

Green Deal example

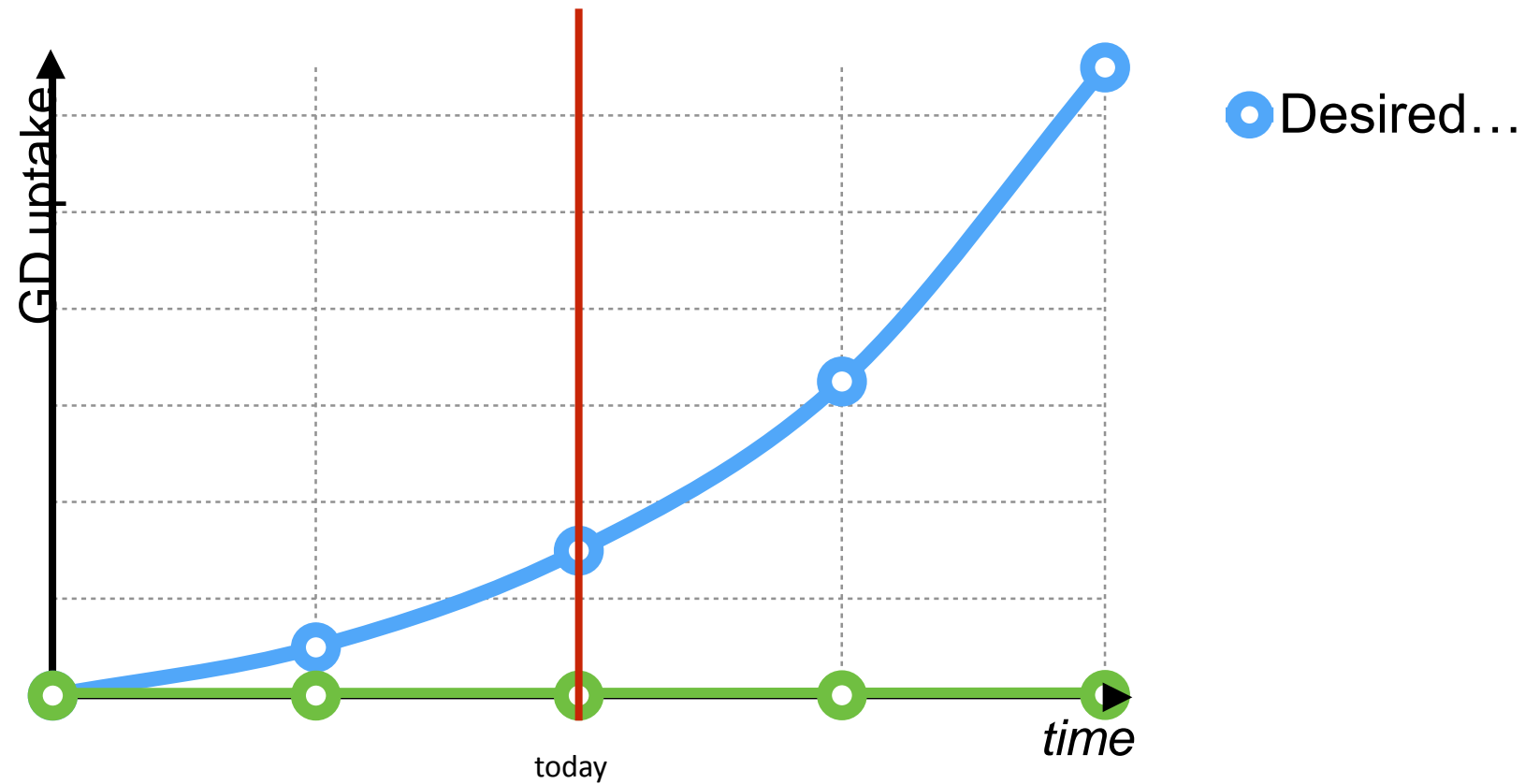


Some basics

- A cost-neutral loan attached to a house.
- Golden rule: Energy bill savings fund the investment and the interest rate.

