

Energy Efficiency Incentives for Businesses

April 2009



Energy is high on the policy agenda of both the local and national governments. The Energy Act 2008, which received Royal Assent on 26 November 2008, seeks to address the long term challenges faced throughout the UK and aims to deliver the Government's four energy policy goals:

- to cut CO₂ emissions by some 60% by about 2050, with real progress by 2020;
- to maintain the reliability of energy supplies;
- to promote competitive markets in the UK and beyond; and
- to ensure that every home is adequately and affordably heated.

In November 2008 the Department of Enterprise, Trade and Investment launched a scoping paper for a new strategic energy framework for Northern Ireland and it is expected to lead to a full consultation in early 2009 on a new strategy for local energy policy.

By becoming more energy efficient not only can businesses and companies greatly assist in reducing carbon emissions, they can also benefit from reduced energy costs.

The Climate Change Levy is a direct tax on the non-domestic use of primary energy at a rate of 0.44p/kWh of electricity and 0.15p/kWh for natural gas. Businesses that use electricity generated from a renewable energy source, fuel used by good quality combined heat and power schemes or that use only a minimal amount of energy are exempt from paying the Climate Change Levy.

Organisations that have an annual energy bill of less than £50,000 can receive help to further cut their bills through ARENA Network NI who offer Carbon Footprint Audits with the help of the Carbon Trust, NIE and Firmus Energy. As part of the Northern Lights Carbon Reduction programme, this service will see a specially trained representative work with companies to develop a strategic approach to energy management and to adopt simple cost saving measures. The audits take approximately one day to complete and customers are provided with an action plan and a NI specific carbon footprint calculation (there is a fee for this service).

Businesses based in Northern Ireland that have been trading for at least 12 months may be eligible to apply for an unsecured interest free loan of up to £400,000 towards the cost of installing relevant energy saving measures under the Carbon Trust's Energy Efficiency Loan Scheme, further details of which can be found at www.carbontrust.co.uk.

Energy Efficiency grants of up to £5000 are available to all Invest NI clients and SMEs in Northern Ireland to help businesses adopt energy efficient practices, install energy efficient technologies or implement energy efficient projects. Further details can be found at www.investni.com.

SMEs, farming and related businesses who are customers of NIE may be eligible for special discounted rates offered on energy efficient lighting and selected dairy equipment. Further details can be found at www.lowcarbonsolutions.com.

Please note: The content of this article is for information purposes only and further advice should be sought from a professional advisor before any action is taken.

NIE Energy operate the Help with Hydro – Small Scale Hydro Programme whereby a grant of up to £10000 is available for small-scale hydro schemes in Northern Ireland. For further information visit the website at www.nie-yourenergy.co.uk.

The Government's Low Carbon Buildings Programme Phase 1 provides grants to householders for the installation of renewable technologies, however, grants to the business community within Phase 1 have now been allocated and are closed to new applications.

The Energy Act 2008 contains provision to enable the Government to implement feed-in tariffs, smart metering schemes and a renewable heat incentive, all of which will benefit both domestic consumers and small businesses in Britain. Whilst the bulk of the Energy Act does extend to Northern Ireland these particular provisions do not. However, it is foreseeable that similar provisions will be extended to Northern Ireland in the future.

Cleaver Fulton Rankin's Planning and Environmental team can advise on the consents required for renewable energy technologies. For further information contact Karen Blair or Maria O'Loan.

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