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Bio-energy Capital Grants Scheme, round 4

Guidance notes

April 2008

Summary of the Bio-energy Capital Grants Scheme, Round 4

Aim of the scheme

- To support the installation of biomass-fuelled heat and combined heat and power projects in the industrial, commercial and community sectors.

Geographical coverage

- Installations must be in England.

Who can apply?

- The industrial, commercial and community sector.
- This includes, but is not restricted to, public and private limited companies (Ltd and plc), sole traders, farmers, local authorities, hospitals, universities, schools, housing associations, charities etc.
- Applications can only be made by the ultimate owner of the biomass boiler or CHP plant.
- Householders and individuals are not eligible.

Eligible technology

- Biomass heat boilers and combined heat and power (CHP) equipment, including anaerobic digesters for heat-only or CHP.

Permitted fuel

- The boiler or CHP plant must be fuelled by eligible biomass.

Grant rate

- A variable rate of up to 40% of the difference in cost of installing the biomass boiler or CHP plant compared to installing the fossil fuel alternative.

Minimum and maximum awards

- The maximum single award is £100,000 per installation. Applications covering several installations can apply for up to £100,000 for each installation.
- There is no minimum award threshold.

Application window

- The application window will run from 9 April 2008 to 20 May 2008. Subject to funds being available, we hope to run a further application round in Autumn 2008, and several rounds in 2009 and 2010.

Note: The detailed scheme rules and eligibility criteria are set out in the following Chapters 1 to 9.

Chapter 1: Introduction

This guide provides information about the grants available under the Bio-energy Capital Grants Scheme, round 4. It will also help you prepare and submit an application for grant aid. It is divided into 9 chapters, as summarised below. Please read all the chapters very carefully before completing an application form.

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Aims and objectives of the scheme

This round of the Bio-energy Capital Grants Scheme will award capital grants towards the cost of installing equipment in complete biomass-fuelled projects in the industrial, commercial and community sectors in England where the primary purpose of the installation is the supply of:

- space, water or process heating; or
- combined heat and power (i.e. the supply of electricity or mechanical power and space, water or process heating).

Support for these projects should:

- deliver capacity on the ground to create an initial market for biomass fuel, installation equipment and services, to stimulate the UK renewables industry;
- provide learning benefits that will help accelerate the industry and achieve more efficient and cost-effective use of biomass for heat and electricity;
- contribute to the UK's targets for reducing greenhouse gas emissions and increasing renewable energy.

Funding available for each project

The maximum grant available to each project, irrespective of location or type of organisation (including charities and not for profit organisations), may not exceed 40% of the difference in eligible costs of installing the biomass heat boiler or combined heat and power plant compared to installing the fossil fuel alternative.

The scheme is competitive. Applicants must bid for the minimum grant aid that will enable their project to proceed. Value for money, as represented by the total grant requested per kW installed and per annual tonne of carbon dioxide saved, and the percentage of grant as a proportion of total costs, will be key assessment criteria.

Where financial assistance has been, or will be, provided from any other public funds, the grant awarded under this scheme may need to be reduced to ensure the total public-funded support for the project does not exceed the European Commission's State aid limits.

The maximum single award is £100,000 per installation. Applications covering several installations can apply for up to £100,000 for each installation. There is no minimum threshold.

Total Grant funding

The total funding available for this round is around £4m for the 2008-09 financial year. In order to maximise expenditure in the 2008-09 financial year, we will give priority to projects that require all their grant before the end of March 2009. However, we will consider projects that will extend beyond that date.

Application window

The scheme is open to applications for 6 weeks from 9 April 2008 to 20 May 2008.

Decisions on applications

It is anticipated that decisions on the applications will be sent out by the end of July 2008.

You are strongly advised not to commit yourself to any expenditure on which grant aid may be sought, until after a decision has been made on your application and, if an offer letter is sent to you, you have signed and returned it. We will not give grant funding to installations that have started before an offer letter has been signed.

Future rounds

Subject to funds being available, we hope to run a further application round in Autumn 2008, and several rounds in 2009 and 2010. Further details will be announced later in the year.

Grant funding and the Renewables Obligation

For projects involving the sale of electricity: You may be aware that the Government proposes to introduce banding within the Renewables Obligation (RO). If approved, emerging technologies that are currently not economic under the RO, including anaerobic digestion (AD) and dedicated biomass combined heat and power (CHP) plants, will receive 2 ROCs per MWh.

Because of the need to ensure compliance with the European Commission's State Aid rules, it is likely that AD and CHP projects will not be able to receive 2 ROCs and grant funding from the Bio-energy Capital Grants Scheme. It is likely that projects will have the option of receiving:

- 1 ROC and grant funding; or
- 2 ROCs and repaying the relevant proportion of the grant they have received. The amount to be repaid would need to be calculated on a case by case basis. The detail would be worked out with individual companies at the time of their decision, although the broad principles and mechanism will be consulted on in the statutory consultation accompanying the Renewables Obligation Order later this year.

The Government is seeking through the Energy Bill to secure the necessary primary legislative powers to make the proposed changes to the RO. The Bill is in the legislative programme for the third session of Parliament. The detail of the changes will be implemented through a new Renewables Obligation Order. This order will be subject to a statutory consultation which will include a draft of the proposed Statutory Instrument, and which will be issued later this year. The aim is to implement the banded RO on 1 April 2009, subject to Parliamentary time and approval, EU State Aids clearance and the statutory consultation on the proposed Renewables Obligation Order.

Chapter 2: Eligibility

What is the geographical coverage?

All projects must be physically installed in England and supply energy to beneficiaries in the UK.

Which sectors can apply?

The scheme is open to organisations and businesses in the:

- industrial, commercial and community sector. This includes, but is not restricted to, public and private limited companies (Ltd and plc), sole traders, farmers etc.
- community sector. This includes, but is not restricted to, schools, colleges, universities, hospitals, local authorities, housing associations, charities etc.

The scheme is **not** open to householders or individuals. This is because they are eligible for consideration under Phase 1 of the Low Carbon Buildings Programme, funded by the Department for Business, Enterprise and Regulatory Reform. For further information on the Programme, see the website at:

<http://www.lowcarbonbuildings.org.uk/>

Eligible activity and technology

Grants are available to support the installation of complete biomass-fuelled boilers and combined heat and power equipment, including anaerobic digestion plants.

The industrial and commercial sector may apply for single or multiple installations of:

- heat boilers of any size fuelled by any eligible biomass;
- combined heat and power plants of any size fuelled by any eligible biomass.
- anaerobic digestion plants of any size fuelled by any eligible biomass where the primary purpose is the generation of heat or CHP.

The community sector may apply for single or multiple installations of:

- heat boilers with a rated output of less than 45kW thermal, fuelled by biomass other than wood;
- heat boilers with a rated output of 45kW thermal or more, fuelled by any eligible biomass;
- combined heat and power plants of any size fuelled by any eligible biomass.
- anaerobic digestion plants of any size fuelled by any eligible biomass where the primary purpose is the generation of heat or CHP.

Chapter 2: Eligibility

All heat appliances must meet the criteria for inclusion on the Energy Technology List as described in the Enhanced Capital Allowances (ECA) scheme. The ECA scheme enables businesses to claim 100% first year capital allowances on investments in energy saving equipment. Businesses are now able to write off the whole cost of their investment against their taxable profits of the period during which they make the investment. More information can be found on www.eca.gov.uk.

All CHP installations must meet the criteria set for Good Quality for the purposes of the Enhanced Capital Allowances (ECA) scheme, as set out in the CHP Quality Assurance (CHPQA) Programme. "Good Quality" CHP refers to CHP production that is energy efficient in operation. The CHPQA determines that quality. The CHPQA programme, which is entirely voluntary, has two main aims:

- To provide a practical, determinate, and reliable method for Quality Assessment and monitoring of various types and sizes of CHP scheme. This is based on the energy efficiency and environmental performance of CHP plant compared to good alternative energy supply options; and
- To improve the quality of existing and new CHP schemes, in order to enhance the 'environmental and other benefits' of CHP.

