

# Retrofit GM – Retrofit Accelerator

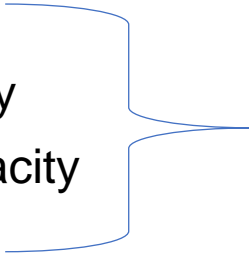
## Development & Delivery Options

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@GMGreenCity | #GMGreenCity

**GREATER  
MANCHESTER**  
DOING THINGS DIFFERENTLY

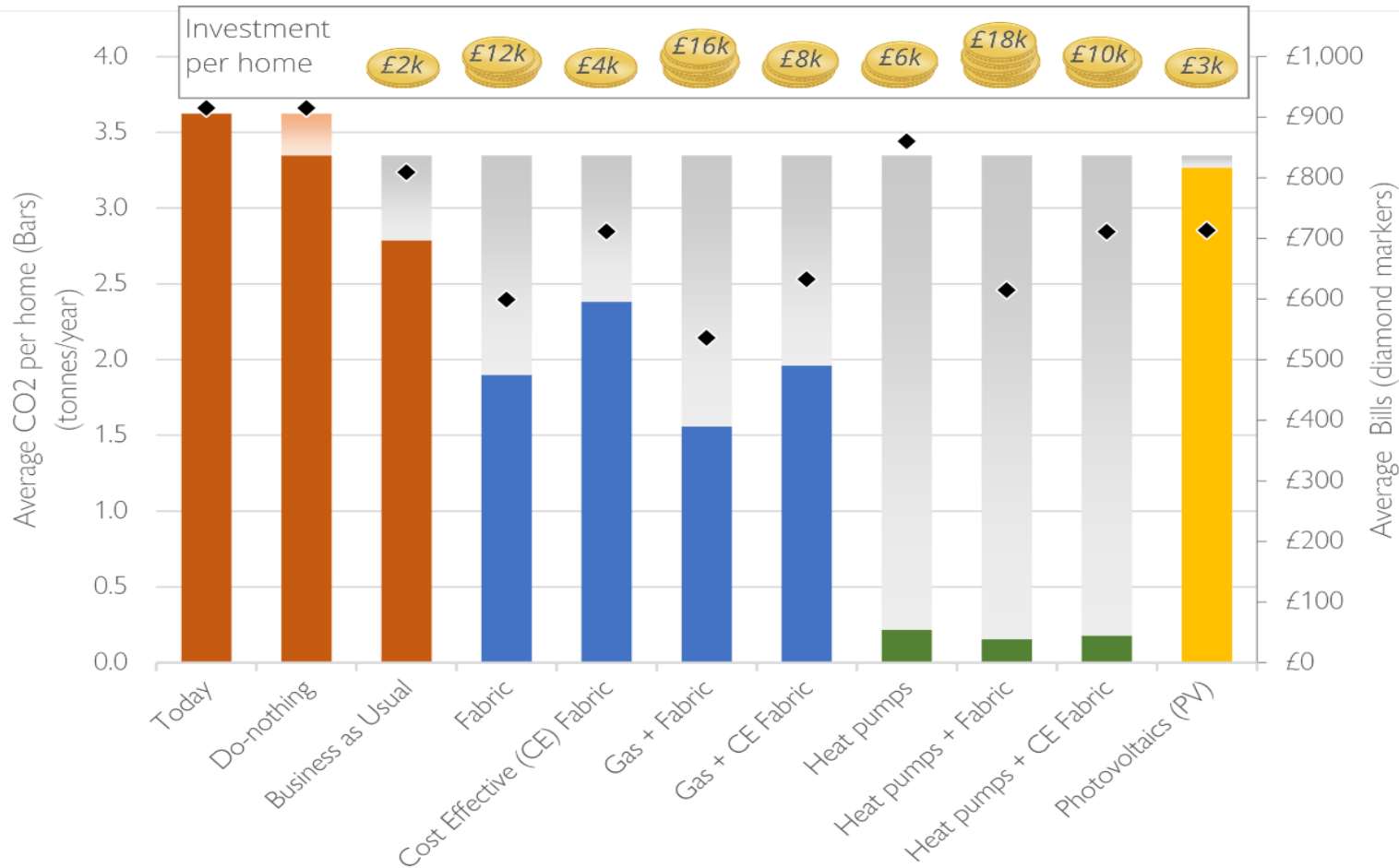
# Background – the challenge

- Accelerated timeline to carbon neutrality
  - Decarbonisation of heat is a priority
  - Need to make low carbon heating affordable
  - Making homes fit for the future
  - Market does not work
    - Information failure
    - Supply chain – capacity
    - Skills - shape and capacity
    - No confidence
  - Interventions to date have not made a Market – limited legacy value
  - Not a priority for most people
- Multiple barriers requiring simultaneous coordinated progression
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# Making it easier

