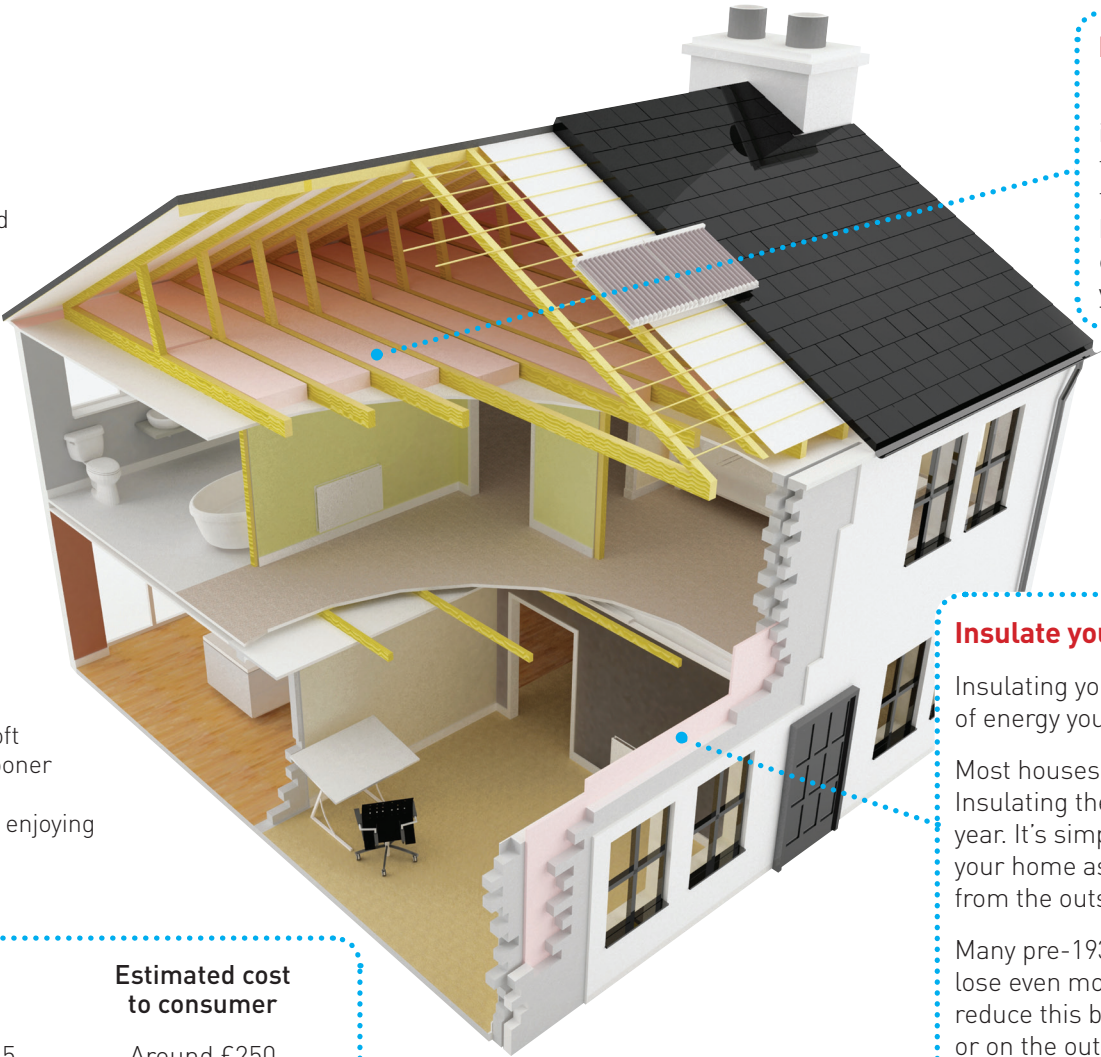
Installations under the Green Deal – domestic or business – will all meet a single key principle: the expected savings must be greater than the cost of the work being done. Because business premises are much more varied than housing stock, that means the work you could have done under the Green Deal might be different for businesses and homes.

