



Business energy efficiency loans

From the Carbon Trust

Grants

CTL G004

Britain has signed up to legally binding carbon reduction targets. These aim to cut UK emissions by at least 80% by 2050. In order to help achieve these targets, the Carbon Trust offers **0% business loans to help businesses invest in energy saving technologies.**

In 2008 – 2009, the Carbon Trust provided over £70m in interest free loans for businesses to invest in energy efficient technology.

This investment should save 148,000 tonnes of CO₂ per year. Continued investment in low carbon technologies will continue to deliver even greater savings in 2010 and into 2011. For information on tax benefits of investing in energy saving equipment, see Daikin's factsheet L002 on ECA.



What loans are available?

Businesses can now apply for interest free loans from the Carbon Trust ranging from £3,000 to £100,000 towards the cost of introducing low carbon technologies. As the loans are interest free, it is anticipated that savings made in energy consumption will offset the loan repayments. This means that the new technology should pay for itself and your company will make additional savings.

What technologies qualify for the loan?

The following building technologies qualify for the loans:

- Air conditioning
- Boilers and heating controls
- Boiler and hot water tank information
- Building insulation
- Heat recovery
- Lighting
- Pipe insulation
- Solar thermal systems.

The following industrial process technologies also qualify for the loans:

- Compressed air fittings
- Process heating
- Motors
- Power factor correction
- Materials handling equipment
- Process controls
- Refrigeration
- Variable speed drives.

How does the scheme work?

The loans are administered by the Carbon Trust and companies can borrow between £3,000 and £100,000. These unsecured loans are government funded and can be repaid over a four year period. They are available to any private sector business that has been trading for at least 12 months and in England, Wales and Scotland any small or medium enterprise can apply, as can larger businesses that do not qualify for the Carbon Reduction Commitment Energy Efficiency Scheme. In Northern Ireland any business can apply.

In order to be eligible for these loans, the technology introduced must save a minimum of two tonnes of CO₂ per £1,000 of loan value, with a minimum loan value of £3,000. Further savings via tax relief are available through the Government's Enhanced Capital Allowance scheme.

How does my business apply for a loan?

The loans scheme deals with energy-saving projects rather than a particular product, so in order to qualify for a loan, the projected cost of energy used after completion of the proposed project must show a significant reduction when compared to an energy bill.

For details of how to apply for the loan visit: www.carbontrust.co.uk/cut-carbon-reduce-costs/products-services/business-loans/Pages/loans-how-to-apply.aspx