The Green Deal Recipe

09 October 2012
Gentoo Structure
Art of Living
Gentoo Green

Retrofit for the Future

Retrofit

Reality

energy saving bundles

easi

Reducing your carbon footprint step by step

British Gas

Looking after your world
Green Deal Made Simple

1. What is it?

2. Why

3. Keys
The Process

1. Approach an installer with Green Deal Provider status.

2. A Green Deal assessor will then survey your home.

3. A report on your home’s performance and potential improvements is issued.

4. The expected energy savings must outweigh the cost of any improvements for the loan to be given.

5. Once the work is complete, you should see the difference in your energy bills.

6. Green Deal finance will stay with the property until paid off.
Target Audience

- Private homes in UK perform at lower energy rating than social housing
- Golden Rule likely to be easier on some private homes
- Social landlords are critical to get this moving at scale
- Typical improvement around £5k package
- Confidence in government energy policy after PV
Who are the Potential Parties

- Landlord
- Green Deal Assessor
- Green Deal Installers
- Utility Company
- FINANCE (Bonds)
- GREEN DEAL PROVIDER
Impacts for Social Landlords

• Can you refuse a tenant seeking Green Deal works?
• What about ‘other’ contractors working on your assets?
• Tenant benefits from lower energy costs
• Increase in EPC rating at no cost to landlord
• Asset management legacy of Green Deal works and effect on R&M programmes
• Control or react?
Some Risks to Consider

- Mis-selling
- Branding
- Delivery
- Supply chain
- Finance
- Golden Rule
- Advice & Assessment
- Warranties
- Measures
With that in mind……

A Recipe for Action …..

Ingredients

£millions pre – planned investments
£millions ECO
FITS
Or
RHI
Customer Engagement
Little Extra’s
Green Deal Finance
With that in mind ……..

A Recipe for Action ……..

**Method**

1. Take a large dollop out of the social housing pre-planned investment pot.

2. Mix in ECO

3. Install green measures using accredited contractors.

4. Depending on what type of energy you want for your home as either FITS or RHI, if you’re feeling really adventurous why not try both.

5. Add in Green Deal Finance if you want


7. Finally slice the top part of the savings and return to the pre-planned investment pot.
Energy Saving Bundle

- Investment plan led Green Deal style approach
- 1200 Homes
- Eligible Measures
- Simple Charges
  - 16p per week per window
Maximising Potential
Maximising Potential

• Analysis to understand savings

• Carbon and Energy & bill savings to customer

• Bill data and physical monitoring

• Before vs after work to paint full picture of situation

• Understanding behaviour
Carbon

**Carbon Emissions**

- **Theory before**
- **Theory after (inc. reduction for on and off-site PV)**
- **Actual after (no credit for exported PV)**
- **Theory after (no PV)**
- **Actual after (best case with PV)**

**Average carbon emissions per property (Tonnes CO2/year)**

- **Phase 1**:
  - Theory before: -1,752
  - Theory after: -1,080
  - Actual before: -32%
  - Actual after: -38%

- **Phase 1a**:
  - Theory before: -1,752
  - Theory after: -1,080
  - Actual before: -32%
  - Actual after: -38%

- **Phase 2 Boilers & SW**:
  - Theory before: -46%
  - Theory after: -3,066
  - Actual before: -18%
  - Actual after: -700
  - Actual after (best case with PV): -25%

- **Phase 2 SW Only**:
  - Theory before: -46%
  - Theory after: -1,349
  - Actual before: -11%
  - Actual after (best case with PV): -419

*gen too*

Living for a new generation
Addressing Behavior

• Engagement and behaviour key to achieving maximum carbon and bill savings

• Community-based approach
  • Economies of scale
  • Greater carbon savings and bill savings per £

• The ‘Grapevine’
Journey Map

Preliminary consultations and sign up

Property Surveys and pre work assessments

Installation of energy efficiency measures

Site clean up and distribution of decoration vouchers.

Completion of the works

Cancellation of works

Customer Consultations

Carrying out of works

Customer informed on how to use their new heating system.

Signing and collection of decoration vouchers

Positive

Negative

Property 1

Property 2

Property 3

Property 4
Why No

Why No

Why No

Why No

Why No

Why No

Why No

Why No

Why No
Social Proof

Sunderland Echo

More Sunderland homes to get solar energy and new boilers
## Gentoo Green Deal SWOT

### Strengths
- Experience of delivery e.g. Energy Saving Bundle (ESB), Pay As You Save (PAYS), Retrofit Reality and private/internal PV rollout
- MCS accreditation for solar PV
- Regional brand credibility in housing
- Extensive experience of successful community-scale engagement in retrofit projects, evidenced with high take-up rates
- Existing experienced staff
- Central corporate resources, fewer barriers to becoming a provider than competition (existing licenses etc)
- Experience of some technology delivery through Gentoo Construction
- Romag relationship, secure and competitive supply chain
- Synergy with Gentoo culture, Vision Mission and Values

### Weaknesses
- Unfamiliar operating model to Gentoo
- Lack of direct labour experience for some technologies
- Operating capital requirement

### Threats
- Lower opportunity to provide employment as facilitator
- Lower margins by subcontracting work
- Potential strong retail and HA competition
- Poor economy
- Others working on stock

### Opportunities
- Potential for greater market share as facilitator
- Lower risk – less direct labour
- Extensive contact network, including government
- Opportunity to secure long term income using internal finance
- Grow brand visibility and credibility in North East and other regions
- Embryonic market, potential to gain first mover advantage
- Community-based approach a niche market opportunity
- Private sector financial warehousing available
- ECO access
Other Stuff

• PCT & Wellbeing
• National PV Power Purchase
• Non Commercial Buildings
• Private Sector Energy Efficiency Measures
• Solar Farms
• Rendering Acquisitions
• Africa .............
Questions

Any Questions?
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