



Low Carbon Buildings Programme - Phase 2

Frequently Asked Questions

Who qualifies for a grant under the Low Carbon Buildings Programme - Phase 2 (LCBP2)?

Grants for the installation of microgeneration technologies will be available to public sector organisations (including schools, hospitals, housing associations and local authorities) and charitable bodies. (The applicant will only be able to receive/apply for a grant if it is not an **undertaking** within the meaning of the rules on State Aid laid down under the EC treaty).

With reference to 'State Aid', how can I determine whether my organisation is an undertaking?

Please refer to examples on LCBP2 website: www.lowcarbonbuildingsphase2.org.uk/page.jsp?id=14

What areas of the country are covered?

LCBP2 covers all UK regions (excluding Isle of Man and Channel Islands).

Which technologies are covered by the LCBP2 grant scheme?

Grants will be available for the following technologies (up to max % of total project cost exc. VAT):

Solar photovoltaics, with an installation capacity of more than 0.5kW – 50% grant
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Photovoltaic (PV) panels use energy from the sun to create electricity to run appliances and lighting. PV requires only daylight – not direct sunlight – to generate electricity.

Micro-wind turbines, with an installation capacity of more than 0.5kW – 30% grant
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A wind turbine converts wind to electricity. The most common design is of three blades mounted on a horizontal axis which is free to rotate in the wind on a tall tower. The blades drive a generator either directly or via gearbox (generally for larger machines) to produce electricity.
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Solar thermal – 30% grant

Solar panels, also known as collectors, can be fitted to the roof of a building. They use the sun's heat to warm water, or another fluid, which passes through the panel. The fluid is then fed to a heat store and helps provide hot water for the building.

Ground source heat pumps – 35% grant

Ground source heat pumps can be used efficiently to heat a building by drawing heat from the ground, concentrating it and delivering it to the building. Systems use a pump and compressor to remove heat from one side of the circuit and emit heat to the other side.

Heat pumps use electricity for their operation, which users may consider buying through a green tariff scheme, which promotes the use of renewable energy sources for power generation.

Biomass – 35% grant

Wood burning systems, unlike other renewable energy sources, emit carbon dioxide. However, as the wood fuel is cultivated, it absorbs the same amount of carbon dioxide as is released when burnt. As such it does not add to the carbon dioxide in the atmosphere.

Wood fuelled boilers – these systems must comprise the main heating system of the building and can be run on logs, wood chips and wood pellets.
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Automated wood pellet room heaters / stoves (with and without integral boilers) – an eligible system can be used for heating a single room, hot water or the whole building.

What level of funding is available?

£0 - £1.0 million.

What can the grant be used for?

The grant must be used to fund the supply and installation of a renewable energy scheme at a permanent building located in the United Kingdom. In general only costs directly related to the installed equipment and work are eligible. A list of eligible costs is set out in the Terms and Conditions (www.lowcarbonbuildingsphase2.org.uk/filelibrary/LCBP2_Scheme_Conditions_v1.0.pdf)

Who installs the systems?

The applicant will be required to source their microgeneration installations through DTI appointed 'Framework Suppliers'. For further details, see: www.lowcarbonbuildingsphase2.org.uk/page.jsp?id=6

What are the conditions of the grant being given?

Terms & Conditions can be downloaded from:

www.lowcarbonbuildingsphase2.org.uk/filelibrary/LCBP2_Scheme_Conditions_v1.0.pdf

How does the application process work?

Applicants will be able to apply either online or by post. **Online applications are preferred, as they reduce administration costs and can be more promptly processed.**

A letter confirming receipt of application will be sent out within 2 working days of BRE receiving application.

The application will be assessed and the applicant contacted with the decision within 5-7 working days. Grant applications over £100,000 may require more detailed assessments, and therefore results may take longer.

Are there any other eligibility criteria for receiving a grant?

The application will be assessed against criteria set out in the application form. The main criteria relate to the type of organisation, use of framework suppliers and meeting the £/tonne CO2 benchmark figures. (See other questions in this document).

What other supporting documents need to be supplied with the application?

Electronic copies of quotations from all installers either attached to the on-line application or enclosed on CD-ROM or floppy disk. Also proof of not-for-profit organisation status/type/legal entity attached to the on-line application or enclosed on CD-ROM or floppy disk. **Please note submitting these documents only as paper copies will render the application invalid.**

When is the LCBP2 grant paid?

The applicant will be able to make an interim claim of up to 50% of the total grant for on-going work and/or capital costs based on providing original paid supplier and/or installer invoices.

The applicant will be entitled to claim the total, or the remainder following an interim claim, when the installation of all technologies for which the grant offer was made (whether at the same property or various different properties) have been completed.

How many grants can an organisation receive under LCBP2?

An organisation can receive a maximum of £1.0 million in grant funds under LCBP2. This may be for multiple technologies, at multiple sites.

How many technologies can I apply for?

A maximum of three eligible technologies at each proposed site can be applied for. Requests for additional technologies need to be agreed by BRE and DTI.

Am I able to match fund from any other programmes?

