



IETF Phase 3 context and Verco application support

July 2024

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Webinar Itinerary

- Introduction to Verco
- IETF Introduction & Context
- IETF lessons learnt and success factors
- Linking your detailed plan projects to IETF
- How Verco can support you
- Summary

The image features a solid teal background. In the center, there are two concentric circles of a lighter teal shade. The text "Who we are" is centered within the inner circle in a bright cyan color.

Who we are

Award winning, with a 30-year track record



Certified since 2018

Our services support your transition to zero carbon



- Expert, independent advice
- Support services and implementation
- Industry leading data and reporting

We work with businesses that have a large GHG footprint and/or complex supply chains



The image features a dark teal background with a large, lighter teal circle centered on the left side. Inside this circle, the text "IETF Context" is written in a bold, light cyan font. The text is centered horizontally within the inner circle.

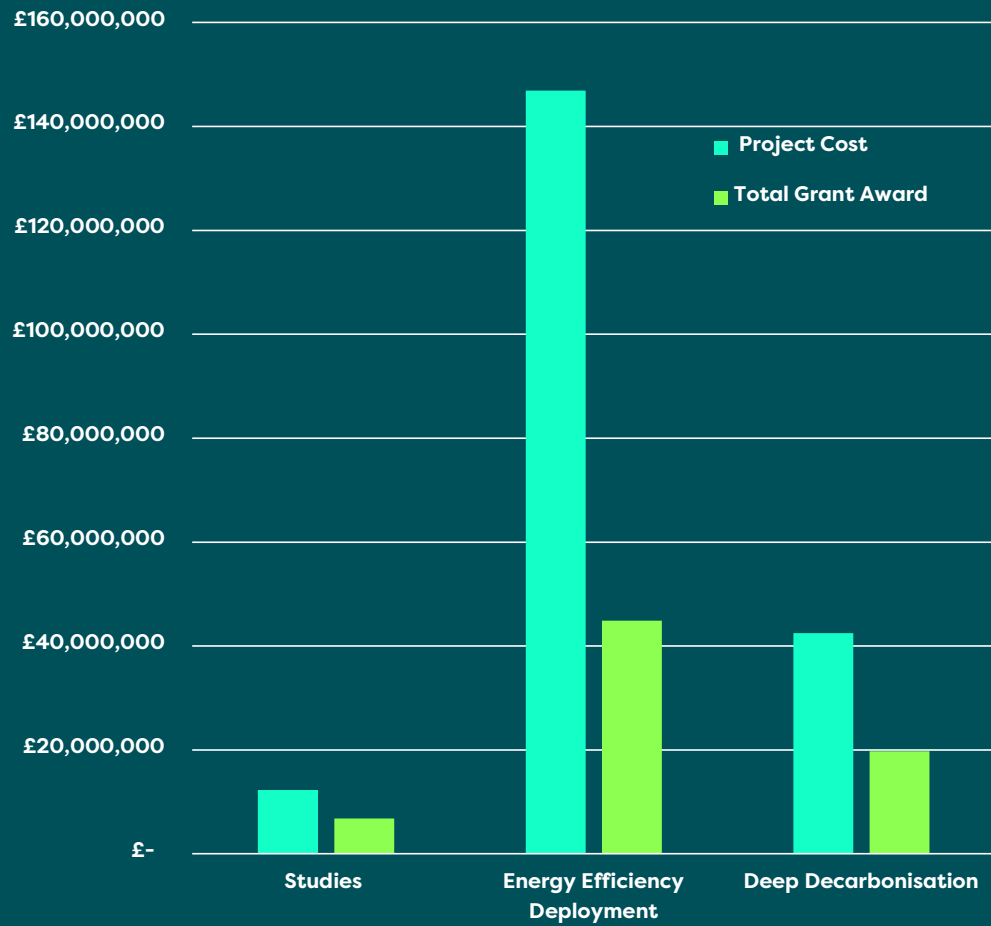
IETF Context

IETF Funding – General Notes

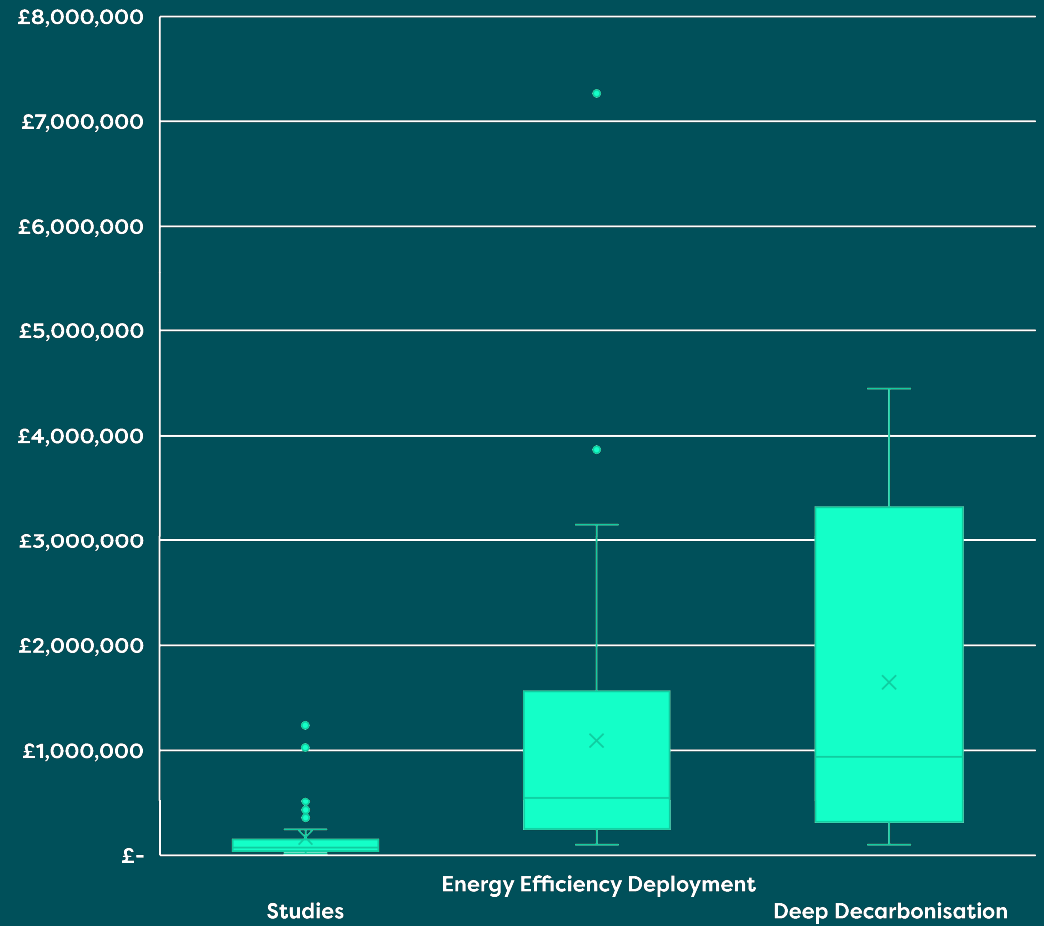
- The Industrial Energy Transformation Fund (IETF) competition aims;
 - To support in energy intensive industries within England, Wales and NI with the provision of grant funding