Behaviour over time graph: desired vs. actual take-up

our issue expressed as key variable(s) over time

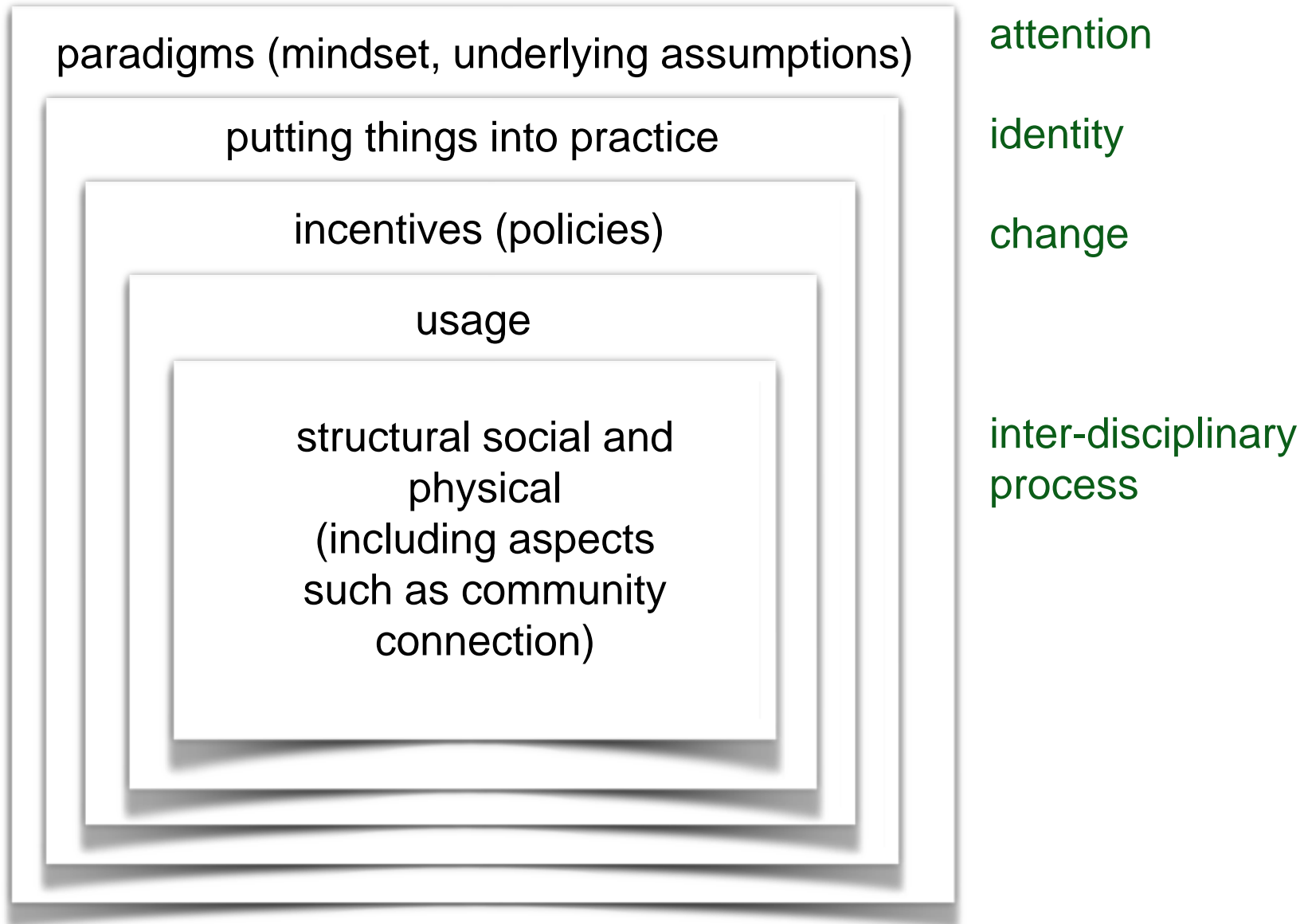


Green Deal Simulation

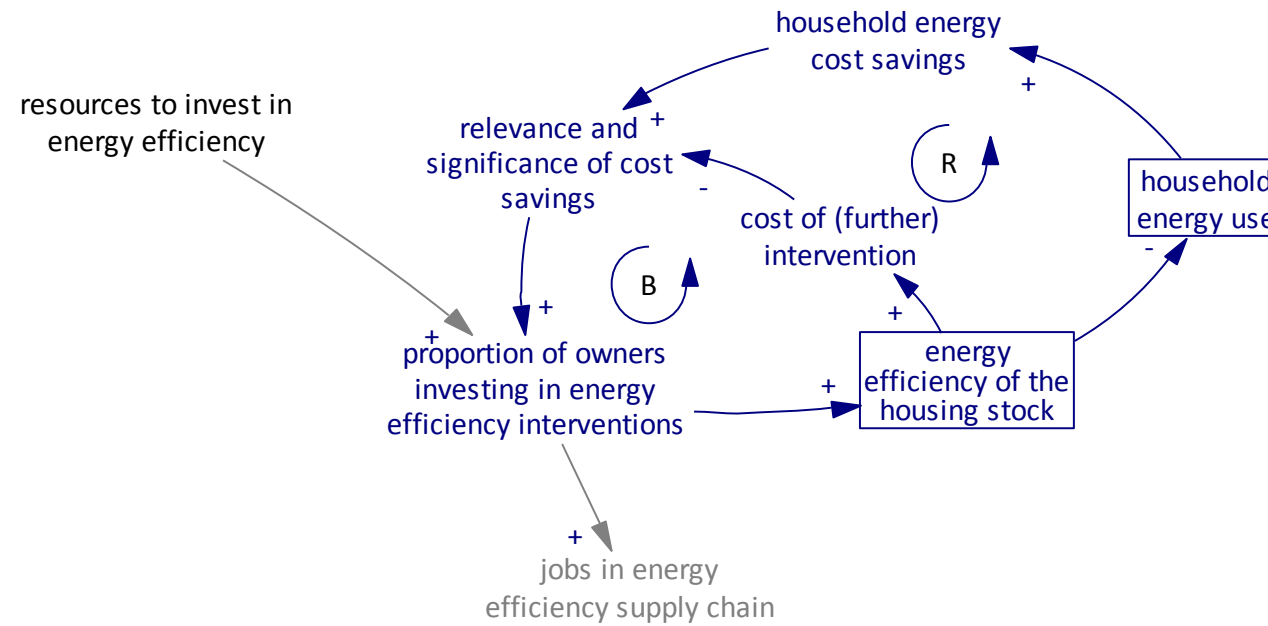
Questions

- Why has the take up among private home owners been less than anticipated or desired by Government?
- Could we have foreseen this by use of this project and particularly the causal maps?
- Can we simulate the policy as intended and the unintended outcomes based?
- Can we quantify effects? What data or other information is required?