The CHPQA energy efficiency criteria were revised in November 2007 to bring them in line with the requirements for high-efficiency CHP laid down in the EU Cogeneration Directive (8/2004). The CHPQA Standard, guidance notes, and relevant forms are available from the CHPQA website at www.chpqa.com.

Where planning permission and/or listed building consent is needed for any building works associated with the project, you must be able to provide evidence that a full and creditable planning application and/or listed building consent application has been submitted to the appropriate authorities.

Ineligible activity and technology

The scheme does **not** cover:

- Wood-fuelled heat boiler installations in the Community sector only, which have a rated output of less than 45kW heat. This is because such community projects are eligible for consideration under Phase 2 of the Low Carbon Buildings Programme, funded by the Department for Business, Enterprise and Regulatory Reform. For further information on the Programme, see the website at: <http://www.lowcarbonbuildingsphase2.org.uk/index.jsp>
- Installations whose primary purpose is the disposal of waste; we interpret this as when the revenue to the project, or avoided costs, for the disposal of wastes exceeds the value of the energy produced. Anaerobic digesters aimed at the disposal of food waste may be eligible for funding from the Waste & Resources Action Programme (WRAP). They are aiming to launch their grant scheme in April 2008 and will offer a 30% grant with no maximum limit. Full details will be available shortly on their website at: <http://www.wrap.org.uk/>

Chapter 2: Eligibility

- Installations that are, or should be, subject to the Waste Incineration Directive. The aim of this Directive is to minimise the impact of negative environmental effects on the environment and human health resulting from emissions to air, soil, surface and ground water from the incineration and co-incineration of waste. For information on the Directive see: <http://www.defra.gov.uk/environment/ppc/envagency/pubs/incineration.htm>)
- Installations fuelled by biodiesel or bioethanol. These can be used in conventional boilers with no or minimal modification, so there are no “additional costs” on which to pay grant;
- Installations which have already received, or will receive, any funding under the previous rounds 1, 2 or 3 of the Bio-energy Capital Grants Scheme;
- Support for the manufacture of equipment.

Who can submit the application form?

Applications can only be submitted by the ultimate owner of the installation for which grant aid is requested.

Consortia proposing to operate through a collaborative agreement or joint venture may apply. Typically this may be a group of farms, or other local businesses, that form a consortium to develop a CHP project to supply their own and others need for heat and electricity for sale to the grid.

Applications signed by installers are not eligible. However, Installers may assist clients by helping them to complete the application form but each application must be signed and submitted by the ultimate owner and the grant will be paid to the ultimate owner if awarded.

An application can be for a single installation or for several installations at the same site or at different locations, phased over a time, e.g. businesses, local authorities, charities etc may wish to install a number of biomass projects across their properties or facilities.

Applicants must be the legal entities who would hold beneficial ownership of the completed project. This would include equity investors but not financial organisations or individuals lending money to finance a project, even if loans were secured against the project income. The joint venture vehicle of a consortium would be the applicant, but for consortia the individual consortium partners would be joint applicants.

Consortia must have the collaboration agreement or joint venture vehicle in place at the time they submit their application and must furnish a copy of the signed legal agreement with their application. They must also, as part of the application, nominate a lead partner, or, in the case of a joint venture, either the joint venture or a lead partner as the organisation to whom the grant would be paid on their behalf.

Applicants must be registered in the United Kingdom.

Applicants who have received a grant under previous rounds of the Bio-energy Capital Grants Scheme may apply under this round provided that they are seeking funding for a new installation that has not previously been grant funded under this scheme.

What is eligible biomass fuel?

The boiler or CHP plant must be fuelled by biomass. For the purposes of this scheme, biomass fuel is defined as fuel of which at least 90 per cent of the energy content is derived from plant or animal matter or substances derived directly or indirectly from that (whether or not such matter or substances are waste). It includes, but is not restricted to:

- Purpose grown energy crops (e.g. miscanthus, short rotation coppice willow and poplar etc);
- Clean wood fuel derived from any part of a tree as a result of forestry operations, arboricultural tree management operations, and primary processing, including saw milling.
- Wood waste or residues, provided it is not covered by the Waste Incineration Directive;
- Agricultural residues originating from production, harvesting, and processing. It includes straw or husks, animal manures and slurries, poultry litter and biomass material from excess production or insufficient market, such as silage.
- Food industry wastes and residues not covered by the Waste Incineration Directive.

In all cases, the plant or animal matter must not be derived directly or indirectly from fossil fuel, and shall not include any substance that, at the time it is used as fuel, is a fraction of any mixture of wastes that, taken as a whole, is not itself biomass.

What are eligible costs?

For the purpose of this scheme, eligible costs are those legitimate costs that are incurred over and above the installed costs of equipment necessary to deliver the same energy output using natural gas or other fossil fuel. Eligible costs comprise:

- Only costs incurred after the date of the acceptance of the final offer of a grant;
- Cost of all purchased goods and services necessary to build and commission the proposed project. This includes the cost of fuel used in the installation and labour

Chapter 2: Eligibility

up to and including certified acceptance of commissioning¹; less the cost of building an equivalent fossil-fired installation.

- In the absence of other information, the equivalent cost of a fossil-fired heat only installation should be taken as £40/kW.
- For projects that will install a series of appliances over time, the eligible costs will be those up to the certified acceptance in writing of each fully functioning appliance as satisfactory following a performance test.
- For CHP projects, the scope of the equipment eligible for this capital grant must be taken from within the scheme boundary as set out under CHPQA² plus the immediately associated fuel storage, preparation and feeding equipment, air pollution control equipment and stack, and heat monitoring equipment.
- For heat projects, the equipment eligible for grant is the boiler, or appliance, and immediately associated fuel storage and feeding equipment, air pollution control equipment and stack, and heat monitoring equipment.
- Buildings and building work are not eligible except in the following cases;
 - steelwork when it is an integral part of the boiler support structure;
 - simple, barn type structures used solely for the fuel storage immediately associated with the energy installation;
 - excavations for fuel storage and reclaim equipment.
- In retrofit applications where one central biomass boiler will replace several smaller oil or gas boilers, insulated linking pipework with associated calorifiers, pumps and controls to connect to the heat load will be eligible - but not heating systems within buildings.
- Remedial work on building fabric will be eligible only to the extent necessary to make good after equipment installation.
- The cost of purchased services for the evaluation of the project and the dissemination of the results.
- Own labour costs, including agreed overheads, but not profit, for construction, commissioning, and project management. These costs should be directly linked to the design, construction, commissioning and evaluation of the equipment contained in the project and auditable as such.

¹ **Certified acceptance of commissioning** is the formal acceptance, following an agreed testing programme, that the installation will have adequate performance and output. This will normally coincide with the owner's take-over of the installation for commercial operation from the construction contractor.

² The **CHP Quality Assurance programme (CHPQA)** provides a practical, determinate method for assessing all types and sizes of CHP scheme. The CHPQA Standard, Guidance Notes, and Forms are available from the CHPQA website at www.chpqa.com.

- In this context “own costs” include applicant’s own costs and eligible costs incurred by consortium members and eligible costs incurred by companies connected to any of these.

Ineligible costs

The following are **not** eligible costs.

- R & D.
- Feasibility studies.
- Business start up or development.
- All costs associated with progressing applications for planning or other consents.
- Purchase cost of any land on which the project is built.
- Input VAT (except where it cannot be reclaimed by grantees).
- Interest charges, bad debts.
- Hire purchase interest and any associated service charges.
- Loan repayments.
- Mark up and profits.
- Profit earned by a subsidiary or by an associate undertaking work sub-contracted under the project.
- Notional costs (e.g. opportunity costs).
- Audit fee for certification of claims by an independent accountant.
- Grants that contribute directly to a Company’s distributed profits.
- Endowments.
- Funds to build up a reserve or surplus.
- Retrospective funding.
- Any costs that are already being funded by another grant source, or are to be funded by another grant source in the future.
- Advertising, marketing, sales activities, entertaining.
- All costs associated with the operation of the equipment following commissioning or acceptance by the ultimate owner.

