



18 July 2013

## STATISTICAL RELEASE: EXPERIMENTAL STATISTICS

### Domestic Green Deal and Energy Company Obligation in Great Britain, Monthly report

#### Introduction

This release presents the latest statistics up to the end of June on the Green Deal (GD) for the domestic sector (including information on GD Assessments, Plans, Cashback and the GD supply chain). It also includes information on ECO brokerage and the latest statistics on measures installed under the Energy Company Obligation (ECO) up to the end of May.

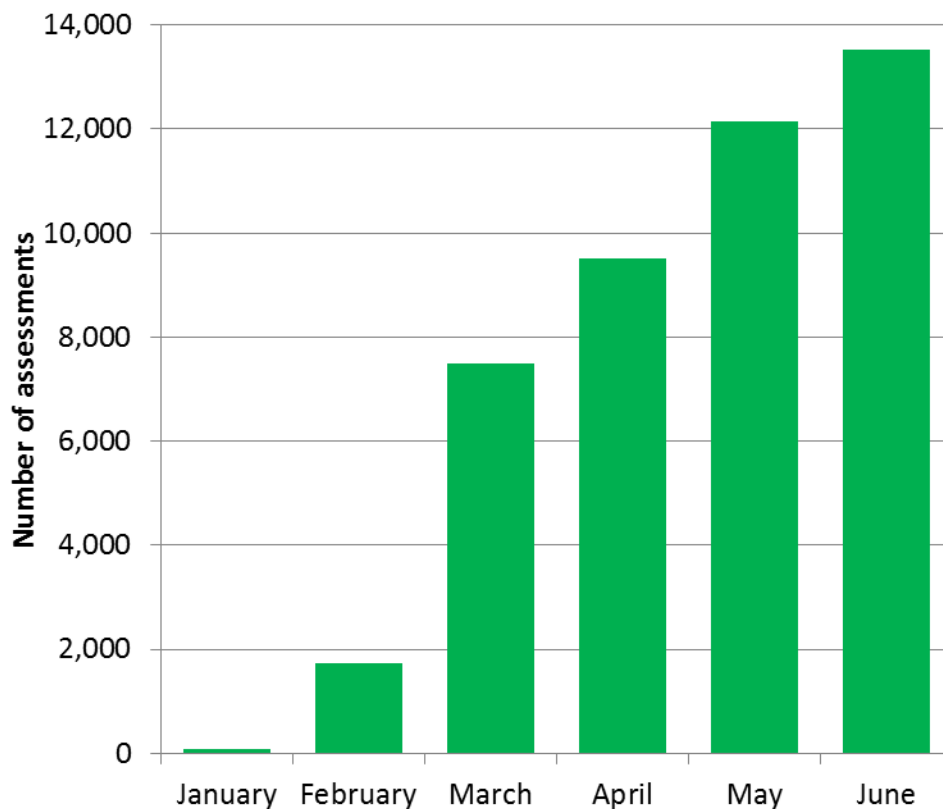
The figures to the end of June in this release update and replace the data included in the 27 June release which had estimates of GD Assessments, Plans and Cashback to 16 June. Going forward, data will be released mid-month to cover the preceding month, with publication dates available on the [gov.uk website](http://gov.uk).

The Green Deal launched on 28 January 2013 in England and Wales and on 25 February in Scotland. ECO started on 1 January 2013 for Great Britain. More detailed analysis of Green Deal Assessments in England and Wales that were lodged up to the end of March and the GD supply chain is also available in the [quarterly statistical release](#).

#### Key points

- 44,479 GD Assessments were lodged up to the end of June (Chart 1), up from 30,962 at end of May (with 13,517 in June alone, compared to 12,146 in May).
- There were 306 Green Deal Plans in the system for individual properties as at the end of June, compared to 100 at the end of May. Of these, 270 were 'new' Green Deal Plans and 36 were 'pending' (Chart 2).
- 6,224 Cashback vouchers had been issued to end of June. Of these, 3,449 Cashback vouchers had been paid (following installation of measures) up to the end of June with a value of £933,866 (Chart 3). The majority of vouchers paid to date were in June and virtually all have been for boiler replacements.
- Provisional figures, which are subject to further checks by Ofgem, show there were 115,723 measures installed under ECO up to the end of May (measures data takes longer to report and there is therefore an additional lag of one month), with 33,765 installed in May compared to 27,761 in April. The majority of all measures installed under ECO were for loft insulation (50 per cent of all ECO measures), cavity wall insulation (34 per cent) and boiler upgrades (14 per cent) (Chart 4a)
- £145 million worth of contracts had been let through ECO brokerage up to end of June compared to £120 million at the end of May (Chart 5)
- 226 GD Assessor Organisations and the 1,919 GD Advisors they employ had been accredited up to the end of June (Chart 6)

Chart 1 - Number of GD Assessments lodged, by month



## Charts

- [Chart 1](#)      Number of GD Assessments lodged, by month
- [Chart 2](#)      Number of 'new', 'pending' and 'live' Green Deal Plans in unique properties, cumulative totals by month
- [Chart 3](#)      Number of Cashback vouchers where payments have been made, by month of installation
- [Chart 4](#)      Provisional cumulative number of ECO measures installed, by obligation, by month
- [Chart 4a](#)     Provisional number of ECO measures installed, by obligation, up to end May 2013
- [Chart 5](#)      Value of ECO brokerage contracts let, by auction
- [Chart 6](#)      Development of the supply chain, cumulative totals

## Detailed Results

This section of the report provides the latest available information on different elements of the Green Deal and ECO. This includes the number of Assessments and Green Deal Plans, Cashback vouchers spent, measures installed through Cashback and ECO, a summary of ECO brokerage and an overview of the supply chain.

### Green Deal Assessments, by month (Table 1, Chart 1)

The first step in the Green Deal process involves a Green Deal Assessor coming to the home, talking to the owner/occupier about their energy use and seeing if they can benefit from making energy efficiency improvements to their property.

The main output from this process is that a Green Deal Advice Report (using information from an Energy Performance Certificate and Occupancy Assessment) will be produced and will be lodged on a national register. The customer is then able to view the energy efficiency measures which have been recommended and understand the potential costs and savings.

For more information on the [GD assessment process see here](#).

At the end of June, there were 44,479 GD Assessments lodged in total ([Chart 1](#)). The number of GD Assessments in June was 11 per cent higher than that in May (which in turn was 28 per cent higher than in April).

The Green Deal and ECO [quarterly statistical release](#) provides a range of analysis and further breakdowns on Assessments to the end of March.

