

Q How much will it cost me?

A It should cost you nothing. Currently there is no administration fee. You can qualify for an Energy-Efficiency Loan only if the energy bill savings associated with your proposed project are estimated to fully cover the cost of the loan amount within five years.

Q How do I make repayments?

A Once you have received the total loan amount from the Carbon Trust you will be sent a monthly loan repayment schedule. All loan repayments must be made by DIRECT DEBIT.

Q How will my repayments be calculated?

A Repayments for Energy-Efficiency Loans are interest free and the term of your loan is determined by the energy payback of your project. For example, if you are offered a loan of £30,000 and you expect to make energy cost savings of £10,000 per year, your energy payback ratio will be  $(£30,000 \div £10,000 \text{ p.a.}) = 3$  years. Therefore your repayments will be calculated to repay £30,000 over three years. Loan terms must be multiples of 12 months up to a maximum of 48 months (i.e. 12 months, 24 months, 36 months or 48 months).

Q Does the loan cover installation of the equipment?

A Yes, provided that the:  
(a) installation is to be carried out by a third party organisation that has provided a written quotation for the work; and  
(b) the estimated carbon saving resulting from the project exceeds the carbon-saving threshold associated with the total cost of the equipment plus installation.

Q What happens if the actual energy savings realised don't cover the cost of the loan repayments?

A You will still need to repay the loan. However if you follow the process and choose a professional supplier, it is unlikely you will fail to make the savings associated with the loan.

### Finding a supplier:

Q I have a project in mind, but no supplier – where can I find one?

A If you have not selected a supplier look at the 'useful links to suppliers' leaflet (or visit [www.carbontrust.co.uk/energy/takingaction/suppliers](http://www.carbontrust.co.uk/energy/takingaction/suppliers)) which gives advice on useful contacts, for example, manufacturer and supplier associations and website addresses to help you find one. (Note: we cannot recommend individual suppliers.)

### Others:

Q Can I also claim enhanced capital allowances (ECA) on the same project?

A The ECA Scheme for Energy Saving Investments is fundamentally different to the Carbon Trust Energy-Efficiency Loan scheme. See the ECA website for more details: [www.eca.gov.uk/energy](http://www.eca.gov.uk/energy). Nevertheless, if your loan project features a piece of equipment from the Energy Technology List (ETL) then you may qualify for ECA on the value of that equipment (as opposed to the total value of your loan project).

Q How can I check if the equipment I want to purchase qualifies?

A The loan scheme is based on energy saving PROJECTS not equipment per se. 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 your existing energy bill. Therefore, it is not possible to give a concrete answer as to whether or not a given piece of equipment will qualify, it all depends upon the specific circumstances of your energy usage and processes.

# FAQ

# Frequently Asked Questions

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## About the scheme:

**Q** What is the definition of an SME?

**A** We use the EU definition of an SME which is an organisation with:

- 1 Less than 250 full-time equivalent employees;
- 2a Less than 50m Euro turnover (approx £35m) or
- 2b Less than 43m Euro assets (approx £30m);
- 3 The company must not be owned or controlled by a larger organisation (i.e. not more than 25% of the capital or voting rights are owned by an enterprise which is not itself an SME).

## Eligibility criteria:

**Q** Am I eligible for a loan?

**A** In order to establish this you need to complete an initial Eligibility Checklist and return it to us. From this we will check your company's eligibility including SME status and run a credit check. You can do this over the phone by calling the Loans Team on 0113 306 6222, by post or at [www.carbontrust.co.uk/loans](http://www.carbontrust.co.uk/loans) – it should only take 5-10 minutes to complete. Eligibility of your project is only assessed on return of a fully completed application form.

**Q** I have a project that is not going to start until next year – am I still eligible for a loan and when would I apply?

**A** Loan offers are valid for up to three months so you should time your application with this in mind.

**Q** Are organisations outside of England still eligible for the scheme?

**A** Scotland – Yes, we now offer loans to SMEs based in Scotland.  
Northern Ireland – Yes in principle, but subject to local funding.  
Wales – Yes.  
Isle of Man – No, the Isle of Man is not covered by the Carbon Trust.  
Channel Islands – No, the Channel Islands are not covered by the Carbon Trust.