CHAPTER 3: THE APPLICATION PROCESS

This Chapter explains the application process.

Getting an application form

There are two application forms:

- APP 1 is for single heat boiler installations with a rated output of **less than** 220kW thermal.
- APP 2 is for:
 - single heat boiler installations with a rated output of 220kW thermal or more;
 - multiple heat boiler installations of any size from single businesses and organisations wishing to install a portfolio of biomass projects across their properties or facilities;
 - CHP installations of any size or number, and anaerobic digestion plants of any size or number for heat or CHP.

The application forms and this guidance note are available to download from <http://www.bioenergycapitalgrants.org.uk> .

Completing the application form

For both APP 1 and APP 2 , the main form asks for summary information, with the detail to be supplied as appendices. Please note that the grant funding rate, terms and conditions are the same for both forms.

You must ensure that your application, and the project described in it, meets the eligibility criteria set out in chapter 2. If it does not then the application will be judged non-compliant and will be rejected.

The application must be complete; we cannot consider it if it is not. You must complete all questions by giving the information requested unless the guidance notes expressly say that the question does not need to be completed, or is optional. Entering 'information to follow' as a response does not constitute an acceptable answer to a question.

Throughout the application form you will be asked to supply information as appendices. Please use sequential numbers, note the number on the form and mark the each page of the appendix with the number and the name of the project. Please ensure that you send all the relevant appendices asked for on the application form.

Detailed advice on completing APP 1 is given in Chapter 4 and for APP 2 in Chapter 5.

Submitting the application

Once you have completed the application form, you should submit the following pack:

- the original signed paper copy of the application form plus three photocopies
- all supporting documentation
- A CD or floppy disk with one copy of the application form and as much of the supporting information as is possible.

Send this pack to:

The Bio-energy Capital Grants Scheme (Call 4)
AEA Energy & Environment
The Gemini Building
Fermi Avenue
Harwell International Business Centre
Didcot
OX11 0QR

Email entries will not be accepted

The deadline for receipt is 16.00 on 20 May 2008. Applications received after this deadline will not be considered.

Chapter 4: Notes on the application form for single small heat projects (less than 220kW)

This chapter gives advice on completing the application form APP 1 for single heat boiler installations with a rated output of less than 220kW thermal. It should be read in conjunction with the application form.

How to fill in the form APP 1

Section	Content
Section 1	
Administrative details	
Project title, details of applicant, address of registered office and contact details for correspondence	The information in this section will be used for database and management purposes. The title of the project will be used throughout the award process and any subsequent grant. All correspondence will be conducted through the contact address given for the lead organisation and normally by e-mail. Please ensure that the e-mail address remains active.
Section 2	
2.1 The project	
Please provide a brief summary of the project using no more than 512 characters including spaces	Please summarise briefly the character, size and advantages of the project, including what the heat output will be used for. Bear in mind that, should your application be successful, this description may be made public, for example in press releases etc, without further reference to you.
Location (post code or grid ref)	If there is no post code, please obtain a six figure grid reference from an Ordnance Survey map (or Satellite Navigation)
Boiler type (manufacturer and model number)	Please attach the manufacturer's brochure and data sheet.
Maximum rated output kW	This is the nameplate rating of the boiler. It will be listed in the manufacturer's data sheet.
Efficiency standard	Note that the equipment needs to meet the criteria for inclusion on the the Enhanced Capital Allowance (ECA) scheme's Energy Technology List but it does not need to be actually listed as an approved boiler. However, if it is not listed, we may ask for confirmation of the efficiency. The Energy Technology criteria list for biomass boilers and roomheaters is at: http://www.eca.gov.uk/etl/find/ P_Boilers/101.htm?tab=CriteriaPanel This web site also has a list of approved boilers.

Chapter 4: Notes on the application form for single small heat projects

Section	Content
Equipment to be installed	Please check the list of eligible costs in Chapter 2 of these guidance notes, in particular the extent of building works that we can support. This scheme primarily provides support for plant and machinery - not buildings.
Fuel	Select the appropriate box. See Chapter 2 for the definition of eligible biomass fuel.
Fuel Suppliers	<p>Select the appropriate box.</p> <p>This is a young industry and you should not assume that biomass fuel will be available in your area. You should take steps to ensure that the fuel you need for your project is available at the right quality and price. We may ask for confirmation.</p> <p>Advice is available on the following websites:</p> <ul style="list-style-type: none"> • Biomass Energy Centre, the Government's one-stop-shop for information on bio-energy, at: http://www.biomassenergycentre.org.uk • The Carbon Trust will shortly publish a guide for biomass end-users which will cover procuring fuel, contractual arrangements, boiler sizing etc. This is expected to be available in April at: http://www.carbontrust.co.uk/biomass • The Renewable Energy Association (formerly the Renewable Power Association) at: www.r-p-a.org.uk • The National Energy Foundation's Log Pile Project at: http://www.nef.org.uk/logpile/ • Biomass Energy Yorkshire marketplace at: http://www.fey.org.uk/site/WIPBiomass/Marketplace/tabid/168/Default.aspx • You may also wish to contact your Regional Development Agency (RDA). For details of each RDA, see: http://www.englandsrdas.com/
Biomass fuel requirement	Ask the supplier of the equipment or your heating engineer what the expected usage will be for your premises in an average year. If possible, please give the amount in oven dry tonnes, i.e. calculated as if it contained no water - dry substance only. This gives us a common basis for calculation. Otherwise, give the expected moisture content and the tonnage in the form in which it will be delivered. For pellets just give the tonnage per annum. Guidance is also available on the websites of the Biomass Energy Centre and the Carbon Trust (see above).

Chapter 4: Notes on the application form for single small heat projects

Section	Content
Fossil fuel displaced by biomass fuel	Select the most appropriate for the location. If natural gas is available then you should assume this.
Estimated fossil fuel and/or electricity used for start, peak load and back up	Some boilers use a small amount of fossil fuel or electricity for automatic start up. In some circumstances it is good practice to use a small gas or oil boiler to provide summer hot water and peak heat load on the coldest few winter days. Some installations have reserve boilers fired by fossil fuel that need some operation for maintenance and function checks.
Calculated annual heat demand	This should be based on your estimates of the requirement of the premises or process. Guidance on how to do this is available on the websites of the Biomass Energy Centre and the Carbon Trust (see under “Fuel suppliers” above).
Confirmation of calculation of heat demand	It is important that the boiler is sized on the basis of the heat load – not the nameplate rating of an existing gas or oil boiler. Solid fuel boilers operate in a different way to oil and gas equipment and must be sized to reflect this. Seek advice from your supplier or heating engineer.
GHG mitigation	This is the quantity of greenhouse gas emissions saved through using the biomass boiler instead of a fossil-fuelled one, given in tonnes of carbon dioxide equivalent per annum. This is calculated as follows: <ul style="list-style-type: none"> • The displaced annual usage of fossil fuel x standard factor for the displaced fossil fuel. • If this is a new build then take the annual heat demand x 1.25 x appropriate factor. <p>The factors are available from the Defra web site at: http://www.defra.gov.uk/environment/business/envrp/pdf/conversion-factors.pdf</p>
Monitoring output	You will need to measure and record usage/throughput, and therefore calculate the carbon and other greenhouse gas savings compared to using an equivalent fossil-fuelled installation. For example, you could install heat monitoring equipment. For bagged pellets, you could count the bags used.
Environmental compliance	It is important that all installations supported under the scheme meet the legal requirements for the locality. Check the websites listed below and contact your local authority for advice and to notify them of your intentions, as required by Section 4 of the Clean Air Act. Then select the appropriate boxes. <ul style="list-style-type: none"> • Waste Incineration Directive: http://www.defra.gov.uk/environment/ppc/envagency/pubs/incineration.htm