### 'New', 'pending' and 'live' Green Deal Plans in unique properties, cumulative totals by month (Table 2, Chart 2)

Following an Assessment, for householders who choose to take on some of the recommended measures, there are a number of routes to pay for the improvements. Some customers may choose Green Deal finance to pay for part or all of their planned improvements, whilst others may choose to pay for measures out of savings or other sources of finance, and some may be part funded through ECO support.

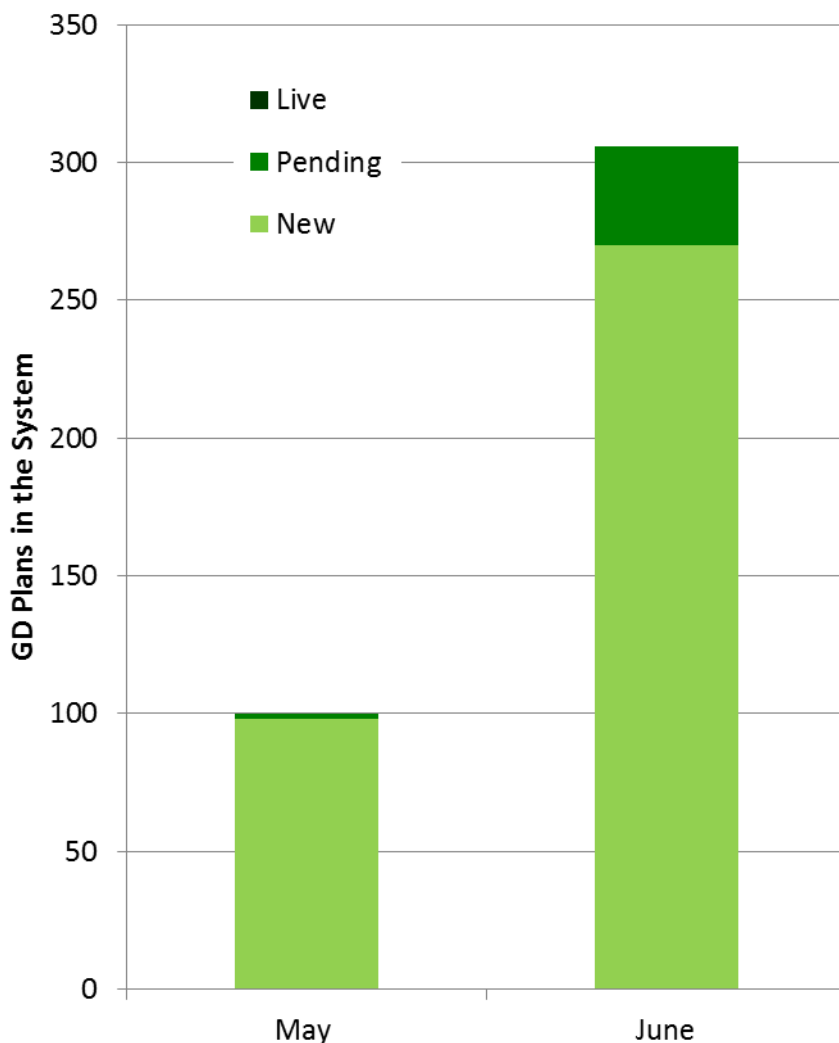
For those who choose Green Deal finance, there are three stages in the life cycle of a Green Deal Plan for which reports are generated. In total, there were 100 Green Deal Plans in the system at the end of May, but this had risen to 306 Green Deal Plans in the system by the end of June in individual properties. Of these, 270 were 'new' Green Deal Plans and 36 were 'pending'. The three reporting stages are presented in Table 2 and Chart 2 and described below;

- the **first stage** (a 'new' Green Deal Plan) is after a customer has obtained a quote from a Green Deal Provider and confirmed they wish to proceed. The Green Deal Provider has then successfully requested a Green Deal Plan record prior to signature by the customer. It is possible that more than one Green Deal Plan may be requested for each household. There were 270 households with a 'new' Green Deal Plan reported up to the end of June.
- the **second stage** (a 'pending' Green Deal Plan) is when a Green Deal Plan has been signed by the customer, progress is being made to install Green Deal Plan measures and the Plan is being finalised so that charging can start. There were 36 households with 'pending' Green Deal Plans reported up to the end of June.
- the **final stage** (a 'live' Green Deal Plan) is after the measures have been installed in the property, the information required to disclose the plan to future bill payers has

been attached to the Plan and the energy supplier has all the information required to bill Green Deal charges. At this stage the daily charge has been confirmed along with the date from when the charge will be accrued on their electricity bill. There were no 'live' Green Deal Plans at the end of June.

It has only been possible for Green Deal Providers to request plans once commercial agreements between the Green Deal Finance Company and Green Deal Providers have been agreed. It took Green Deal Providers some time to prepare their businesses to bring offers to the market with Green Deal Plans being created from May onwards for the small number of GD Providers who have finalised their offer to date.

Chart 2 - Number of 'new', 'pending' and 'live' Green Deals in unique properties, cumulative totals by month



As 'new' and 'pending' Green Deal Plans lead to installation of measures and charges starting to accrue they will be replaced as 'live' Green Deal Plans in future monthly releases.

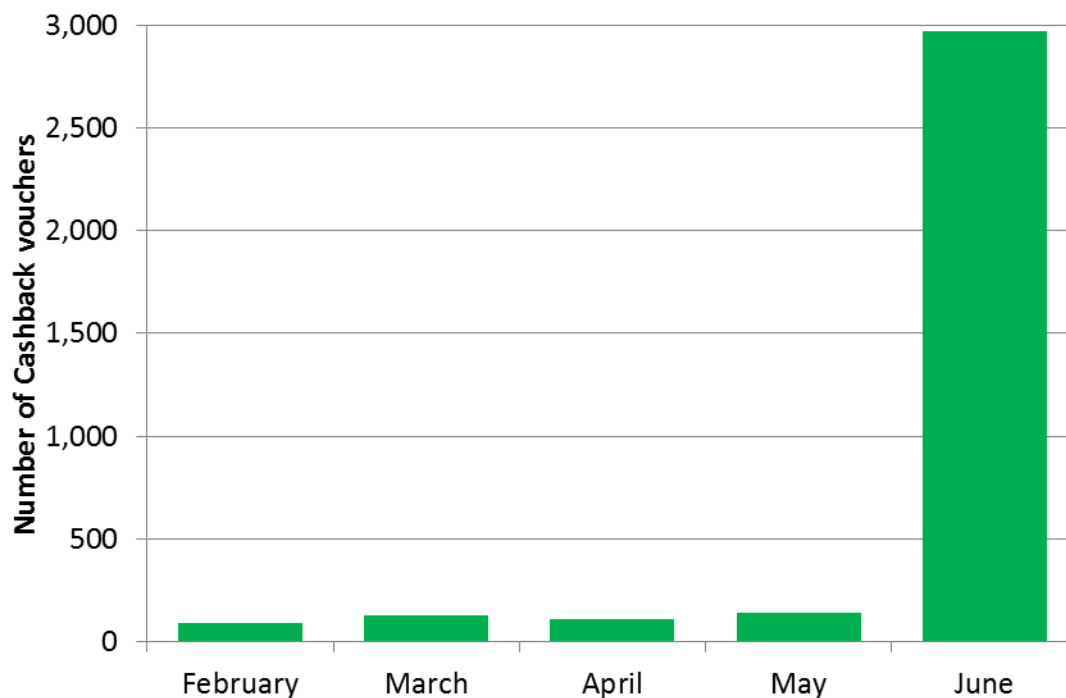
Cashback vouchers where payments have been made, by month of installation (Table 3, Chart 3)

