



Low Carbon Buildings Programme - Phase 2

Terms & Conditions

Part 1 - Introduction

1. Introduction

- 1.1 Unless the context otherwise requires, the following expressions will have the following meanings when used in these terms and conditions:-
- 1.1.1 "application form" refers to the Low Carbon Buildings Programme Phase 2 (LCBP2) Grant application form
 - 1.1.2 "grant" or "grants" refer to the grant funding available to organisations under the LCBP2 to which the application form relates;
 - 1.1.3 "BRE" means Building Research Establishment, the organisation responsible for administering grants on behalf of the Department of Trade & Industry (DTI);
 - 1.1.4 "property" refers to the property (or if more than one, each of the properties) situated at the installation address(es) described in Section D of the application form;
 - 1.1.5 "technology" or "technologies" refers to the type (or if more than one, each of the types) of microgeneration technology to be installed at the property;
 - 1.1.6 "applicant" refers to the organisation identified as the applicant in Section A of the application form.
- 1.2 These terms and conditions will apply to any grant that the applicant may apply for under LCBP2 and that BRE may offer to pay to the applicant in relation to the property and the technology.
- 1.3 These terms and conditions are in four parts, including this introductory part. Part 2 details the criteria that the applicant must meet in order to be eligible to receive a grant. Part 3 sets out the requirements that the applicant must comply with when applying for and claiming a grant. Part 4 contains various general terms and conditions that will also apply.
- 1.4 These terms and conditions were issued on the date shown at the foot of each page. The terms and conditions, and in particular the types of technology for which grants are available and the amounts of grant available for each technology type, may change from time to time and the applicant should check before applying for a grant that the requirements described in this document continue to be applicable.

Part 2 - Eligibility for Grant

2. Overview

- 2.1 The applicant will only be entitled to receive (and keep) a grant if all of the specific eligibility criteria set out in the following paragraphs 3 to 11 have been met or (in relation to requirements that apply following payment of the grant) will be met. The applicant should only apply for a grant therefore if they are able to comply with these eligibility requirements. Grant offers will be made on the basis of the information that the applicant provides in the application form and in response to any subsequent enquiries that BRE may make. If any of this information changes before a grant is paid, the applicant must notify BRE of the change as soon as possible as this may affect the applicant's entitlement to the grant.
- 2.2 Important Note - for ease of administration by BRE, Section C of the application form summarises key eligibility requirements in a series of statements and tick boxes. However, it is the applicant's responsibility to interpret those statements in the light of the specific eligibility criteria set out in these

terms and conditions and the applicant should not tick to confirm a particular statement unless the applicant is clear that the eligibility requirement, as described herein, will be met.

3. Applicant Status – State Aid

- 3.1 The applicant will only be entitled to receive a grant if it is not an "undertaking" within the meaning of the rules on **State Aid** laid down under Article 87 of the updated European Community Treaty. BRE will assess an organisation's activities for these purposes, and may also review constitutional documents provided by the applicant, but any such assessment is not binding on the European Commission. If the European Commission investigates grants awarded under this programme, their decision regarding the status of the applicants will be final. If it becomes apparent after payment of any grant that the payment contravenes State Aid legislation, the applicant may be required to repay some or all of the grant, together with interest.

4. Property

- 4.1 The applicant is only entitled to apply for and receive a grant if the property is a permanent building located in the United Kingdom.
- 4.2 The applicant must be the freehold owner of the property OR the owner of a leasehold interest in the property with all necessary consents from other owners - see paragraph 10 below.

5. Period of Operation

- 5.1 BRE needs to ensure that the anticipated environmental benefits are derived from the grant monies it pays out. For this reason, it is a condition of the grant being paid that the technology will remain installed and in use at the property, and will not be modified or re-located 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 ensuring that this condition is met.

6. Type of Technology

- 6.1 The technology to be installed at the property must be of a kind specified by DTI from time to time as being suitable for inclusion in the LCBP2. As of the date shown below, grants are only available in relation to particular types of microgeneration technology, as follows:-

- Solar photovoltaics, with an installed capacity of more than 0.5kW
- Micro-wind turbines, with an installed capacity of more than 0.5kW
- Solar thermal hot water
- Ground source heat pumps
- Wood pellet stoves
- Wood fuelled boilers

In addition, the Energy Act 2004 defines microgeneration as the production of heat and/or electricity from a low carbon source and specifies maximum size limits of 50kW electricity and 45kW thermal. For this programme and in line with past programmes some flexibility will be applied where appropriate, recognising that some installations will not fit neatly into such categories.