**Q** I have a project that has a repayment period of over five years – could I still receive a loan?

**A** Quite possibly yes; in calculating the maximum loan size we always consider the projected energy savings of the project as a whole. The maximum amount that can be borrowed (up to £100,000) is 5x the annual value of projected energy savings. Therefore by considering a loan of less than the total project cost (a 'part-loan') the payback ratio ('the repayment period') is correspondingly reduced. But remember the minimum loan size is £5,000.

**Q** What is the 'carbon-saving threshold' in relation to a loan application?

**A** In return for every interest free loan, we require end-user projects to result in a reduction in carbon emissions associated with the applicant's site. Each proposed loan has a minimum carbon saving determined by the actual loan's value; this minimum is known as the carbon-saving threshold and it may change from time to time. Call the Loans Team or see the website for current values.

**Q** I already have an Energy-Efficiency Loan – can I apply for another one?

**A** Existing customers may apply for a second (or third or fourth...) loan if it is a wholly distinct project i.e. contributes additional carbon and energy savings and the total amount of all loans is less than or equal to £100,000, and all other criteria are met.

**Q** I am interested in reducing my energy bills, but we are a large company with more than 250 full-time employees. What can I do?

**A** Although you are not eligible for an Energy-Efficiency Loan, the Carbon Trust has a range of services to advise on the best ways to reduce your energy consumption and ultimately save you money, including site visits and telephone advice. For more information please call our Advice Line on 0800 085 2005 or visit our website at [www.carbontrust.co.uk](http://www.carbontrust.co.uk)

**Q** The scheme is not available to agricultural, fisheries, horticultural, transport or export sectors – what exactly does that mean?

**A** The EU regulations on State Aid changed in January 2007. Please see below an updated explanation of current exemptions to the Energy-Efficiency Loans Scheme:

- Agricultural sector – any enterprise active in the primary production of agricultural products is generally excluded. However enterprises involved in the processing and marketing of agricultural produce are generally acceptable unless their business is preparing animal or plant produce for the first sale. Such enterprises would also be excluded if the benefit of the loan is passed on to primary producers.
- Export Related sector – if the loan will support export related activities and is directly linked to the quantities exported, to the establishment and operation of a distribution network, or to other current expenditure linked to the export activity.
- Transport sector – we can not provide loans to enterprises, whose core business is road freight transport, for the acquisition of transport vehicles.
- Fisheries and Aquaculture sectors – we are generally unable to make loans to enterprises in these sectors.
- Coal sector – enterprises active in this sector are not eligible.

In addition the Carbon Trust does not currently provide loans to enhance the energy efficiency of vehicles.

**Q** Are renewables included?

**A** Renewable projects are neither explicitly included nor excluded. Qualifying for an Energy-Efficiency Loan depends upon the amount of energy you will save ON SITE following completion of the proposed project. Therefore if your energy saving project features renewable technology AND meets the on site cost and energy saving criteria it will qualify.

**Q** My equipment has already been installed, can I apply retrospectively for a loan?

**A** Loans cannot be offered retrospectively so if your equipment is already installed you can not apply for a loan for that project.

**Q** We are a charity – do we still qualify?

**A** Most types of organisations in England can be considered providing they meet the requirements of the scheme, e.g. fall within the definition of an SME, have been trading for over a year and have satisfactory financial records for us to perform a credit check. In practice this can include limited companies, charities, sole traders, partnerships, clubs, friendly societies and voluntary organisations.

## Application process:

**Q** Will I have to provide any further information after a loan is offered?

**A** Yes. To receive payment from the Carbon Trust, you will need to provide copies of the invoices from your supplier(s) to prove the goods have been supplied and following completion of your project, we will require a commissioning certificate from your supplier(s) proving the work has been fully completed.

## Costs and payments:

**Q** How long does a loan take to come through and how is it paid?

**A** If all paperwork requested has been correctly completed and returned to the Loans Team, then it is possible to turn round the applications within two weeks of receiving this information. Provided your application is successful, we will then issue a loan agreement for you to sign and return. Once the invoices for the project works have been received and forwarded to the Loans Team, payment will be made directly into your account. It remains your responsibility to pay your supplier(s).