The Cashback scheme has been available since January 2013 in England and Wales. It is a financial incentive specifically aimed to encourage domestic customers to get measures installed through the Green Deal process, although it is the customers' choice whether they

decide to take out Green Deal finance or other sources of finance to fund the installation of the measures. For more information on Cashback please see the [Cashback website](#)

Table 3 and Chart 3 show that 3,449 Cashback vouchers had been paid (following installation of measures) up to the end of June with a total value of £933,866. The large majority of Cashback vouchers were paid in June. Although the available data on Cashback vouchers issued cannot be broken down to the same level of detail as vouchers paid, 6,224 Cashback vouchers were issued up to the end of June with a total budget committed of around £1.83m. Many of these issued vouchers will not have been paid yet as payment is dependent on the installation of the measures.

Chart 3 - Number of Cashback vouchers where payments have been made, by month of installation



Cashback measures where payments have been made (Table 3a)

3,461 Cashback measures were installed by the end of June. Table 3a shows that replacement boilers were the main measure where Cashback payments have been made, (99 per cent of all Cashback measures installed). The majority of vouchers paid to date were in June.

ECO measures installed by obligation, up to the end of May (Table 4, Table 4a, Chart 4, Chart 4a)

The overall [Energy Company Obligation](#) (ECO) period runs until 31 March 2015. Information on measures installed under ECO is at a lag of a month compared to other figures presented in this release due to the time taken for information to be reported and verified. Hence, this release includes measures installed under ECO until the end of May 2013.

All measures installed under ECO are provisional until the end of the obligation period as checks are undertaken. Initial validation checks are undertaken by Ofgem in the month following receipt of data and longer-term audits are done over the obligation period (e.g. to

verify the installation of the measures and the quality of installations and to ensure compliance with the ECO guidelines). Users should note that, in order to produce the most timely data possible, estimates in this report include a month of data that has yet to be through initial Ofgem validation checks (i.e. as reported by energy suppliers to Ofgem). Revisions to data are routinely included in releases and will be explained if they are large.

Table 4 shows the provisional number of measures installed under ECO and chart 4 shows the cumulative number of measures installed by [ECO sub-obligation](#). This shows that, of the 115,723 measures installed to the end of May, 33,765 measures were installed in May, up from 27,761 (a 22 per cent increase) in April.

Chart 4 - Provisional cumulative number of ECO measures installed, by obligation, by month

