

## 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 under the State Aid section:

[www.lowcarbonbuildingsphase2.org.uk/page.jsp?id=14](http://www.lowcarbonbuildingsphase2.org.uk/page.jsp?id=14)

If you are a Housing Association or Trust please also read the information on the last page of this document.

#### What areas of the country are covered?

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

#### What level of funding is available?

£0 - £1.0 million.

#### 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 will require more detailed assessments, and therefore results will take up to 20 working days.

#### 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 CO<sub>2</sub> 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.** If you are a Housing Association or Trust please also read the information on the last page of this document.

#### 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\\_v3.0.pdf](http://www.lowcarbonbuildingsphase2.org.uk/filelibrary/LCBP2_Scheme_Conditions_v3.0.pdf))

#### What are the conditions of the grant being given?

Terms & Conditions can be downloaded from:

[www.lowcarbonbuildingsphase2.org.uk/filelibrary/LCBP2\\_Scheme\\_Conditions\\_v3.0.pdf](http://www.lowcarbonbuildingsphase2.org.uk/filelibrary/LCBP2_Scheme_Conditions_v3.0.pdf)

## Which technologies are covered by the LCBP2 grant scheme?

Grants will be available for installations of up to max 50kW electricity and 45kW heat per property. Installations must be chosen from the pre-specified products list available from the LCBP2 website, of 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**

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 – 50% grant**

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.

### **Solar thermal – 50% 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 – 50% 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 – 50% 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.

**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.

## How many technologies can I apply for?

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

## How were the grant percentages worked out?

The grant percentages are based on analysis by the BERR.

## Can I apply for a Phase 2 grant for an installation which is larger than the stated maximum heat/ power output for any of the technologies?

The limits to the size of the installation are in line with the definitions of microgeneration stated in section 82 of the Energy Act 2004, namely

(a) in relation to the generation of electricity, 50 kilowatts;

(b) in relation to the production of heat, 45 kilowatts thermal.

Although only applications that meet the stated limits will be accepted, LCBP2 may contribute to the first 45 or 50 kW of larger installations that use multiple products from the scheme product list for each property.

## **Why does the list of technologies not include hydro turbines, air to air heat pumps and others?**

*Unfortunately there were insufficient expressions of interest from the framework suppliers during the tender process to enable inclusion of all microgeneration technologies in the final framework. Interested parties may apply to Low Carbon Buildings Programme Phase 1 ([www.lowcarbonbuildings.org.uk](http://www.lowcarbonbuildings.org.uk)), which does offer grants for these technologies.*

## **How many grants can an organisation receive under LCBP2?**

*Organisations can apply for a maximum of up to £1.0 million in grant funds per site. A site may include more than one property and a maximum of three eligible technologies may be grant-assisted at each property (unless pre-agreed by BRE and BERR). Multiple applications from one organisation for different sites will be accepted.*

## **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, 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.*

## **If I wish to apply for a grant under the LCBP Phase 2, does the building need to meet Part L of the Building Regulations?**

*Buildings need to meet the building regulations applicable at the time of construction or major refurbishment. There are no additional energy efficiency criteria within the application process of Phase 2, but we strongly encourage prospective applicants to ensure they have also taken energy efficiency measures as this will ensure a more effective microgeneration installation. For further information on buildings regulations please go to [www.planningportal.gov.uk](http://www.planningportal.gov.uk).*

## **Why does LCBP2 not include any energy efficiency requirements?**

*The main aims of LCBP2 are to:*

- achieve reductions in the costs of microgeneration products, against a 2005 baseline, by stimulating the industry through the guaranteed demand provided by the additional capital grants;*
- see microgeneration products demonstrated on a wider scale;*
- achieve greater visibility and understanding of these products by the general public as a result of their installation on a wide range of buildings.*

*In order to simplify the application process, and in the absence of an independent selection panel, it was felt inappropriate to add another level of complexity with additional energy efficiency criteria. LCBP2 does in fact strongly recommend that applicants ensure that there are good levels of energy efficiency in order to obtain maximum benefit from their installation.*

## **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, PV tracking systems or other elements of the heat distribution system. Warranty costs - all certificated 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 available from the Downloads section of the LCBP2 website.*

## **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.*

### **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 grant, 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) has 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.*

### **Who installs the systems?**

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

### **What are the costs given by the framework suppliers for each of the technology?**

*Please contact the framework suppliers directly to obtain quotes (also see "How were Framework Suppliers chosen" below).*

### **How were the Framework Suppliers chosen?**

*Framework Suppliers were selected by BERR 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 the expressions of interest has now passed.***

### **I would like to become one of the Framework Supplier – How can I do this?**

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

### **I am a registered installer with Clear Skies / PV Major Demonstration Programme (MDP) – How will LCBP2 benefit me?**

Framework Suppliers are required to use a person, firm or company specified as "certificated installer" in relation to the relevant technology. From time to time Framework Suppliers may choose to change the installers they sub-contract. Please contact them directly for more detail – see Framework Suppliers page of the LCBP2 website.