 - Funding is aimed at feasibility studies, engineering studies and implementation projects
 - There is a separate Scottish IETF which provides support in a very similar way to the IETF, however the Scottish IETF is not currently open to applicants (phase 3 closed Nov 2022)
- Phase 3 window 1: applications made by the 19th April 24
- Phase 3 window 2: Expected to open in July/August, closing ~ September/October 24
- Funding is available for:
 - Studies: Feasibility studies & Engineering studies
 - Capital works: Energy efficiency
 - Capital works: Deep decarbonisation

IETF Funding – Phase 1 & 2 Facts

Total Cost & Grant Award by Category (published)



IETF Grant Funding by Category (per project)



Funding Strands – Studies

Competition strand	Minimum threshold	Maximum threshold	Aggregation	Typical maximum subsidy intensity Large/ Medium/ Small business	Further subsidy intensity uplifts	Must start by (for applications submitted by April 24)	Must complete by (for applications submitted by April 24)
Feasibility Study	£30,000 total eligible cost per study	£7m total grant funding per study	When looking at the same technology solution, one study could cover up to 5 sites	50% (L - Large) 60% (M - Medium) 70% (S - Small)	N/A	01/07/2025	31/03/2028
Engineering Study	£50k total eligible cost per study	£14m total grant funding per study		25% (L) 35% (M) 45% (S)	Uplifts available for knowledge sharing		