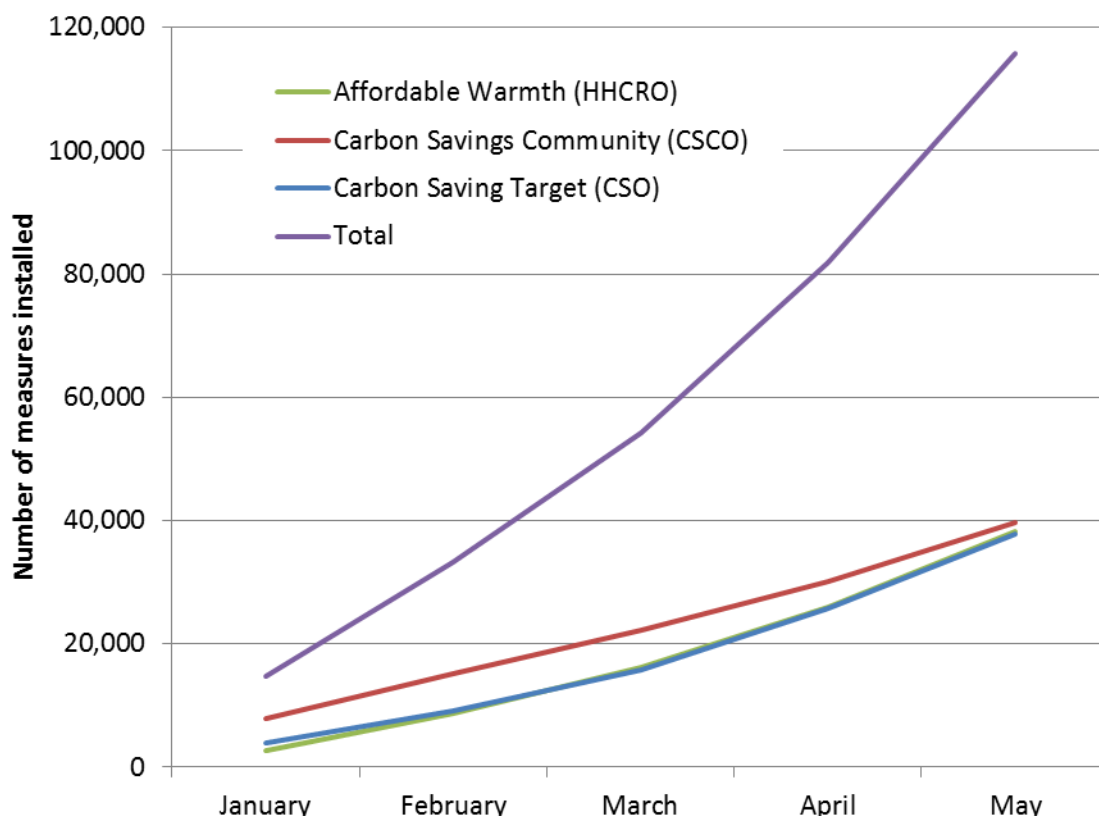
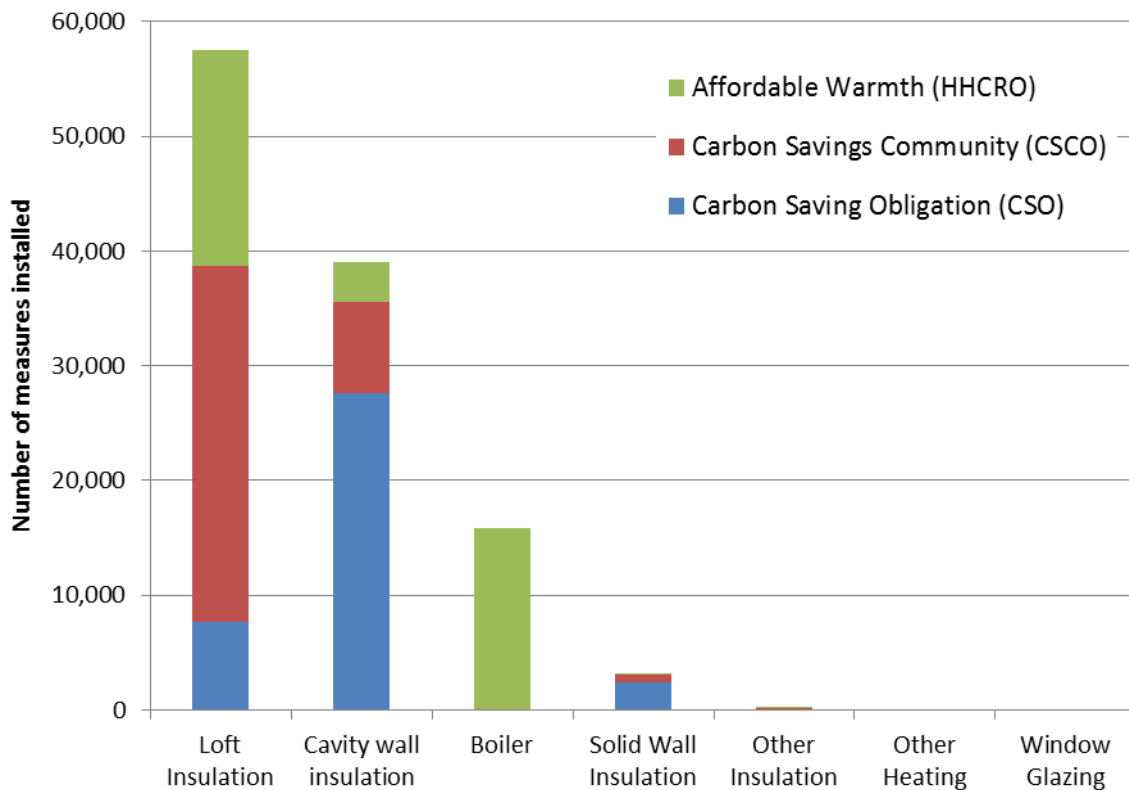


Table 4a and Chart 4a show the provisional number of measures installed under ECO, by measure type, by [ECO sub-obligation](#). This shows that the majority of the 115,723 measures installed under ECO were for loft insulation (50 per cent), cavity wall insulation (34 per cent) and boiler upgrades (14 per cent). Over 100,000 properties benefitted from one or more ECO measures being installed up to the end of May 2013 (Table 4a).

There was an even split in delivery by sub-obligation, with 33 per cent of measures installed under ECO delivered through the Carbon Saving Obligation (CSO), 34 per cent delivered through Carbon Savings Communities (CSCO) and 33 per cent delivered through Affordable Warmth (HHCRO<sup>1</sup>).

<sup>1</sup> Affordable Warmth is also known as Home Heating Cost Reduction Obligation (HHCRO)

Chart 4a - Provisional number of measures installed under ECO, by measure type, by obligation, up to end May



The majority (75 per cent) of the 57,500 loft insulation measures installed under ECO up to the end of May were top ups.<sup>2</sup>

The majority (71 per cent) of the 39,000 cavity wall insulation measures installed were delivered to Hard to Treat cavity wall properties<sup>3</sup>.

Of the 3,100 solid wall measures installed virtually all were External Wall Insulation.

### Measures installed through other finance routes

The figures in Tables 3a (Cashback) and Table 4a (ECO) do not include estimates of measures installed following a Green Deal Assessment where a measure is financed outside of policy framework (i.e. no GD finance, no GD Cashback and no ECO). Alternative sources of finance may include householder savings or loans; Local Authority funding (such as through the Core Cities or Pioneer Places schemes) and other sources.

However, [research](#) published by DECC on 25 June on householders who have had a GD assessment up to the end of March stated that 33 per cent of households who had received a Green Deal Advice Report claimed to have installed at least one recommended measure, and a further 14 per cent were in the process of installing measures.

<sup>2</sup> Where there was at least 60mm of existing loft insulation

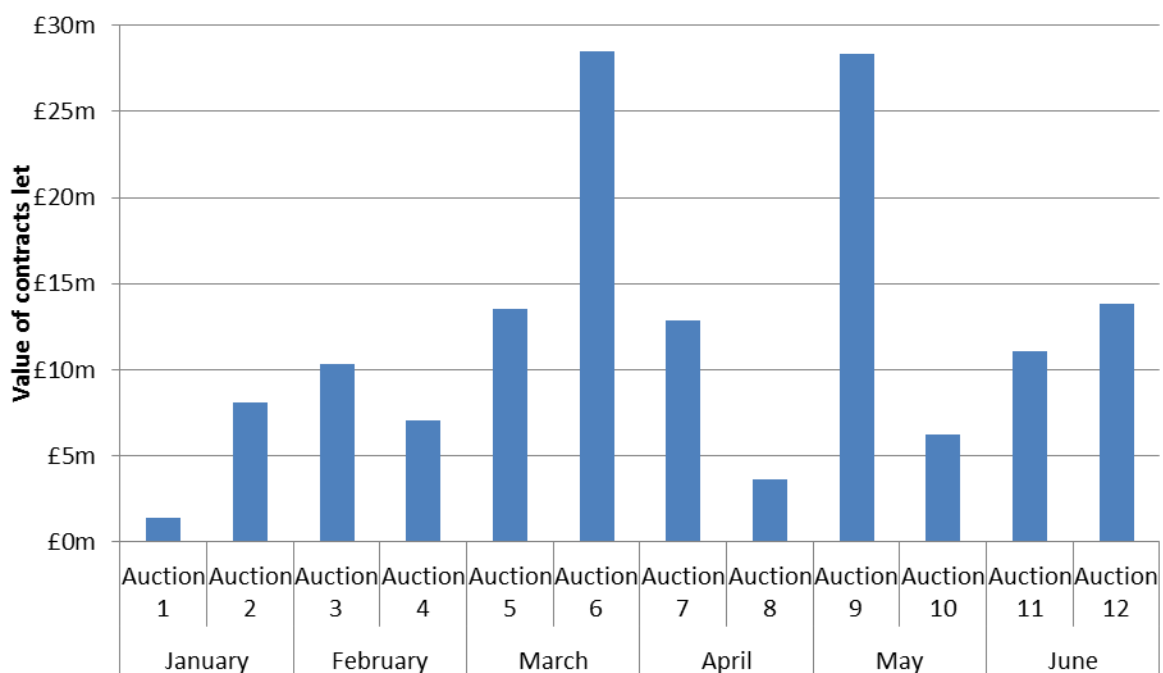
<sup>3</sup> Hard to Treat cavity wall properties are also sometimes known as 'hard-to-fill'. This means that they cannot be insulated using the same methods and/or products as a standard cavity wall.

