

Briefing on the Industrial Energy Transformation Scheme

The Industrial Energy Transformation Fund (IETF) was announced in Budget 2018 and was opened for consultation in Autumn 2019. Following this, the Government has now responded to the consultation and announced that the first phase of the fund, which will have £30 million available, will open in July this year.

Key facts for Phase 1

- **Organisations from manufacturing [SIC codes](#) 10-33 will be eligible for support during Phase 1. The scheme will support projects that use technology to improve the energy efficiency of industrial processes.**
 - The IETF will also provide support for feasibility and FEED studies of energy efficiency and deep decarbonisation projects (i.e. those projects that need funding to fund studies of new technologies or new applications).
 - Projects improving the energy efficiency of buildings or transport will be ineligible for funding.
- **The minimum grant level will be £250,000, and the project must have a total grant funding of at least £250,000.**
 - There will be a total of £30 million available, with grant amounts going above £250,000 dependent on the project size.
 - Funding will be assigned in application windows.
 - Your project must start by 1 April 2022 and end by 31 March 2024.
- **The IETF will be open to applications in England, Northern Ireland, and Wales.**
 - Scotland have chosen to opt-out of the UK wide IETF and a share of the overall fund will be made available to Scotland for its own scheme.
- **Phase 1 applications will be assessed against four criteria:**
 - Additionality and cost effectiveness.
 - Project overview and technical feasibility
 - Project costs
 - Deliverability and risk.

Opportunities for Biomass members

- Whilst the proposals do not cover building heating, they do include heat recovery that is a retrofit solution to an existing plant is within the scope of the scheme.
 - For instance, energy recovery from waste heat.
- Applications for studies that use virgin biomass or residues will be support where:
 - They use fuel switching from solid fossil fuels (e.g. coal, coke) or from other fossil fuels in high temperature applications (more than 240 degrees C)
 - Biogas combustion or biogas combined heat and power projects when they are off the national or regional gas grid.
 - They must be over 1MWth input.