Funding Strands – Deployment

Competition strand	Minimum threshold	Maximum threshold	Aggregation	Typical maximum subsidy intensity Large/ Medium/ Small business	Further subsidy intensity uplifts	Must start by (applications submitted by April 24)	Must complete by (applications submitted by April 24)
Energy Efficiency Deployment	£75k total grant per application (SMEs)	£14m total grant per project	Multiple aggregated projects possible to meet minimum	40% (M) 50% (S)	15% 5% (NI)	01/07/2025	31/03/2028
	£100k total grant per application (L)	£14m total grant per project		30 % (L)	15% 5% (NI)		
Decarbonisation Deployment	£75k total grant per application (SMEs)	£30m total grant per project		60% / 50% ¹ (M) 70% / 60% ¹ (S)	15% 5% (NI)		
	£100k total grant per application (L)	£30m total grant per project		50% / 40% ¹ (L)	15% 5% (NI)		

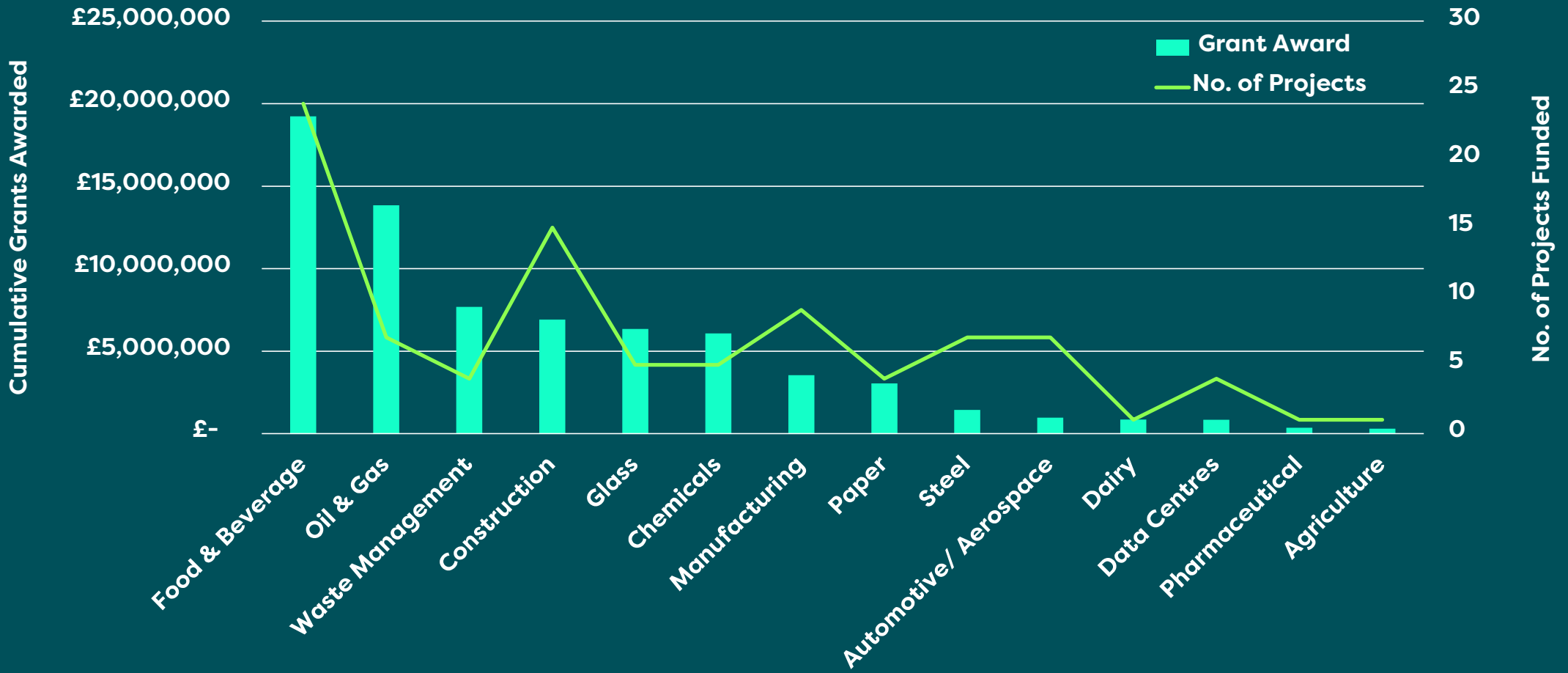
- NI = Northern Ireland
- ¹ for those subject to Article 10 of the Windsor Framework