Around a third of those who had already installed measures stated self-finance as a method of payment and around two thirds of those intending to install something stated that they will finance the installation of measures themselves. Some of these households indicated that they were applying for Cashback, but these findings suggest there may be a proportion of households installing measures which we will not pick up through our data sources, although the majority who plan to have measures installed have indicated they will be doing so through the GD/ECO framework. We will review this through further research.

ECO brokerage, as at the end of June (Table 5, Chart 5)

The [ECO Brokerage](#) system operates as a fortnightly anonymous auction where providers can sell 'lots' of future measures of ECO Carbon Saving Obligation, ECO Carbon Saving Communities and ECO Affordable Warmth, to energy companies in return for ECO subsidy. Chart 5 shows that up to the end of June there have been 12 auctions, with a total value of contracts let worth £145 million.

Chart 5 - Value of ECO brokerage contracts let, by auction



For more detail on the results of each auction, please see [ECO Brokerage](#)

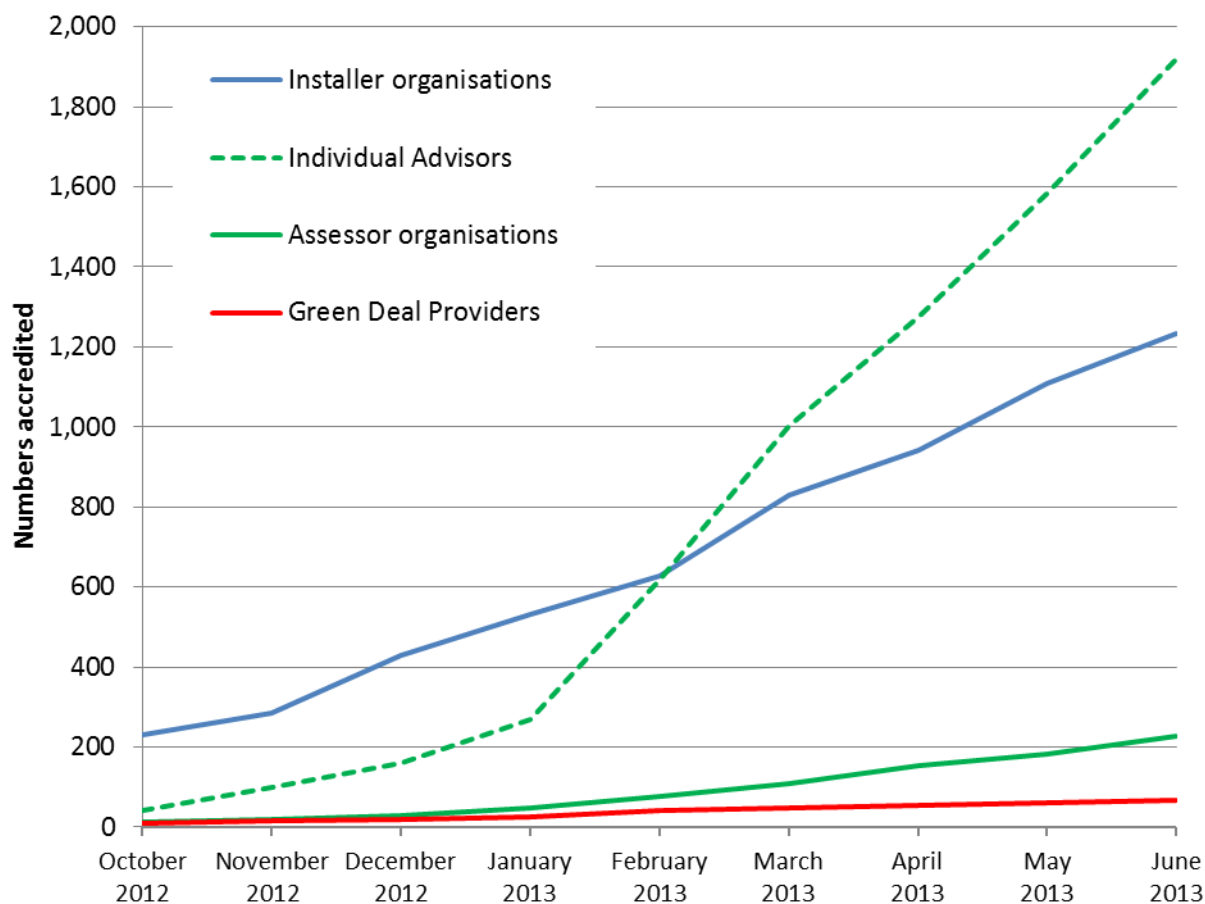
Supply chain, as at the end of June (Chart 6)

The supply chain to support the Green Deal has been developing since October 2012. This includes individual Advisors (who carry out and produce Green Deal Advice Reports) and Assessor organisations (who employ authorised Green Deal Advisors), Green Deal Providers (who quote for and arrange Green Deal Plans with householders and arrange for the measures to be installed), and Installer organisations<sup>4</sup> (who install energy efficiency improvements under the GD finance mechanism). Chart 6 shows the number of organisations and individuals who have been accredited up to the end of June 2013.

<sup>4</sup> Unlike Advisors in Assessor organisations, individual Installers within an installer organisation do not need to register.