- 6.2 In addition, the specific technology to be installed at the property must be supplied by one of the predetermined Framework Suppliers (see section 7) or their subcontractors. A list of approved products for these purposes will be maintained by BRE and made available on the LCBP2 website at: www.lowcarbonbuildingsphase2.org.uk/page.jsp?id=13 Applicants should contact suppliers directly regarding available products and expected costs.
- 6.3 Framework Suppliers will be required to offer products at costs outlined in their Framework Agreement with the DTI. These will be monitored as part of the routine assessment of applications by BRE.

7. Framework Suppliers and Accreditation of Installers

- 7.1 The applicant will be required to purchase and install their microgeneration installations through DTI-appointed "Framework Suppliers".

7.2 Each Framework Supplier is required to use a person, firm or company specified under LCBP2 as an "accredited installer" for each technology. Each Framework Supplier will provide a list of approved installers and products that it is able to supply.

7.3 Framework Suppliers have been appointed to oversee the supply and installation of at least one but not necessarily all of the eligible microgeneration technologies listed in Paragraph 6.1. Applicants must therefore ensure that their chosen Framework Supplier has been appointed to supply the technology the applicant intends to install.

8. Value Threshold

8.1 In addition to the requirements set out in paragraphs 6 and 7 above, the installation of the technology at the property must meet a value threshold calculated by reference to the quantity of carbon savings that each pound (sterling) of eligible expenditure on the installation is anticipated to generate. For the avoidance of doubt, there may be circumstances in which an organisation is not eligible to receive a grant, notwithstanding that it proposes to install an "approved" product using an "accredited" installer, because the anticipated carbon savings/cost ratio for the particular installation is determined by BRE as being below the specified threshold. A list of value thresholds for these purposes will be maintained by BRE and made available on the LCBP2 website at: www.lowcarbonbuildingsphase2.org.uk/page.jsp?id=21

9. Eligible Costs

9.1 Grants will only be offered, and must only be applied for, towards the reimbursement of particular costs associated with the installation of particular technologies. A list of these eligible costs, by reference to each technology type, is set out in the following table:-

Technology Type	Capacity	"Eligible costs" in respect of which grant can be claimed
Solar photovoltaics	0.5kWe – 50kWe	Cost of solar photovoltaic generation equipment, plus direct costs of fixing panels to roof/ground mount, any performance displays and connecting to electricity supply, but <u>excluding</u> (a) all VAT on those items; (b) the cost of any extended warranty beyond the two year warranty all accredited installers are required to offer free of charge; and (c) the cost of any other materials, works or other items whatsoever (such as, but not limited to, any cost of general rewiring at property)
Solar thermal hot water	Up to 45kWth	Cost of solar thermal hot water panels controllers, solar cylinders, safety components and valves, plus direct costs of fixing panels to roof/ground mount and connecting to water supply for property, but <u>excluding</u> (a) all VAT on those items; (b) the cost of any extended warranty beyond the one year warranty all accredited installers are required to offer free of charge; and (c) the cost of any other materials, works or other items whatsoever.
Wind turbines	0.5kWe – 50kWe	Cost of wind turbine generation equipment, plus direct cost of roof/ground mount, any performance displays and connecting to electricity supply, but <u>excluding</u> (a) all VAT on those items; (b) the cost of any extended warranty beyond the one year warranty all accredited installers are required to offer free of charge; and (c) the cost of any other materials, works or other items whatsoever (such as, but not limited to, any cost of general rewiring at property)
Ground source heat pumps ¹	Up to 45kWth	Cost of heat generation pipes and other equipment, plus direct costs of ground works for boring vertical or horizontal pipe work and connecting to the electrical supply and heat distribution system at the property, but <u>excluding</u> (a) all VAT on those items; (b) the cost of any extended warranty beyond the one year warranty all accredited installers are required to offer free of charge; and (c) the cost of any other materials, works or other items whatsoever (such as, but not limited to, upgrading of radiators or other elements of central heating system at property)
Wood pellet heaters, stoves or boilers ²	Up to 45kWth	Cost of relevant heater/stove/boiler equipment, plus direct costs of connecting the unit to an automated fuel delivery mechanism and connecting to the property's heat distribution system, but <u>excluding</u> (a) all VAT on those items; (b) the cost of any extended warranty beyond the one year warranty all accredited installers are required to offer free of charge; and (c) the cost of any other materials, works or other items whatsoever (such as, but not limited to, upgrading of radiators or other elements of central heating system at the property).