IETF success factors

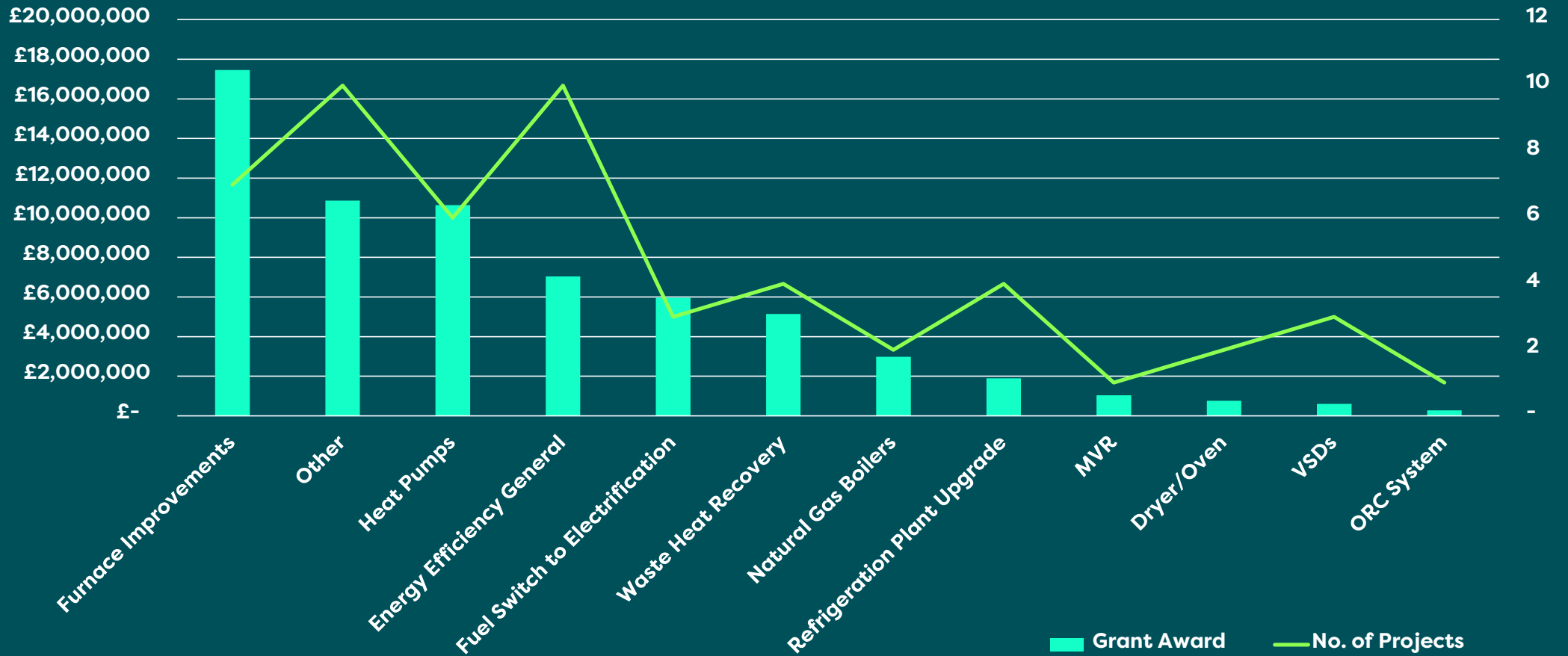
What has been funded in the past

Grant Award by Industry



What has been funded in the past

IETF Grant Award by Technology Type



What makes a good application?