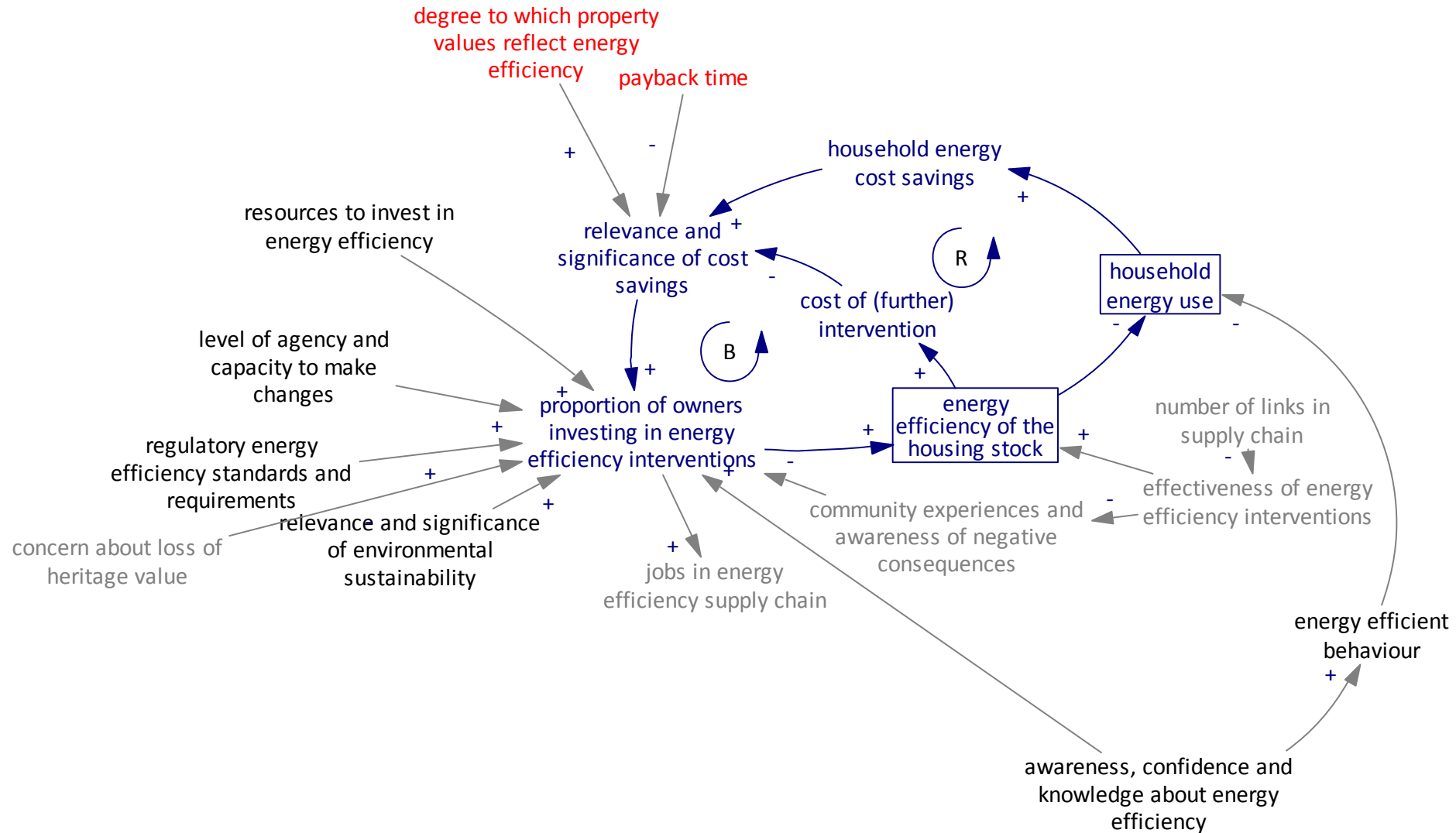
Layeredness of HEW project



The Green Deal in relation to the causal maps



The Green Deal in relation to the causal maps



How to use models

All models are wrong –
some are useful.

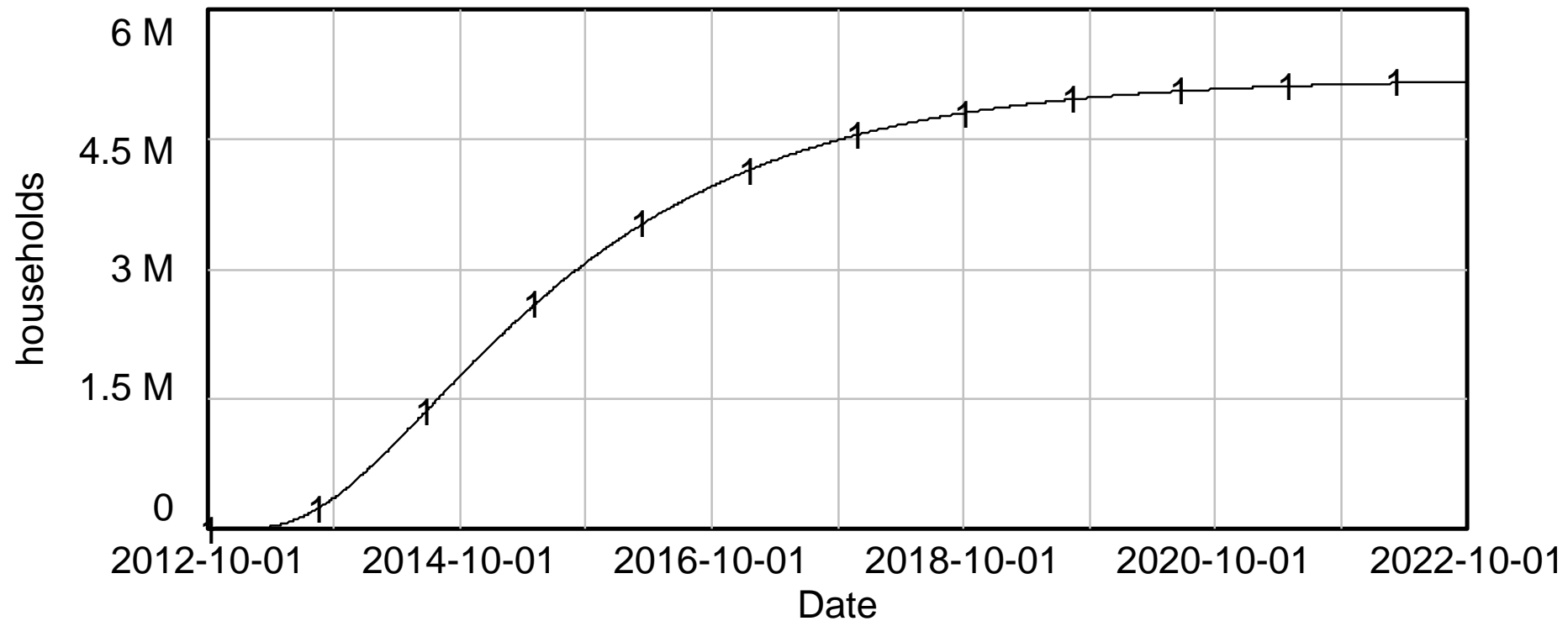
Financial and rational incentives

- Motivations
 - Reduce UK greenhouse gas (GHG) emissions
 - Drive economic growth, innovation, and sustaining jobs (green economy)
- Assumptions
 - People are financially incentivised
 - People are rational
- Financial incentives to trigger retrofit

More key variables

Including financial and rational incentives

GD Implementations



Households Who Happily Implemented GD : financial-rational — 1 — 1 — 1 — 1

House of Commons, Energy and Climate Change Committee

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	Barriers to take-up	11
	Financial barriers	12
	Communication and <u>trust</u> barriers	13
	<u>Behavioural</u> barriers	15
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- Other recent explanations:

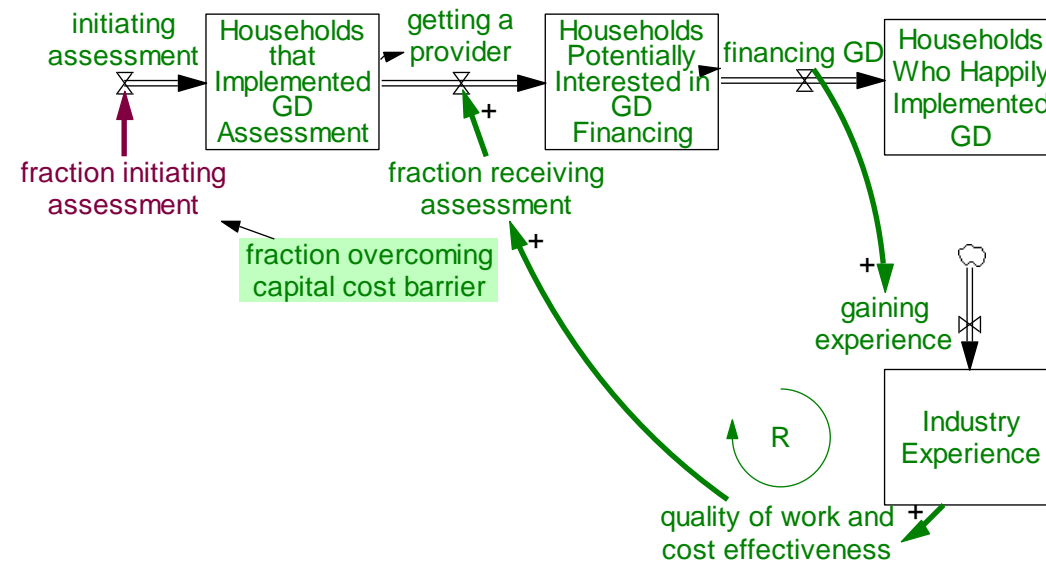
- „incentive problem“

(Department of Energy & Climate Change (2014): Consultation Stage Impact Assessment for the Private Rented Sector Regulations, LA No: DECC0168)

