



Department for
Business, Energy
& Industrial Strategy

LOW CARBON HEATING TECHNOLOGY INNOVATION FUND

Q&A

December 2017

This document is available in large print, audio and braille on request. Please email enquiries@beis.gov.uk with the version you require.

LOW CARBON HEATING TECHNOLOGY INNOVATION FUND

Q&A

© Crown copyright 2017

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence.

To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/version/3/ or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Any enquiries regarding this publication should be sent to us at the Department for Business, Energy and Industrial Strategy.

This publication is available for download at www.gov.uk/government/publications.

1. How can I apply to the scheme?

For full details of scheme eligibility, including how to apply, please refer to:

<https://www.gov.uk/guidance/innovations-in-the-built-environment>

2. What is the deadline for submitting applications?

Applications for the Low Carbon Heating Technology Innovation Fund must be submitted using the online application platform:

<https://beis-low-carbon-heating-frontend.cloudapps.digital/>

The online application form must be submitted in full by 5pm, 02 January 2018.

3. Are organisations permitted to submit individual applications or must applications be collaborative?

It is at the discretion of applicants to decide whether an individual or collaborative proposal is submitted.

4. Are universities only eligible to submit collaborative proposals with commercial partners?

Universities are eligible to submit both individual and collaborative proposals. All applicants should however refer to the Guidance Notes for full details of grant intensity and eligibility requirements before submitting an application.

5. How many separate applications can an organisation submit?

One organisation can only submit one proposal as project lead. However, organisations can participate in more projects than one as a partner. Low Carbon Heating Technology Innovation Fund applicants are also permitted to submit one proposal as project lead and participate in more than one project as a partner if also submitting proposals to the Thermal Efficiency Innovation Fund.

6. How much funding is available for each project?

Total eligible project costs should be submitted via the Finance Form spreadsheet. Applicants are eligible for a minimum grant of £200k and a maximum grant of £2 million. The aid intensity represents the percentage of total project costs and maximum level of public funding that can be claimed for each project. This percentage is determined by the applicant based on the project research category and type/size of the relevant organisation(s).

7. What is the maximum percentage for project overhead costs?

Applicants are required to outline the actual overhead costs expected to be attributed to their project. We have not set a maximum percentage for these costs.

These costs are however expected to be realistic and justified in terms of the proposed project and they shall be scrutinised during the application assessment process.

8. What level of funding are research organisations eligible to claim for non-economic activities?

The definition of 'research organisation' applicable to this Competition is outlined in the EU General Block Exemption Regulation 2014 (GBER):

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

The GBER defines research and knowledge-dissemination organisations as follows:

'research and knowledge-dissemination organisation' means an entity (such as universities or research institutes, technology transfer agencies, innovation intermediaries, research-oriented physical or virtual collaborative entities), irrespective of its legal status (organised under public or private law) or way of financing, whose primary goal is to independently conduct fundamental research, industrial research or experimental development or to widely disseminate the results of such activities by way of teaching, publication or knowledge transfer. Where such entity also pursues economic activities the financing, the costs and the revenues of those economic activities must be accounted for separately. Undertakings that can exert a decisive influence upon such an entity, in the quality of, for example, shareholders or members, may not enjoy preferential access to the results generated by it';

If an organisation falls within the research and knowledge-dissemination definition, it is also important to confirm whether it would be undertaking any non-economic activities within any proposed project — the BIS State Aid Manual of July 2015 provides relevant guidance:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/520676/BIS-15-148-state-aid-manual.pdf

The level of grant which can be claimed will depend on whether an organisation is carrying out economic or non-economic activities (or a mixture of both). The Guidance Notes eligible and non-eligible cost information should be considered to help establish eligible project costs and what grant intensity can be claimed.

If a research organisation can demonstrate they are undertaking non-economic activities and the proposed project costs are eligible (e.g. not funded by other public authorities), the grant intensity claimed could potentially be up to 100%. Otherwise, similar approaches to other public funding initiatives (e.g. 80% of overall project costs) could potentially be applied if they represent a credible approach toward demonstrating the effective removal of costs already covered by other sources of funding.

9. Is the grant intensity applicable to overall collaborative projects or individual collaboration participants?

The relevant grant intensities are applied to individual organisations participating in collaborative projects rather than the overall project.

