

Funding for Energy Improvements for Small Businesses

Loans

Energy Efficiency Loans from the Carbon Trust

(www.carbontrust.co.uk/energy/takingaction/loans.htm)

- *Loan details:* You can borrow from £3,000 to £400,000 to replace or upgrade your existing equipment with a more energy efficient version. The loan is unsecured, interest free and repayable over a period of up to 4 years. There are no arrangement fees.
- *Exemption:* the Carbon Trust does not currently provide loans to enhance the energy efficiency of vehicles. Organisations that have bills larger than £500,000 are not eligible.
- *Application:* Online or through the Customer Centre on 0800 085 2005.

Renewable Energy Loans from the Carbon Trust

(www.carbontrust.co.uk/energy/takingaction/loans_renewables.htm)

- For installing renewable equipment such as solar heating, wind turbines, biomass boilers, waste wood boilers, ground source heat pumps or bio-energy CHP systems.
- *Loan details:* You can borrow from £5,000 to £200,000 – with the repayments based on the savings. Loans are interest free.

Grants

Energy Grant 500

(www.lga.gov.uk/lga/aio/1893581)

- *Energy meter loan:* You can loan a wireless energy monitor for a two to ten-week period to identify where savings could be made through cutting energy usage.
- *Grant details:* £500 is available to pay for energy efficiency improvements to any business based in premises, either rented or owned, with a current energy spend of between £1,500 and £30,000pa.
- *Exemption:* Home based businesses will not be eligible.
- *Phone:* 0845 600 9 006, or email: info@businesslinksoutheast.co.uk.

Bio-energy Capital Grants Scheme

(www.bioenergycapitalgrants.org.uk)

- *Grant details:* Capital grants for biomass-fuelled heat and/or combined heat and power projects, including anaerobic digestion energy installations. Aimed at businesses, organisations and charities in the commercial, industrial and community sectors. There is no minimum grant aid in any one application and the maximum is £500,000 per installation.

Energy Saving Trust Funding Database

(www.energysavingtrust.org.uk)

This database provides links to a broad range of energy efficiency and renewable energy measures from a variety of organisations. For example:

- **Magic Boiler Scheme** (Energy Saving Trust)
 - The Magic Boiler Scheme offers high efficiency, 'A' rated gas and oil boilers and heating controls, at discounted prices.

Tax Incentives

Enhanced Capital Allowances

(www.eca.gov.uk/)

- Enhanced Capital Allowances (ECAs) will enable your business to buy energy efficient equipment with 100% first year tax relief.
- All qualifying equipment is listed on the Energy Technology List (www.eca.gov.uk/etl/default.htm).
- The purchased product must be required for a specific business function. For example, in a bank the lighting in the customer based section of the building would qualify for an ECA as it is necessary for the business to operate; however, the lighting illuminating the internal areas of the bank would not.
- The procedure for claiming an ECA is available at www.eca.gov.uk, or call the Carbon Trust on 0800 085 2005.

Climate Change Levy: Renewables Exemption

(www.ofgem.gov.uk/Sustainability/Environment/cclrenexem/Pages/CCLRenewablesExemption.aspx)

The Climate Change Levy (CCL) is chargeable on non-domestic supplies of electricity in the United Kingdom that exceed de minimus amounts of:

- Electricity supply: 1,000-kilowatt hours per month.
- Gas supply: 4,397 kilowatt hours per month.
- (Further limits for other energy types may be found at: customs.hmrc.gov.uk, Public Notice Climate Change Levy 1/3).

If your electricity use exceeds this, you can become exempt from the Levy by:

- Purchasing renewably generated energy from your existing energy supplier.
- Investing in microgeneration technologies to generate your own electricity.

If you generate electricity through renewables you will need to apply for accreditation through Ofgem, who will then issue a Levy Exemption Certificate (LEC) for each Megawatt/hour (MWh) of renewable source electricity. This can then be sold back to your energy supplier.

Further details can be obtained from OFGEM (www.ofgem.gov.uk).

Microgeneration Electricity Sale

Renewable Obligation Certificates (ROCs)

(www.ofgem.gov.uk/Sustainability/Environment/RenewablObl/Pages/RenewablObl.aspx)

- For companies that already produce renewable electricity through a microgeneration installation (50kW or less).
- One certificate, known as a Renewable Obligation Certificate (ROC), is issued for each megawatt hour (MWh) of renewable electricity generated.
- A microgenerator, depending on its size and the technology being used, could expect to receive up to 1-2 ROCs per year. The price of a ROC is subject to the market and is affected by various other factors. Microgenerators could currently expect to receive approx £20-£30 per ROC, but this depends on the contract with the energy supplier.
- You can become accredited as eligible to claim ROCs through Ofgem:
- For microgenerators, it is often recommended to use an agent to simplify paperwork and procedures. In order to appoint an agent you will need to complete the agent appointment form available from Ofgem.