Chapter 4: Notes on the application form for single small heat projects

Section	Content
<i>Environmental compliance continued</i>	<p>Air Quality Management Areas - Local authorities have a statutory duty to work towards meeting national air quality objectives. If a local authority finds places where the objectives are not likely to be achieved, it must declare an Air Quality Management Area there. The local authority then puts together a plan to improve the air quality - a Local Air Quality Action Plan. As this may impose restrictions, you should check with your environmental health and planning departments. Under forthcoming legislation, local authorities will be able to withdraw previously permitted developments. For further information see: http://www.airquality.co.uk/archive/laqm/laqm.php</p> <ul style="list-style-type: none"> • Within Smoke Control Areas, it is an offence to emit smoke from a fixed boiler. It is also an offence to acquire an “unauthorised fuel” for use within a smoke control area unless it is used in an “exempt” appliance and complies with the conditions of use for that appliance, as provided in regulations made under the Clean Air Act 1993. Exempt appliances have passed tests to confirm that they are capable of burning an unauthorised or inherently smoky solid fuel without emitting smoke. Information on smoke control areas and a list of exempt appliances are given at: http://www.uksmokecontrolareas.co.uk/. Please note that the information on this site is only indicative. Please contact your local authority to determine whether your location is in a smoke control area.
Is planning permission needed for any building works associated with the project?	<p>Select the appropriate box.</p> <p>If yes, please provide evidence that a full and creditable planning application has been made. This could be a receipt from the Planning Department.</p>
2.2 Summary of grant requested (from Section 3)	
Total eligible costs (A)	Insert the figure from section 3.1
Total grant requested (G)	Insert the figure from section 3.4
Percentage of total eligible costs covered by grant requested	Insert the figure from section 3.5
Cost of GHG mitigation	Calculate the cost by dividing the £ grant requested (from section 3.4) by tonne CO ₂ equivalent per annum (from the GHG mitigation question in section 2.1 above)

Chapter 4: Notes on the application form for single small heat projects

Section	Content
2.3 Sources of other funding	
Own resources	<p>You must show that you have identified, and have access to, adequate financing to complete the entire project you are proposing.</p> <p>Enter the amount that will be contributed from your business or activity.</p> <p>The supporting letter is not necessary for sole traders and partnerships.</p> <p>Others should provide evidence that the board or steering committee has approved the expenditure, subject to grant. We may carry out a credit, or other financial check, on your organisation and may request accounts or other information.</p>
Loans	<p>Enter any amounts that will be loaned from Banks or other financial institutions.</p> <p>Attach the letter from the Bank etc indicating that the loan will be available subject to grant.</p>
Other	<p>Enter any other sources of finance. Donations, grants etc.</p> <p>Attach the letter from the organisation(s) concerned.</p>
Total	Add up the figures above
2.4 Timing	
Project start date - grant offer received	Set the date in the format mm/yy
Boiler delivery	Set the date in the format mm/yy using the quote from your supplier
All site work completed	Set the date in the format mm/yy using the quote from your supplier
Boiler commissioned and accepted	Set the date in the format mm/yy when the equipment will be fully installed and tested to full load. Don't forget you will need to ensure sufficient fuel and a heat load on the equipment that is large enough to test the function.
Grant claim submitted	Set the date when you expect all the above actions to be completed Generally, grant will be paid on receipt of confirmation that the boiler has been fully installed and accepted as working satisfactorily.
2.5 The applicant	
Are you an SME?	<p>Select the appropriate box.</p> <p>Small and medium enterprises (SMEs) are defined as follows (extract from the Department for Business, Enterprise and Regulatory Reform (BERR) guidance:</p>

Chapter 4: Notes on the application form for single small heat projects

Section	Content
<i>Are you an SME? continued</i>	<p>Medium-sized enterprise is an enterprise satisfying all of the following criteria:</p> <ul style="list-style-type: none"> - has fewer than 250 employees; - has either an annual turnover not exceeding €50 million or a balance-sheet total not exceeding €43 million; - is independent. <p>Small enterprise is an enterprise that satisfies all of the following criteria:</p> <ul style="list-style-type: none"> - has fewer than 50 employees; - has either an annual turnover or annual balance sheet not exceeding €10 million; - is independent. <p>The criteria must be applied to the company as a whole (including subsidiaries located in other Member States and outside the EU)</p> <p>Further guidance is at: http://www.berr.gov.uk/files/file42032.pdf</p>
Industrial sector	Select the most appropriate box. If you are in the agricultural sector, we may ask for more details.
Please describe your business or activities	Give a short description of your activities in one or two sentences. If you have literature and feel that it would be helpful, please attach as an appendix. Bear in mind that you have given us your web site details in Section 1 and the information may be there.
Please describe how this project will benefit your activities	Pick the three most important benefits. Please be specific and quantify e.g. will reduce fuel bills by 50%, improve environmental marketing profile etc.
Please describe any experience that you have that will benefit the project	Describe any experience you have of similar projects or activities that would support a decision to award a grant. This could be project management of similar projects or other renewable energy activities that would increase the public profile of the project.
2.6 Other information	
Other information	This is optional. If you wish to submit further information to support your application then please attach it as an appendix.

Chapter 4: Notes on the application form for single small heat projects

Section	Content
Section 3	
Calculating the grant	
3.1 Calculate the cost of the equipment and services that are eligible for support under the scheme	<p>Please read Chapter 2 of these guidance notes that describe what costs are eligible for support. Only put these costs down on the form. Where possible, break the costs down into the headings shown in 3.1. We appreciate that this is not always possible depending upon the format used by suppliers for their quotations. As a minimum, we wish to see the relative proportions of boiler capital cost, building work, services and ancillaries.</p> <p>All revenue from the sale of heat during commissioning must be shown in your estimates and offset against the cost of fuel, other consumables and labour during this phase.</p> <p>Costs must be shown in GB pounds and exclusive of Value Added Tax (VAT) (this does not apply to organisations that are not registered for VAT, nor to those invoicing for an exempt supply - in these cases the VAT should be included and identified separately).</p> <p>Add the figures together to give total A</p>
3.2 Calculate the fossil fuel deduction	<p>For the purposes of this scheme only, we have assumed the cost of a fossil fuelled boiler is £40/kW installed.</p> <p>To calculate the fossil fuel deduction, multiply the maximum rated output of the boiler in kW by £40, to give figure B</p>
3.3 Calculate the maximum grant under EU regulations	<p>In accordance with the European Commission's State aid rules, the maximum grant we are able to offer is 40% of the difference between a fossil-fuelled boiler and a biomass boiler for the same output.</p> <p>The maximum grant permitted is A minus B, then multiplied by 0.40</p>
3.4 State the grant (G) you feel is the minimum necessary to allow the project to proceed and is not in excess of the maximum in 3.3.	<p>The scheme is competitive and one of the criteria for selecting projects for support is value for money. You must decide the minimum amount of grant that is necessary to enable your project to succeed. This is figure G.</p>
3.5 Calculate the grant percentage	<p>This is the actual grant percentage of eligible costs for use in comparing projects and, should you be successful, the grant offer.</p> <p>To calculate the actual grant percentage, divide G by A and multiply by 100</p>

Chapter 4: Notes on the application form for single small heat projects

Section	Content
3.6 Quotes and estimates	<p>All goods and services over £10,000 must be sourced by competitive tender.</p> <p>Attach as appendices the quotes and estimates that form the basis of the calculations, and note the appendices here. Use sequential numbers, note the number on the form and mark each page of the appendix with the number and the name of the project.</p>
Section 4	
Declaration	<p>This must be signed by a person who has the authority to commit your organisation to carrying out the work and providing the financial resources indicated in the proposal.</p>
Section 5	
5.1 Check list	<p>Please check that you have provided all the information requested in the form and the Guidance notes and complete the check list below. It is very important to make sure that all the Appendices have been correctly referenced on the form and attached to the application.</p>

Chapter 5: Notes on the application form for large or multiple heat projects, and all CHP

This chapter gives advice on completing the application form APP 2 for:

- single heat boiler installations with a rated output of 220kW thermal or more;
- multiple heat boiler installations of any size from single businesses and organisations wishing to install a portfolio of biomass projects across their properties or facilities; and
- CHP installations of any size or number, and anaerobic digestion plants of any size or number for heat or CHP.

The Chapter should be read in conjunction with the application form.

