

Industrial Energy Transformation Fund



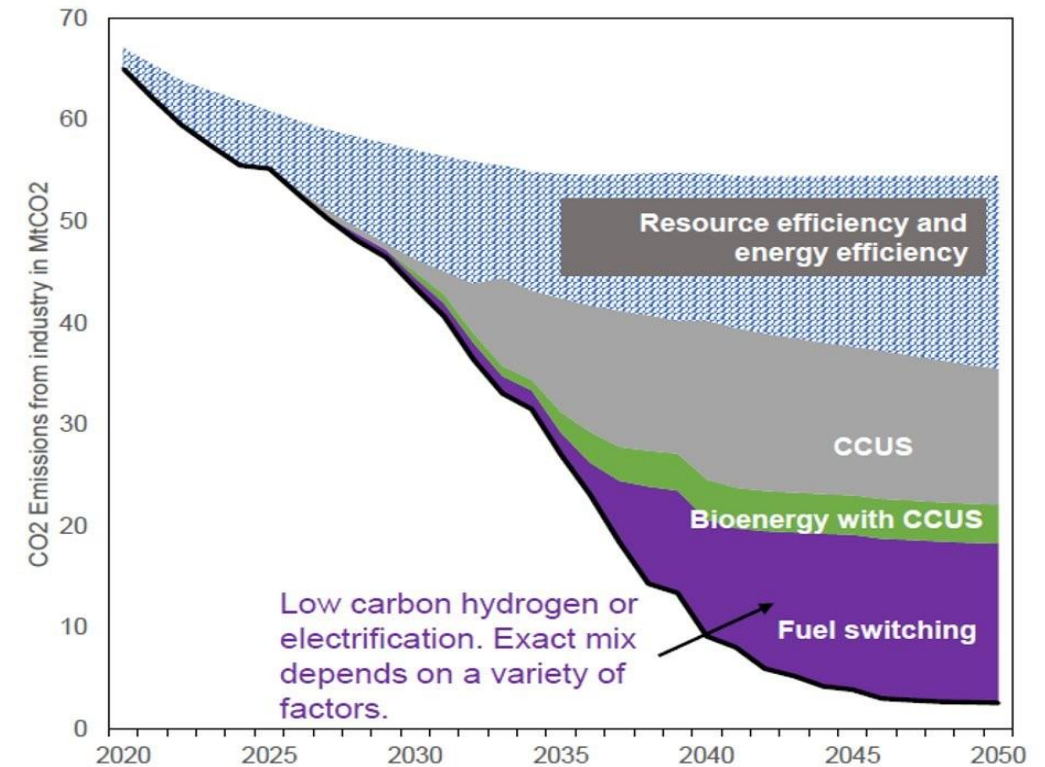
Annie Mfula,
Head of Capacity Building for IETF,
Department for Business, Energy and Industrial
Strategy



Net zero industry

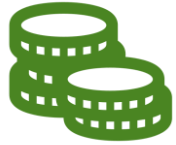
- Industrial emissions account for around 16% of UK emissions.
- To reach the Net Zero target in 2050 industrial emissions need to fall by around 90% from today's levels.
- The recent Net Zero Strategy sets out how the UK can have a thriving industrial sector aligned with the net zero target, without pushing emissions and business abroad.

Industrial Decarbonisation Pathway



Industrial Energy Transformation Fund

Two objectives:



Reduce energy costs and emissions for industry



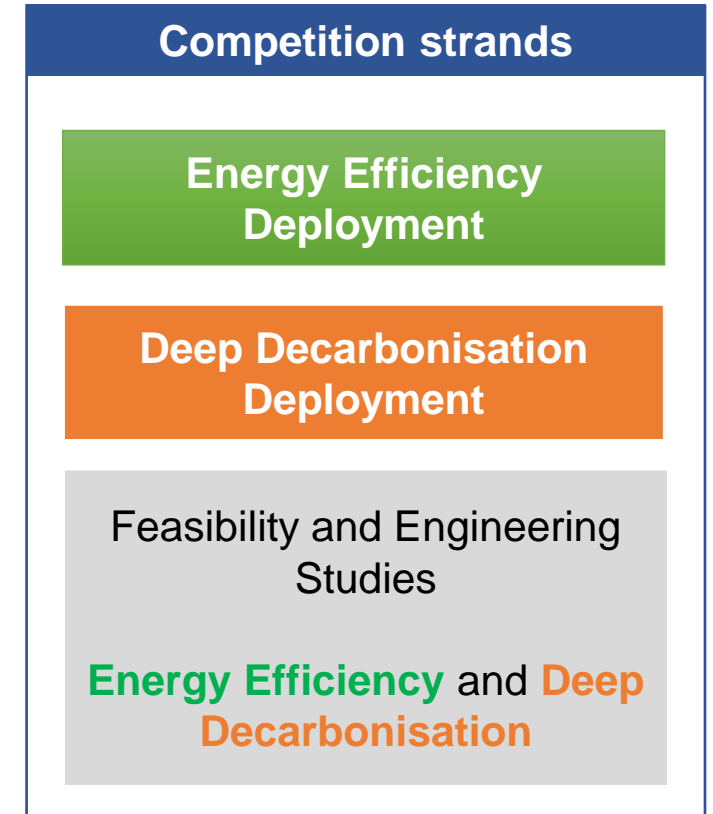
Bring down costs and risks of deep decarbonisation technologies by demonstrating those technologies

- The IETF is targeted at **industrial processes**
- The fund is open to businesses registered in England, Wales or Northern Ireland.

IETF funding and competition windows

The IETF has a budget of £289m out to 2025, and one remaining application window to allocate funding.

Window	Open for applications	Closed for applications	Budget
Phase 2: Autumn 2022	October 10 th 2022	January 13 th 2023	~£70m



IETF - Who's Who?



Department for
Business, Energy
& Industrial Strategy

- BEIS is delivering the **Phase 2: Autumn 2022** competition window.
- BEIS will manage the application, assessment and award process.
- All relevant application materials can be found on Gov.uk.



InnovateUK
KTN

- We have partnered with the KTN who can help you to partner with other businesses, access the Virtual Technology Marketplace, and will be running events throughout the window.

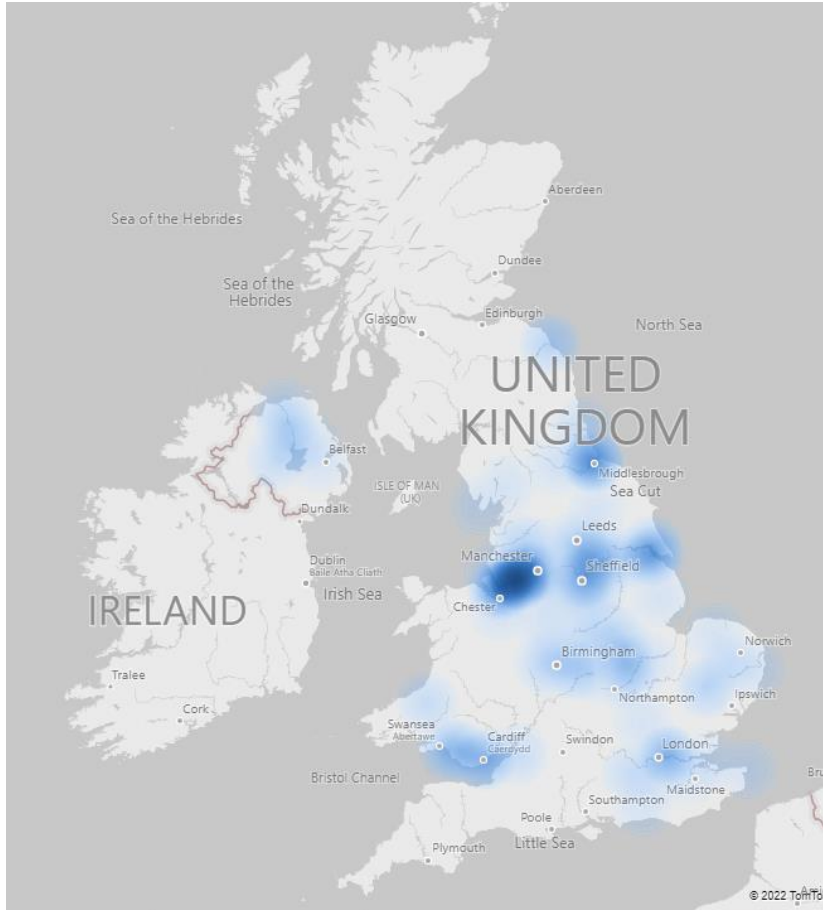


Scottish Government
Riaghaltas na h-Alba
gov.scot

- If you have a site in Scotland you can apply through the Scottish IETF, our sister scheme, delivered by the Scottish Government.



