

# ■ DJD Briefing Paper 01 - December 2009

## ■ Funding and Grants for Low Carbon Technologies. Public Sector, Charities and Not for Profits:

Low Carbon Buildings Programme (Phase 2),  
Community Energy Saving Programme & CERT Funding

Revision A  
Page 1



### You are probably aware of the benefits of Low Carbon Technologies, such as heat pumps, solar thermal, photovoltaics, wind turbines and biomass, for producing electricity or heat.

All the technologies have different pros and cons but used in the right situation all of them can reduce the amount of carbon emitted in producing the energy needed by your building. They can also be considerably cheaper to run, bringing real financial savings in use.

So, if these technologies are so good and can save money, why haven't more people installed them?

We believe there are two main reasons, firstly there is no one 'perfect' solution. A ground source heat pump will be right for one situation, but a biomass boiler better suited to another. It can be confusing working out which will be the best option and then working out how it fits in with your existing building or a planned new build or extension. (Luckily we can help with this!)

Secondly they involve a capital investment. At the moment installing one of these new low carbon technologies tends to be more expensive, initially, than a traditional alternative.

At the best of times organisations are often reluctant to invest more

initially to see lower costs and a pay back of that investment over a few years. In the current economic climate this is more true than ever.

Luckily there are a number of grants which can help make the capital costs of installing low carbon technologies less off putting. We have given a brief summary in this paper of some of the grants that are available to Public Sector bodies, Charities and Not for Profit Organisations.

Hopefully you will find this useful and if you have any questions or would like assistance, please get in touch.

## ■ What's happening next - Feed in Tariffs and Renewable Heat Incentives

### It won't surprise you to learn that there are more changes in store for renewables!

The government is introducing Feed in Tariffs (FITs) for electricity generation from April 2010 and Renewable Heat Incentives from April 2011.

Feed in Tariffs are designed to pay a fixed amount per kWh for electricity generated on site and an additional sum for electricity exported back to the grid. Payments will be made by electricity suppliers.

The Renewable Heat Incentives scheme is similar to Feed in Tariffs but for heat generation. However, there are more challenges for the RHI as, unlike with electricity, there isn't currently a 'heat' market. At present there are markets for fuels that can be used to generate heat, gas, oil, electricity, but not for heat produced.

The detail is still being worked on, hence it coming into force a year after FITs in April 2011. However, the principle is the same, heat generated from

renewable sources on site, solar thermal, heat pumps, biomass, will be rewarded by the payment of a guaranteed sum for each unit produced.

It is this guarantee of payment for electricity or heat generated that is likely to change the market. It is expected that providers, such as renewables companies and energy suppliers will provide renewable installations without the upfront capital costs, with an agreement that part of the FIT/RHI revenue is used to pay this loan back.

## ■ Carbon Emissions Reduction Target (CERT) Funding

### Who is it for?

- Housing Associations and other social housing providers (Borough Councils, City Councils and other RSLs).

### How much is available?

- Depends on which 'obligated supplier' is selected (British Gas, EDF Energy, NPower, Powergen, Scottish and Southern Energy and Scottish Power).

### What can it be used for?

- Loft and cavity wall insulation, high-efficiency lighting, heating systems, appliances, energy saving devices and microgeneration technologies.

### What are the catches?

- Scheme ends in March 2011.
- Only applies to existing stock, with priority on vulnerable/low-income households.
- Exact offer varies between suppliers.

**UPDATE**  
Following the spending review by the new government the Low Carbon Building Programme has now closed and this funding is no longer available to new schemes.