- Focus on willing to pay using ESC insights
- Driven by Customer Choice
- Not pursue excellence – fit for purpose intervention
- Intervention limited to the Customer Journey
- Build on existing assets
  - procurement routes, financial products, Challenge Group and Govt. schemes.
- Work with supply change to shape the delivery vehicle
- Objective is to make the market not create a dominant presence
- Multi stage development process with pause points

# Nature of the Action Needed



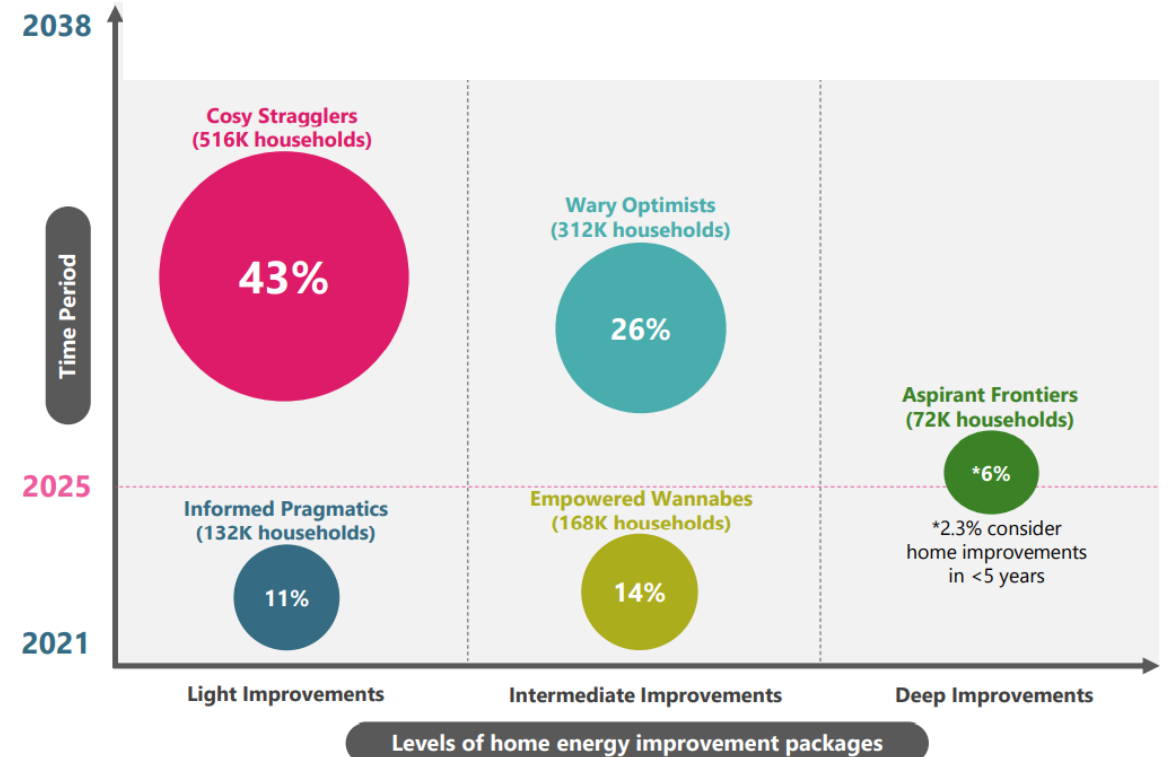
Modelling completed by Parity Projects

1. Business as usual will not get us to carbon neutrality
2. Fabric and gas will not get us to carbon neutrality
3. Heat Pump, Cost effective Fabric and Solar PV is the most cost effective means of reaching carbon neutrality