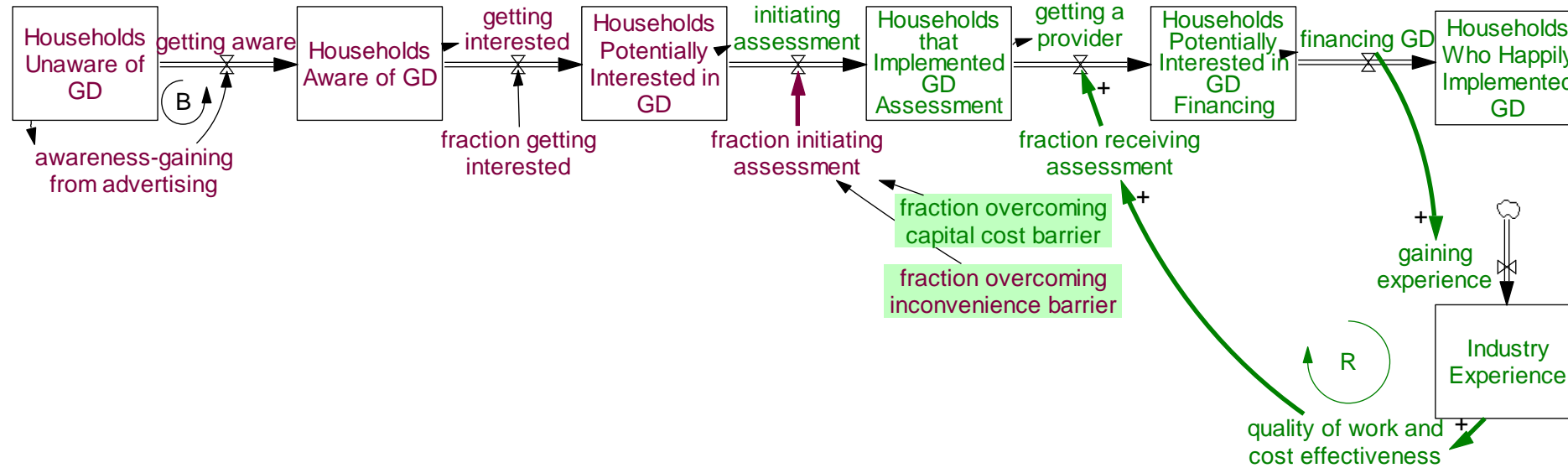
Including the users

- The users (i.e. homeowners) did not enter the game and play as desired
 - Systemic view, broadening the system's boundary (GD community fund, etc.)
 - More stakeholders and their interest

