Refrigeration Equipment: Commercial & Retail

A guide to energy efficient equipment listed on the Energy Technology List (ETL), that is eligible for Enhanced Capital Allowances (ECAs)
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Introduction

The ETL is a government register of energy saving products that may be eligible for 100% tax relief under the Enhanced Capital Allowance (ECA) scheme for energy saving technologies*. This means that businesses can write off the whole cost of the equipment against taxable profits in the year of purchase. When you select products from the list you are choosing from amongst the most energy efficient products in the marketplace.

When replacing equipment, businesses are often tempted to opt for equipment with the lowest capital cost. However, such immediate cost savings may prove to be a false economy. Considering higher energy efficient products, means that life cycle costs are reduced, improving cash flow in the longer term.

This leaflet illustrates the benefits of investing in commercial and retail refrigeration equipment which qualifies for the ETL.

The ETL comprises two lists:

- **Energy Technology Criteria List**: defines the performance criteria that equipment must meet to qualify for the ETL and for ECA scheme support;
- **Energy Technology Product List**: is the list of products that have been assessed as being compliant with ETL criteria.

Eligible refrigeration products on the ETL can be searched at: https://etl.beis.gov.uk/engetl/fox/live/ETL_PUBLIC_PRODUCT_SEARCH

*Products must be on the list at the time of purchase in order to qualify for an ECA.*

* Please note that on 29 October 2018, the Chancellor announced that the ECA and First Year Tax Credits Scheme (FYTC) will end from April 2020. Government has no plans to stop the Energy Technology List and manufacturers will be able to continue to list their energy efficient products.
Setting the scene

Definition

Refrigeration is the process of mechanically cooling or reducing the temperature of a space, a product or a process.

There are two primary applications of commercial refrigeration equipment:
- Cooling, freezing and temperature maintenance during storage of food and drink products
- Air conditioning systems

Retail food outlets in the UK, for example, are responsible for around 9% of total UK electrical energy consumption and 2.5% of total energy use, with retail outlets responsible for over eleven million tonnes of CO₂ emissions annually. A large proportion of these emissions can be attributed to refrigeration. Therefore improving the efficiency of refrigeration units can provide significant carbon savings.

Further information
For more information see: Carbon Trust’s Refrigeration systems technology guide (CTG046).

Energy Consumption in the UK (ECUK) 2016 Data Tables - BEIS
Setting the scene

There are six sub-technologies within the commercial refrigeration technology category of the Energy Technology List:

- Cellar cooling equipment
- Professional refrigerated storage cabinets
- Refrigerated display cabinets
- Curtains, blinds, doors and covers for refrigerated display cabinets
- Refrigeration compressors
- Refrigeration system controls

ETL listed refrigeration equipment must meet defined energy efficiency levels under various load conditions. In this document, the baseline scenario below, has been used to calculate the potential financial (£), energy (kWh) and carbon savings (tonnes CO₂) unless otherwise indicated:

- Refrigeration equipment operates continuously, 8,760 hours a year
- Price for electricity* 11.14p/kWh
- Carbon emissions* for electricity 0.35156 kgCO₂/kWh
- ETL listed products are within the top 25% of most efficient products in the marketplace

* BEIS 2017
Cellar Cooling Systems

Cellar cooling systems maintain an indoor (cellar) environment at 10-12°C – suitable for the storage of chilled beverages. They are used in pubs, restaurants and hotels, and can be packaged, split or remote. The equipment listed on the ETL has a capacity between 2kW and 12kW, and therefore encompasses most cellar applications.

There are two types of cellar cooling system eligible for the ETL:

- Split systems with the evaporator in the cellar and the condensing unit external (usually outside) are the most common type.
- Dual split systems, comprising two evaporators and one condensing unit.

In addition, free cooling units, which use a fan to draw in outdoor air to provide “free cooling” when the ambient temperature is sufficiently low are also eligible for the ETL. Packaged cellar cooling units systems (fitted through the wall or window) and remote systems (with separate evaporator, condenser and compressor) are no longer listed on the ETL.