How to fill in the form

Section	Content
Section 1	
Administrative details	
Project title, details of applicant, address of registered office and contact details for correspondence	The information in this section will be used for database and management purposes. The title of the project will be used throughout the award process and any subsequent grant. All correspondence will be conducted through the contact address given for the lead organisation and normally by e-mail. Please ensure that the e-mail address remains active.
Section 2	
2.1 The project	
Project type	Select one or both boxes as appropriate.
Please provide a brief summary of the project using no more than 512 characters including spaces.	Please summarise briefly the character, size and advantages of the project, including what the heat and electricity output will be used for. Bear in mind that, should your application be successful, this description may be made public, for example in press releases etc, without further reference to you.
Location(s) (post code or grid ref)	If there is no post code please obtain a six figure grid reference from an Ordnance Survey map (or Satellite Navigation). If there are more than six installations proposed, attach a list as an appendix.
Project description	The description requested is your opportunity to present the project to the assessors. It should include the following sections: The technology for conversion to energy Please provide evidence that the technology you have chosen is credible and that the project has been correctly sized and designed. This can be in the form of quotations, design calculations or feasibility

Chapter 5: Notes on the application form for large or multiple heat projects, and all CHP

Section	Content
<i>Project description continued</i>	<p>reports. Most goods and services over £10,000 must be sourced by competitive tender. However, certain items use technology that is unique to one supplier and cannot not be purchased by competitive tender. If this is the case, give details of the technology and the supplier.</p> <p>CHP projects should describe the technology briefly, give reference installations and supply an energy balance. It is important that you give a detailed description of the character and size of the useful heat load on the CHP plant.</p> <p>The fuel supply and how it will be built up This is a key feature in all biomass installations and will be an important factor in assessing the credibility of the project. You should describe how the supply will be built up from the start date and how it will take account of seasonality and annual variation. You must describe where the fuel will come from and what arrangements you will put in place to secure an adequate fuel supply with the right quality.</p> <p>Applications for several installations If you are applying for grant for several installations, the two topics above could be combined into a table showing location, client, boiler type, fuel type, fuel source and application description for each installation. This should also show the rated outputs and expected annual production for each installation.</p> <p>Businesses and other organisations using portfolios of biomass energy installations as a means of reducing their carbon footprint should insert their business plan here. This should set out clearly a programme of installation, costs and benefits. We understand that all the details of the final installations may not be fixed but we would expect to see sufficient detail to allow the grant support rate and timing to be calculated.</p> <p>Applications from consortia If you are a Consortium, you must have the collaboration agreement or joint venture vehicle in place at the time you submit your application. You should attach as an appendix a copy of the signed legal agreement</p> <p>The qualifications and track record of the proposers You should present the skills and experience of the partners and selected contractors. Experience in previous rounds has shown that business skills and track record are an important indicator of the future success of the project. Give examples of previous projects in this and related areas.</p> <p>Aims, objectives and what the project will achieve State here the aims of your project and give clear, measurable objectives. Explain how the project will benefit your business or activities.</p>

Chapter 5: Notes on the application form for large or multiple heat projects, and all CHP

Section	Content
<p><i>Project description continued</i></p>	<p>How the project will address the aims and objectives of the Scheme You should briefly describe how your project contributes towards each of the aims and objectives of the scheme, as listed in Chapter 1 of these Guidance Notes. You must demonstrate that the primary purpose of the installation is energy and not waste disposal. Typically this will be by demonstrating that the principle revenue streams will be from energy sales. You must also demonstrate that it will not, or should not, be regulated under the Waste Incineration Directive.</p> <p>How will the results be evaluated and disseminated It is important to the aims of the scheme that the projects supported by it should be examples that can be understood and act as encouragement for others. To provide best value for money, the benefits and performance of the project will need to be evaluated and the results disseminated widely. Explain how your project will do this. Each project will need to publish a final report describing progress, lessons learned etc.</p> <p>You must state in your application what details of your project you are prepared to have published and what you regard as confidential, bearing in mind that one of the key objectives of the scheme is to contribute to the delivery of future learning benefits. You should also consider open days, school visits, and similar measures. If you commit to such activities, it will increase the chances of success in obtaining funding.</p> <p>A project timetable This must be a Gantt chart showing as a minimum the phases of planning, construction, commissioning, operation and evaluation. Where there are several installations, the chart should show the phased delivery of the proposed installations.</p>
<p>Total maximum rated heat output kW of all installations</p>	<p>For a single heat or CHP installation, give the maximum rated heat output kW for the installation.</p> <p>For multiple installations, give the total for all the installations covered by the application.</p>
<p>Total maximum rated electrical output kWe (for CHP only)</p>	<p>For a single CHP installation, give the maximum rated electrical output kWe for the installation.</p> <p>For multiple installations, give the total for all the installations covered by the application.</p>
<p>Equipment to be installed</p>	<p>Please check the list of eligible costs in Chapter 2 of these guidance notes, in particular the extent of building works that we can support. This scheme primarily provides support for plant and machinery - not buildings. Then select the appropriate boxes.</p>

Chapter 5: Notes on the application form for large or multiple heat projects, and all CHP

Section	Content
Fuel	Select the appropriate box(es)
Fuel Suppliers	<p>Select the appropriate box.</p> <p>This is a young industry and you should not assume that biomass fuel will be available in your area. You should take steps to ensure that the fuel you need for your project is available at the right quality and price. We may ask for confirmation.</p> <p>Advice is available on the following websites:</p> <ul style="list-style-type: none"> • Biomass Energy Centre, the Government's one-stop-shop for information on bio-energy, at: http://www.biomassenergycentre.org.uk • The Carbon Trust will shortly publish a guide for biomass end-users which will cover procuring fuel, contractual arrangements, boiler sizing etc. This is expected to be available in April at: http://www.carbontrust.co.uk/biomass • The Renewable Energy Association (formerly the Renewable Power Association) at: www.r-p-a.org.uk • The National Energy Foundation's Log Pile Project at: http://www.nef.org.uk/logpile/ • Biomass Energy Yorkshire marketplace at: http://www.fey.org.uk/site/WIPBiomass/Marketplace/tabid/168/Default.aspx • You may also wish to contact your Regional Development Agency (RDA). For details of each RDA, see: http://www.englandsrdas.com/
Total biomass fuel requirement for all installations	If possible, please give the amount in oven dry tonnes, i.e. calculated as if it contained no water - dry substance only. This gives us a common basis for calculation. Otherwise, the moisture content as delivered and the tonnage. For pellets just give the tonnage per annum.
Fossil fuel displaced by biomass fuel	Select the most appropriate for the location. If natural gas is available then you should assume this.
Estimated fossil fuel and/or electricity used in all the installations for start, peak load, and back up	<p>Some boilers use a small amount of fossil fuel or electricity for automatic start up.</p> <p>In some circumstances it is good practice to use a small gas or oil boiler to provide summer hot water and peak heat load on the coldest few winter days.</p> <p>Some installations have reserve boilers fired by fossil fuel that need some operation for maintenance and function checks.</p>

Chapter 5: Notes on the application form for large or multiple heat projects, and all CHP

Section	Content
Calculated total annual heat demand for all the installations	This should be based on your estimates of the requirement of the premises or process.
Boiler efficiency at max output based on fuel net calorific value	You will find this on the boiler data sheet.
Confirmation of calculation of heating demand	It is important that the boiler is sized on the basis of the heat load – not the nameplate rating of an existing gas or oil boiler. Solid fuel boilers operate in a different way to oil and gas equipment and must be sized to reflect this. Seek advice from your supplier or heating engineer.
GHG mitigation	<p>This is the quantity of greenhouse gas emissions saved through using the biomass boiler instead of a fossil-fuelled one, given in tonnes of carbon dioxide equivalent per annum. This is calculated as follows:</p> <ul style="list-style-type: none"> • The displaced annual usage of fossil fuel x standard factor for the displaced fossil fuel. • If this is a new build then take the annual heat demand x 1.25 x appropriate factor. <p>The factors are available from the Defra web site at: http://www.defra.gov.uk/environment/business/envrp/pdf/conversion-factors.pdf</p>
Monitoring output	You will need to measure and record usage/throughput, and therefore calculate the carbon and other greenhouse gas savings compared to using an equivalent fossil-fuelled installation. You need to present a method for doing this that is appropriate to your application. For example, you could install heat meters on each installation. We will also need fuel consumption figures and a log of how the project has progressed, its successes and problems. Please describe how this will be done.