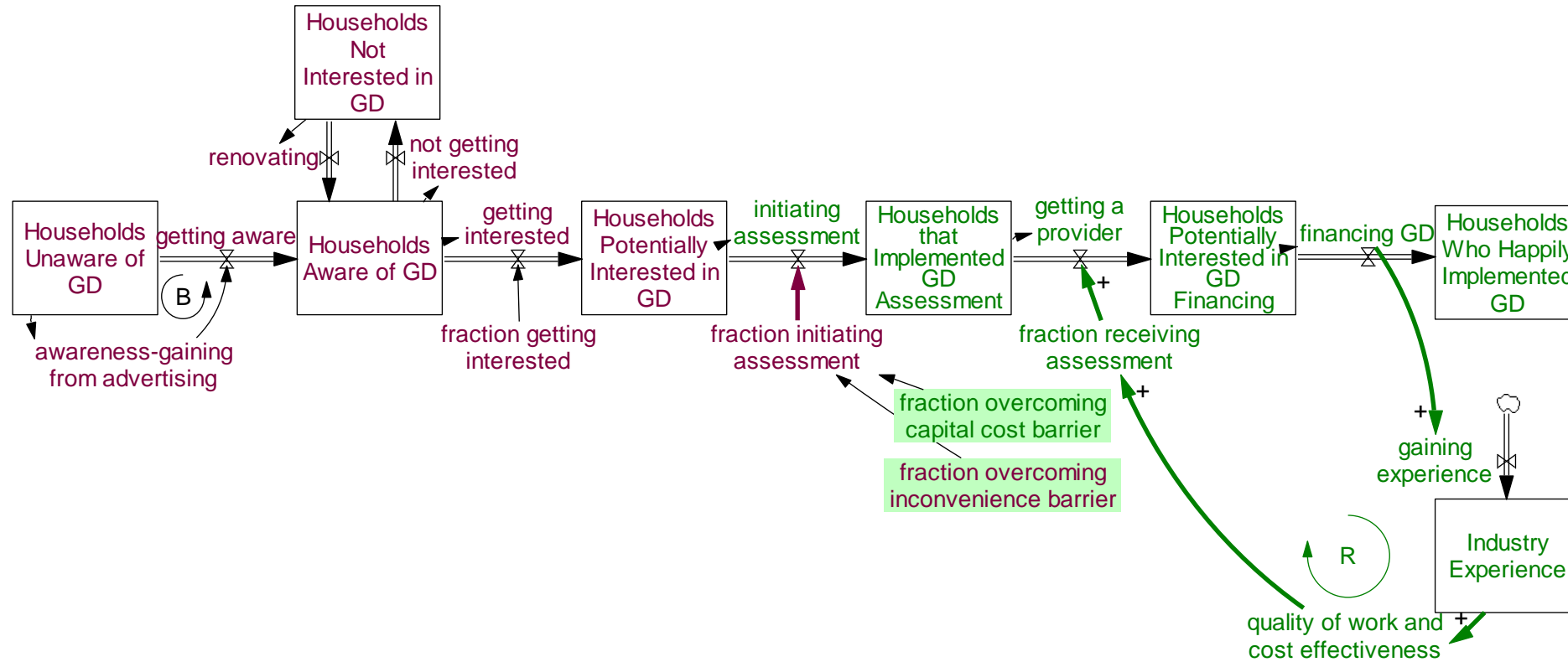
Financial-rational



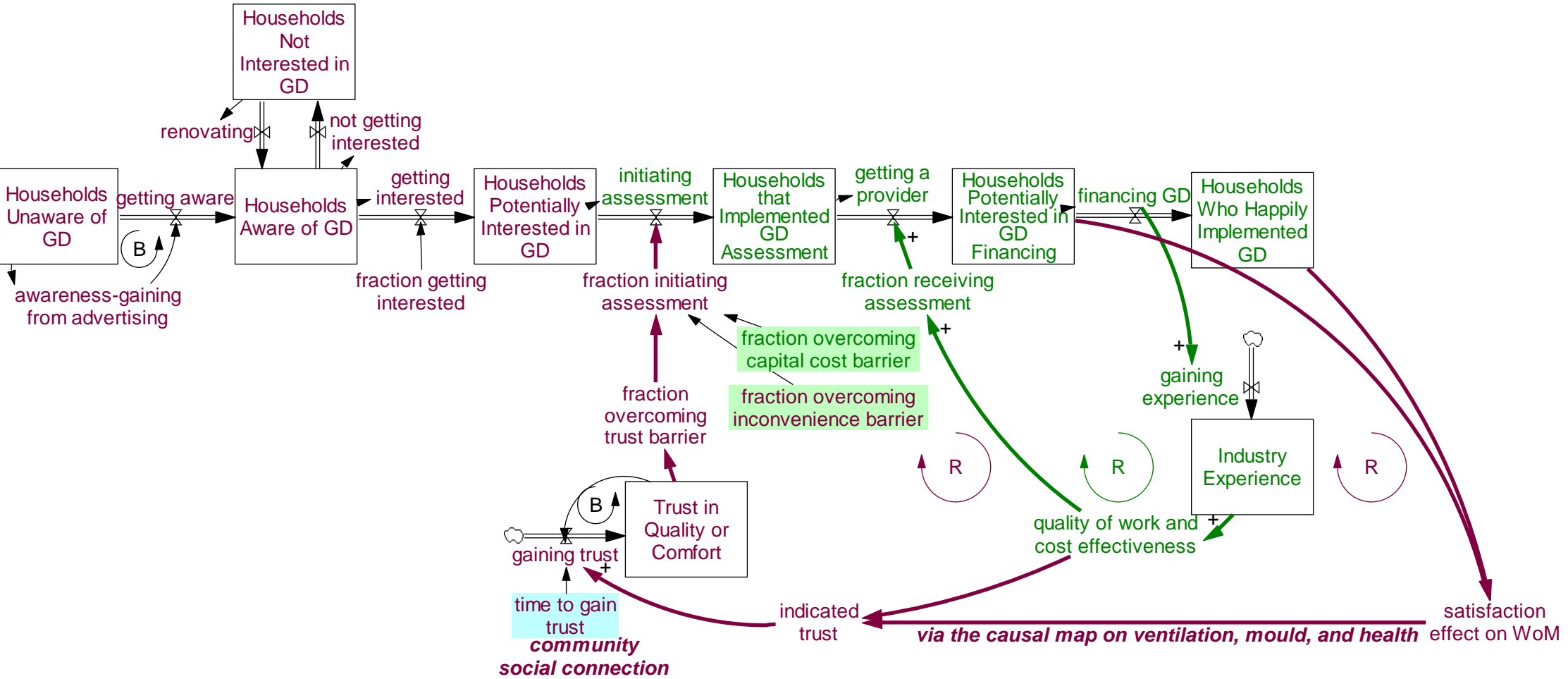
User-driven



User-driven

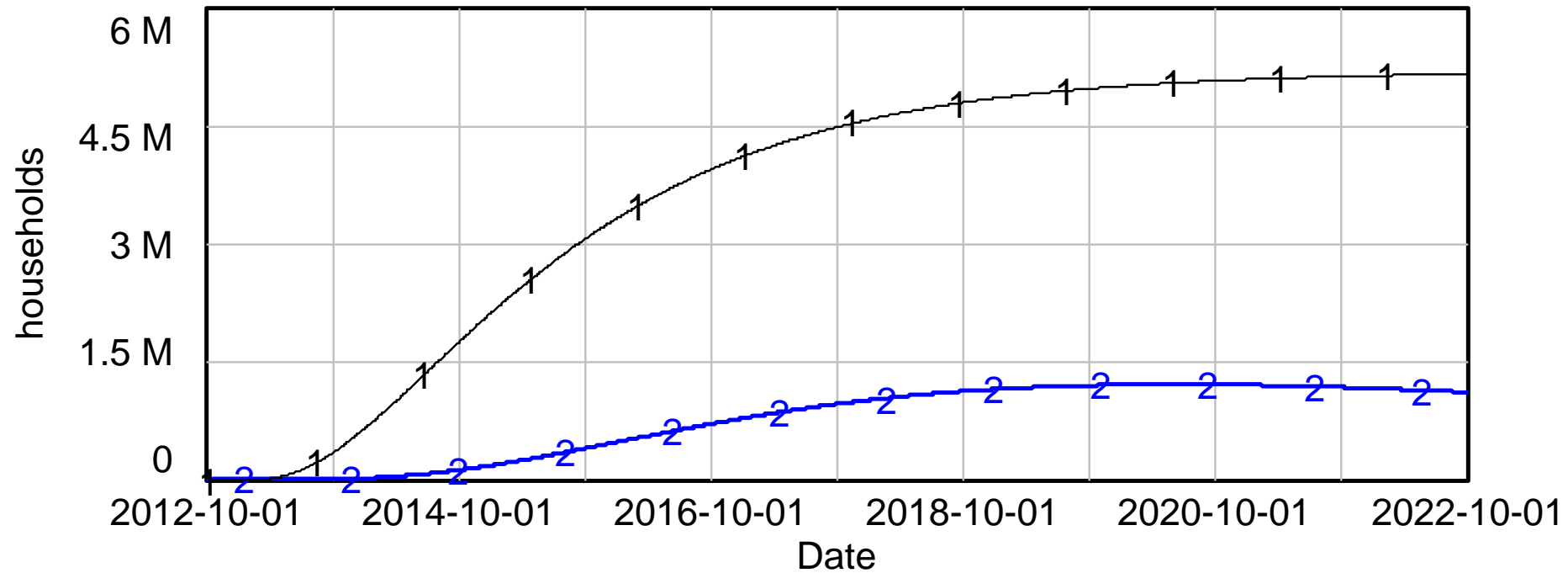


User-driven



Including the user's behaviour

GD Implementations



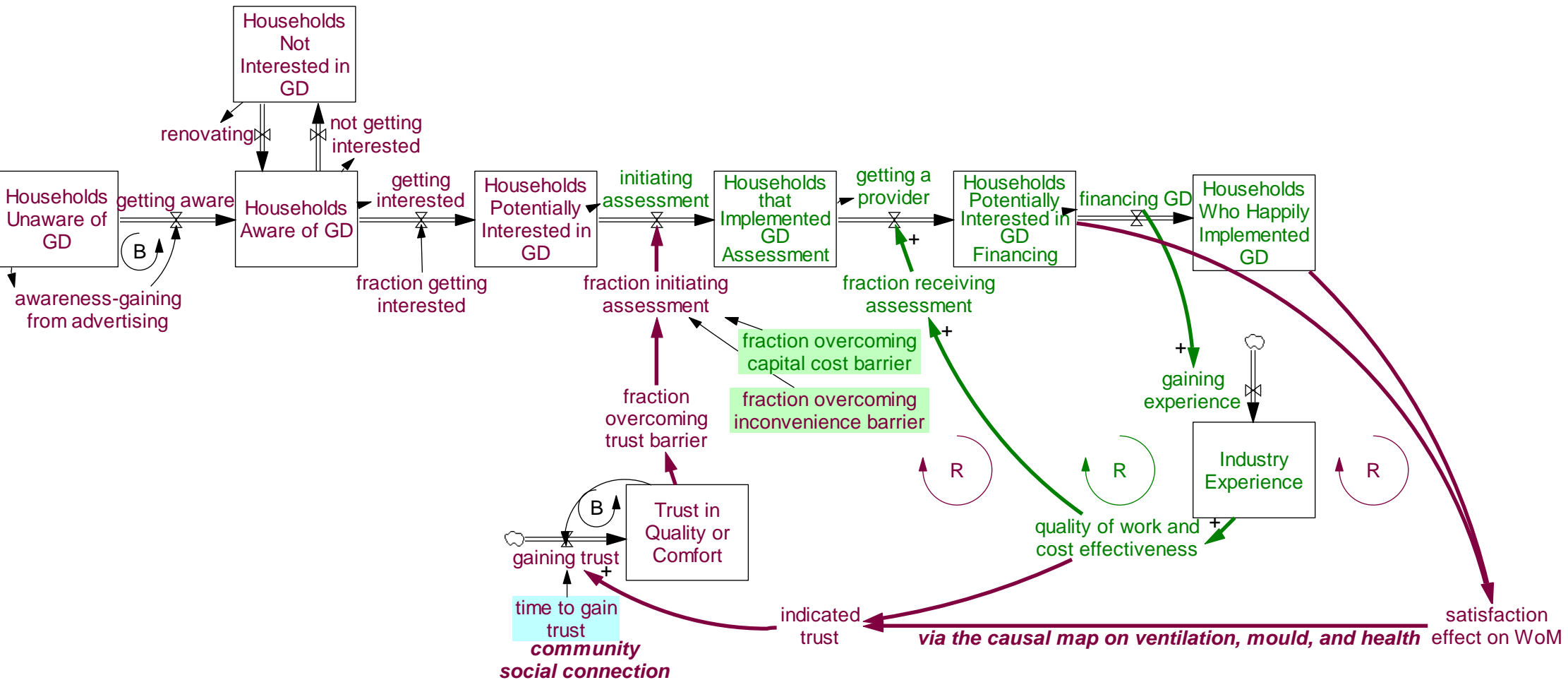