Chart 6 - Development of supply chain (cumulative numbers) at end of month



The numbers of accredited GD Assessor organisations and individual Advisors has been increasing sharply since December as individual Assessors complete their training and are accredited. At the end of June there were 226 organisations employing a total of 1,919 Advisors, compared to 48 and 270 respectively at the end of January 2013.

The number of Green Deal Providers has increased to 66 from 25 at the end of January 2013.

The number of accredited Installer organisations has increased steadily since the beginning of the year from 531 accredited at the end of January 2013 to 1,234 organisations accredited at the end of June 2013. These organisations will provide a wide range of different measures and in different geographical locations – more analysis on these measures and geographical coverage is provided in the [quarterly statistical release](#).

The Green Deal Oversight and Regulation Body (ORB) produces publically available information on the supply chain, and the latest figures are available by using the search tool on the [ORB website](#). There is also information available on [contacts in local areas](#).

## Annex A – Tables

**Table 1: Number of Green Deal Assessments<sup>1</sup>, month and cumulative total**

Month	Total in Month	Cumulative Total
	Green Deal Assessments	Green Deal Assessments
January 2013	74	74
February 2013	1,729	1,803
March 2013	7,491	9,294
April 2013	9,522	18,816
May 2013	12,146	30,962
June 2013	13,517	44,479

<sup>1</sup> As measured by the number of Green Deal Advice Reports were lodged on the central register against unique property.

**Table 2: Number of 'new', 'pending' and 'live' Green Deal Plans<sup>1,2,3</sup> in unique properties, cumulative total by month**

Month	'New' <sup>1</sup> Green Deal Plans	'Pending' <sup>2</sup> Green Deal Plans	'Live' <sup>3</sup> Green Deal Plans	'Total' <sup>4</sup> Green Deal Plans
May 2013	98	2	0	100
June 2013	270	36	0	306

<sup>1</sup> A 'new' Green Deal Plan is after a customer has obtained a quote from a Green Deal Provider and confirmed they wish to proceed. The Green Deal Provider has then successfully requested a Green Deal Plan record prior to signature by the customer.

<sup>2</sup> A 'pending' Green Deal is when a Green Deal Plan has been signed by the customer, progress is being made to install Green Deal Plan measures and the Plan is being finalised so that charging can start

<sup>3</sup> A 'live' Green Deal Plan is after the measures have been installed in the property, the information required to disclose the plan to future bill payers has been attached to the Plan and the energy supplier has all the information required to bill Green Deal charges

<sup>4</sup> Total Green Deal Plans are the total number of Plan identifiers for unique properties on the Central Charge Database at the end of reporting month

**Table 3: Number and value of Cashback vouchers paid, month and cumulative total, by month**

Installation Month	Payments made <sup>1,2</sup>	
	Number	Value (£)
February 2013	94	25,380
March 2013	131	35,370
April 2013	108	29,240
May 2013	143	40,192
June 2013	2,973	803,685
<b>Total to date</b>	<b>3,449</b>	<b>933,866</b>

<sup>1</sup> Numbers of Cashback vouchers paid in earlier installation months are subject to revision as Cashback redemptions can be paid in months after the month of installation

<sup>2</sup> Although the available data cannot be broken down to the same level of detail, 6,224 Cashback vouchers were issued up to the end of June with a total budget committed of around £1.83m

**Table 3a: Number of measures installed with Cashback<sup>1</sup>, up to end of June 2013**

	Total number of Cashback measures delivered	Percentage of Measures
<b>Boiler</b>	<b>3,442</b>	<b>99</b>
Gas Boiler	3,383	98
Oil Boiler	59	2
<b>Cavity wall insulation</b>	<b>4</b>	<b>0</b>
<b>Loft Insulation</b>	<b>9</b>	<b>0</b>
Loft Insulation	9	0
Room in Roof Insulation	0	0
<b>Other Heating</b>	<b>1</b>	<b>0</b>
Electric Storage Heaters	0	0
Flue Gas Heat Recovery Devices	0	0
Heating Controls	1	0
Warm Air Units	0	0
Waste water heat recovery systems	0	0
<b>Other Insulation</b>	<b>0</b>	<b>0</b>
Draught Proofing	0	0
Flat Roof Insulation	0	0
Hot Water Cylinder Insulation	0	0
Passageway Walk-through Doors	0	0
Under Floor Insulation	0	0
<b>Solid Wall Insulation</b>	<b>5</b>	<b>0</b>
<b>Window Glazing</b>	<b>0</b>	<b>0</b>
Double Glazing	0	0
Secondary Glazing	0	0
<b>Total number of measures</b>	<b>3,461</b>	<b>100</b>

<sup>1</sup> More than one measure can be installed with Cashback per unique property

**Table 4: Provisional number of ECO measures installed, by obligation, by month**

Installation Month	Obligation			Total number of ECO measures installed
	Carbon Saving Target (CSO)	Carbon Savings Community <sup>2</sup> (CSCO)	Affordable Warmth (HHCRO)	
January 2013 <sup>1</sup>	3,972	7,973	2,705	14,650
February 2013	5,227	7,189	6,086	18,502
March 2013	6,495	7,151	7,399	21,045
April 2013	10,070	7,830	9,861	27,761
May 2013	12,123	9,525	12,117	33,765
<b>Total to date</b>	<b>37,887</b>	<b>39,668</b>	<b>38,168</b>	<b>115,723</b>

<sup>1</sup> Includes some measures installed between October and December 2012

<sup>2</sup> May figure includes one measure installed under the 'rural' sub-obligation of CSCO

**Table 4a: Provisional number of ECO measures installed<sup>1</sup>, by measure type, by obligation, up to end May 2013**

