



Energy Efficiency Grant

Summary

The Energy Efficiency Grant is a fund, introduced by Highland Council within the UKSPF Investment Plan for Highland, for small enterprises in Highland to embrace net zero ambitions and to support Scotland's national net-zero greenhouse gas emissions target by 2045. This fund will assist businesses with barriers unique to their net-zero journey. The grant is to cover 50% of eligible costs. Successful applicants will get a maximum grant of up to £15k (minimum £1,500) and must demonstrate one or more of the below outcomes:

- Assist organisation to overcome barriers in achieving emission reduction;
- Implement new business processes evidencing a clear link to emissions reductions;
- Implement strategic changes identified from consultancy support;
- Support business to promote their “green credentials”;
- Facilitate business pivoting into a new market within the net zero landscape.

Examples of innovations could be a move to low carbon heating systems, solar powered energy, or other measures to reduce emissions and reduce energy usage and costs.

Criteria

Organisation must employ minimum 3 fte (full time equivalent) staff and been trading for minimum 6 months with evidence of growth potential over coming 2 years and have taken steps to or already completed a carbon footprint calculation. Ideally the fund will support changes to reduce emissions identified within scope 3 of the Green House Gas protocol (ghgprotocol.org).

Eligibility criteria

The business must have a dedicated business bank account (you will need to provide the account details as part of the application process, and this is the account your grant will be paid into, if successful) and;

- organisations must be headquartered, located in and trading in the Highland area, from premises owned by the applicant or for which there is a legally constituted signed lease/ rental/ licence agreement in place;
- trading for a minimum of 6 months i.e. business must have been receiving sales;
- individual applicant must be a UK resident with the right to work in the UK;
- meet the definition of an independent small enterprise with under 50 employees world-wide (also including social enterprise/ community groups with trading income);
- not be in any debt to the council e.g., non-Domestic business rates arrears nor should owners and/ or Directors have debt owed to THC e.g. Council Tax;
- cannot be in bankruptcy, liquidation, or similar state.

Applications to this fund are limited to one application per business. Subsequent applications will not be considered at this time.

What can this fund be used for?

The Energy Efficiency Grant can be used to support local businesses make changes to business premises and business operations to support a reduction of their Carbon Footprint from energy consumption which might include:

- Changing to a low carbon heating system;
- Installation of low or zero carbon energy generating technologies, e.g. solar PV, biomass, micro-wind, water etc;
- Waste reduction;



- Building fabric upgrades such as insulation, energy efficient lighting, draught-proofing, double or triple glazing.

What this fund cannot be used for

- Upgrades of existing equipment;
- Upgrades of existing energy systems e.g. replacement gas/ oil boiler;
- Routine property maintenance;
- Carbon offsetting activities;
- Purchase of consumables;
- Purchases which exacerbate or do not reduce carbon footprint (i.e. air-conditioning);
- Feasibility studies / consultant fees;
- Staffing costs;
- Projects where a reduced Carbon Footprint cannot be demonstrated.

How much can I apply for?

50% of total project costs - up to a maximum grant value of £15,000.

The minimum grant is £1,500 (requires eligible expenditure of £3,000).

Should costs be above £20,000 and the organisation finds difficulty in funding please discuss further funding options which may be available.

How do I apply?

A completed online Energy Efficiency grant application form, along with statement of anticipated benefits (i.e. Appendix B) should be submitted which clearly demonstrates how their energy efficiency project will improve performance or/and will safeguard or increase employment.

Applicants will provide a business project summary (max 500 characters) outlining their energy efficiency project and demonstrate the commercial viability of their business.

Upon receipt of a complete application a Council officer will review the application against the following assessment criteria and if successful, a formal offer of grant will be made.

Assessment criteria

All applications will be assessed against the criteria below.

- Evidence sustainability of the organisation and how the project will assist;
- Provide accurate, baseline carbon footprint calculations, information on how to do this is available from several sources;
- Demonstrate how the proposed investment will reduce carbon footprint and quantify this;
- Provide full details of any proposals, such as new equipment or new processes (e.g., specification of new lighting or low or zero carbon technology);
- Demonstrate how this investment contributes to the organisations wider Net Zero goals/ strategy;
- Demonstrate wider environmental/community benefits of the proposal.



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Claims process

Successful applicants will be required to submit evidence of all payments in relation to the project. Payments made in cash cannot be included in any claim. All grant payments will be made retrospectively, at the successful conclusion of the project phases.

Where projects are not fully completed, claims will not be processed, and no grant payments will be made with funding already released due for repayment.

Special conditions of the fund

The project must NOT commence before approval is given as the grant cannot be awarded retrospectively. All payments for approved expenditure must be made through the business bank account and supported by invoices from suppliers. The grant is paid after the payments have been made. Please note that items or services paid for by cash do not meet audit trail requirements and are not eligible for grant.

Monitoring and evaluation

Successful applicants will be required to submit updated carbon calculations to measure the impact that the project has had reducing your business carbon emissions. This can be done using the same methodology as outlined above. This should be done 12 months after project completion and a member of the Energy & Efficiency Grant Team will get in touch as a reminder to send this information in.

For any queries in relation to this fund, please email: BusinessGrants@highland.gov.uk



Appendix 1.1

A worked example is shown to give you a suggestion of how to complete a calculation.

This project will result in a reduction in heating emissions by installation of a new heating system (air Source Pump). The baseline can be established through looking at the previous years (full year) heating consumption which you will get from an energy bill, or on your account online.

| Baseline - current kWh of heating x emissions factor for heating source/1000 | Project scenario - an assumption needs to be made on what the potential savings for the project could be. |
|---|--|
| <p>Gas.</p> <p>30,000 kWh consumed – 30,000 x 0.18316 kgCO₂e/kWh (the BEIS emissions factor for 2021) = 5,490kg CO₂e divide by 1000 to get tonnes CO₂e so 5.49t CO₂e.</p> <p>Electricity</p> <p>20,000 kWh consumed – 20,000 x 0.21233 kgCO₂e/kWh (BEIS emissions factor for 2021) = 4,246.6 kg CO₂e/1000 = 4.25 tCO₂e.</p> <p>Total baseline CO₂e emissions = 5.49 + 4.25 = 10.74 tCO₂e</p> | <p>Gas</p> <p>0 kWh</p> <p>Electricity</p> <p>expecting 15% increase with heat pump so 23,000 kWh x 0.21233 kgCO₂e/kWh = 4,883.59 kg CO₂e/1000 = 4.88 t CO₂e</p> <p>Total project scenario emissions = 4.88 t CO₂e</p> |
| <p>Project savings</p> <p>To work out the project scenario emissions we are assuming we can save 25% on heating thus, in this example, it would be 25% of 30,000 and could potentially reduce annual gas consumption by 7,500 kWh. So new energy consumption would be 22,500 kWh.</p> <p>This your baseline minus your project scenario is: 10.74 - 4.88 = 5.86 t CO₂e</p> | |