10. What funding sources can be used to meet match funding requirements?

Given the aid intensity rules, applicants will need to have private funding in place to cover the balance of the eligible costs. Such funding may come from a company's own resources or external private sector investors, but it may not include funding attributable to any public authority or EU institution.

11. What is classed as match funding - can it be a contribution in kind?

Match funding must be demonstrated by a transfer of money. The simplest form of match funding is therefore cash. Staff time is considered an acceptable form of match funding as staff are paid for their time and this is a demonstrable transfer of money. In kind match, i.e. where a good or service is gifted to the project is not considered an eligible form of match funding. These are typically ascribed a notional cost and this can yield significant audit issues when assigning values to the project.

12. Can an applicant submit an application and retrospectively secure match funding?

Grant conditions require match funding to be in place when projects start. Match funding does not need to be signed-off at the time of the application, but applicants should be able to demonstrate the likely source(s).

13. Can EU based collaborators participate in projects?

EU based collaborators can participate in projects and the EU General Block Exemption Regulation (GBER) remains applicable under these circumstances. Please note however that the activities for any project supported must be largely conducted in the UK (and the majority of the eligible project costs must be incurred in the UK).

14. Where can additional supporting documents (e.g. schematics) be uploaded?

Supporting documents should be uploaded in the “CVs and Supporting Documents” section and referenced clearly within the proposal text.

Before providing any additional documentation all applicants are advised to give due consideration to the number of proposals competition assessors will be required to evaluate. Any additional documentation uploaded should be restricted to essential supporting information which cannot be included in the main proposal submission.

15. Are projects required to include building field-trials in order to demonstrate where and how the innovation can be applied?

Applicants are responsible for outlining the most appropriate means for delivering their proposed innovation project. Applicants should note the application form requirement to outline the wide scale applicability of their innovation in existing UK buildings.

16. Are proposals for projects with a current Technology Readiness Level (TRL) below 6 eligible?

All applicants are required to declare their current technology readiness level against the criteria outlined within the Guidance Notes. Applicants must also demonstrate how their proposal has the potential to be deployed at scale in any type of existing UK building by 2025.

A current minimum TRL 6 is believed likely necessary to reach widespread market deployment by 2025. If an applicant submits a proposal with a current TRL below 6, they must still demonstrate how they can deploy at scale by 2025.

Some projects may involve the integration of existing technologies with lower TRL products and such proposals will also be considered.

17. What technologies are within competition scope?

All low carbon heating technologies, tools and processes relevant to the provision of heat in existing UK buildings are within scope unless otherwise stated in the Guidance Notes. Applicants are however advised to also consider competition assessment criteria (e.g. technology performance, cost, wider competition objectives, etc.) when evaluating the robustness and suitability of their proposal.

18. What eligibility criteria are applicable to CHP proposals?

As with all other eligible low carbon heating technologies, applicants submitting CHP proposals must also demonstrate the carbon content of useful heat delivered to the

building. By “useful heat” we mean heat used for the purposes of space and/or water heating.

Applicants can deduct any offset grid electricity carbon savings from the emissions of the fuel sources combusted by CHP units to establish the carbon content of useful heat delivered to building by their technology.

Please refer to the following for conversion factors.

<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

As electricity grid emissions shall continue to fall over the coming decades, we would advise CHP applicants to also outline (i) how the carbon content of useful heat delivered will be impacted by future electricity grid emission reduction scenarios? (ii) how the carbon content of useful heat delivered could be minimised under these electricity grid emission reduction scenarios?

19. Are innovation proposals including the use of biogas in-scope for the competition?

Innovation activities which include the use of fuels produced from organic or waste materials are out-of-scope for the Low Carbon Heating Technology Innovation Fund.

Such activities may be eligible for wider and/or future Department for Business, Energy and Industrial Strategy energy innovation initiatives:

<https://www.gov.uk/guidance/energy-innovation>

20. Are heat network related innovations in scope?

Applicants are encouraged to consider if their heat network relevant innovation could equally be applied in other eligible applications (e.g. a large single building)? If so, the applicant should outline this in their funding proposal in order to demonstrate the widespread applicability of the innovation to existing UK buildings.

The scope of previous Government heat network innovation activities, for example the Heat Networks Demonstration SBRI, may also be used to inform what activities are considered as heat network relevant innovations only.

<https://sbri.innovateuk.org/documents/1524978/1866952/Heat%20Networks%20Demonstration%20SBRI%20-%20Competition%20brief>