Measure Types <sup>2</sup>	Obligation			Total number of ECO measures delivered	Percentage of ECO Measures
	Carbon Saving Target (CSO)	Carbon Savings Community <sup>4</sup> (CSCO)	Affordable Warmth (HHCRO)		
<b>Boiler</b>	<b>N/A</b>	<b>N/A</b>	<b>15,876</b>	<b>15,876</b>	<b>14</b>
Installation of a Non qualifying boiler	N/A	N/A	390	390	0
Repair qualifying boiler 1 year warranty	N/A	N/A	4	4	0
Repair qualifying boiler 2 year warranty	N/A	N/A	116	116	0
Replacement qualifying boiler	N/A	N/A	15,366	15,366	13
<b>Cavity wall insulation</b>	<b>27,649</b>	<b>7,885</b>	<b>3,500</b>	<b>39,034</b>	<b>34</b>
Standard CWI	83	7,790	3,462	11,335	10
HTTC: Cavity wall insulation solution	27,479	95	38	27,612	24
HTTC: Solid wall insulation solution	87	0	0	87	0
<b>Loft Insulation</b>	<b>7,712</b>	<b>31,037</b>	<b>18,708</b>	<b>57,457</b>	<b>50</b>
Loft Insulation Ceiling Level Virgin	2,620	8,338	3,548	14,506	13
Loft Insulation Ceiling Level Topup	5,091	22,699	15,158	42,948	37
Loft Insulation Rafter	0	0	0	0	0
Room in Roof Insulation	1	0	2	3	0
<b>Micro-generation</b>	<b>N/A</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>
Air Source Heat Pumps	N/A	N/A	0	0	0
Biomass Boilers	N/A	N/A	0	0	0
Ground Source Heat Pumps	N/A	N/A	0	0	0
Micro CHP	N/A	N/A	0	0	0
Micro hydro	N/A	N/A	0	0	0
Micro wind	N/A	N/A	0	0	0
Photovoltaics	N/A	N/A	0	0	0
<b>Other Heating</b>	<b>0</b>	<b>0</b>	<b>70</b>	<b>70</b>	<b>0</b>
Electric Storage Heaters	N/A	N/A	3	3	0
DHS: Biomass boiler new connections	0	0	0	0	0
DHS: Biomass boiler upgrades	0	0	0	0	0
DHS: CHP new connections	0	0	0	0	0
DHS: CHP upgrades	0	0	0	0	0
DHS: Gas/Oil boiler new connections	0	0	0	0	0
DHS: Gas/Oil boiler upgrades	0	0	0	0	0
DHS: heat meters	0	0	0	0	0
Flue Gas Heat Recovery Devices	N/A	N/A	0	0	0
Heat Recovery Ventilation	N/A	N/A	0	0	0
Heating Controls	N/A	N/A	67	67	0
Radiator Panels	N/A	N/A	0	0	0
Warm Air Units	N/A	N/A	0	0	0

<b>Other Insulation</b>	<b>78</b>	<b>51</b>	<b>13</b>	<b>142</b>	<b>0</b>
Flat Roof Insulation	38	24	0	62	0
Draught Proofing	5	15	6	26	0
Hot Water Cylinder Insulation	35	12	N/A	47	0
Passageway Walk-through Doors	0	0	0	0	0
Pipework Insulation	0	0	0	0	0
Under Floor Insulation	0	0	7	7	0
<b>Solid Wall Insulation</b>	<b>2,398</b>	<b>695</b>	<b>1</b>	<b>3,094</b>	<b>3</b>
External wall insulation: Solid brick walls, built from 1967	328	83	0	411	0
External wall insulation: Solid brick walls, built pre 1967	947	595	1	1,543	1
External wall insulation: Solid non-brick walls	1,096	15	0	1,111	1
Internal wall insulation: Solid brick walls, built from 1967 <sup>3</sup>	4	0	0	4	0
Internal wall insulation: Solid brick walls, built pre 1967 <sup>3</sup>	0	2	0	2	0
Internal wall insulation: Solid non-brick walls <sup>3</sup>	23	0	0	23	0
Park Home External wall insulation	0	0	0	0	0
<b>Window Glazing</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>0</b>
<b>Total number of measures</b>	<b>37,887</b>	<b>39,668</b>	<b>38,168</b>	<b>115,723</b>	<b>100</b>
<b>Total number of unique properties</b>				<b>103,283</b>	

<sup>1</sup> As reported by energy suppliers to Ofgem in their monthly returns. Please see the accompanying [Methodology Note](#) for more details.

<sup>2</sup> Please see [Ofgem's guidance](#) for suppliers for more details on eligible measures

<sup>3</sup> These figures have been revised from that published in 27 June release following additional quality assurance

<sup>4</sup> Includes one standard CWI measure installed under the 'rural' sub-obligation of CSCO

**Table 5: Number of ECO brokerage auctions<sup>1</sup> and total amount traded, by month**

Month	Number of auctions	Total amount traded
January 2013	2	£9.5m
February 2013	2	£17.4m
March 2013	2	£42.0m
April 2013	2	£16.6m
May 2013	2	£34.6m
June 2013	2	£25.0m
<b>Total to date</b>	<b>12</b>	<b>£145.0m</b>

<sup>1</sup> ECO brokerage auctions are scheduled to take place on a fortnightly basis.

**Table 6: Number<sup>1</sup> of accredited Assessor organisations, individual Advisors, Green Deal Providers, and Installer organisations, cumulative totals by month**

Month <sup>2</sup>	Assessor organisations	Individual Advisors	Green Deal Providers	Installer organisations
October 2012	13	40	8	231
November 2012	18	100	15	285
December 2012	29	159	20	429
January 2013	48	270	25	531
February 2013	77	618	40	629
March 2013	108	1,003	48	831
April 2013	152	1,274	55	942
May 2013	182	1,582	60	1,108
June 2013 <sup>3</sup>	226	1,919	66	1,234

<sup>1</sup> Numbers include domestic, both domestic and non-domestic and a small number of non-domestic only participants

<sup>2</sup> Months are approximate as they are based on numbers up to the end of the last full week in the month

<sup>3</sup> The number of installer organisations has been revised from that published in the 27 June release following additional quality assurance



## **Annex B – Background**

### Green Deal

The [Green Deal](#) (GD) was launched on 28 January 2013 in England and Wales (and on 25 February in Scotland) and will tackle a number of the key barriers to the take-up of energy efficiency measures.

Customers having Green Deal Assessments undertaken have the choice of how they proceed. They might take the view that their home is sufficiently energy efficient, or that they want to finance work through a Green Deal Plan or that they want to use alternative funding arrangements (e.g. use of savings).

The Green Deal process for households is briefly described below:

Step 1 – Assessment – A Green Deal assessor will come to the home, talk to the owner/occupier about their energy use and see if they can benefit from making energy efficiency improvements to their property.

Step 2 - Recommendations – The assessor will recommend improvements that are appropriate for the property and indicate whether they are expected to pay for themselves through reduced energy bills.

Step 3 – Quotes – Green Deal Providers will discuss with the owner/occupier whether a Green Deal Plan is right for them and quote for the recommended improvements, including the savings estimates, savings period, first year instalments and payment period for each improvement. A number of quotes can be obtained.

Step 4 – Signing a plan – The customer chooses to proceed with a given provider and package of measures. The owner/occupier needs to obtain the necessary consent to make improvements to the property before they can agree terms with the GD Provider of a Green Deal Plan<sup>5</sup>, at which stage they enter a cooling-off period<sup>6</sup>.