Funded projects



- So far we have allocated funding across 5 competition windows to **over 100 projects**
- Winners come from across England, Wales and Northern Ireland, from both within and outside the industrial clusters.
- There is good representation across eligible sectors, from small food processing companies to large chemicals and metals manufacturers.
- Case studies of the past winners are published on Gov.uk

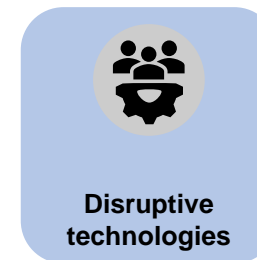
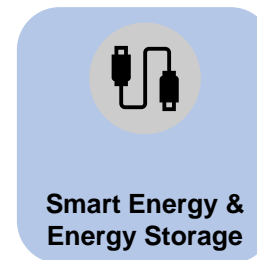
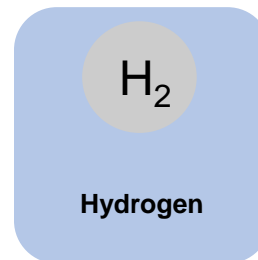
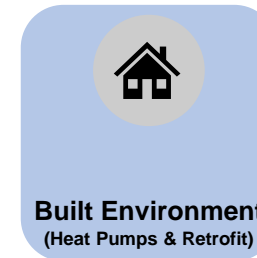
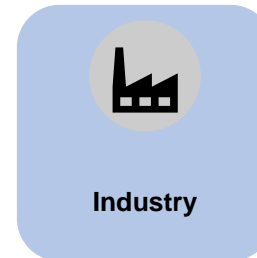
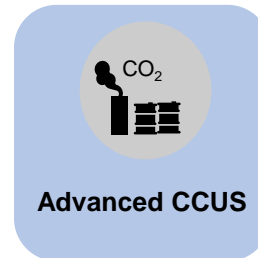
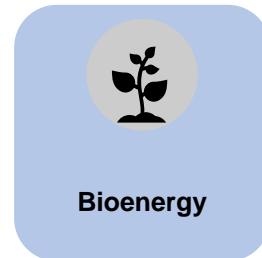
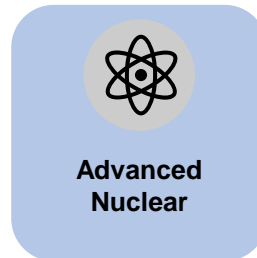
Case Study

- Pioneer Foods (UK) Ltd. Project Location: **Peterborough.**
- Project: **Realising energy and carbon savings from ESOS opportunities**
- Study strand of competition: Investigate energy and emissions saving technology improvements to their oven and dryer process trains.
- Grant offered - £38,970
- Project costs - £77,940