### **I have a programme related question - Who can I ask this?**

*Please call or email LCBP2 Helpline on 08704 23 23 13 or [info@lcbpphase2.org.uk](mailto:info@lcbpphase2.org.uk).*

### **I have a policy related question - Who can I ask this?**

*Please email the BERR at [micro.generation@berr.gsi.gov.uk](mailto:micro.generation@berr.gsi.gov.uk).*

### **I am organising an event and would like a speaker to give a presentation on the Low Carbon Buildings programme Phase 2!**

*Unfortunately we do not have sufficient resources to attend all the meetings we are invited to. However event organisers can download a PowerPoint presentation, including speakers notes, that gives general information about LCBP2. The presentation is available on <http://www.lowcarbonbuildingsphase2.org.uk/page.jsp?id=27>.*

## What are the benchmark values £/tonne CO<sub>2</sub> 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 higher, it may cause BRE to either:

- reject an application
- reduce the grant amount
- request further information and clarification

The benchmarks (figures in bold) are expressed as pounds sterling per tonne of carbon dioxide (£/tonneCO<sub>2</sub>) saved. 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
Displaced fuel/energy	Assumed lifetime (years)				
	25	20	20	20	20
Electricity	<b>£990</b>	<b>£388</b>	<b>£119</b>	<b>to be confirmed</b>	<b>£106</b>
Natural Gas	N/A	<b>£563</b>	<b>£212</b>	<b>tbc</b>	<b>£315</b>
Oil		<b>£489</b>	<b>£225</b>	<b>tbc</b>	<b>£171</b>
Coal		<b>£296</b>	<b>£86</b>	<b>tbc</b>	<b>£83</b>
LPG		<b>£523</b>	<b>£263</b>	<b>tbc</b>	<b>£185</b>

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

### Carbon dioxide emissions factors to be used in the £/tonneCO<sub>2</sub> calculations:

Electricity=	0.43 kgCO <sub>2</sub> /kWh	Coal=	0.3 kgCO <sub>2</sub> /kWh
Natural Gas=	0.19 kgCO <sub>2</sub> /kWh	Oil=	0.25 kgCO <sub>2</sub> /kWh
		LPG=	0.21 kgCO <sub>2</sub> /kWh

### Calculation formula:

$\text{£/tonneCO}_2 = (\text{Total cost (based on eligible costs)} \times 1000) / (\text{Energy yield} \times \text{emission factor} \times \text{assumed life})$

Example for PV system costing £12,000 with an estimated annual yield of 1500 kWh:

$(12,000 \times 1000) / (1500 \times 0.43 \times 25) = \text{£744.19 /tonneCO}_2$

**I am a Housing Association and would like to install eligible technologies in a range of houses, do I have to complete separate application forms for each house?**

*If the houses share the first part of the post code they can be included in one application. Similarly if up to two different products of the same technology are intended to be installed (same or different configurations, i.e. inverters, systems sizes) one application is possible. As long as this is explained elsewhere, i.e. covering letter, email, quote or at the end of section D of the application form.*

**I am a Housing Association and would like to use a private developer/leasing company, are there any specific contractual arrangements that need to be in place in order to remain eligible?**

*Any applications under the Low Carbon Buildings Programme Phase 2 will have to be made by the eligible organisation in this case the Housing Association, who has to confirm that the technology is to be installed in social housing and that they are entrusted with tasks involving Services of General Economic Interest (SGEI). Also see the social housing condition referred to in section C of the application form.*

*Furthermore LCBP2 delivery is administered through "Framework Suppliers". These suppliers were chosen following a tender process. When Framework Suppliers contract with customers under the Low Carbon Buildings Programme Phase 2, they do so on the basis of a model contract - Schedule 2 (this is available from the applicants' respective framework supplier/s). The principals to the contract must be between the Framework Supplier and the Housing Association.*

*Under the framework agreement, Framework Suppliers may use scheme-registered sub-contractors, but the principal to the agreement must remain the Framework Supplier.*

*Any Housing Association eligible to apply for a grant, must ensure that there are proper procedural and accounting systems in place. Without invoices, the Housing Association cannot claim for eligible costs incurred and defrayed. A chain of invoices would be acceptable evidence (as per condition 14.6 of the terms and conditions), together with and as stated above a contract based on schedule 2 to the Framework Agreement between Framework Supplier and grant recipient. The benefit of any grant must remain with the grant applicant.*

*Should the above indicate that your intended set up might not fall within the scheme's T&C's, please note that the contractual arrangements are dealt with by the respective framework suppliers and they might therefore be able to advise on other suitable contractual arrangements.*

**Why do Housing Associations and Trusts have to confirm their properties' social housing status?**

*This is in view of State Aid rules and the European Commissions' decision that undertakings in charge of social housing are exempt from notification if the social housing is provided to disadvantaged citizens or socially less advantaged groups, which due to solvability constraints are unable to obtain housing at market conditions. We therefore need to see proof that the properties in question will solely be occupied by tenants falling within that category. For further clarification please see the "State Aid" page on the LCBP2 website.*