Example: By installing an ETL listed 7.3kW cellar cooling system in place of a non-listed system of the same size the potential annual savings are calculated as:

- £540
- 4,900 kWh
- 1.7 tonnes CO₂

With a typical additional capital cost of £400 and lifetime energy and ECA benefits of around £5,700 at today’s prices, the financial benefit of choosing an ETL listed product is over 14 times the additional cost. Furthermore with a potential ECA of approximately £840 in year 1 plus additional energy savings, the extra capital cost is recovered within 1 year of purchase.

*Non ETL equipment assumed to be 25% less efficient, with purchase price of ~£4,040
Products on the Energy Technology List:
Professional Refrigerated Storage Cabinets

**Personal Refrigerated Storage Cabinets**

- Professional refrigerated storage cabinets (PRSCs) are appliances which have one or two solid doors and are typically used for the storage of food and beverages in commercial kitchens. They hold chilled food at between -1°C and 5°C and frozen food at between -18°C and -15°C.
- Professional refrigerated storage cabinets are usually self contained (integral ‘plug in’) systems. The evaporator is either inside the cabinet, or immediately above it so that the cooled air flows directly into the cabinet. The evaporator is coupled to the condensing unit which is usually located at the top of the cabinet.
- Cabinets with single and double doors, larder and chest type, counter and under counter models for the storage of chilled and frozen food are listed on the ETL. PRSCs are fitted with solid faced lids, doors or drawers and are not used for displaying food (see instead refrigerated display cabinets section).
- To be eligible for listing on the ETL, products must have an energy efficiency index which is lower than the thresholds laid out in the ETL criteria, representing best performing products.

By installing an ETL listed single door cabinet for chilled food in place of a non-listed cabinet of the same size the potential annual savings are calculated as:

- £60
- 580 kWh
- 200kg CO$_2$

With a typical additional capital cost of £50 and lifetime energy and ECA benefits of around £720 at today’s prices, the financial benefit of choosing an ETL listed product is over 15 times the additional cost. Furthermore with a potential ECA of approximately £320 in year 1 plus additional energy savings, the extra capital cost is recovered within 1 year of purchase.

*Assumed non-ETL cabinet cost of £1,650, and annual energy use of 2,300 kWh.
Products on the Energy Technology List:
Refrigerated display cabinets

Refrigerated Display Cabinets

- Refrigerated display cabinets exhibit food and beverages to best effect for retail purposes.
- The cabinet incorporates one or more evaporator/expansion device combinations which are either supplied by liquid refrigerant from an integral condensing unit, or from a remote system.
- All the common types of cabinet are listed on the ETL, including multi decks, chest freezers, upright freezers with glass doors and serve-over cabinets.
- They cover a wide range of storage temperatures from frozen food at -18°C, to chilled food at 5°C and at 10°C.

Example: By installing an ETL listed 2.5m open-fronted chilled food cabinet in place of a non-listed cabinet of the same size the potential annual savings are calculated as:

- £220
- 2,000 kWh
- 0.7 tonnes CO₂

With a typical additional capital cost of £460 and lifetime energy and ECA benefits of around £2,400 at today’s prices, the financial benefit of choosing an ETL listed product is over 5 times the additional cost. Furthermore with a potential ECA of approximately £670 in year 1 plus additional energy savings, the extra capital cost is recovered within 1 year of purchase.

* Assumes an ETL listed cabinet costs £3,500, and annual energy use of 4,500 kWh
Products on the Energy Technology List: Curtains, blinds, doors and covers for refrigerated display cases

Curtains, blinds, doors and covers for refrigerated display cases

Many refrigerated display cases are open-fronted, which significantly increases the heat load on the refrigeration system. There are various components available that can be added to reduce the heat load. These include:

• Strip curtains – Overlapping, transparent plastic strips that fit permanently to the open front of display cases. With a typical cost of £170 per blind, the payback period could be as little as 7 months.
• Doors – Sliding or hinged transparent doors that fit permanently to the open front of display cases.
• Covers (bubble lids) – rigid plastic covers that fit permanently to the top of open freezers.
• Blinds – roller-type blinds fitted to the front of open cabinets and may incorporate a motorised control system.
• Enhanced air flow management devices – these enhance the descending air curtain at the front of an open cabinet to reduce infiltration of ambient air.

