**14 March 2013**

**STATISTICAL RELEASE: EXPERIMENTAL STATISTICS**

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

**Introduction**

This monthly release presents the first statistics on the Green Deal (GD) for the domestic sector and the Energy Company Obligation (ECO). This release includes summary figures on the number of GD Assessments, the GD supply chain and information on ECO brokerage, all to the end of February 2013.

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.

**Key points (to the end of February)**

* 1,803 GD Assessments had been lodged (Chart 1)
* 77 GD Assessor Organisations and the 619 GD advisors they employ had been accredited
* £26.9 million worth of contracts had been let through the ECO brokerage system

Chart 1 – Number of GD Assessments lodged, by month

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).

In order to understand the flow from Green Deal Assessments to Plans through to measures installed we will need to incorporate, link and quality assure evidence from a range of sources. As a result data on Green Deal Plans, and measures installed under Green Deal and/or ECO are not yet available for publication as time is needed for this quality assurance. We plan to publish this information for the first time in June 2013.

**Charts**

[Chart 1](#Chart1) Number of GD Assessments lodged, by month

[Chart 2](#Chart2) Development of the supply chain, cumulative numbers

[Chart 3](#OLE_LINK9) Value of ECO brokerage contracts let, by auction

**Background**

Green Deal

The [Green Deal](https://www.gov.uk/green-deal-energy-saving-measures)(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.

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. A number of quotes can be obtained. Once the owner/occupier chooses a Green Deal Provider, they will produce a Green Deal Plan. The Plan is a contract between the owner/occupier and the Provider – it sets out the work that will be done and the repayments.

Step 4 – Installation – Once a Green Deal Plan has been agreed, the Provider will arrange for the improvements to be made by a Green Deal Installer.

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

Energy Company Obligation

The [Energy Company Obligation](https://www.gov.uk/government/policies/helping-households-to-cut-their-energy-bills/supporting-pages/energy-companies-obligation-eco) (ECO) started on 1 January 2013 (although energy companies have been able to deliver against their targets since 1 October 2012) and runs to 31 March 2015. It replaces 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. It does this by funding energy efficiency improvements through supplier obligations worth around £1.3 billion every year.

There are three elements to ECO – The Carbon Saving Obligation; Carbon Saving Communities and Affordable Warmth. The ECO Carbon Saving Obligation is worth around £760 million per year. The Carbon Saving Community Obligation and ECO Affordable Warmth will provide support worth around £540 million per year to low-income households.

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% 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 that receive particular means-tested benefits. This obligation supports low-income consumers that 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.

ECO Brokerage

The [ECO Brokerage](https://www.gov.uk/energy-companies-obligation-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.

**Detailed Results**

This section of the report provides the latest available information on different elements of the Green Deal and ECO, including an overview of the supply chain, the number of Assessments, and a summary of ECO Brokerage.

Where we refer to Table numbers in brackets, these are the tables included in [Annex A](#OLE_LINK8) and separately in Excel [here](https://www.gov.uk/government/publications/green-deal-and-energy-company-obligation-eco-statistics).

Supply chain, as at end February (Table 1 and Chart 2)

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[[1]](#footnote-1) (who install energy efficiency improvements under the GD finance mechanism). The chart below shows the number of organisations and individuals who have been accredited up to the end of February 2013.

Chart 2 – Development of supply chain (cumulative numbers)

The numbers of accredited GD Assessor organisations and individual Advisors has been growing sharply since December as individual Assessors complete their training and are accredited. At the end of February there were 77 organisations employing a total of 619 advisors, compared to 13 and 40 respectively at the end of October 2012.

The number of Green Deal Providers has grown to 40 from eight at the end of October 2012.

The number of accredited Installer organisations has grown steadily since the accreditation process opened from 231 accredited at the end of October 2012 to 629 organisations accredited at the end of February 2013. These organisations will provide a wide range of different measures and in different geographical locations – more analysis on these measures and geographical coverage will be provided in the quarterly statistical reports.

The Green Deal Oversight and Regulation Body (ORB) has publically available information on the supply chain, and the latest figures are available by using the search tool on the [ORB website](http://www.greendealorb.co.uk/). There is also information available on [contacts in local areas.](http://www.greendealorb.co.uk/consumersearch)

Green Deal Assessments, as at end February (Table 2 and 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 an Energy Performance Certificate and Occupancy Assessment will be produced and will be lodged on a national register. The householder 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](https://www.gov.uk/getting-a-green-deal-information-for-householders-and-landlords#getting-your-home-assessed).

At the end of February, there were 1,803 GD Assessments lodged in total. The majority of these were lodged in February, following the main launch of the Green Deal in late January. [Chart 1](#Chart1) shows the number of assessments made in January and February.

 ECO brokerage, as at end February (Table 3 and Chart 3)

The [ECO Brokerage](https://www.gov.uk/energy-companies-obligation-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.

At the end of February there have been four auctions, with a total value of contracts let worth £26.9 million.

Chart 3 – Value of ECO brokerage contracts let, by auction

For more detail on the results of each auction, please see [ECO Brokerage](https://www.gov.uk/energy-companies-obligation-brokerage).**Annex A – Main Tables**

**Table 1 –** Supply Chain Development**:** Number of accredited Assessor organisations, individual Advisors, Green Deal Providers, and Installer organisations, cumulative total by month

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |   |  |
| Month1 |   | 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 | 619 | 40 | 629 |
|  |  |  |  |  |  |
| 1 Months are approximate as they are based on numbers up to the end of the last full week in the month. |  |

**Table 2 –** Number of Green Deal Assessments1, month and cumulative total

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Total in Month |   | Cumulative Total |  |
| Month | Green Deal Assessments |   | Green Deal Assessments |  |
| January 20132 | 74 |  | 74 |  |
| February 2013 | 1,729 |  | 1,803 |  |
|  |  |  |  |  |
| 1 As measured by the number of GD Assessments lodged on the central register against unique property. |
| 2 Includes any Assessments lodged in December 2012.**Table 3 –** Number of ECO brokerage auctions1 and total amount traded |
| Month |   | Number of auctions | Total amount traded |
|   |  |  |  |
| January 2013 |  | 2 | £9.5m |
| February 2013 |  | 2 | £17.4m |
|   |  |  |   |
| Total to date |   | 4 | £26.9m |
|  |  |  |  |
| 1 ECO brokerage auctions are scheduled to take place on a fortnightly basis. |

**Annex B – 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.
* The Green Deal [Cashback Scheme Administrator](https://gdcashback.decc.gov.uk/)

This report uses data from Landmark and the Energy Savings Trust for numbers of lodged Assessments, data from the ORB for the supply chain, and the published data on ECO brokerage.

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](https://www.gov.uk/government/publications/green-deal-and-energy-company-obligation-eco-statistics).

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

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 Release**

The next monthly publication is planned for publication on **11th April 2013 at 9.30am** providing the latest available information on the numbers of Assessments and ECO brokerage.

For more detailed analysis and geographical breakdowns we will be publishing a quarterly official statistics report, starting in June 2013.

We will include data on the number of Green Deal Plans and measures installed through the Green Deal and ECO once we have completed work to incorporate, link and quality assure evidence from a range of sources. We plan to publish this data in June 2013.

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1. Unlike Advisors and Assessor organisations, individual Installers do need to register. [↑](#footnote-ref-1)