Households Who Happily Implemented GD : financial-rational — 1 — 1 — 1 — 1

Households Who Happily Implemented GD : user-driven — 2 — 2 — 2 — 2

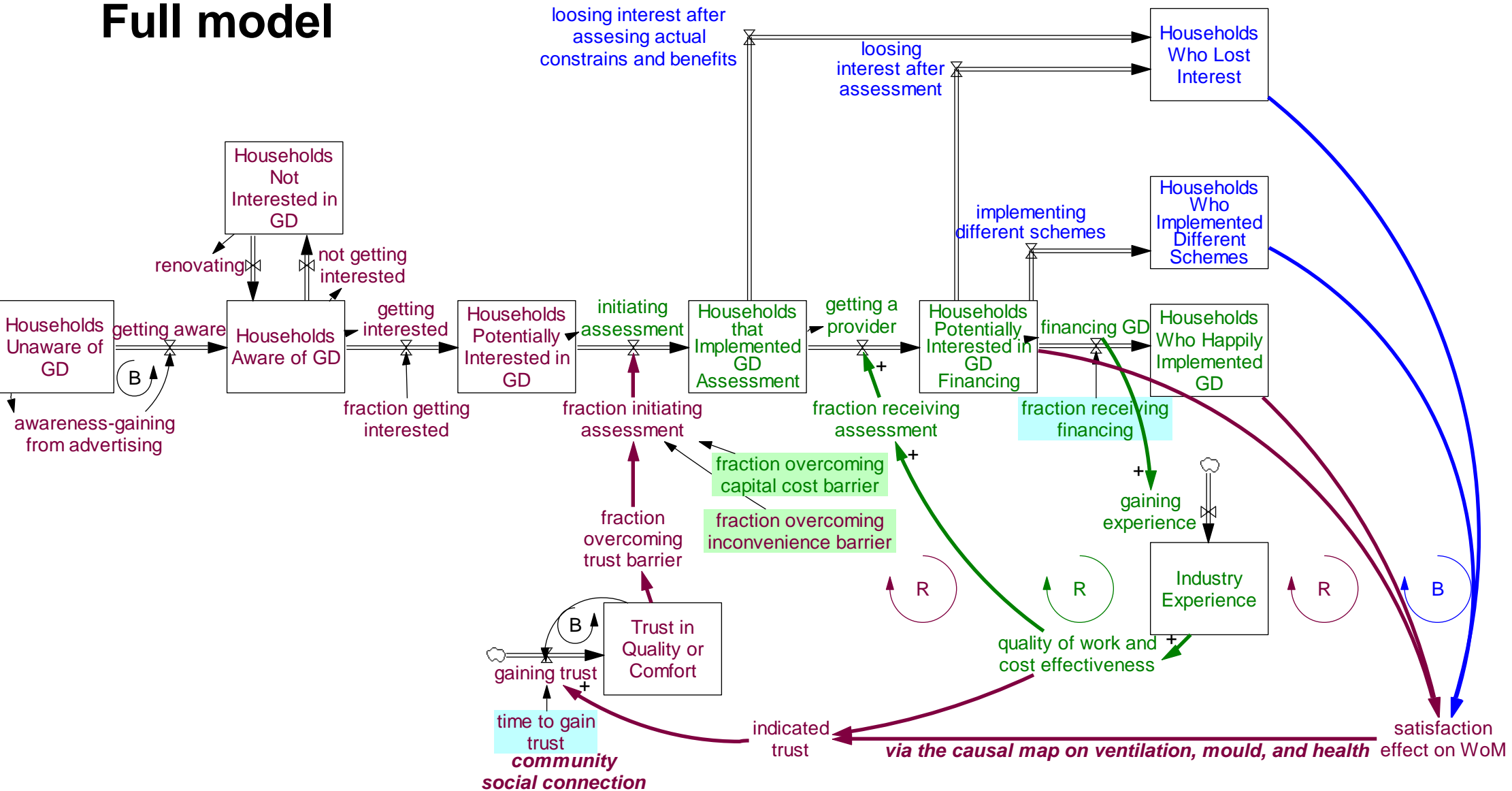
Loosing interest

- Homeowners loose interest due to delay and misfit
- They implement more appropriate other schemes