Advice from IETF

- Be consistent
- Be specific
- Make sure all supporting information is concise & relevant
- Write for a non-technical audience

Advice from Verco

- Do your homework
- Show you have done your homework!
- List out all the mandatory information and make sure it is included e.g. risk registers, project programme, carbon saving calculations...
- Be organised, cross reference responses with supporting information

Assessment Criteria - Studies

Criteria	Weighting	What are the IETF looking for
Project Objectives	20%	Show clear project delivery plan & risks
Technical Feasibility	20%	Journey to date, justify choice of study & plans for deployment
Potential for Energy & Carbon Savings	25%	Back up with case studies
Cost & Value for Money	10%	Evidence of costs & cost planning
Added Value	15%	Only apply for what is needed to make the project happen
Replicability	10%	Develop a plan for sharing learnings

Assessment Criteria - Deployment

Criteria	What are the IETF looking for
Economic Assessment	<ul style="list-style-type: none">• Requires project benefits calculator to be completed• Positive assessment of costs, benefits and risks• Robust cost plan• Must meet the test of 'additionality'
Transformational Assessment	<ul style="list-style-type: none">• Justify choice of technology (show your homework!)• Demonstrate replicability and scalability• Show novelty for decarbonisation (but not too novel)
Deliverability Assessment	<ul style="list-style-type: none">• Good project governance• Team experience, risk register, delivery programme etc• Supporting evidence to justify costs

Process steps and anticipated timescales (Verco estimates)

Step	Date
Application Window	Expected to open July/August 2024 Expected to close September/October 2024
Notification of outcome of assessment	March 2025 (estimated)
Due Diligence & Grant Funding Agreement	June 2025 (estimated)
Project Delivery	Latest Start January 2026 (estimated), latest completion September 2028 (estimated)
Post Project Monitoring	Five years post project completion for deployment projects

We do not expect a 3rd window to become available and we do not have any information of another phase of IETF being announced.