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Section	Content
2.2 For CHP Installations only.	
	<p>You should consult the CHPQA website at: www.chpqa.com before filling in this section of the application form. If in doubt, contact the CHPQA Administrators on the Helpline number listed on the website.</p>
Anticipated annual output of electricity under normal commercial operation	This is the expected output taking into account downtime, scheduled stoppages and periods of low load operation. It is not necessarily the maximum output multiplied by the hours in a year.
Describe the useful heat load. What is it used for? The main customer(s)? Time scale for connections? Give a short description here	<p>Give a short description in this section. (You will have given a fuller version in the project description explained in section 2.1).</p> <p>In order for the project to be classed as Good Quality CHP, the heat output must be demonstrated to be 'useful'. The CHPQA Standard defines heat output as useful when it is used to displace heat that would have been generated from other sources. Please check on the CHPQA website at: www.chpqa.com to see if your project complies. If in doubt, contact the CHPQA Administrators on the Helpline number listed on the website.</p>
Anticipated annual output of useful heat under long-term annual operation	This is the expected output taking into account downtime, scheduled stoppages and periods of low load operation. It is not necessarily the maximum output multiplied by the hours in a year.
Have you applied for a certificate under the CHPQA programme by completing the self-assessment form F3.	<p>Select the appropriate box.</p> <p>Before we can make any payment on any CHP installation, it must have a certificate of Good Quality CHP from the CHPQA programme.</p> <p>For help with CHPQA certification visit the CHPQA website at: www.chpqa.com</p>
If yes, please give the CHPQA reference number	This will be allocated by the CHPQA Programme Administrators
If no, please give the date you expect to apply and fill in the remaining boxes below	Give the date in the format mm/yy.

Chapter 5: Notes on the application form for large or multiple heat projects, and all CHP

Section	Content
What is the Scheme QI under Long Term Annual Operation	See www.CHPQA.com for definitions and methods of calculation
What is the Scheme QI at MaxHeat under Long Term Annual Operation	See www.CHPQA.com for definitions and methods of calculation
<p>There is more than one installation in this application.</p> <p>Section 2.2 above has been duplicated for each CHP installation and is attached as Appendix</p>	<p>For multiple installations only.</p> <p>If there is more than one installation in the application, cut and paste section 2.2 of the form into a separate document and submit as an appendix. If you have difficulties doing this, contact the Bio-energy Capital Grants Scheme administrators and we will send you copies.</p>
<p>2.3 Environmental compliance and planning - for all installations</p>	
Environmental compliance and planning	<p>It is important that all installations supported under the scheme meet the legal requirements for the locality. Check the websites listed below and contact your local authority for advice and to notify them of your intentions, as required by Section 4 of the Clean Air Act. Then select the appropriate boxes.</p> <ul style="list-style-type: none"> • Permitted processes: http://www.environment-agency.gov.uk/business/1745440/ • Waste Incineration Directive: http://www.defra.gov.uk/environment/ppc/envagency/pubs/incineration.htm • Air Quality Management Areas: As local authority Local Air Quality Action Plans may impose restrictions, you should check with your environmental health and planning departments. Under forthcoming legislation, local authorities will be able to withdraw previously permitted developments. For further information see: http://www.airquality.co.uk/archive/laqm/laqm.php • Smoke Control Areas and a list of exempt appliances: http://www.uksmokecontrolareas.co.uk/. Please note that the information on smoke control areas on this site is only indicative. Contact your local authority to determine whether your location is in a smoke control area.

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Section	Content
Is planning permission needed for any building works associated with the project?	Select the appropriate box. If yes, provide evidence that a full and creditable planning application has been made. This could be a receipt from the Planning Department.
2.4 Amount of grant requested (from Section 3)	
Total eligible costs (A)	Insert the figure from section 3.1
Total grant requested (G)	Insert the figure from section 3.4
Percentage of total eligible costs covered by grant requested	Insert the figure from section 3.5
Cost of GHG mitigation	Calculate the cost by dividing the £ grant requested (from section 3.4) by tonne CO ₂ equivalent per annum (from the GHG mitigation question in section 2.1 above)
2.5 Sources of other funding	
Own resources	You must show that you have identified, and have access to, adequate financing to complete the entire project you are proposing. Enter the amount that will be contributed from your business or activity. The supporting information is not necessary for sole traders and partnerships. Others should provide evidence that the board or steering committee has approved the expenditure, subject to grant. We may carry out a credit, or other financial check, on your organisation and may request accounts or other information.
Loans	Enter any amounts that will be loaned from Banks or other financial institutions. Attach as an appendix the letter from the Bank etc indicating that the loan will be available subject to grant.
Other	Enter any other sources of finance. Donations, grants from other schemes etc. Attach as an appendix the letter from the organisation(s) concerned.
Total	Add up the figures above.
2.6 Timing	
Project start date	Complete a new column for each installation. The project starts on the date the grant offer is received. Set the date in the format mm/yy

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Section	Content
Equipment delivery	Set the date in the format mm/yy using the quote from your supplier. We may use this as a payment milestone.
Installation completed	Set the date in the format mm/yy using the quote from your supplier. We may use this as a payment milestone.
Commissioned and accepted	Set the date in the format mm/yy when the equipment will be fully installed and tested to full load. Don't forget you will need to ensure sufficient fuel and a heat load on the equipment that is large enough to test the function. We may use this as a payment milestone.
Performance testing completed	Set the date in the format mm/yy when performance testing will be completed. This will be when the equipment has operated for an agreed length of time at defined conditions and the purchaser and supplier are in agreement that operation is satisfactory. The supplier will have handed over complete ownership of the equipment to the purchaser. We may use this as a payment milestone. For a portfolio approach, take the overall programme in this section and split down the individual units in the project description section.
2.7 The applicant	
Are you an SME?	Select the appropriate box. Small and medium enterprises (SMEs) are defined as follows (extract from the Department for Business, Enterprise and Regulatory Reform (BERR) guidance: Medium-sized enterprise is an enterprise satisfying all of the following criteria: <ul style="list-style-type: none"> - has fewer than 250 employees; and - has either an annual turnover not exceeding €50 million or a balance-sheet total not exceeding €43 million; and - is independent. Small enterprise is an enterprise that satisfies all of the following criteria: <ul style="list-style-type: none"> - has fewer than 50 employees; and - has either an annual turnover or annual balance sheet not exceeding €10 million; and - is independent. The criteria must be applied to the company as a whole (including subsidiaries located in other Member States and outside the EU). Further guidance is at: http://www.berr.gov.uk/files/file42032.pdf
Industrial sector	Select the most appropriate box. If you are in the agricultural sector, we may ask for more details.

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Section	Content
Please describe your business or activities	Give a short description of your activities in one or two sentences. If you have literature and feel that it would be helpful, please attach as an appendix. Bear in mind that you have given us your web site details in Section 1 and the information may be there.
Please describe how this project will benefit your activities	Pick the three most important benefits. Please be specific and quantify e.g. will reduce fuel bills by 50%, improve environmental marketing profile etc.
Please describe any experience that you have that will benefit the project	Describe any experience you have of similar projects or activities that would support a decision to award a grant. This could be project management of similar projects or other renewable energy activities that would increase the public profile of the project
2.8 Partners	
Organisation, legal status and registration number	List the name, legal status and registration number for each partner to the project. If there are no partners, put "Not applicable".
2.9 Management structure	
Management structure	Provide diagrams of the proposed financial and management structures for the project. This should include the roles of any partners.
2.10 Other information	
Other information	This is optional. If you wish to submit further information to support your application then please attach it as an appendix.