User-driven

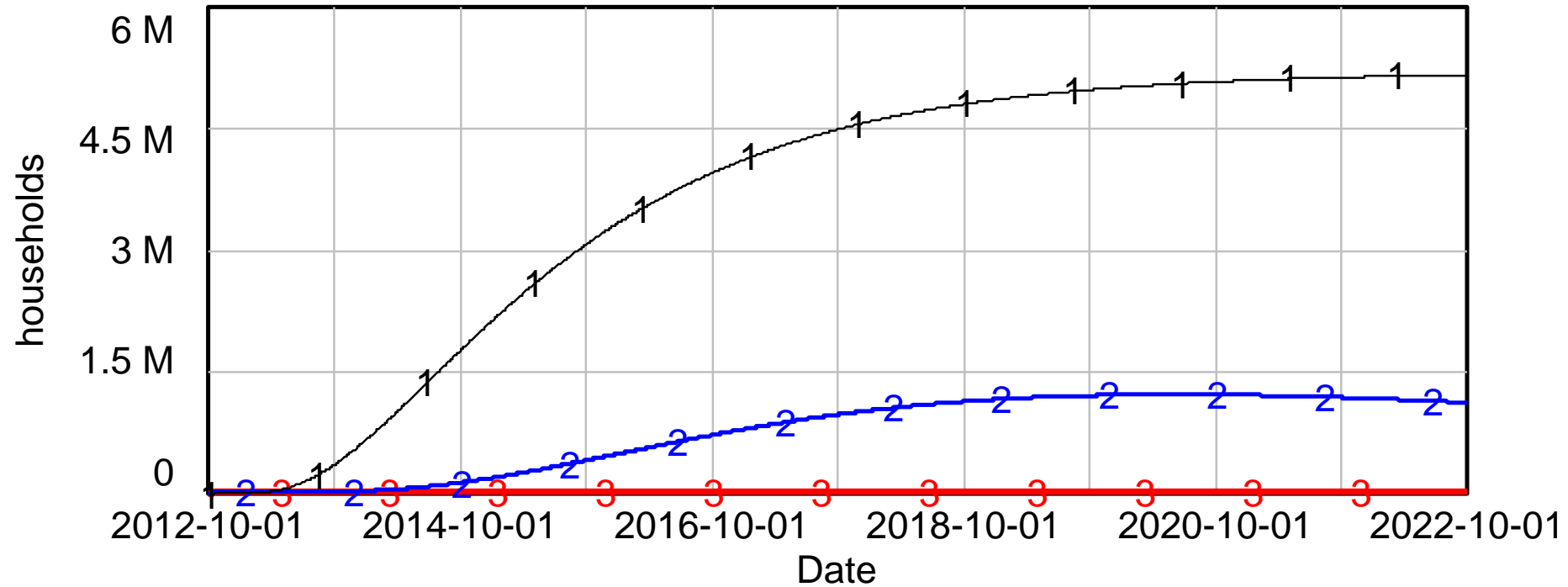


Full model



Full model behaviour

GD Implementations



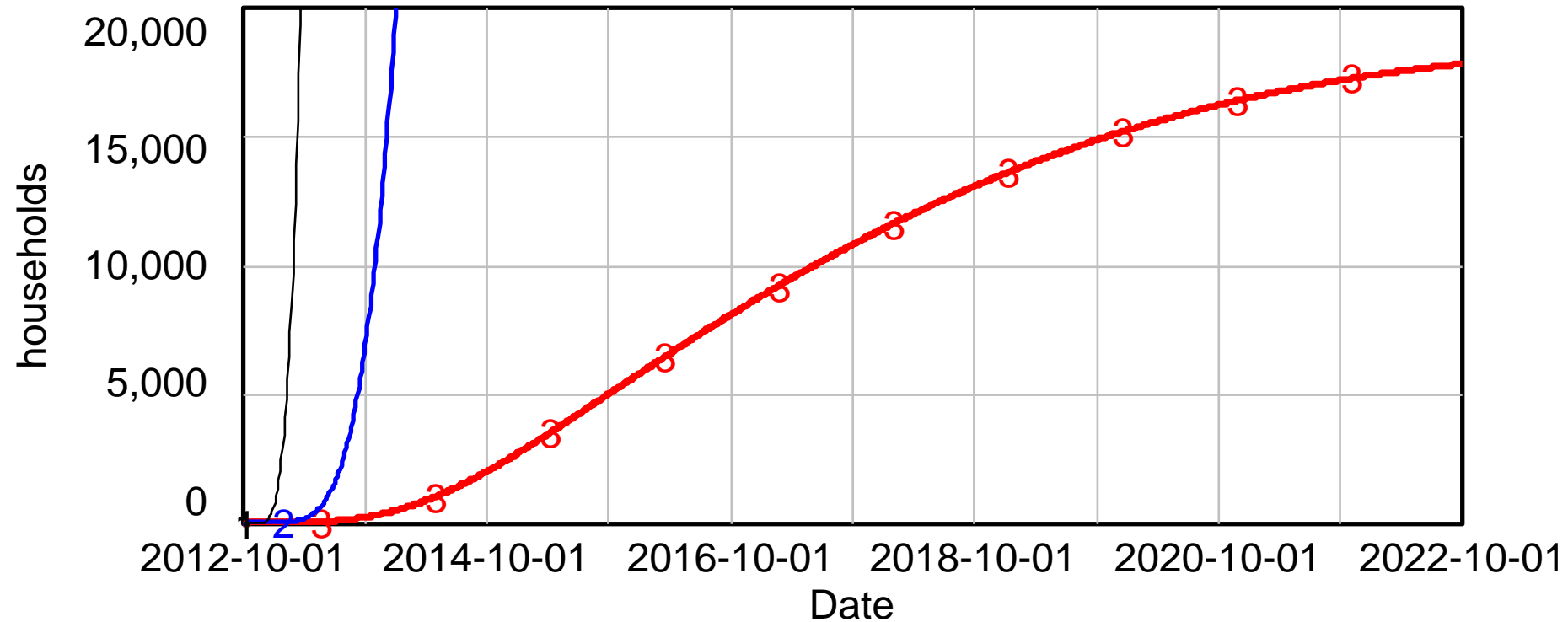
Households Who Happily Implemented GD : financial-rational — 1 — 1 — 1 — 1