Net Zero Innovation Portfolio

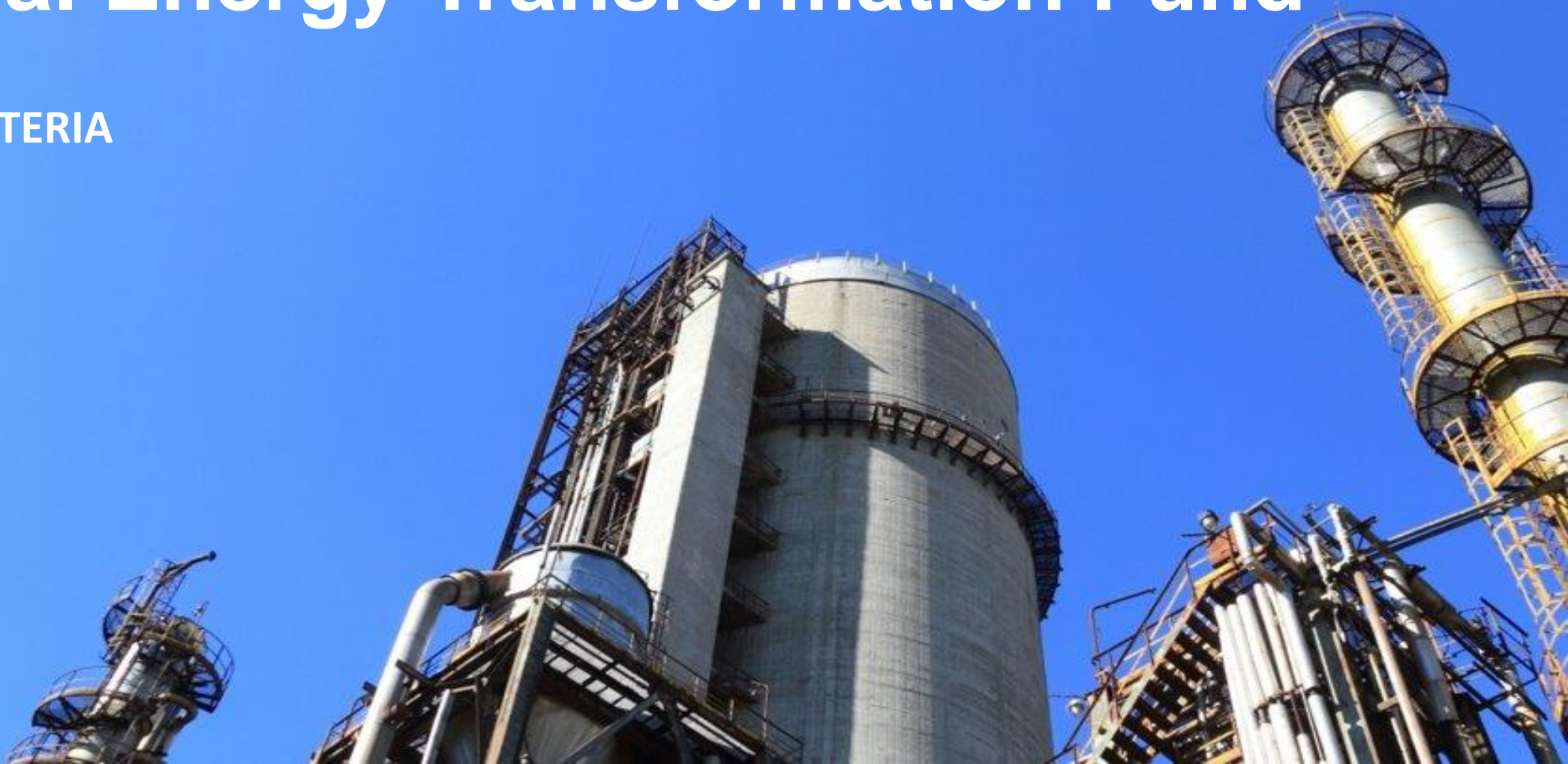
If you are at an earlier stage on your decarbonisation pathway, or have a less mature technology there may be support available through NZIP

£1bn fund from 2021 – 2025



Industrial Energy Transformation Fund

ELIGIBILITY CRITERIA



Who is eligible to apply?

To lead an application your organisation must be registered, **in England, Wales or Northern Ireland**, and intend to carry out a study or project at a site in these regions.

As lead applicant **you must carry out an eligible industrial process**, at an **existing** site (or sites)

Eligible industrial processes	Standard Industrial Classification (SIC) codes
Mining and quarrying	05101 through to 05200; 07100 through to 08990; and 09900
Manufacturing	10000 through to 33200
Recovery and recycling of materials	38320
Data centres	63110

Studies

Feasibility studies

Minimum threshold	Maximum threshold	Maximum subsidy intensity	Must start by	Must complete by
£30k total eligible cost per study	£7m total grant funding per study	50% (large company) 60% (medium) 70% (small/micro)	1 st July 2024	31 st March 2025

Engineering studies

Minimum threshold	Maximum threshold	Maximum subsidy intensity	Must start by	Must complete by
£50k total eligible cost per study	£14m total grant funding per study	25% (large company) 35% (medium) 45% (small/micro)	1 st July 2024	31 st March 2025

Energy Efficiency (EE) deployment

Minimum threshold	Maximum threshold	Maximum subsidy intensity*	Must start by	Must complete by
£100k total grant funding per application	£14m total grant funding per project	30% (large company) 40% (medium) 50% (small/micro)	1 st July 2024	31 st March 2025

Energy efficiency proposals should **reduce the energy consumed by industrial processes at site level**, attributing benefits to both the bill savings (we anticipate most efficiency projects will have a positive payback) and any associated emissions savings.