A warm home for less

A quarter of a home's heat can be lost through a loft and walls are even worse, losing a third. So, the sooner you carry out home improvements like insulation, the sooner you can start cutting your fuel bills and enjoying a cosier home for less.

Measure	Savings (£/year)	Estimated cost to consumer
Loft insulation top up	Around £45	Around £250
Cavity wall insulation	Around £115	Around £250
Internal solid wall insulation	Around £380	£5000-£7000
External solid wall insulation	Around £400	£7600-£12600

To find out more about home energy efficiency call the Energy Saving Trust on 0800 512 012 or go to www.energysavingtrust.org.uk. Businesses should visit www.carbontrust.co.uk.



Insulate your loft

By making sure that your loft insulation is at least 270mm thick your home will stay warmer for longer and you won't need to heat your home for as long – cutting your heating bills for years to come.

Insulate your walls

Insulating your walls will reduce the amount of energy you need to heat your home. Most houses built after 1930 have cavity walls. Insulating these can save you around £115 a year. It's simple, quick and makes no mess in your home as the work can usually be done from the outside. Many pre-1930 homes have solid walls which lose even more heat than cavity walls. You can reduce this by insulating them on the inside or on the outside and it could save you up to £400 a year.

All statistics based on CERT calculations and relate to an average three-bedroom, semi-detached house.

3.5 million homes to be insulated in build up to the Green Deal

The new Government has taken action to increase the uptake of insulation, especially for those in low income, vulnerable households. Under the Carbon Emissions Reduction Target (CERT) the Government requires all major, domestic energy suppliers to make savings in the amount of CO₂ emitted by households. CERT helps reduce energy demand; enhance the UK's security of supply; reduce fuel poverty; and, secure jobs in energy efficiency industries. In June 2010 the new Government extended the scheme to ensure 3.5 million new homes can benefit by 2012, providing an additional 107 MtCO₂ in carbon savings. This will kick start the massive and urgent increase in home energy insulation that will culminate in the Green Deal.

At least two thirds of the increase in the target must be delivered through professionally installed insulation measures. By refocusing the scheme around insulation it can help deliver deep and long lived carbon and energy savings. The changes to CERT will mean some 3.5 million more homes across Great Britain are likely to benefit from insulation, building substantially on the 2.5 million homes treated under the scheme since April 2008.

The Government's action includes a renewed drive to ensure that more vulnerable households receive support. Suppliers were already required to meet 40% of their total target by delivering measures to a 'Priority Group' of vulnerable and low-income households, including those receiving eligible benefits and pensioners over the age of 70. The new Government has introduced an additional target, requiring that 15% of the savings be achieved in a 'Super Priority Group' of low income households considered to be at the very highest risk of fuel poverty.

This is in addition to the Community Energy Saving Programme (CESP). CESP targets households across Great Britain, in areas of low income, to improve energy efficiency standards, and reduce fuel bills. CESP promotes a "whole house" approach i.e. a package of energy efficiency measures best suited to the individual property. The programme is delivered through the development of community-based partnerships between Local Authorities, community groups and energy companies, via a house-by-house, street-by-street approach. This partnership working allows CESP to be implemented in a way that is best suited to individual areas and coordinated with other local and national initiatives. There are 4,500 areas eligible for CESP, expected to deliver up to £350m of efficiency measures or up to £300 per household.