1. Ground source, non-reversible, closed-loop heat pumps are eligible. Reversible, open, and air-water systems are excluded.

2. Conventional multi-fuel room heaters/stoves (i.e. log/coal) and kitchen ranges (e.g. AGA) – are excluded.

10. Consents and Approvals

- 10.1 The applicant must ensure that it has obtained and will continue to have all necessary consents and approvals in order to install the technology at the property and to enable the applicant to comply with these terms and conditions. Required consents and approvals include but are not necessarily limited to the following:-
- 10.1.1 if the applicant only has a leasehold interest in the property, the consent of the freehold owner and any relevant leaseholders of the building;
 - 10.1.2 all necessary planning and building regulations consents from the applicant's local authority. It is the applicant's responsibility to ensure the applicant has obtained all of these;
 - 10.1.3 any of the other consents or approvals referred to in the following paragraphs 10.2 to 10.4 below.
- 10.2 If the technology is to be connected to the electricity grid, the applicant must ensure that it has obtained any consent that may be required from the local "Distribution Network Operator" (DNO). Even if consent from the relevant DNO is not required, the applicant must ensure that it or its accredited installer has informed the DNO of the connection of the applicant's technology to the grid and has complied with any other applicable regulations imposed by the DNO.
- 10.3 If the applicant is intending to install a biomass heater/stove/boiler in a smoke controlled zone, the applicant must ensure that the relevant product is exempt under s.21 of the Clean Air Act 1993.
- 10.4 If the applicant is intending to install a solar thermal hot water system, the applicant must ensure through its accredited installer that the relevant system complies with the Water Supply Regulations 1999.

11. Other Funding

- 11.1 The applicant is not entitled to apply for or receive a grant if the applicant has already received or will receive any other funding from the national government or devolved authority **in relation to the technology** and/or its installation at the property. This includes, but is not limited to, any funding that may be or has been available under the following schemes: Low Carbon Buildings Programme Phase 1; Clear Skies; Major PV Demonstration; Bioenergy Capital Grants Scheme; Scottish Community and Household Renewables Initiative Programme or Scottish Biomass Support Scheme.
- 11.2 Funding is available for new installations of technologies, even if other technologies have previously been grant-aided at the same property. In any event, the applicant must also ensure that the total amount of funding which it receives in relation to the technology and/or its installation at the property from all public sources, whether national or local government or otherwise and including any LCBP2 grant, does not exceed 100% of the cost of that technology/ installation.

Part 3 - Application & Claim Process

12. Application Requirements

- 12.1 In order to apply for a grant, the applicant must fully complete an online application, or download, print and complete a paper-based application form. This includes completing the Section C - Compliance & Declaration. The application will be submitted to BRE online or by post, together with electronic copies of all quotations for the cost of installing each technology (see paragraph 12.3 below), and proof of not-for-profit status.
- 12.2 Quotations must be from either an accredited installer on behalf of a Framework Supplier or a Framework Supplier, and must show details of the specific type of microgeneration technology (identifying both the supplier and the model type) that the applicant intends to install. Where the quote is from the Framework Supplier rather than the accredited installer directly, the quote must also provide full details of the accredited installer.
- 12.3 The applicant must ensure that all information it provides in connection with its application and/or claim for a grant, whether on or with the application form itself, in response to any subsequent enquiries that DTI or BRE may make or otherwise, is true, accurate and complete in all respects. If any information that the applicant provides is subsequently found to be untrue, inaccurate or incomplete, this may affect the applicant's entitlement to receive the grant.