At the end of your project (project completion) you must have installed and begun to operate (or be ready to operate) the energy efficiency technology.

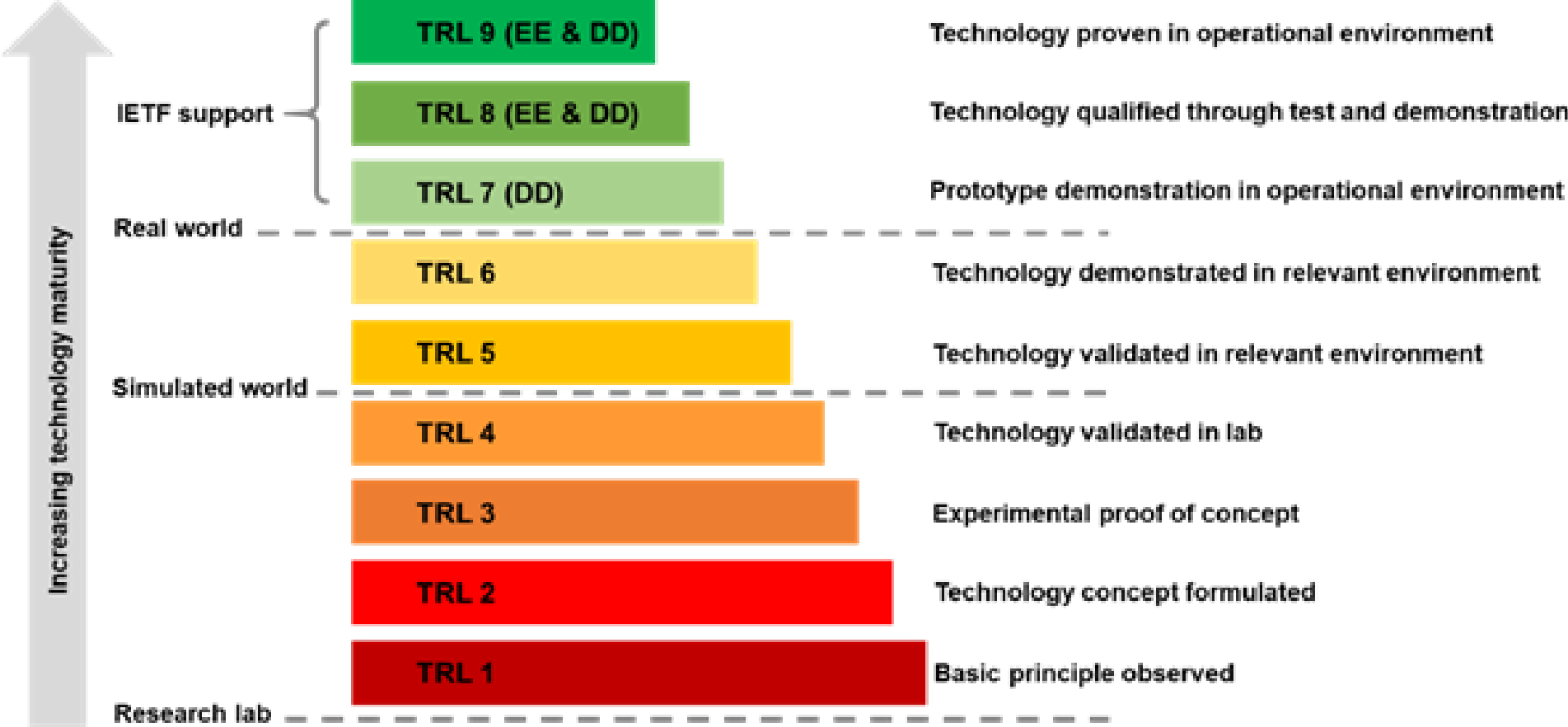
Deep Decarbonisation (DD) deployment

Minimum threshold	Maximum threshold	Maximum subsidy intensity*	Must start by	Must complete by
£100k total grant funding per application	£30m total grant funding per project	50% (large company) 60% (medium) 70% (small/micro)	1 st July 2024	31 st March 2025

Decarbonisation proposals should **reduce the emissions produced by industrial processes at site level**. While in some cases there may be an associated energy saving this is not the key driver for the proposal and in many cases energy bills may in fact increase.