Section 3

Calculating the grant	
3.1 Calculate the cost of the equipment and services that are eligible for support under the scheme	<p>Please read Chapter 2 of these guidance notes that describe what costs are eligible for support. Only put these costs down on the form. Where possible, break the costs down into the headings shown in 3.1. We appreciate that this is not always possible depending upon the format used by suppliers for their quotations. As a minimum, we wish to see the relative proportions of boiler capital cost, building work, services and ancillaries.</p> <p>All revenue from the sale of heat or electricity during commissioning must be shown in your estimates and offset against the cost of fuel, other consumables and labour during this phase.</p> <p>Costs must be shown in GB pounds and exclusive of Value Added Tax (VAT) (this does not apply to organisations that are not registered for VAT, nor to those invoicing for an exempt supply - in these cases the VAT should be included and identified separately).</p> <p>Add the figures together to give total A</p>

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Section	Content
3.2 Calculate the fossil fuel deduction	<p>To calculate the cost if the boiler was a fossil-fuelled installation:</p> <ul style="list-style-type: none"> • Either assume a standard deduction of £40/kW of maximum rated capacity installed for a fossil-fuelled heat only installation or £600/kWe of maximum rated capacity for a CHP installation; • Or obtain an accurate estimate by means of quotations etc and attach the calculation as an Appendix.
3.3 Calculate the maximum grant under EU regulations	<p>In accordance with the European Commission's State aid rules, the maximum grant we are able to offer is 40% of the difference between a fossil-fuelled installation and a biomass-fuelled installation for the same output.</p> <p>The maximum grant permitted is A minus B, then multiplied by 0.4</p>
3.4 State the grant (G) you feel is the minimum necessary to allow the project to proceed and is not in excess of the maximum in 3.3.	<p>The scheme is competitive and one of the criteria for selecting projects for support is value for money. You must decide the minimum amount of grant that is necessary to enable your project to succeed. This is figure G.</p>
3.5 Calculate the grant percentage	<p>This is the actual grant percentage of eligible costs for use in comparing projects and, should you be successful, the grant offer.</p> <p>To calculate the actual grant percentage, divide G by A and multiply by 100.</p>
3.6 Quotes and estimates	<p>Select the appropriate box(es).</p> <p>Most goods and services over £10,000 must be sourced by competitive tender. However, certain items use technology that is unique to one supplier and cannot not be purchased by competitive tender. If this is the case, you will have given the details in the description of the project explained in Section 2.1 above.</p> <p>Attach as appendices the quotes and estimates that form the basis of the calculations above, and note the appendices here. Use sequential numbers, note the number on the form and mark each page of the appendix with the number and the name of the project.</p>
Section 4	
Declaration	
4.1 Lead applicant	<p>This must be signed by the person who has the authority to commit your organisation to carrying out the work and providing the financial resources indicated in the proposal.</p>

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Section	Content
4.2 Partners	<p>This should be completed only where the application is made by a consortium.</p> <p>This must be signed by a person in each of the partner organisations who has the authority to commit each partner to carrying out the work and providing the financial resources indicated in the proposal.</p>

Section 5

Completing your application	
5.1 Check list	<p>Please check that you have provided all the information requested in the form and the Guidance notes and complete the check list. It is very important to make sure that all the Appendices have been correctly referenced on the form and attached to the application.</p>

Chapter 6: Assessment of applications and the decision process

Acknowledging receipt of the application

When we receive your application, you will be sent an acknowledgement letter within ten days of receipt.

You may be contacted at a later stage for further information or clarification of the information you have provided in your application form.

Assessment criteria

Applications will first be assessed for eligibility under the terms set out in chapter 2 and the application criteria set out in chapter 3. Applications that do not meet these terms will be judged non-compliant and will not be assessed further.

For all compliant applications, the applicants and each partner in any consortium will be subject to a financial viability test and must provide all financial information required to facilitate this test, including any information not required on the application form itself. Applications from any organisation failing the test (including failure to provide requested information within 1 month of the request), or involving a consortium that includes any organisation failing the test, will be ruled ineligible.

The Scheme is competitive and each eligible application will be assessed and scored against the following criteria:

- **Cost**
 - Do the costs as presented in the application represent good value for money in terms of:
 - grant requested per kW installed?
 - grant requested per annual tonne of carbon dioxide saved?
 - specific capital cost (£/kW) for the appropriate type of equipment?
 - percentage of grant as a proportion of total costs?
- **Relevance**
 - How well do the aims and objectives match those of the scheme?
 - You must demonstrate that none of the proposed installations will be, or should be, regulated under the Waste Incineration Directive.
 - You must demonstrate that none of the proposed installations have the primary purpose of the disposal of waste.
- **Technical credibility**
 - How technically sound is the proposed project and how likely is it to deliver the objectives? This will cover energy technology, fuel supply, and technical support. How advanced is the status of the necessary permissions?

- **Credibility of the applicants**
 - Do the applicants have the right skills and track record to deliver the objectives and will the project be properly managed?
- **Evaluation and dissemination**
 - How credible are the measures to evaluate the performance of the project and disseminate the results? How well do they contribute to the aims of the scheme?

To be supported, an application must be at least acceptable against all these criteria. Applications scoring below a threshold score on any criterion will be rejected irrespective of the scores on other criteria. If there are more acceptable applications than can be supported by the funding available, they will be ranked according to their merit against all the criteria.

In order to maximise expenditure in the 2008-09 financial year, we will give priority to projects that require all their grant before the end of March 2009. However, we will consider projects that will extend beyond that date.

There is no preference for any particular sector, type of applicant, technology or type of biomass fuel. However, if applications exceed the funding available, we may need to limit funding to each sector, type of applicant or technology to ensure a range of projects are supported.

Deciding which projects to support

A Project Board will review the technical assessment recommendation and consider other relevant factors to identify the most appropriate projects to fund. Recommendations will be put to Defra Ministers. Only good quality projects that offer good value for money will be funded and all of the available funds may not be awarded.

It is anticipated that decisions on the applications will be sent out by the end of July 2008.

What happens if your application is successful

If your application is successful, you will receive a grant offer. This offer may be subject to conditions that need to be met prior to acceptance. The grant offer letter, including the terms and conditions of grant, form the agreement between your organisation and Defra. You must sign the offer letter and return it to establish the agreement.

At this stage, it is not possible to give you exact details of the terms that would be applied to any grant offer. Some of the terms that are likely to apply are given in Chapter 7 of these notes.

What happens if your application is unsuccessful

3.11 Where bids are not successful, we will send you a letter informing you that your application has been unsuccessful, and indicating the reasons for this decision.

Complaints about the assessment process

If you have a complaint about the assessment process (i.e. the way your application was processed) you should contact AEA Energy & Environment who will give you details of how to make a complaint. However, you should note that the Project Board's recommendation to Ministers is final.

CHAPTER 7: GRANT OFFER LETTER AND CONDITIONS OF GRANT

We cannot tell you at this stage the exact terms and conditions of any offer. These would be set out in full in any offer of grant. An offer will lapse unless the conditions specified in the offer have been fulfilled in the prescribed time. The terms below give an indication of the minimum terms that may be applied:

- The agreement will last for 7 years from the offer date.
- Any offer of grant must be accepted within 6 months of offer date.
- Commissioning must take place by the deadline specified in the offer letter.
- Full planning permission is needed for any building works necessary for the completion of the project.
- All proposed changes of beneficial ownership or bankruptcy proceedings etc. (including consortium partners) must be notified to us.
- Grant entitlement ceases on bankruptcy etc. of proposer or any consortium partner or any parent company thereof and any payments will be recovered.
- Grant entitlement ceases on change of beneficial ownership, including change in partners within a consortium, unless otherwise agreed by us. Agreement to any change of ownership at our discretion (following financial checks etc) and only within original scheme terms.
- Grant entitlement ceases if there are any changes to a “key elements” schedule unless agreed in advance and at our discretion. Key elements will include location and actual built capacity being not less than 90% of application.
- Projects must provide details of any subsequent application for, or award of, aid for the project from other Government departments and their agencies, local authorities, lottery funding bodies or the European Commission.
- Grant payable will be reduced by amount of any other award of public funding.
- Claims must be against actual costs both incurred and defrayed and only up to maximum agreed percentage and maximum value for the payment milestone.
- Projects must co-operate with reporting, monitoring and dissemination requirements, any evaluation exercise or audit investigation and with promotional activity including permission for photographs and pre-arranged site visits. Further information on these requirements are given below and in Chapter 8.

