

THE GREEN DEAL, FITs AND MORE

These schemes have been introduced by the Government to encourage and motivate householders to reduce the UK's use of energy as well as increasing the amount of clean energy produced by householders themselves.

Applying for some of these incentives can really help with paying for installation of various improvements such as efficient boilers, insulation, low energy lighting or generating your own heat or power – all jobs that fit in well with typical improvements to new homes. Some of these schemes are still evolving, so the information here is a fairly brief outline. Please check the websites we mention for the latest information.

- The 'Green Deal' provides loans for measures that reduce energy use or generate heat or electricity. bit.ly/1btPgkV
- 'Feed-In Tariffs' (FITs) pay a return for investing in electricity generation. bit.ly/19kviTO
- The 'Renewable Heat Incentive' (RHI) pays a return for investing in renewable heat and hot water systems. bit.ly/Sphwz

All these schemes rely on an initial assessment of the energy efficiency of the home, and in particular an Energy Performance Certificate (EPC). An example of an EPC is in the Energy and Comfort pages.

Energy Performance Certificate (EPC) bit.ly/15G5XWZ

EPCs are required for all homes bought, sold or rented in the UK and they contain valuable information on options to make properties more energy efficient. EPCs are also part of the FIT, RHI and Green Deal processes.

An EPC contains assessments of walls, roof, floors, windows, lighting and heating and hot water, with overall ratings for current and potential energy efficiency. The ratings range from **A** (*Very Efficient*) to **G** (*Inefficient*), with indicative costs and savings for the measures that would improve the score. Measures that would be eligible for a full Green Deal loan are indicated on the EPC with a green tick, and for a partial loan by an orange tick.

The Green Deal and Energy Company Obligations (ECO)

Although some home owners are able to finance improvements using savings, or by borrowing, a Green Deal loan is an alternative to be considered. See Which's current advice on whether Green Deal funding is the best scheme for your circumstances: bit.ly/18efBP1

The Green Deal provides loans for measures such as insulation, boiler upgrades, double glazed windows, draught proofing and energy generation (which will still be eligible for FITs and RHI). The Green Deal loans will only lend funds where the repayments will be the same or less than the typical savings and will be repaid through the electricity bill by the energy customer. For more expensive measures it will not cover the whole cost but you may be eligible for 'cashback'.

Note that homes in conservation areas require planning permission for solid wall insulation and specialist knowledge is required to apply this to period properties. Also note that future residents will take over paying the repayments – now with a home that is more up-to-date and comfortable.

The first step is to engage a 'Green Deal Assessor', see bit.ly/14nvxiA (or ring the Energy Saving Advice Service on 0300 123 1234) The assessor will produce a report on the property, including an EPC, listing the improvements that could be made, estimating energy bill savings and advising on any eligibility for further incentives.

The next step is to choose a 'Green Deal Provider' who will produce a 'Green Deal plan' showing measures and eligible loan amounts. If you decide to proceed with a Green Deal a 'Green Deal Installer' is engaged, to do the 'green' work, fitting in with other work being done at the same time. *Note: all Green Deal or ECO measures have to be carried out by an approved installer. This is designed as a quality assurance measure but does, of course, restrict one's choice of builder for these measures.*

Energy Company Obligation (ECO) funds come via the largest Energy Companies who have targets to distribute funds to reduce carbon emissions. See <http://bit.ly/1kT2PhG>. They can fund schemes in low income areas, for people on certain benefits and also grants towards 'hard to treat' cavity and solid wall insulation.

Feed In Tariff (FIT) payments for generating electricity

Investing in a system to generate electricity from sun, wind and hydro will attract a quarterly FIT payment, paid by your electricity company, and Solar Photovoltaic (PV) is the most common technology that is suitable for Highgate. The Energy Savings Trust has an initial questionnaire to consider which types of generating equipment could be suitable for your property. bit.ly/1fdzquN and an EPC is used to establish whether the system would be eligible for the higher rates (EPC of at least D rating).

When you invest in solar and sign up for the FIT, you are currently guaranteed payment for 20 years for the '**FIT generation tariff**' for every kWh produced, even for kWh you are using, and a smaller amount for '**FIT export tariff**' for the electricity fed into the grid (or 'deemed' amount where there are no export meters). Although the *initial* FIT rate is being adjusted downwards each year, the payments will increase in line with the Retail Price Index (RPI) throughout the 20 years. Therefore income, as well as the savings for kWh that no longer need to be purchased, will be considerably higher in later years than for early years.

Renewable Heat Incentive payments for heating rooms and water

The RHI introduction for 'domestic' premises was launched in March 2014 to encourage the uptake of renewable heat technologies, such as solar thermal systems, air source heat pumps, biomass (wood burning) boilers and ground source heat pumps. bit.ly/Sphwxz

The scheme is most attractive if heating systems are being replaced, or if expensive fuel, such as oil is currently used. In Highgate solar thermal is likely to be the most suitable heat technology. All systems have to be certified by the microgeneration certification scheme (MCS) and must meet all the required standards. Applicants to the scheme will have to show that they have had a current 'Green Deal Assessment' or EPC carried out for their property, and have installed loft and cavity wall insulation where possible.

Note that 'district heating' systems, such as communal heating in apartment blocks are under the 'non-domestic' RHI scheme, which is already in place but is significantly different. bit.ly/1gEzYI8

See the 'Solar Roofs and More' sheet here for further information about Solar PV and bit.ly/1obZEFd for more details of planning permission in local conservation areas.

