

Welcome to Connected, the ABH Consulting newsletter rounding up Energy news for Spring 2009.

In this issue we are highlighting the Government's programme to manage climate change and reduce the UK's CO² emissions. The programme continues to gather momentum with a number of initiatives already introduced and others planned for the coming months. The policies involve a 'carrot and stick' approach with both interest free loans for energy efficient equipment and increased taxes unless consumption is reduced.

INTEREST-FREE LOANS ON ENERGY-SAVING EQUIPMENT

To encourage investment in energy-saving equipment the government, via the Carbon Trust, is offering interest free unsecured loans of between £5,000 and £200,000 to SME's (less than 250 staff and £40m turnover).

The level of loan available will be based on the projected CO² savings to be made from the investment. Loans are repayable over 4 years. The idea is that the value of energy savings more than covers the repayments, with the benefit of the investment continuing after the loan has been repaid.

UK BUSINESSES FACE LOOMING EMISSIONS BILLS



A group of 7,000 businesses, from banks to hotel chains, are largely unaware that they will soon have to pay a combined total of £660m a year for their greenhouse gas emissions.

All companies with an energy bill of approximately £500,000 who utilise half hourly metering will be forced from next April to report their energy usage and to buy carbon credits to cover the resulting greenhouse gases. Under a complex and little understood set of new regulations known as the 'Carbon Reduction Commitment' (CRC).

Initially the cost of carbon allowances will be set at £12 per tonne of carbon emitted although in later years this will be set by auction at the market rate. In the first two years of the scheme the amount of 'rebate' that is recycled back to companies will be dependant on what are known as 'early action metrics'. These include the installation of 'smart metering' and accreditation to the Carbon Trust standard.

Before the scheme begins in 2010 many companies will need to undertake a significant amount of work in order to comply and avoid paying fines. In summary, early action is imperative in order to minimise future costs.



THE 'GREEN' BUDGET 2009 DOES IT HELP UK COMPANIES?

In the recently announced budget the Chancellor announced a package of measures which included £375m of energy efficiency measures for homes, businesses and public buildings. He also confirmed that the target for cutting carbon emissions was 34% by 2020. However, commentators have warned that the proposed spending plans will not be sufficient to meet this ambitious target.

However, of the £375m only £100m is directly aimed at businesses. This amount of money will be made available for projects that can demonstrate a reduction in carbon emissions. For information on eligibility and the size of the loan please contact ABH Consulting.

In summary, although there are some positive statements it is unlikely that the resulting measures will greatly assist with the green shoots of recovery.

AIR CONDITIONING SURVEYS DO THEY AFFECT YOU?

From 4th January 2009 annual air conditioning surveys for systems over 250Kw became mandatory. These type and size of systems are likely to be present in the majority of office buildings and shopping centres etc.

It is likely that the responsibility for undertaking these in multi occupied buildings will fall to the landlord although it is expected that the cost will be passed on via the service charge.

Furthermore, from January 2010 the extent of the inspections will increase with all systems over 12 Kw being covered. A simple cassette unit is rated at around 4Kw. Thus, if there are more than three in your premises you will need a survey.

Accredited assessors must undertake inspections. Within ABH's team we have such assessors and if you wish to discuss your specific requirements please call to discuss.

HIGHER ENERGY BILLS FOR BUSINESS USERS

Despite falling wholesale prices thousands of businesses are facing higher energy bills. Most small to medium sized companies are getting caught out by not reading the small print in their energy contract requiring them to give specific notice of termination. In some cases this can be up to 3 months. If the company fails to comply they are deemed to have automatically renewed at the new price.

The new price is normally substantially higher than the market price. This can be on average as much as 20% more.

READ THE SMALL PRINT!

The 'big six' suppliers in the UK control 96% of the energy market between them. The 'big six' will often renew existing business customers on higher rates than new customers. Therefore, firms failing to read the small print could end up paying more than they need to.

All business energy users should ensure they terminate their energy contracts in plenty of time to ensure their contract is not automatically renewed. For independent advice on switching and tariff recommendations call ABH Consulting Ltd.

*Green
Ideas*

Did you know switching off PC's
at night and weekends could save
up to £25 per PC per annum?