However we need to find the balance between merely cost effective capital delivery and cost for the end consumer. **In some cases we may need to retrofit deeper still.**

# Domestic challenge

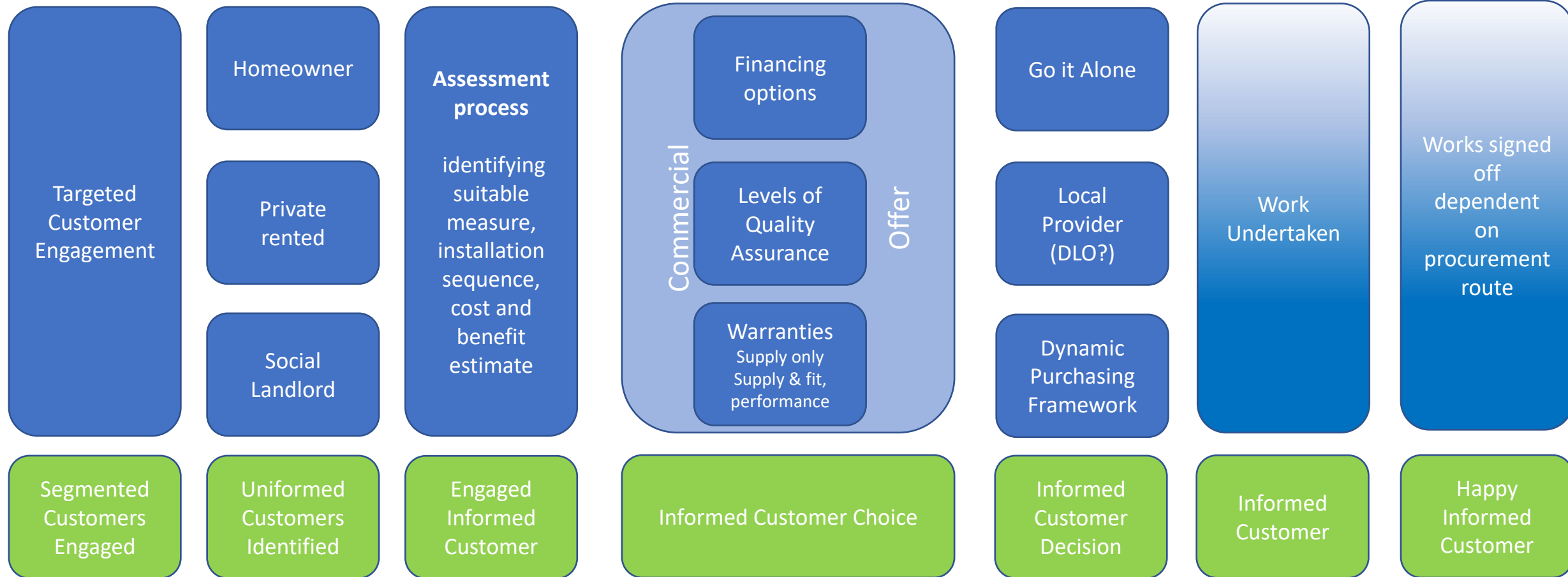
MSOA average total energy consumption versus MSOA average Median Income



Source: Energy Systems Catapult (2021) Segmentation Study of Home Energy Improvement Market in GM

- People with the most disposable income use the most energy
- 30% of residents intend to undertake some form of retrofit over the next 5 years

# Willing to Pay Customer Journey



your website | your email | social handle | #hashtag

# Development Process

1. ITT closes 31 January 2022
2. Contract Award Notification 18 February 2022
3. Kick off meeting 4 March 2022
4. Contract for 2 + 2 Years, Initial value £200k, with a potential option of an additional £200k
5. Interim review after 2 years

# Size of the Prize

- 1.2m properties in GM with 300,000 open to retrofit in the next 5 years
- 20% said open to retrofit when they buy a home\* they also prefer single larger intervention
- Market value of £3-5.4bn based on £10k-£18k per home improved
- Health and wellbeing benefits from reduced fuel poverty and increased comfort levels
- Local jobs for local people in Green Tech Sector
- Increased skills and retaining opportunities for ex retail and hospitality staff
- Market leading proposition which could leverage inward investment

\* 32,294 annual domestic sales in GM