Linking your detailed plan projects to IETF

Needs of projects identified in Net Zero assessments

Implementation plan/roadmap produces list of projects



1) Operational improvements



2) Energy Efficiency



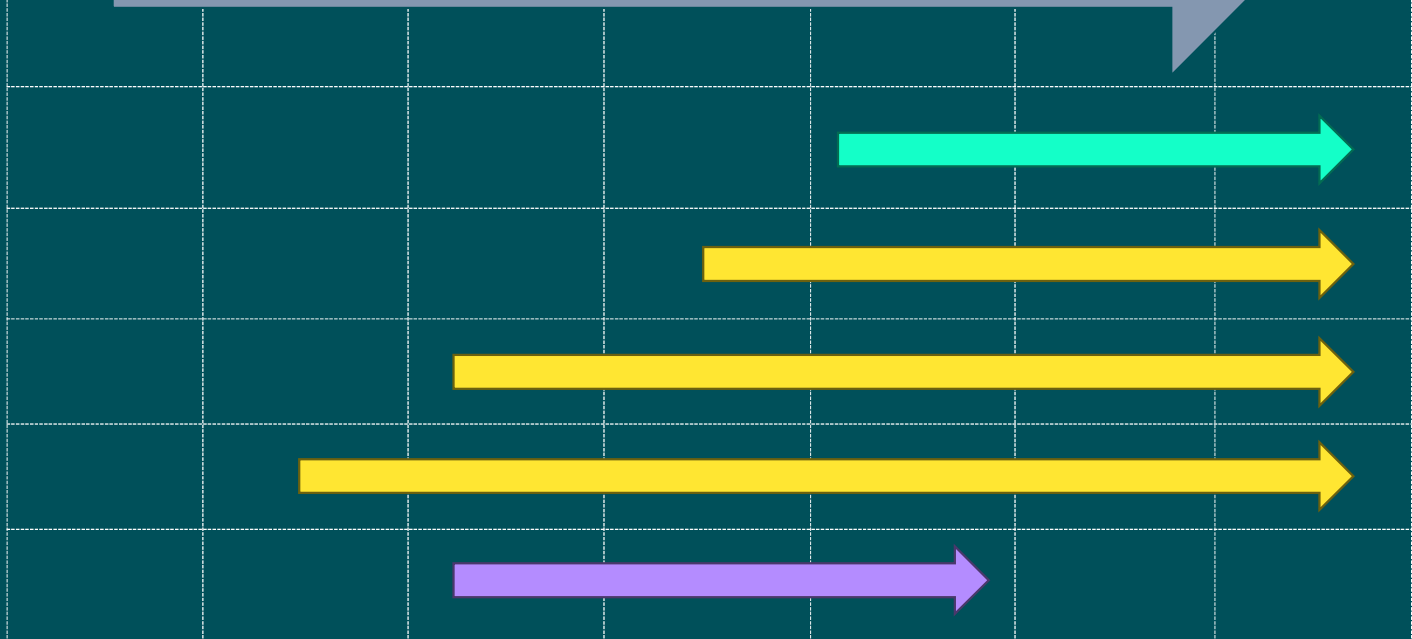
3) Process optimisation



4) Deep decarbonisation

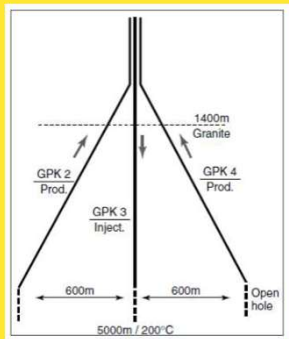


5) Renewables procurement / PPA



Deep Decarbonisation feasibility study application example

Deep decarbonisation projects requiring feasibility study and sequencing to arrive at optimal solution



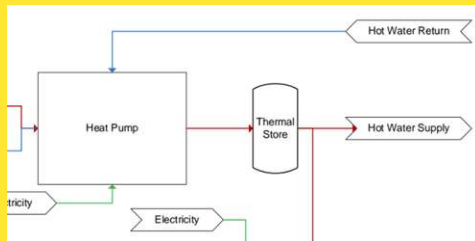
Example: geothermal feasibility study

Critical actions now

- Concept development and narrowing down options
- Development of critical decision flows to determine timing of feasibility studies
- Funding application for large feasibility studies to de-risk further investment

✓ Capital works application example

Well defined, can be implemented and savings can be measured



Example: heat recovery heat pump

Critical actions now

- Collation of critical heating and cooling data
- Completion of basic design
- Funding application for capital works with robust information and optimal design configuration



How Verco can support you

Verco will assess key criteria for application

1. Study overview; project delivery plan, project partners, site eligibility
2. Technical feasibility
3. Financial information
4. Project benefits including carbon savings
5. Study cost/ value for money
6. Added value
7. Replicability & technology novelty
8. Client's net zero journey plans
9. Project planning; risk register, H&S implications
10. Technical assessment

Typical proposed scope of the application works

1. Desktop Review
 - Support with the compilation of existing project information, limited to ensuring suitable information is available for the IETF application
 - Support with development of cost and carbon benefit calculations
2. Costing & Contractor Engagement
 - Support in obtaining quotes from potential suppliers & review with Client
3. Evidence compilation
 - Review IETF eligibility and propose the appropriate funding stream
4. IETF Application
 - Compilation of all documents required for IETF capital application submission
 - Draft IETF application, with follow on review with Client team pre submission
 - Support Client team in submitting via the portal

Detailed scope – feasibility evidence

Technology justification

- Understand the status of the technology use on site, through previous installations and current progress
- Current development status of the technology
- Information for applicability from technology suppliers

Installation plan

- Work packages, deliverables and risk register
- Details of any partners and sub-contractors and how they will be managed
- Describe the roles, skills and experience of key members of the team plus project management strategy
- Risks (technical, commercial, project delivery etc.), evaluate their impact and likelihood and describe the corresponding mitigation actions
- Detail project costs as anticipated/planned by project partner

Detailed scope – IETF application

Verco will draft the IETF application following these steps:

- Compilation of all documents required for IETF capital application submission (as appended in the pdf file)
- Prepare M&V plan
- Project programme compilation
- Critical review of technology
- Review of build up of costs of reference case and complete finance form
- Complete projects benefit calculator
- Review any impact from change in operation
- Calculation of discounted cash flow with & without funds, internal documents with company investment criteria etc.
- Review and critique responses and request additional evidence
- Review Client's net zero roadmap or other longer term plans and including in reasoning and feasibility
- Research the market - compile evidence to justify TRL of technology
- Include evidence of programme compiled

Summary

- Both energy efficiency and deep decarbonisation projects require business understanding and intervention
- The IETF provides grant funding to support with this understanding and intervention
- Do your homework: focusing on the credibility, impact and replicability of the potential solution and you are more likely to succeed
- You may only have one shot; focus on getting the maximum value from the application, even if this means doing some additional due diligence now
- Time is of the essence to access grant funding via the IETF!
- Verco have extensive experience with IETF applications and can support you with feasibility or capital works deployment applications

Consultation

- We are here for follow on consultation
- Email: achievezero@vercoglobal.com

verco

Aiming to achieve zero

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