**INTRODUCTION**

Salutations etc

First, let me thank EcoBuild for this opportunity to discuss the progress of our Energy Efficiency Strategy.

I want to use my time to set out briefly why it’s so important that we get our approach to energy efficiency right.

And to talk specifically about the Green Deal and the Energy Company Obligation.

I’m delighted that industry leaders from the UK Green Building Council are meeting tomorrow to discuss sustainability in the built environment.

Industries views are extremely important and I want you to make your voice heard loud and clear.

**JOINT ENDEAVOUR**

But my key message today is this:

We, the Government, are setting out to create a market in energy efficiency that will, over time, create jobs and provide opportunities for businesses to thrive in every part of the construction industry.

Energy efficiency can be a huge boost to your firms.

But it’s not going to happen overnight.

It’s going to be a long-term transformation.

And as the market takes off – so will these opportunities gradually take off.

Not just in the UK – but there is an export market in energy efficiency too.

I want you to be ready to take advantage.

Because this is a joint endeavour.

We have worked very well together, those of you who have been involved in designing the Green Deal, Government and industry, to get this far.

And we need to stick together to make sure we build momentum.

Here today, in this hall, and throughout the exhibition, are the people who have the answers to many of the difficult issues we are working through.

To succeed we will need to leverage your expertise, your reach with customers, your advertising capacity, your experience of what works and what doesn’t.

Together, we need to get this right:

To help people struggling with rising energy costs;

To help get the economy moving again;

And to be part of the climate change solution.

Let me take each of these three key objectives in turn - starting with climate change.

**Climate Change**

Heating and powering our building stock is responsible for almost 40% of our greenhouse gas emissions.

Those emissions must come down if we are to help tackle climate change.

Be in no doubt – climate change is a real and present danger, it is already happening now and it will only get worse if we don’t act.

Energy Efficiency and demand reduction are only a part of the response, but they’re a very important part.

If we get this right, as my Department’s Carbon plan sets out, we could reduce carbon emissions from buildings by between a quarter and two-fifths by the middle of the next decade.

This will go a long way to making sure Britain is part of the climate change solution, and not part of the problem.

**ENERGY BILLS**

The second reason we have to get this right is to help people struggling with the rising costs of energy bills.

Domestic gas prices increased by an average of just under 8% in the last months of 2012 – on the back of sustained rises over the last 5 years.

And with the economic situation as it is, we have to help people who are struggling to keep up.

The Government can’t control wholesale prices in a global market.

When gas demand is booming to fuel emerging economies like India and China, replacing the nuclear power Japan turned off,.

When even the shale gas revolution won’t get global gas prices lower.

The best way to help the fuel poor in Britain and to help those facing higher energy bills be they people or businesses, is to reduce the amount of energy they need to use.

If we get this right, people will have warmer homes for less – with lower bills than otherwise.

**GREEN GROWTH**

The third reason we need to get this right is because there is a huge positive business opportunity out there.

An opportunity for green growth.

Creating green jobs, creating new green businesses, growing the green market, growing green prosperity.

The energy efficiency sector already accounts for around 136,000 jobs.

And the sector is likely to expand by around 5% a year.

With the Green Deal and the Energy Company Obligation we have the tools to open up the energy efficiency market.

The cumulative value of finance for the Green Deal is projected to be over a billion pounds by 2015.

By then, we expect to see ECO and the Green Deal together result in over one million separate pieces of home improvement work.

A lot of the work will be labour intensive which means new jobs – over 30,000 in the insulation sector alone.

And just look at the size of the market.

Almost eight million homes potentially needing solid wall insulation.

Five and a half million that could have cavity wall insulation.

Over six million could get more loft insulation.

And this is just the tip of the iceberg.

There are over 40 different types of home improvements that can be made under the Green Deal.

You may be interested in the prospect of Green Deals globally.

I am consistently asked how the Green Deal is developing by my counterparts in other Governments, not just in Europe but around the world.

If, in the UK, we grow the Green Deal and grow this market properly and sustainably this is, I believe, a business opportunity not just in the UK – but energy efficiency has potential to be a good export market for British business as well.

**The Energy Efficiency Market Place**

So what is the Government’s doing to get this market going?

As part of the kick start to last month’s launch, we awarded £22m to support energy efficiency projects in over 150 English local authorities and cities.

We launched the use it or lose it Green Deal Cash Back scheme to encourage early take up.

And we launched a £3m Green Deal communications campaign which will run until April this year to help get advertising off the ground and raise awareness.

How is it all going?

Well, we are going to report formally on the Green Deal through Official Government Statistics.

The plan is to issue monthly and quarterly reports, starting this Spring.

These will enable people to see how the supply chain is developing and see the progress on take up, for instance through the number of assessments that have been undertaken.

Over time we will be able to add in more information and show how Green Deal is contributing towards its primary objectives - reducing in carbon emissions and saving on energy bills.

Because these will be Official Statistics I’m afraid there are legal restrictions about what I can say before formal publication, but there are a number of positive signals I can tell you about today.

In terms of the trade, there are already40 approved Green Deal providers.

Big companies and networks approved to oversee things.

75 Assessor organisations are registered.

And over 600 installer organisations too.

And we know from these bodies, talking to these people, there is a good pipeline of work.

So even in these early days, these are good signs of growth and market momentum.

**CONCLUSION**

But to finish let me come back to what I said at the beginning.

This is a long-term transformation we are talking about.

In some cases the life of a Green Deal could extend up to 25 years.

But the benefits - to people, to businesses and in terms of emission reductions - they can be felt immediately.

This is a joint endeavour, working together.

We need you to be part of the Green Deal megaphone.

Help us help you get this market going.

Help us get you working on people’s homes;

Replacing their boilers.

Insulating their walls.

Double-glazing their windows.

And as a result, lowering their bills and lowering carbon emissions.

I know that for you this needs to make business sense.

And that is why we are creating this market place - for green growth, green jobs and green profits I talked about.

I know that working together, we can, we will, succeed.

It will be a fabulous achievement.

Helping people reduce their bills, helping to grow the economy and saving the planet at same time.

I hope you’ll agree that this sounds like a good deal.

I hope you’re in.

ENDS