
STATUTORY INSTRUMENTS

2012 No. 2079

**The Green Deal Framework (Disclosure,
Acknowledgment, Redress etc.) Regulations 2012**

PART 5

Estimates of savings and conditions relating to the plan

CHAPTER 1

Estimates to be made by the green deal provider

Estimates of likely energy bill savings

27.—(1) The green deal provider must estimate the savings on energy bills that are likely to be made in the 12 months after the improvements are installed (the “estimated first year savings”)(**1**) on the basis specified in paragraphs to (4).

(2) The green deal provider must estimate, in respect of each improvement, the savings on energy bills that are likely to be made in the 12 months after that improvement is installed—

(a) taking into account the structure and fixtures of the property at the time the estimate is made; and

(b) on the assumptions that—

(i) all of the improvements will be installed at the same time; and

(ii) after the improvements are installed the property will be used as specified in paragraph (3).

(3) The use of the property referred to in paragraph (2)(b)(ii) is that—

(a) for a domestic property, its use will be in accordance with the assumed use of domestic properties in the Government’s Standard Assessment Procedure for energy rating of dwellings (2009 Edition, as amended in October 2010)(**2**);

(b) for a non-domestic property—

(i) which is occupied at the time the estimate is made, its use will be the use for which it is occupied;

(ii) which is not occupied at the time the estimate is made, its use will be the use which the improver informs the green deal provider will apply after the improvements are installed.

(4) The estimated first year savings are the sum of the savings for each improvement estimated under paragraph (2).

(1) This is the estimate that is required to be made under section 4(4) of the Act.

(2) The Government’s Standard Assessment Procedure for Energy Rating of Dwellings (2009 Edition) can be found at http://www.bre.co.uk/filelibrary/SAP/2009/SAP-2009_9-90.pdf.

(5) The estimate made under paragraph (2) is, in relation to an improvement, the “improvement-specific first year savings”.

Estimating the period over which savings are likely to be made

28.—(1) The green deal provider must estimate the period over which the savings on energy bills resulting from the improvements are likely to be made (the “savings period”)(3) on the basis specified in paragraphs (2) to (5).

(2) The green deal provider must make a reasonable estimate of the period over which each improvement is likely to result in annual savings on energy bills which are equivalent, after taking into account the effect of likely changes in the price of energy, to the improvement-specific first year savings for that improvement.

(3) Subject to paragraph (4), the green deal provider must, when making the estimate under paragraph (2), include any period when the efficient functioning of the improvement is likely to depend on repairs for expected wear and tear.

(4) The period included under paragraph (3) does not extend beyond the time that the green deal provider estimates that the likely cumulated cost of carrying out repairs for wear and tear will exceed the likely cost of replacing the improvement.

(5) The savings period is the longest of the periods estimated under paragraph (2).

(6) The estimate made under paragraph (2) is, in relation to an improvement, the “improvement-specific savings period”.

CHAPTER 2

Conditions as to the amount of instalments and period of the plan, the terms of the plan and other matters

Conditions to be met for energy plans to be green deal plans

29. An energy plan is not a green deal plan unless the conditions in regulations 30 to 36 are met.

Instalments not to exceed savings

30.—(1) The first year instalments must not exceed the estimated first year savings(4).

(2) The payment period must not exceed the savings period(5).

(3) The green deal provider must, before the plan is entered into, notify the improver of—

- (a) the improvement-specific first year savings;
- (b) the improvement-specific savings period;
- (c) the amount of the first year instalments attributable to each improvement (the “improvement-specific instalments”); and
- (d) the period over which instalments are to be payable for each improvement (an “improvement-specific payment period”).

(4) The improvement-specific instalments must not exceed the improvement-specific first year savings.

(5) The improvement-specific payment period must not exceed the improvement-specific savings period.

(3) This is the estimate that is required to be made under section 4(5) of the Act.

(4) This is the seventh condition for the purpose of section 4(8) of the Act.

(5) This is the eighth condition for the purpose of section 4(9) of the Act.

(6) In this regulation “first year instalments” means the estimated total of instalments that are proposed to be payable in the first year of the plan.

Payment period not to exceed savings period

31. The energy plan must not provide for the payment period to end after the date on which the savings period is expected to end.

Domestic properties – fixed interest rate

32. The rate of interest charged under an energy plan for a domestic property must be fixed for the whole of the payment period.

Improvement-specific instalments – exceptions to fixed amount

33. The energy plan must not provide for the amount of improvement-specific instalments to increase during the payment period, except—

- (a) where the plan applies to a non-domestic property and the increase is due to a change in the rate of interest charged under the plan; or
- (b) where the rate of interest charged is fixed for the payment period and the increase does not exceed 2 per cent per year (including any component of the instalment that represents interest).

No restriction on change of gas or electricity supplier

34. The energy plan must not restrict a bill payer from changing gas or electricity supplier.

Guarantees to be given by green deal providers

35.—(1) The green deal provider must agree in the energy plan to guarantee the functioning of the improvements and to repair damage to the property which is caused by the improvements (the “guarantee”).

(2) The guarantee must include the requirements set out in Schedule 3 (guarantees).

Condition as to other matters – confirmation from bill payer and owners

36.—(1) Before an energy plan is entered into, the improver must obtain the confirmation described in paragraph (3) (“confirmation”) from—

- (a) each person (if any) who will be—
 - (i) the relevant first bill payer; or
 - (ii) subject to paragraph (4), the relevant subsequent bill payer; and
- (b) subject to paragraph (5), each person (if any) who, at the time the confirmation is sought, is the owner of the property.

(2) The green deal provider must ensure that the confirmation or a copy of it is attached to the plan at the time it is entered into.

(3) The confirmation to be obtained from a person (“A”) under paragraph (1) must be in writing and contain—

- (a) consent by A to—
 - (i) the amount of the payments in instalments to be made under the plan;
 - (ii) the intervals at which they are payable; and

- (iii) the period for which they are payable; and
- (b) an acknowledgment by A that if the plan is entered into and A becomes the bill payer—
 - (i) A must pay instalments under the plan for such time as A is the bill payer, and
 - (ii) the other terms of the plan which bind a bill payer will bind A(6).
- (4) Paragraph (1)(a)(ii) does not apply to a relevant subsequent bill payer who, at the time a plan is to be entered into, will be the improver.
- (5) Paragraph (1)(b) does not apply to a person who, at the time a plan is to be entered into, will be—
 - (a) the improver; or
 - (b) a person to whom paragraph (1)(a) applies.

Owner under regulation 36

- 37.**—(1) For the purposes of regulation 36, a person is an owner if, subject to paragraph (3), that person meets one or more of the descriptions in paragraph (2).
- (2) The descriptions referred to in paragraph (1) are that the person is—
 - (a) a relevant title holder;
 - (b) a landlord under a lease of the property; or
 - (c) a licensor under a licence of the property.
 - (3) A person who would otherwise be an owner by virtue of paragraph (2) is not an owner if that person is—
 - (a) a mortgagee not in possession of the property;
 - (b) a landlord under a relevant lease of the property; or
 - (c) a person who has only a beneficial interest in the property.
 - (4) In paragraph (3)(b), a “relevant lease” means a lease—
 - (a) granted for a fixed term which exceeds 21 years;
 - (b) where, at the time the confirmation is sought, the unexpired term exceeds the payment period; and
 - (c) which does not contain a right to terminate the lease by the landlord or tenant.
 - (5) For the purposes of paragraph (4)(c), a right to terminate a lease does not include a right of re-entry or forfeiture or, in Scotland, a right of irritancy.

(6) The terms of the plan which bind a bill payer are set out in regulation 40.