- 12.4 In order to keep track of project progress, BRE will require each applicant to update their project information on the LCBP2 web-based database. The exact timing and requirements will be outlined in the grant offer letter and may change from time to time.
- 12.5 The applicant is only entitled to apply for a grant if installation has not commenced and the applicant must ensure that the work does not commence before receiving an offer of grant from BRE. If BRE subsequently becomes aware that any installation work commenced prior to the date on which the applicant received an offer of grant for that installation, that offer will be withdrawn. For these purposes, the date on which work has commenced will be assessed for each technology type by reference to the following table:-

Technology type	Point at which installation work is deemed to have commenced
Solar photovoltaics	PV modules are fixed to the roof or proposed ground mount at the property
Wind turbines	Turbine is fixed to building or (for free standing turbine) fixed to the ground mount. NB ground works for the tower can have already begun, but are done so at own risk
Solar thermal hot water	Solar collectors are fixed to building or proposed ground mount
Ground source heat pumps	Heat pump is installed in building. N.B. ground works, including pipe lagging, can have begun, but are done so at own risk
Wood pellet heaters/ stoves/ boilers	Heating unit is installed

- 12.6 BRE will endeavour to process straightforward applications within 5 working days of receipt by BRE of the application form and all applications within 7 working days of receipt by BRE of the application form and either issue the applicant with a grant offer letter or notify the applicant that the application has not been successful. Grant applications over £100,000 will require more detailed assessments and applicants will be notified within 20 working days of receipt by BRE of the application form.
- 12.7 Grant offers may be made conditionally, where further clarification is sought from the applicant within a timescale specified by BRE. Once these requirements have been met the applicant will receive a grant offer letter – see paragraph 13 below. Failing to meet these requirements will result in the conditional offer being withdrawn.
- 12.8 Grant funds are limited and grant offers will be made on a "first come, first served" basis, subject always to the overall availability of funds. BRE cannot and does not guarantee that any application for a grant will be successful.

13. Grant Offers

- 13.1 If the applicant's application for a grant is successful, BRE will issue the applicant with a grant offer letter.
- 13.2 The grant offer letter will specify a deadline, no more than 12 months from the date of the letter, by which time the installation of the technology should have been completed - see paragraph 14 below.
- 13.3 Grant offers will be made on the basis of the information the applicant provided when applying for the grant. If any of this information changes, the applicant must inform BRE of the change. Depending on the nature of the change, BRE may alter the terms of the grant or withdraw the grant altogether.
- 13.4 Once an offer of grant has been made it will be capped at the amount/percentage stated in the grant offer letter and the applicant will not be entitled to claim any amount in excess of these caps, even if the actual costs of installing the technology rise - see paragraph 15 below for more detail on the grant limits that will apply.
- 13.5 Grant offer letters will include a grant claim form which the applicant will need in order to submit its claim for payment. The applicant should ensure therefore that, once received, the grant offer letter and grant claim form are kept in a safe place.

14. Grant Claim Requirements

- 14.1 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 supplier and / or installer invoices, shown as paid.