Households Who Happily Implemented GD : user-driven — 2 — 2 — 2 — 2

Households Who Happily Implemented GD : full model — 3 — 3 — 3 — 3

Full model behaviour

GD Implementations



Households Who Happily Implemented GD : financial-rational — 1 — 1 — 1

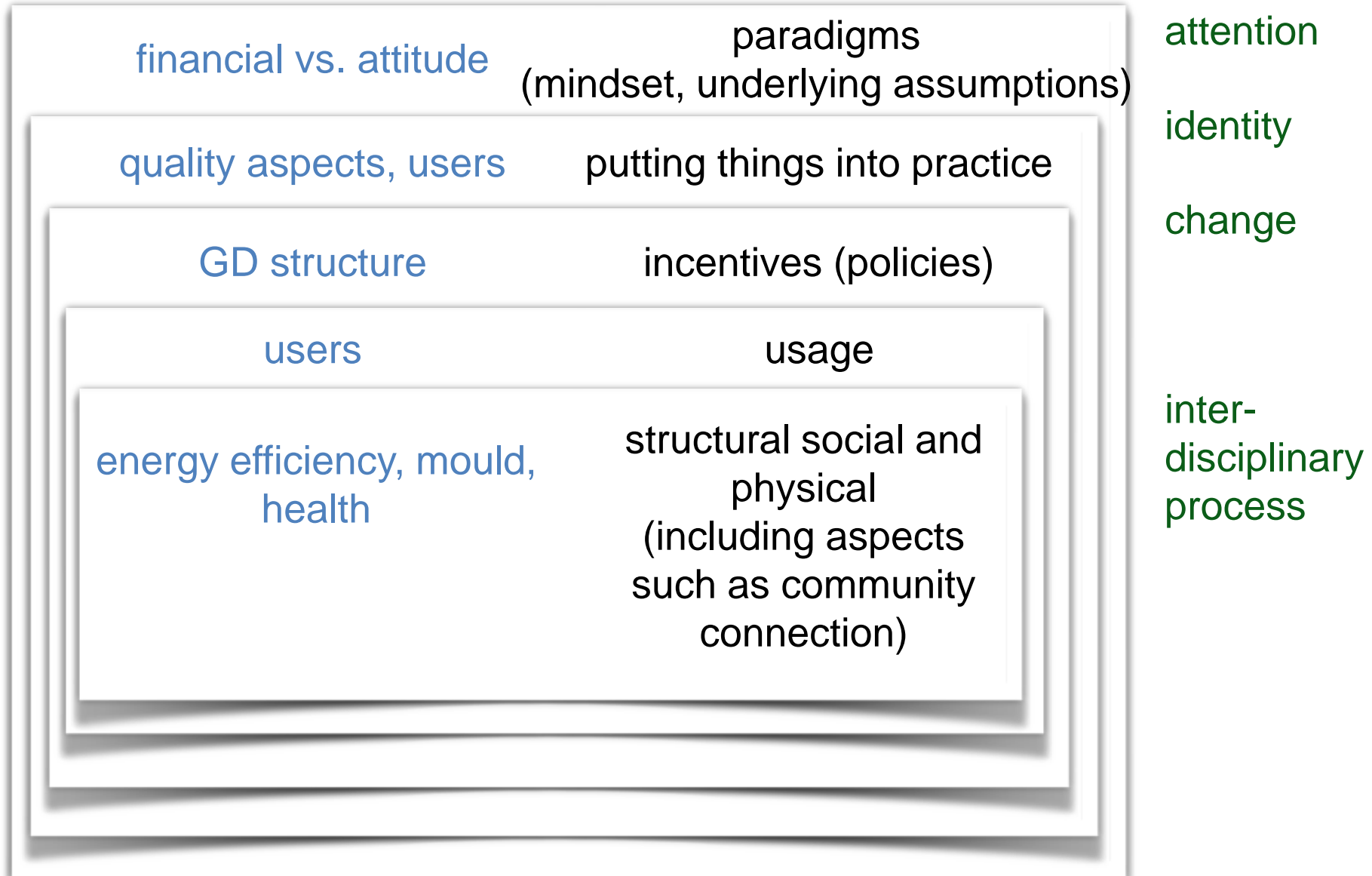
Households Who Happily Implemented GD : user-driven — 2 — 2 — 2

Households Who Happily Implemented GD : full model — 3 — 3 — 3

From contrasting to complementary views

- DECC: How do we implement a policy?
- Homeowners (users): How do we do renovation?
 - Who do homeowners (users) trust?
 - How do homeowners make decisions on the meaning their house?
- Participatory approach

Layeredness of HEW project (GD)

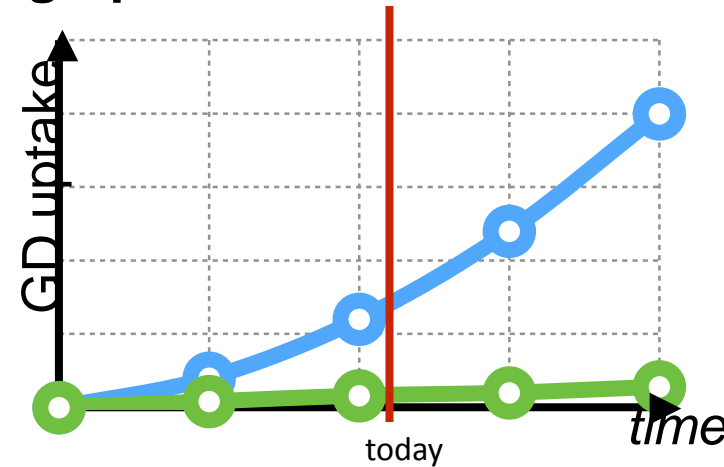


Discussion

- How did our mindsets and our attention shape the Green Deal?
- With this foresight and approach what would be a good way of approaching the question of how to de-carbonise private houses in the UK?
- What are the constraints and options at this current time?

Our recipe for the next session

- **Behaviour over time graph** of the Green Deal issue



- **Related variables**
 - Financial incentives
 - Users' interest
- **Policy levers**