

# ■ DJD Briefing Paper 02 - January 2010

## ■ Grants for Low Carbon Technologies: Private Homes

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**You may be aware of the benefits of Low Carbon Technologies, such as heat pumps, solar thermal, photovoltaics, wind turbines and biomass, for producing electricity or heat. So, if these technologies are so good and can save money, why haven't more people installed them?**

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 home. They can also be considerably cheaper to run, bringing real financial savings in use.

We believe there are two main reasons why they are not more widely used at present. Firstly there is no one 'perfect' solution. A ground source heat pump will be right for one home, but an air source heat pump or solar thermal maybe 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 home or a planned new build or extension. (Luckily we can help with this!)

Secondly they involve a capital investment, i.e. money up front! 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 people are often reluctant to invest more to see a pay back on that investment over a few years. In the current economic climate this is more true than ever.

Luckily there are grants available which can help make the capital costs of installing low carbon technologies less off-putting. This Briefing Paper sets gives an overview of grants available to install low carbon technologies in your home. Details on grants for public sector, charities and housing associations are covered in our Briefing Paper 1.

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

### ■ Low Carbon Buildings Programme (Phase 1)

#### Who is it for?

- Individuals who own their own home and reside within England, Wales, Northern Ireland or Scotland (excluding the Isle of Man and the Channel Islands).

#### How much is available?

- Up to £2500 per installation address. See next page for maximum amount per technology.

#### What can it be used for?

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

#### What are the catches?

- Applications are on a 'first come - first served' basis and there are limited funds available.
- As well as owning the home you must also reside there and if you are a leaseholder have the permission of the freeholder.
- Applications can only be made for permanent homes i.e. caravans, houseboats etc don't qualify.
- You must have installed basic energy saving measures first (see over the page for details).
- You can only apply for 3 different technologies on one building and the total combined grant can only ever be a maximum of £2500.
- If you have had a grant under the old Clear Skies or PV schemes you can still get the Low Carbon Buildings Programme Grant but it can't be for the same technology.
- You must have any necessary Planning Permission in place before you apply.
- 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. If you sell your home within the 5 year period details of the Grant conditions must be included in the contract.
- Applications can't be made if you have installed or have already started installing a renewable technology.
- An approved installer and installation must be used.



**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.**

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### ■ How much is available per technology?

*The amount of grant available differs per technology, remember you can apply for more than one technology (although no more than 3 per building) and **the total grant is capped at £2500.***

#### **Photovoltaics**

Max 50% of eligible cost or max £2000 per kWh (whichever is lower)

#### **Wind Turbines**

Max 30% of eligible cost or max £1000 per kWh (whichever is lower)

#### **Small scale hydro**

Max 30% of eligible cost or max £1000 per kWh (whichever is lower)

#### **Solar thermal hot water**

Max 30% of eligible cost or £400 (whichever is lower)

#### **Ground Source Heat Pump**

Max 30% of eligible cost or £1200 (whichever is lower)

#### **Air Source Heat Pump**

Max 30% of eligible cost or £900 (whichever is lower)

#### **Wood Fuelled Boiler System**

Max 20% of eligible cost or £600 (whichever is lower)

#### **Automated Wood Pellet Stove/Heater**

Max 30% of eligible cost or £1500 (whichever is lower)

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### ■ Basic Energy Efficiency Measures

**Before you can apply for a Low Carbon Building Programme grant you must have:**

- insulated the whole of your loft to at least current Building Regulations standard, eg 270mm mineral wool insulation
- have cavity wall insulation (if you have cavity walls)
- fitted low energy light bulbs
- have basic heating controls, i.e. at least a room thermostat and programmer/timer

*There are separate grants available to make some of these improvements, however, these (unlike the LCPB grant) are generally means tested or only available to pensioners. More details on these grants are at [www.energysavingtrust.org.uk](http://www.energysavingtrust.org.uk)*

### ■ 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.

### ■ More Information:

- Low Carbon Building Programme Phase 1 - [www.lcbp.org.uk](http://www.lcbp.org.uk)
- Energy Saving Trust advice centre - [www.energysavingtrust.org.uk](http://www.energysavingtrust.org.uk)
- BRE Introduction to Renewable Technologies [www.djdgroupp.co.uk/renewables](http://www.djdgroupp.co.uk/renewables)
- Email Kevin Davis - [kevin.davis@djdgroupp.co.uk](mailto:kevin.davis@djdgroupp.co.uk)

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