Grant claim procedures

- Claims for heat only projects that include several installations will be paid on a quarterly basis, in arrears against the actual costs to the ultimate owner for completed installations that have been certificated as satisfactory by the ultimate owner.

Chapter 7: Grant offer letter and conditions of grant

- For all projects with a single installation, grant claims should be submitted on the satisfactory completion of a performance test demonstrating correct operation at full rated output. This should be certified by an independent consultant.
- Claims must be made within 3 months of reaching the milestone.
- Eligible costs must be denominated and paid in GB £.
- Correct claims will be paid within 30 days of receipt of all necessary documentation or due date, whichever is the latest. Due date is the relevant date according to the original application.
- Defra reserves the right to specify alternative payment schedules as part of the offer of grant.
- All claims will be accompanied by a claim form that asks for details of eligible costs and costs claimed as grant, and either copies of relevant invoices, time sheets and receipts such that the claims are auditable, or by a report from an independent accountant.
- In addition, an Independent accountants' reports will be required to accompany all claims relating to third party costs; all claims over £100,000; and for all final claims, whatever the value.
- An Independent Consultant's Certificate may also be required at certain milestones during the installation to verify that the milestones have been reached and certifying that all of the equipment has been installed according to the manufacturer's instructions, and that performance testing has been carried out satisfactorily.

Project reporting during the period of the grant

Quarterly progress reports will be required throughout the period of the grant, i.e. up to the last claim. This will include progress against the planned schedule and outturn compared to the cost and claim estimates. A standard template will be provided for these reports.

Report on completion, to be submitted before the final grant payment is made

On completion of the project, i.e. when all the installations have been completed and signed off as working satisfactorily, a final Report on Completion will be required. This will be required before the final grant claim will be paid. A standard template will be provided which will request information on issues such as:

- Summary description of the project including technology and reasons for purchase;
- Location of installation(s);
- Heat and electricity output;

Chapter 7: Grant offer letter and conditions of grant

- Type and quantity of fuel used;
- Projected carbon savings;
- Budget outcome compared to estimates;
- An account of successes and difficulties experienced during the installation, solutions to problems encountered, and what you would do differently next time;
- Photographs of the installation;
- Evidence of dissemination.

CHAPTER 8: PROJECT MONITORING AND DISSEMINATION

In return for receiving grant assistance, Defra will require that you provide certain monitoring data over the 7 year life of the agreement and that you publicise your project. The extent to which you will be required to do this will be proportionate to the size and character of the installation(s). Defra and its appointed agents may also visit to inspect the project.

Monitoring reports

For up to 5 years after the installation is complete, we will contact you annually to ask you to update the previously submitted Report on Completion (see Chapter 7) to show the actual carbon savings, any additional costs and comments on how the project has performed.

Publicity for the project

For all installations, you will be provided with a label that you will be required to fix to the control panel of the boiler or CHP plant, or close by in some other clearly visible location. This will say that the equipment was grant aided by Defra as part of the Bio-energy Capital Grants Scheme.

In addition, all installations where there is public access to the premises heated or powered by the equipment, will be provided with a laminated A3 sign, in the following format:

These premises are [heated/powered] by a [size in kW] biomass [heating boiler/combined heat and power plant], fuelled by [type of biomass]. This is expected to save [number] tonnes of carbon each year. The [boiler/CHP plant] was installation in (Year) and grant aided by Defra under the Bio-energy Capital Grants Scheme.

The sign will need to be fixed to a wall or notice board in a public area of the premises, e.g. in an entrance hall, reception area, main office etc, and displayed for a minimum of 5 years.

All projects will be encouraged to increase awareness of their installation and the advantages of biomass-fuelled heat and power. This could be by open days, magazine articles, educational links with schools and colleges, training courses etc. If you commit to such activities in your application, it will increase the chances of success in obtaining funding.

Access by Defra to the installation

At all times during the installation process and for up to five years after installation, you must allow reasonable access for Defra officials or their appointed agents, to inspect the

Chapter 8: Project monitoring and dissemination

equipment and to speak to you regarding your experience of the scheme and the equipment.

Chapter 9: Disclosure of information

Data Protection Act 1998 Fair Processing Notice

The purpose of this Fair Processing Notice is to inform you of the use that will be made of your personal data, as required by the Data Protection Act 1998.

Defra is the data controller in respect of any personal data that you provide when you complete the Bio-energy Capital Grants Scheme application forms APP 1 or APP 2. AEA Energy and Environment are Defra's appointed agents for the purposes of administering the scheme, and they will process the data on Defra's behalf.

Defra and its appointed agents will use your personal data for the purposes of administering and analysing applications and grant awards and subsequent monitoring, including site visits, of successful projects under the Bio-energy Capital Grants Scheme. Some information will be shared with other Government Departments, their agencies and appointed agents to enable the detection of fraudulent applications to the Bio-energy Capital Grants Scheme and other grants schemes.

Defra may also use the personal data supplied by you to invite you to attend events and to participate in future consultation exercises, and to send you information on issues related to bio-energy.

Defra may be required to release information, including personal data and commercial information, on request under the Environmental Information Regulations 2004 or the Freedom of Information Act 2000. However, Defra will not permit any unwarranted breach of confidentiality nor will we act in contravention of our obligations under the Data Protection Act 1998.

Defra or its appointed agents may use the name, address and other details on your application form to contact you in connection with occasional customer research aimed at improving the services that Defra provides to you.

If you wish to obtain a copy of your personal data held by Defra, please follow the procedure at: <http://www.defra.gov.uk/corporate/opengov/defra/request/personal-request.htm>. Please note that you may be charged a fee of £10 for this service. You may also be asked to provide proof of your identity and for information that will help us locate the data you are seeking. Defra's public service guarantee on data handling, which gives details of your rights in respect of the handling of your personal data is also available on this website. If you do not have access to the internet, please telephone the Defra helpline 08459 33 55 77 and ask to speak to the Data Protection Officer.

If you believe that any of the information we hold concerning you is incorrect or out of date, please provide us with the accurate information in writing together with supporting evidence (if appropriate). You should address your correspondence to:

Department for Environment, Food and Rural Affairs (Defra)
Industrial Crops Division
Area 5A, Ergon House
17 Smith Square
London
SW1P 3JR

Tel: 020 7238 6496
E-mail: industrialcrops@defra.gsi.gov.uk

For further information about the processing of personal information in relation to Defra's online services, please see the 'privacy' link on the homepage.

What non-personal information will Defra make publicly available?

Details of applications

During the assessment stage, the number of applications received and the county of origin will be disclosed on request.

Details of grant-funded projects

It is important to the aims of the scheme that the grant-funded projects should act as encouragement for others. Once the applications have been determined, summary details of the successful projects will be published and disseminated widely, including being published on Defra's website and in Defra press releases. Summary details may include:

- The name of the project;
- The names of the organisations, companies etc who are members of the project;
- Location of the project;
- Expected annual heat and electricity output from the grant-supported installation;
- Expected carbon saved;
- Estimated investment cost;
- Grant allocated to the project under the Bio-energy Capital Grants Scheme;
- Total public support from all sources;

Chapter 9: Disclosure of information

- Proposed commissioning date;
- Brief description of the project, including any key technical features (as supplied by applicants in section 2.1 of the application form).

Chapters 7 and 8 of this guidance booklet explains the progress reports that projects are required to submit during the life of the grant agreement. The final report submitted once the boiler or CHP plant has been installed, which describes the benefits and performance of the project, the difficulties encountered and lessons learned, may be published in full. Interim reports may also be published.

Disclosure of additional commercial information

Defra may be required to release further commercial information, on request under the Environmental Information Regulations 2004 or the Freedom of Information Act 2000. However, Defra will not permit any unwarranted breach of confidentiality nor will we act in contravention of our obligations under the Data Protection Act 1998.