At the end of your project (project completion) you must have installed and begun to operate (or be ready to operate) the decarbonisation technology.

Technology Readiness Level (TRL)



Energy Efficiency (deployment and studies)

EE technologies generate energy savings, measured/estimated in MWh after implementation, these include:

- **Process optimisation:** industrial process control systems, individual controllable equipment, higher efficiency heat exchange.
- **Equipment upgrades:** more efficient combustion equipment, driers, ovens, kilns, process heating/cooling.
- **Process heat and energy recovery and heat pumps where used to power on-site industrial processes:**
 - Equipment to generate electricity using waste heat/pressure/process gas/waste process liquid
 - Heat pumps where the heat is sourced from the natural environment or from waste heat
 - Energy recovery from waste heat/pressure.
- **Resource efficiency measures:** measures to reduce wastage and optimise use of raw materials that results in lower onsite energy consumption.

Deep Decarbonisation (deployment and studies)

DD technologies should generate emissions savings, measured/estimated in CO₂e before and after implementation, including:

- **Fuel switching** - where the switch is to a lower carbon intensity fuel that is also not a higher carbon intensity than the gas grid, this includes:
 - Electrification of industrial processes
 - Retrofits and upgrades of industrial equipment to use hydrogen or hydrogen blends
 - Retrofits and upgrades of industrial equipment to use gas, or in certain instances biomass, biogas and waste fuels
- **Onsite carbon capture** technology for utilisation or storage.

Non-Road Mobile Machinery

- In this application window, we have responded to stakeholder feedback and extended the scope of the scheme to include projects that improve the energy efficiency and/or reduce emissions of non-road mobile machinery (NRMM).
- This complements the existing support for static industrial equipment, helping sites to decarbonise and save energy at every stage of their processes.