Step 5 – Installation – Once a Green Deal Plan has been agreed, the Provider will arrange for the improvements to be made by a Green Deal Installer. Once the installation has been completed a letter is sent to the Bill Payer and, at this stage, the Green Deal Plan goes 'live'.

Repayments will be no more than what a typical household should save in energy costs.

### Energy Company Obligation

The [Energy Company Obligation](#) (ECO) started on 1 January 2013 (although energy companies have been able to count against their targets measures delivered since 1 October 2012) and runs to 31 March 2015. It broadly takes over from two previous schemes (Carbon Emissions Reduction Target - CERT - and Community Energy Saving Programme - CESP) and focuses on providing energy efficiency measures to low income and vulnerable consumers and those living in 'hard-to-treat' properties. While ECO is not a financial target, DECC's Impact Assessment estimated costs at around £1.3 billion a year.

There are three main ECO obligations – The Carbon Saving Obligation (CSO); Carbon Saving Communities (CSCO) and Affordable Warmth (HHCRO). The ECO Carbon Saving Obligation is estimated to be worth around £760 million per year. The Carbon Saving

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<sup>5</sup> The Plan is a contract between the owner/occupier and the Provider – it sets out the work that will be done and the repayments.

<sup>6</sup> For example, in the case of a Green Deal Plan that is regulated by the Consumer Credit Act 1974, the consumer will have 14 days to withdraw from the part of the Green Deal Plan which provides credit.

Community Obligation and ECO Affordable Warmth will together provide support worth around an estimated £540 million per year to low-income households and areas.

Carbon Saving Obligation - This covers the installation of measures like solid wall and hard-to-treat cavity wall insulation, which ordinarily can't be financed solely through the Green Deal.

Carbon Saving Communities Obligation - This provides insulation measures to households in specified areas of low income. It also makes sure that 15 per cent of each supplier's obligation is used to upgrade more hard-to-reach low-income households in rural areas.

Affordable Warmth Obligation - This provides heating and insulation measures to consumers living in private tenure properties who receive particular means-tested benefits. This obligation supports low-income consumers who are vulnerable to the impact of living in cold homes, including the elderly, disabled and families.

#### How do the Green Deal and ECO interact?

Following a GD Assessment there will be a range of measures which could improve the energy efficiency of the property. Some of these could be paid for through GD finance, up to the point where the expected annual cost will not exceed what a typical household should save in energy costs. However, depending on the measure or the property, other sources of finance may also be required. ECO funding could be one of these sources, for example for measures such as Solid Wall Insulation and hard-to-treat Cavity Wall insulation.

#### Green Deal Cashback

The Green Deal Cashback Scheme rewards the first Green Deal customers. It is a first-come, first served offer where householders can claim cash back from Government on energy saving improvements like insulation, front doors, windows and boilers with packages worth over £1000. It is available for households in England and Wales. For more information on Cashback please see the [Cashback website](#). For more information on the separate scheme that operates in Scotland please see the relevant [website](#).

#### ECO Brokerage

The [ECO Brokerage](#) system operates as a fortnightly anonymous auction where GD Providers can sell 'lots' of future measures of ECO Carbon Saving Obligation, ECO Carbon Saving Communities and ECO Affordable Warmth, to energy companies in return for ECO subsidy.

This market-based mechanism has been introduced to support an open and competitive market for the delivery of the ECO. Brokerage allows a range of Green Deal providers to fairly compete on price to attract ECO support and enables energy suppliers to deliver their obligations at the lowest possible cost, thereby reducing the impact on customer energy bills.

Sellers (GD Providers) can make a competitive offer on brokerage by leveraging additional sources of finance, such as part funding measures through Green Deal Finance, partnerships with local authorities, or driving down costs by economies of scale.

#### The Supply Chain

To understand more about the organisations and infrastructure underpinning the Green Deal, this report also includes a section summarising the trends in the number of Green Deal

Advisors (and Assessor organisations), the number of Green Deal Providers and the number of Green Deal Installer organisations.

## **Annex C – Sources and Methodology**

The estimates in this and future Statistical Release use administrative data generated as part of the Green Deal and Energy Company Obligation processes.

There are seven main sources of information:

- Landmark – who manage the national lodgement of Green Deal Assessments in England and Wales
- Energy Savings Trust (EST) – who manage the national lodgement of Green Deal Assessments in Scotland
- Green Deal Central Charge Database – which manages the recording and administration of Green Deal Plans
- Ofgem – who administer the Energy Company Obligation and collect information from energy companies on measures installed under ECO.
- The Green Deal Oversight and Regulation Body (ORB) – who administer the certification of GD organisations (including assessors, installers and providers)
- Data on ECO brokerage is publically available following each auction.
- Capita – who administer the [Green Deal Cashback Scheme](#)

This report uses data from Landmark and the Energy Savings Trust for numbers of lodged Assessments, data from the Central Charge Database on Green Deal Plans, data from the Cashback Scheme Administrator on Cashback vouchers issued and measures installed, data from Ofgem on ECO measures, data from the ORB for the supply chain and the published data on ECO brokerage.

### Experimental Statistics

These estimates are released as Experimental Statistics which means they are official statistics undergoing an evaluation process prior to being assessed as National Statistics. They are published in order to involve users and stakeholders in their development, and as a means to build in quality assurance during development.

More information on the methodology is included [here](#).

As with any new data collection, there are likely to be some data quality issues to resolve as the process beds in. Therefore data in the monthly reports should be treated as provisional and subject to revision.

Any revisions will be marked in the data tables and for any significant revisions we will provide an explanation of the main reasons.

## Further Information and Feedback

Any enquiries or comments in relation to this statistical release should be sent to DECC's Green Deal Statistics Team at the following email address:

[EnergyEfficiency.Stats@decc.gsi.gov.uk](mailto:EnergyEfficiency.Stats@decc.gsi.gov.uk)

Contact telephone: 0300 068 5202

The statistician responsible for this publication is Matt Walker.

Further information on energy statistics is available at <https://www.gov.uk/government/organisations/department-of-energy-climate-change/about/statistics>

## Next Releases

The next monthly publication is planned for publication at 9.30am on **20 August 2013** and will contain the latest available information on the number of Assessments and Green Deal Plans, Cashback vouchers spent, measures installed, a summary of ECO brokerage and an overview of the supply chain.

The next quarterly publication is planned for publication at 9.30am on **19 September 2013** and will contain more detailed information on activity up to the end of June, including geographic breakdowns of Assessments and ECO measures.