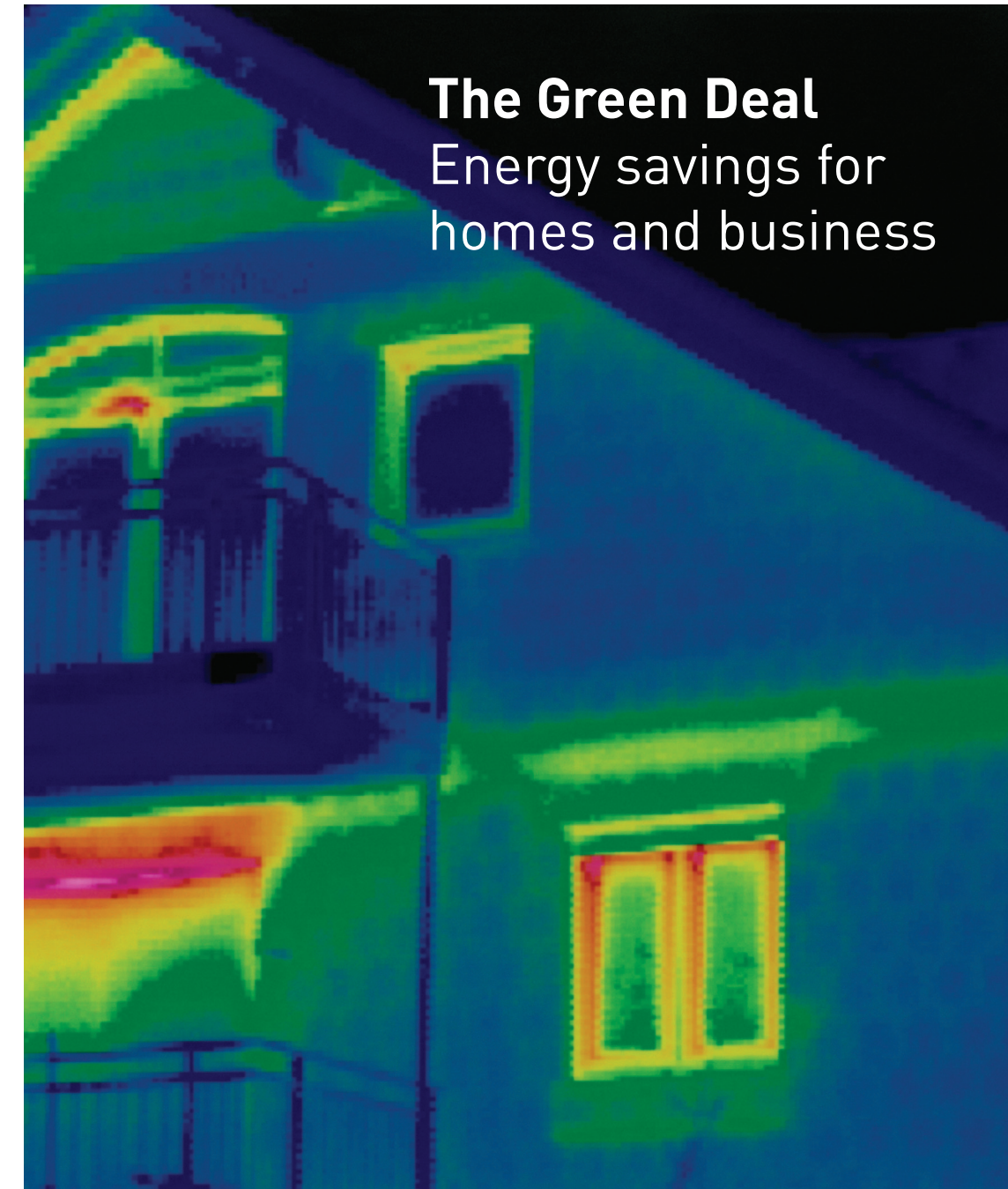
The Green Deal will learn from the experiences of both of these schemes, streamlining them into a new Energy Company Obligation to ensure all households can benefit from energy saving and reduced bills under the Green Deal.

Generate your own energy

If you've already installed insulation in your home why not consider renewable energy? Renewable energy technologies like solar panels, wind turbines, and wood fuelled heaters can enable you to generate your own power. With feed-in-tariffs you not only get paid for the electricity you produce, but you can even sell any excess electricity that you generate back to the national grid.

Additionally, the Renewable Heat Incentive (RHI) will provide fixed annual payments to people who install renewable heating systems ranging from solar hot water panels to large wood pellet boilers. We expect further detail on the scheme - including what you need to do to benefit, how much you could receive and how to apply - to be available by the end of 2010, and the Government intends that the scheme will be open for business from June 2011. If you have questions about the RHI email rhi@decc.gsi.gov.uk.

For free impartial advice on home energy efficiency, call the Energy Saving Trust on **0800 512 012**. For advice on cutting your business energy use, visit www.carbontrust.co.uk.



The Green Deal Energy savings for homes and business