**UPDATE**  
There are now only 2 funding rounds remaining of the CESP Programme 30 July 2010 and 29 October 2010.

2 St Oswald's Road  
Worcester  
WR1 1HZ

Tel: 01905 612864  
Fax: 01905 610011

mail@djdgroup.co.uk  
www.djdgroup.co.uk

# ■ DJD Briefing Paper 01 - December 2009

## ■ Funding and Grants for Low Carbon Technologies. Public Sector, Charities and Not for Profits:

Low Carbon Buildings Programme (Phase 2),  
Community Energy Saving Programme & CERT Funding

Revision A  
Page 2



### ■ Low Carbon Buildings Programme (Phase 2)

#### Who is it for?

- Schools, Churches, Community and Not For Profit Organisations (including Housing Associations).

#### How much is available?

- Up to 50% for microgeneration technologies, up to **£200,000 per site**.

#### What can it be used for?

- Solar thermal hot water; heat pumps; automated wood pellet stoves, wood fuelled boiler systems, micro hydro turbines and wind turbines.

#### What are the catches?

- It can't be used for solar photovoltaics any more (the money for this has been used up).
- Applications for electrical and heat microgeneration can only be made until the end of March 2010 (when Feed in Tariffs begin). Thermal energy applications can be made until the end of March 2011.
- Once the application is approved, the technology must be installed and commissioned within 12 months and remain in place for 5 years.
- Applications can't be made for renewables that have already been installed but can be made for projects that aren't yet complete.
- Housing Associations cannot use the funds on projects that are not affordable (i.e. market rent/market sale).
- An approved installer and installation must be used.
- Funds can only be used for costs directly associated with the technology and exclude VAT.
- Applications cannot be made by any organisation or public body which falls within the concept of an 'undertaking' for EU State Aid rules.
- Funds are limited and on a first come, first served basis.

### ■ Community Energy Saving Programme (CESP)

#### Who is it for?

- Community based organisations for the installation of microgeneration technology including mutual societies, church and faith groups, parish councils, schools, charities and community groups.

#### How much is available?

- Up to 50% of the project cost, or up to **£50,000**, whichever is lower.
- Up to 75%, up to £5000 for the cost of a feasibility study.

#### What can it be used for?

- Solar thermal hot water; heat pumps; automated wood pellet stoves, wood fuelled boiler systems, micro hydro turbines and wind turbines. Funding is also available for energy efficiencies such as cavity wall and loft insulation, in combination with microgeneration technology.

#### What are the catches?

- Housing Associations can't normally apply.
- Applications are considered quarterly by a selection panel and applications are considered on a competitive basis.
- Maximum of £50,000 per applicant, although, the same applicant may apply more than once up to the limit.
- Greater level of information required than LCBP(Phase 2).
- Feasibility studies must be done by an approved consultant.
- Can include non recoverable VAT.
- Grants cannot be awarded to projects that have already been completed.
- Microgeneration technology must remain in place for 5 years after completion. The organisation must own the freehold to the building/site or have a lease for at least 5 years.

### ■ More Information:

- CERT [www.djdgroup.co.uk/cert](http://www.djdgroup.co.uk/cert)
- Low Carbon Building Programme Phase 2 - [www.lowcarbonbuildingsphase2.org.uk](http://www.lowcarbonbuildingsphase2.org.uk)
- Community Energy Saving Programme - [www.communitysustainable.org.uk](http://www.communitysustainable.org.uk)
- BRE Introduction to Renewable Technologies [www.djdgroup.co.uk/renewables](http://www.djdgroup.co.uk/renewables)
- Email Kevin Davis - [kevin.davis@djdgroup.co.uk](mailto:kevin.davis@djdgroup.co.uk)

**UPDATE**  
Following the spending review by the new government the Low Carbon Building Programme has now closed and this funding is no longer available to new schemes.

**UPDATE**  
There are now only 2 funding rounds remaining of the CESP Programme 30 July 2010 and 29 October 2010.

2 St Oswald's Road  
Worcester  
WR1 1HZ

Tel: 01905 612864  
Fax: 01905 610011

[mail@djdgroup.co.uk](mailto:mail@djdgroup.co.uk)  
[www.djdgroup.co.uk](http://www.djdgroup.co.uk)