

Energy Efficiency

Incentives and Legislation in Commercial Heating and Hot Water

Understand the basics with this free '**carrots** and **sticks**' guide

RHI, ErP, Part L, EPC... just some of the many different incentives (carrots) and legislation (sticks) that effect UK businesses today. The aim is to improve energy efficiency and reduce carbon emissions, in support of legally binding EU targets.

But do you understand the different schemes and the impact on your business and your customers? This guide explains the basics and shows you where to find out more. Information changes frequently, so please refer to our latest e-guide at **www.hamworthy-heating.com/energy-legislation**



Heating *at work.*

Carrots

Energy Efficiency Incentives



Follow the links for further info and up to date articles on any of the different incentives or guidelines on legislation.

Climate Change Agreement (CCA)

Climate Change Agreements (CCAs) allow eligible energy-intensive businesses to receive up to a 90% discount from the Climate Change Levy (CCL)—explained in 'sticks' section—in return for meeting energy efficiency or carbon saving targets.

www.gov.uk/climate-change-agreements--2

Energy Efficiency Financing

Private financing is available under the Energy Efficiency Financing Scheme for businesses and organisations to invest in new energy efficient equipment and low carbon technologies. The scheme has been designed so that financing payments are offset by anticipated energy savings, therefore new equipment should pay for itself.

www.energyefficiencyfinancing.co.uk

Also available is the NHS Energy Efficiency Financing Programme from the Green Investment Bank. Projects can include combined heat and power plants, boilers, building retrofits and lighting.

Enhanced Capital Allowance (ECA) Scheme and Energy Technology List (ETL)

The Enhanced Capital Allowance (ECA) scheme aims to encourage businesses to invest in certain energy saving technologies. If you buy equipment that qualifies, you can write off 100% of the cost against that year's tax profits.

Qualifying products must meet the strict efficiency criteria and be listed on the Energy Technology List (ETL). The ECA website, includes a searchable product list.

www.etl.decc.gov.uk

Renewable Heat Incentive (RHI)

The Renewable Heat Incentive (RHI) pays participants for energy generated by renewable sources. Payments vary according to the technology, heat generated and tariff rate, which are reviewed each quarter. There are two types of RHI; domestic and non-domestic.

Eligibility criteria and the application process is explained at Ofgem's non-domestic RHI page or go to

<https://www.ofgem.gov.uk/environmental-programmes/non-domestic-renewable-heat-incentive-rhi>

Regional incentives

Numerous regional schemes are in place to support businesses investing in energy efficiency and carbon reduction.

These include the London Energy Efficiency Fund, www.leef.co.uk, and the Community and Renewable Energy Scheme, (CARES), in Scotland, www.localenergyscotland.org/

www.greengrantsmachine.co.uk, provides information on the latest funding available to businesses. Or, to find regional incentives in your area, refer to www.carbontrust.co.uk

Salix Finance

100% interest-free capital is available from Salix Finance to the public sector to improve energy efficiency and reduce carbon emissions.

Find out more at www.salixfinance.co.uk, including details of the Salix Schools programme.

Feed-In Tariffs

Feed-In Tariffs (also known as FITs) are payments made for generating electricity by renewable means. Most forms of renewable electricity generation, in all sizes up to 5MW, are eligible.

www.ofgem.gov.uk/FITs



Information last updated March 2016.

Download the latest e-guide at
hamworthy-heating.com/energy-legislation

Sticks

Energy Efficiency Legislation

Building Regulations Part L

New Part L Building Regulations were published in August 2013 and came into force 6th April 2014. The main impact of the revised regulations is in the new build market sectors with increased efficiency requirements for boilers up to 2MW, as well as the requirement for condensing gas fired water heaters. There is no change to the requirements for existing buildings.

🔗 www.planningportal.gov.uk/buildingregulations/approveddocuments/partl

Carbon Reduction Commitment (CRC) Energy Efficiency Scheme

The CRC Energy Efficiency Scheme, (or CRC Scheme), is designed to improve energy efficiency and cut emissions in the UK's larger public and private sector organisations. Collectively, these organisations are responsible for around 10% of the UK's greenhouse gas emissions. Qualifying organisations must participate and have to buy allowances for every tonne of carbon they emit.

🔗 www.gov.uk/crc-energy-efficiency-scheme-qualification-and-registration

Climate Change Levy (CCL)

The Climate Change Levy (CCL) is an environmental energy tax which was introduced in the UK in April 2001. It is charged on the business use of energy and designed to encourage businesses to become more energy efficient and thereby reduce greenhouse gas emissions.

CCL is charged by energy suppliers and is generally shown as a separate line item on energy bills. Suppliers collect the CCL charged to customers and pay this over to HM Revenue & Customs.

🔗 www.hmrc.gov.uk/climate-change-levy

Energy Performance Certificates (EPC)

All properties (homes, commercial and public buildings) must have an Energy Performance Certificate (EPC) when sold, built or rented, as part of the EU Energy Performance of Buildings Directive. Larger public buildings over 500m² must display a Display Energy Certificate (DEC).

Under the Energy Act 2011, the government intends to enforce a minimum building energy performance rating of E on letting residential and non-domestic buildings by 2018.

🔗 www.gov.uk/buy-sell-your-home/energy-performance-certificates

🔗 www.hamworthy-heating.com/legislation/minimum-energy-performance-standards

Energy related Products (ErP) Directive

The Energy Related Products (ErP) Directive is aimed at phasing out certain products with a lower efficiency rating and high NOx emissions.

ErP covers a vast range of product groups, with implementation split in to 'lots'. Lots 1 and 2 were published in September 2013. For Lot 1, there is a 2 year derogation period for product compliance of boilers up to 400kW. New minimum gross efficiency requirements (94% part load, 86% full load) effectively stopped the sale of atmospheric boilers since September 2015, along with the sale of non-compliant pre-mix and pressure jet boilers in this <400kW category.

Lot 2 has staged derogation periods for product compliance. This will effectively eliminate the sale of atmospheric water heaters in 2018, moving the direct fired water heater market to condensing models.

Find out more at

🔗 www.hamworthy-heating.com/erp

Energy Savings Opportunity Scheme (ESOS)

Large enterprises (not SMEs) are required to carry out an energy audit every 4 years, to promote their uptake of energy efficiency measures. The first audits had to be undertaken by 5 December 2015. The public sector is not required to participate.

More information is available online at

🔗 www.gov.uk/energy-savings-opportunity-scheme-esos



To find out more about Hamworthy's energy efficient products, email **sales@hamworthy-heating.com**



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Hamworthy Heating is a leading British manufacturer and supplier of commercial heating and hot water solutions. Today, more and more heating specifications include the replacement of old, inefficient boilers with new, fully modulating condensing boilers. This not only reduces carbon emissions, but makes significant financial savings too.

The support from Hamworthy covers all stages of a project: from advice on configuration, system design and installation, to commissioning, service, maintenance and support. Hamworthy is always on hand, working directly with specifiers, contractors, consultants, installers and building operators.

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