- 14.2 The applicant will be entitled to claim the total grant, or the remainder following an interim claim, when installation of all technologies for which a grant offer was made has been completed in accordance with the grant offer letter and the applicant has paid the eligible costs. For these purposes, each of the installations will be treated as having been completed as at the date on which the technology is commissioned by the accredited installer. The applicant is responsible for ensuring that the installations have been completed and paid for in sufficient time to enable the applicant to meet the deadline specified in the grant offer letter for claiming the grant.
- 14.3 In order to keep track of progress, BRE will ask each applicant to complete their project information on the LCBP2 web-based database as outlined in paragraph 12.4. Failing to do so may result in the grant offer being withdrawn.
- 14.4 Subject to paragraph 14.2 above, to claim a grant the applicant must provide the following documents to BRE:-
- 14.4.1 the grant claim form, as enclosed with the applicant's grant offer letter;
 - 14.4.2 an invoice from the contractor for eligible costs the applicant has incurred in installing each technology – see paragraph 14.5 below;
 - 14.4.3 if the accredited installer who installed any technology was not contracted to the applicant directly, but was sub-contracted by the applicant's main contractor, additional invoices evidencing payment of the accredited installer;
 - 14.4.4 a commissioning certificate provided by the relevant accredited installer(s) for each technology installation - see paragraph 14.7 below;
 - 14.4.5 any additional supporting documentation which BRE may ask the applicant to provide if it has any queries or concerns about the applicant's grant claim.
- 14.5 The applicant must provide BRE with original invoices from the contractor the applicant has paid to supply and install the technology. These will be sent back to the applicant at the earliest opportunity. At a minimum, the invoice must contain the following information:-
- 14.5.1 full details (including registered name, address and VAT no.) of the contractor;
 - 14.5.2 details of the applicant's name, and the address of the property;
 - 14.5.3 details of the specific type of microgeneration product installed at the property and - unless BRE has specifically confirmed otherwise in writing, these details must match those set out in the quote provided with the grant application form;
 - 14.5.4 details of the eligible costs (see paragraph 9 above) in respect of which the grant is being claimed;
 - 14.5.5 evidence that payment of the eligible costs has been made.
- 14.6 If the contractor referred to at paragraph 14.4 is not the accredited installer because the applicant has been dealing with a main contractor and that contractor has sub-contracted the installation work to an accredited installer, then the applicant must also provide a suitable chain of copy invoices evidencing to BRE's satisfaction that the work was carried out by an accredited installer and that the accredited installer has been paid in full for that work.
- 14.7 The applicant will also need to provide a copy of the commissioning certificate, in the standard form specified by BRE, completed by the accredited installer. It is the applicant's responsibility to ensure that the accredited installer provides the applicant with this certificate in time for the applicant to submit a claim by the deadline specified in the grant offer letter.

15. Payment of Grant

- 15.1 Subject to paragraph 15.2 below, BRE will endeavour to process grant claims within 15 days of receipt of all necessary documentation from the applicant. Once processed, BRE will either issue the applicant with a notification that the grant money will be paid into the bank account as detailed in the grant claim form (if BRE is satisfied, on the basis of the information provided to it at that point, that

everything is in order) or notify the applicant that the claim has been declined, giving the applicant the reasons for this.

15.2 BRE and DTI reserve the right, upon provision of reasonable notice to the applicant, to inspect any technology installation at the property, whether before or after the payment of the grant in respect of that installation and as a pre-condition to processing that claim.

15.3 For the avoidance of doubt:-

15.3.1 the amount of grant will not exceed £1 million OR a specified percentage of the "eligible costs" (see paragraph 7 above), whichever is the LOWER. Accordingly, even if the actual costs of installing the technology are higher than those stated in the application form, the grant will be capped at the specified maximum amount of grant. Equally, if the actual costs of installing the technology are lower than those stated in the application form, the grant will be capped at the specified percentage of eligible costs;

15.3.2 unless and to the extent that BRE has specifically agreed otherwise in writing by way of a variation to its original grant offer letter, the specific location, type and size of technology or technologies actually installed by the applicant, together with the identity of the Framework Supplier and accredited installer(s) who commissioned the installation(s), must be in accordance with the details specified in BRE's grant offer letter and be otherwise compliant with the eligibility criteria specified in these terms and conditions (including, but not limited to, the overall value requirements set out in paragraph 8 above) - if this is not the case, BRE reserves the right to reduce the amount of grant it will pay, or to withdraw its offer of grant altogether.

Part 4 - General Terms and Conditions

16. Record Keeping and Inspections

16.1 BRE has to be able to verify that any grants paid by it were properly payable and were applied in the proper way. For this reason, the applicant must comply with the record keeping and inspection requirements set out in the following paragraphs 16.2 to 16.4.

16.2 The applicant must keep a record of all documentation that the applicant obtains in relation to the technology and its installation, including in particular the original of the quote(s) provided with the applicant's application for the grant and any original invoices from the accredited installer or any other contractors involved in the installation work. The applicant must keep these records for at least 6 years following payment of the grant and if BRE asks the applicant to do so at any time (and as long as it gives the applicant reasonable prior notice) the applicant must allow authorised representatives of BRE and/or the DTI and/or any national audit body to inspect and take copies of these records, together with any other documents (including constitutional documents and/or accounts) relevant to the applicant's eligibility to receive a grant.

16.3 The applicant will be required to provide project progress information as outlined in the grant offer letter – see paragraph 12.4 and 14.3.