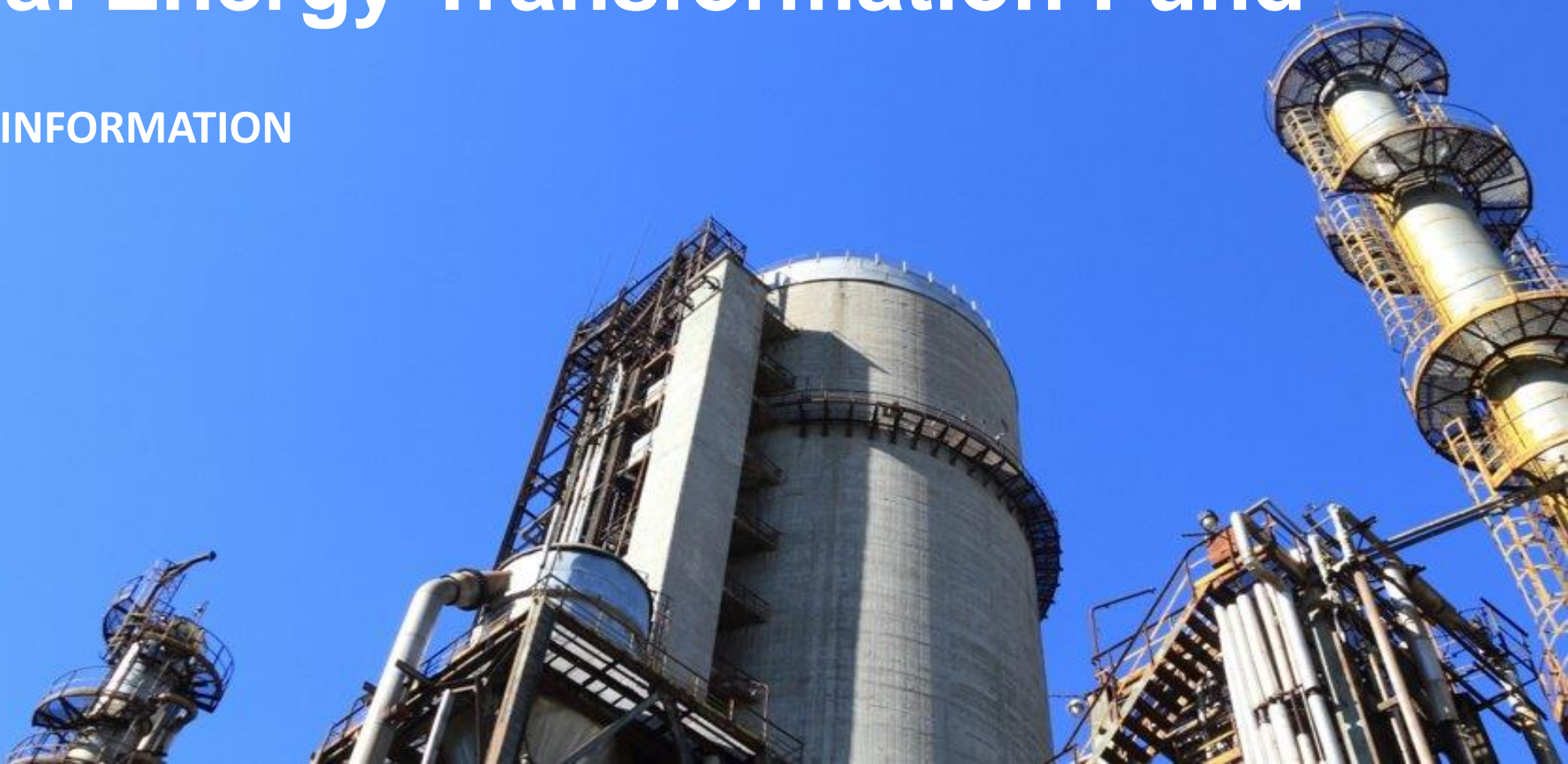


Out of Scope

- **New builds and expansions:** funding cannot be used to
 - support capital delivery of new build plant.
 - repurpose a manufacturing site for a new industrial process.
 - cover the costs of a project which aims to expand the capacity at an existing plant.
- **Repair and maintenance**
- **Building improvements:** including building lighting / space heating and cooling not integral to the industrial process.
- **Production of fuels**
- **Renewable electricity generation:** i.e. solar panels or wind turbines, unless from waste heat, waste pressure, waste process gas or waste process liquid not suitable for transport use.
- **CHP is only supported with fuel switching as a DD project.**

Industrial Energy Transformation Fund

SUPPORT AND INFORMATION



Department for
Business, Energy
& Industrial Strategy

Help to understand the competition information

Competition Guidance

IETF Guidance: <https://www.gov.uk/government/publications/industrial-energy-transformation-fund-ietf-phase-2-autumn-2022>

Eligibility Checks and Questions

We encourage you to contact the IETF support service at ietf@beis.gov.uk if any help or clarification is needed as you work on your application.

You can contact the same address for guidance on whether your proposal is eligible before you start to write the application. Please include “**Eligibility screening**” in your email title to access this service.



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Help with the application process

Competition Clinics

Fortnightly webinars to ask questions about the scope, eligibility rules and application process in an open forum with BEIS and KTN.

Register: <https://eur.cvent.me/7zZdl>

How to apply videos

A step-by-step video tutorial to help you to complete the online application and understand what is required for each section of the application form

Links to view the videos

<https://vimeo.com/showcase/9479972>



Help to find partners



IETF Networking platform

Register at <https://ietf-phase2.meeting-mojo.com/>

Complete your profile to improve usability and search for partners

The IETF networking platform will remain open for the whole of Phase 2 (until March 2025) to allow you to continue networking between competition windows



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Help to identify relevant technologies

Technology Marketplace

An online platform to help industrial sites to find suitable energy efficiency and decarbonisation technologies to deploy. The platform hosts 27 videos from different technology providers such as heat recovery, carbon capture, fuel switching, process optimisation, energy storage and heat pumps etc.

Register your interest

Industrial site owners – [register for access to the marketplace](#), closes in March 2025

Technology providers – register to add your video to the marketplace, closes on 13th January 2023

Note: If you would like KTN to film your tech video please register and we will contact you.

We have over 150 industrial sites accessing the site so it is a great opportunity to raise awareness of what you have to offer.



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