The use of curtains, doors and covers reduces the heat load on the system, and variation in product temperature will be less. To be effective in reducing the heat load, and therefore improving energy efficiency, care should be taken to ensure they are fitted correctly.
Products on the Energy Technology List: Refrigeration compressors

Refrigeration Compressors

The compressor in a refrigeration system compresses the refrigerant gas from the lower pressure of the evaporator to a higher pressure so that it can subsequently condense, thus rejecting heat to ambient air or water in the condenser. The ECA Scheme covers the following types of refrigeration compressors:

- High temperature with HFC or HC refrigerant.
- Medium temperature with HFC or HC refrigerant.
- Low temperature with HFC or HC refrigerant.
- Medium temperature transcritical/subcritical with R744 refrigerant.
- Low temperature transcritical/subcritical with R744 refrigerant.
- Low temperature subcritical cascade with R744 refrigerant.

To be eligible for listing on the ETL, products must have a Coefficient of Performance (COP) which is higher than the thresholds laid out in the ETL criteria, representing best performing products.

Example: By installing an ETL listed compressor instead of a market average unit, the potential annual savings are calculated as:

- £330
- 2,970 kWh
- 1,040 kg CO₂

With a typical additional capital cost of £200 and lifetime energy and ECA benefits of around £3,400 at today’s prices, the financial benefit of choosing an ETL listed product is over 16 times the additional cost. Furthermore with a potential ECA of approximately £230 in year 1 plus additional energy savings, the extra capital cost is recovered within 1 year of purchase.

* Assumes an ETL capital cost of £1,200 for product with average cooling capacity of 12kW operating 7,300 hours per year. With a 15% efficiency saving and 20% cost premium for an ETL product.
Products on the Energy Technology List:
Refrigeration system controls

Refrigeration System Controls
Refrigeration system controllers vary enormously in function and complexity. The simplest control is a thermostat which simply controls the temperature of the cooled space. More complex refrigeration systems, such as those with multiple compressors, ideally require more sophisticated control. When used in the right way, these controls can significantly reduce the amount of energy a refrigeration system uses.

The ETL currently includes:
• System management units or packages consisting of one or more control units or modules that are designed to optimise an entire refrigeration system, including the operation of refrigeration compressor(s), evaporator(s) and condenser(s).
• ‘Add-on’ controllers that are designed to be used in conjunction with a specific system management unit or package, and enable the operation of additional refrigeration compressors, evaporators and condensers to be optimised.

Example: The potential annual savings achieved as a result of selecting ETL listed refrigeration system controls, at a commercial site running 8 evaporators and one cold room are calculated as:
• £2,900
• 26,200 kWh
• 9.2 tonnes CO₂

With a typical additional capital cost of £3,600 and additional lifetime energy and ECA benefits of around £31,000 at today’s prices, the financial benefit of choosing an ETL listed product is over 8 times the additional cost. Furthermore with a potential ECA of approximately £6,400 in year 1 plus additional energy savings, the extra capital cost is recovered within 1 year of purchase.

* Assume controls lead to 10% saving for a system using 262MWh/yr
Where can I find more information?

For information about the ETL please visit: https://www.gov.uk/guidance/energy-technology-list and see our Information for Purchasers factsheet. Or contact the ETL Help Line on 0300 330 0657; email ECAQuestions@carbontrust.com

For more information on the ECA scheme:

For tax questions please visit the HM Revenue & Customs website: https://www.gov.uk/capital-allowances/first-year-allowances

To search for a product on the ETL please visit: https://etl.beis.gov.uk/engetl/fox/live/ETL_PUBLIC_PRODUCT_SEARCH

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