16.4 If DTI or BRE asks the applicant to do so at any time, the applicant must provide such additional information and co-operation as reasonably requested for the purposes of monitoring energy use of the property and/or the performance of the technology. DTI or BRE will be entitled to use this information, amongst other things, for the purposes of publishing reports in relation to the technology.

17. Publicity

17.1 If at any time the applicant uses the technology in any advertising or otherwise publishes any information about the technology, the applicant must make clear that the applicant has received a grant from the DTI under the LCBP2. However, the applicant must not do or say anything that may lead a third party to believe that the applicant is acting as an agent of the DTI or BRE.

18. Compliance with Laws

18.1 The applicant must ensure that in carrying out any activities in connection with the installation and use of the technology, the applicant and anyone acting on its behalf complies with all applicable laws and regulations.

19. Withholding and Repayment of Grant

- 19.1 In addition to any other rights it may have under these terms and conditions or the general law, BRE may reduce, suspend or withhold payment of any grant, or require all or part of any grant to be repaid, if any one or more of the following events occurs:-
- 19.1.1 a decision is made by the DTI or the European Commission and/or an obligation arises under any applicable law which requires that the grant should be varied, withheld, reduced, cancelled or recovered;
 - 19.1.2 any information that the applicant provided to BRE in relation to the grant (whether in the grant application form or otherwise) is subsequently found to be materially untrue, inaccurate or incomplete;
 - 19.1.3 the applicant ceases to be eligible to receive a grant (either at all, or at the level previously offered or paid to the applicant by BRE);
 - 19.1.4 the applicant fails to comply in any respect with these terms and conditions;
 - 19.1.5 the applicant or any person employed by the applicant has offered or given or agreed to give any person any improper gift or commission or consideration of any kind in relation to any of BRE's programmes;
 - 19.1.6 the applicant becomes insolvent or is wound-up or dissolved or it appears to BRE that the applicant is likely to become insolvent or to be wound-up or dissolved;
 - 19.1.7 there has been an overpayment of grant.
- 19.2 Without prejudice to any of BRE's rights under paragraph 19.1 above, if it becomes apparent at any time that the applicant incorrectly notified BRE as to the applicant's status for State Aid purposes, i.e. if the applicant indicated to BRE that it was not an undertaking when in fact it is, a breach of State Aid rules may have occurred and the applicant may be required to pay back the amount of grant received, together with interest on that amount.

20. Liability of BRE and DTI

- 20.1 The information made available by BRE on its website and elsewhere in relation to the LCBP2 and more generally in relation to microgeneration and/or energy saving technologies is intended to act as a guide only, and accordingly BRE or DTI cannot and do not accept any liability for any loss or damage that the applicant may suffer as a result of using that information.
- 20.2 BRE and DTI cannot and do not guarantee or underwrite the performance of any technology (whether an "approved" product or otherwise) and/or any installer (whether or not an "accredited" installer), and/or any Framework Supplier (including any sub-contractors), and the applicant should ensure that the installer it contracts provides the applicant with all necessary information in relation to the warranty cover provided and the insurance cover in place.
- 20.3 In the unlikely event that BRE or DTI or any of their officers, employees or agents were to suffer or incur any losses, damages, costs or expenses, and/or to have any claims made against the applicant, as a result of the applicant's installation or use of the technology or any other of the applicant's activities in connection with the grant or the property, then unless and to the extent caused by DTI or BRE's own negligence, the applicant must indemnify BRE and DTI fully in respect of the relevant losses, damages, costs, expenses or claims.

21. Miscellaneous

- 21.1 BRE will be entitled at any time to vary these terms and conditions on giving notice to the applicant to that effect if BRE, in consultation with DTI, considers that the variation in question is necessary.
- 21.2 Any offer of grant made by BRE is personal to the applicant and accordingly the applicant is not entitled to transfer any of the applicant's rights or obligations in respect of that offer and these terms and conditions without the prior written consent of BRE.

- 21.3 DTI will be entitled to enforce and rely upon any of the terms and conditions which purport to confer a benefit on it but nothing in any offer of grant by BRE or these terms and conditions is intended to confer any rights on any person under the Contracts (Rights of Third Parties) Act 1999.
- 21.4 Any offer of grant by BRE and these terms and conditions will be governed by English Law.

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