The applicant is not entitled to apply for or receive a grant if the applicant has already received or expects to receive any other funding from the national government or devolved administrations in relation to the proposed technology and/or its installation at the property. This includes any funding under Low Carbon Buildings Phase 1, Clear Skies; Major PV Demonstration; Bioenergy Capital Grants Scheme; Scottish Community and Household Renewables Initiative; or Scottish Biomass Support Scheme. However, applicants may receive funding from other public sources (including BIG Lottery and local government) and funding is available from LCBP2 for new technologies, even if other technologies have previously been grant-aided at the same property.

How long will the grant offer be valid for?

The grant offer letter will specify a deadline, usually within 12 months from the date of the letter, by which time the installation of the technology must have been completed.

How long must the microgeneration system operate once installed?

It is a condition of the grant offer that the technology will remain installed and in use at the property and will not be modified or relocated in such a way as may adversely affect its performance, for a period of at least 5 years following payment of the grant. The applicant will be responsible for assuring this condition is met.

How were the Framework Suppliers chosen?

Framework Suppliers were selected by DTI following a competitive tender process to ensure quality, range and value for money. Contract notices for Framework Suppliers were published at the Official Journal of the European Union (OJEU) in June 2006. The notice can be viewed at: <http://ted.europa.eu/udl?uri=TED:NOTICE:122797-2006:TEXT:EN:HTML>. Please note, the deadline for expressions of interest has now passed.

I would like to become one of the Framework Suppliers – How can I do this?

The list is now closed and DTI are not considering any more tenders (see previous question).

I am a Registered Installer with Clear Skies / LCBP Phase 1 – How will LCBP2 benefit me?

Framework Suppliers are required to use a person, firm or company specified as an "accredited installer" in relation to the relevant technology. From time to time Framework Suppliers may choose to change the installers they sub-contract.

I would still like to find out more about becoming a Framework Supplier. How can I do this?

Please email the DTI at micro.generation@dti.gsi.gov.uk.

What can the grant NOT be used for?

Payment of Value Added Tax (VAT). Non-associated costs such as, but not limited to, roofing works outside the direct installation of the microgeneration system, vandal covers, asbestos removal, upgrades to the ring main, new radiators or other elements of the heat distribution system. Warranty costs - all accredited microgeneration installers are required to provide an installation warranty free of charge. Manufacturers usually provide an extensive lifetime warranty for their technology. Consult your installer for details of these warranties before committing. Please refer to the Terms and Conditions for further details: (www.lowcarbonbuildingsphase2.org.uk/filelibrary/LCBP2_Scheme_Conditions_v1.0.pdf).

What if I am part way through an application for Phase 1 Stream 1B – will I be able to complete my application with that supplier / installer?

If you have received a Communities application form from Phase 1 of the Low Carbon Buildings Programme then money has been reserved for you so please continue to complete the form and submit it by the date stated on the application. If you have been awarded a grant under Phase 1, then you should continue with your installation as per the terms & conditions of your Phase 1 Communities grant. If you have submitted a Phase 1 registration form to the programme, please

wait for a reply from the Phase 1 programme managers, EST. If you are yet to formally apply, you may only do so under Phase 1 until 31st January 2007. After this time, you may apply to either Phase 1 Stream 2B (for new build or major refurbishment), or Phase 2 (using Framework Suppliers specifically approved by DTI). For further clarification, see: www.lowcarbonbuildings.org.uk/how/public/

What are the benchmark values £/tonne CO₂ for LCBP2?

Information gathered from section D of the application form will be used to estimate the cost (based on total installation cost) of saving a unit quantity of carbon dioxide over the expected lifetime of the installation. These figures are compared to the following "benchmarks" and if they are significantly higher, it may cause BRE to reject the application or request further information and clarification. The benchmarks (figures in bold) are expressed as pounds sterling per tonne of carbon dioxide (£/tonneCO₂). Please note the benchmark figures may change from time to time and the applicant will need to check these before applying.

	Solar PV	Solar thermal	Ground source heat pumps	Wood pellet stoves	Wood fuelled boilers
Assumed life (years)	25	20	20	20	20
Displaced fuel/energy					
Electricity	£990	£388	£119	to be confirmed	£106
Natural Gas	N/A	£563	£212	tbc	£315
Oil		£489	£225	tbc	£171
Coal		£296	£86	tbc	£83
LPG		£523	£263	tbc	£185

	Wind turbines (by size in kW)				
	less than 1.5	1.6 – 5.0	6.0	15.0	20 and larger
Assumed life (years)	20	20	20	20	20
Displaced fuel/energy					
Electricity	£1,049	£531	£419	£345	£294

Carbon emission factors for displaced fuels for use in the £/tonneCO₂ calculation

Electricity= 0.43 kgCO₂/kWh
 Natural Gas= 0.19 kgCO₂/kWh
 Coal= 0.3 kgCO₂/kWh
 Oil= 0.25 kgCO₂/kWh
 LPG= 0.21 kgCO₂/kWh

Calculation formula:

£/tonneCO₂ = (Total cost (based on eligible costs) x 1000) / (Energy yield x emission factor x assumed life)
 Example for PV system costing £12,000 with an estimated annual yield of 1500 kWh:
 (12,000 x 1000) / (1500 x 0.43 x 25) = **£744.19 /tonneCO₂**