



Department for
Energy Security
& Net Zero

Industrial Energy Transformation Fund Phase 3 Consultation

Jenni McDonnell MBE

Jenni.McDonnell@ktn-uk.org

www.ktn-uk.org



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Housekeeping

- Introduce yourselves on Youtube, network virtually.
- The event is being recorded and you will be sent a link to the recording and slides after the event to share with colleagues.
- You will be sent a link to the formal consultation page on gov.uk so you can respond after today's event. This event does not replace the consultation process
- You will be muted during the event so please use the chat box in Youtube to ask clarification questions about the proposed Phase 3 fund.
- We will be using Menti.com to allowed you to share your views on the proposed Phase 3 programme so have your phones ready

Agenda

- 10.00 Welcome
- 10.10 **Proposal for Phase 3 design**
- 10.25 Clarification Q&A (Youtube chat)
- 10.30 Consultation Q&A (Menti)
- 11.00 **The wider policy landscape and long-term role of IETF support**
- 11.15 Clarification Q&A (Youtube chat)
- 11.20 Consultation Q&A (Menti)
- 11.50 **Closing remarks**
- 12.00 Close




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Future of the Industrial Energy Transformation Fund



Department for Energy Security and
Net Zero

Industrial Energy Transformation Fund

The Industrial Energy Transformation Fund (IETF) is a competitive fund, which provides grants to support industry to invest in transitioning to Net Zero.

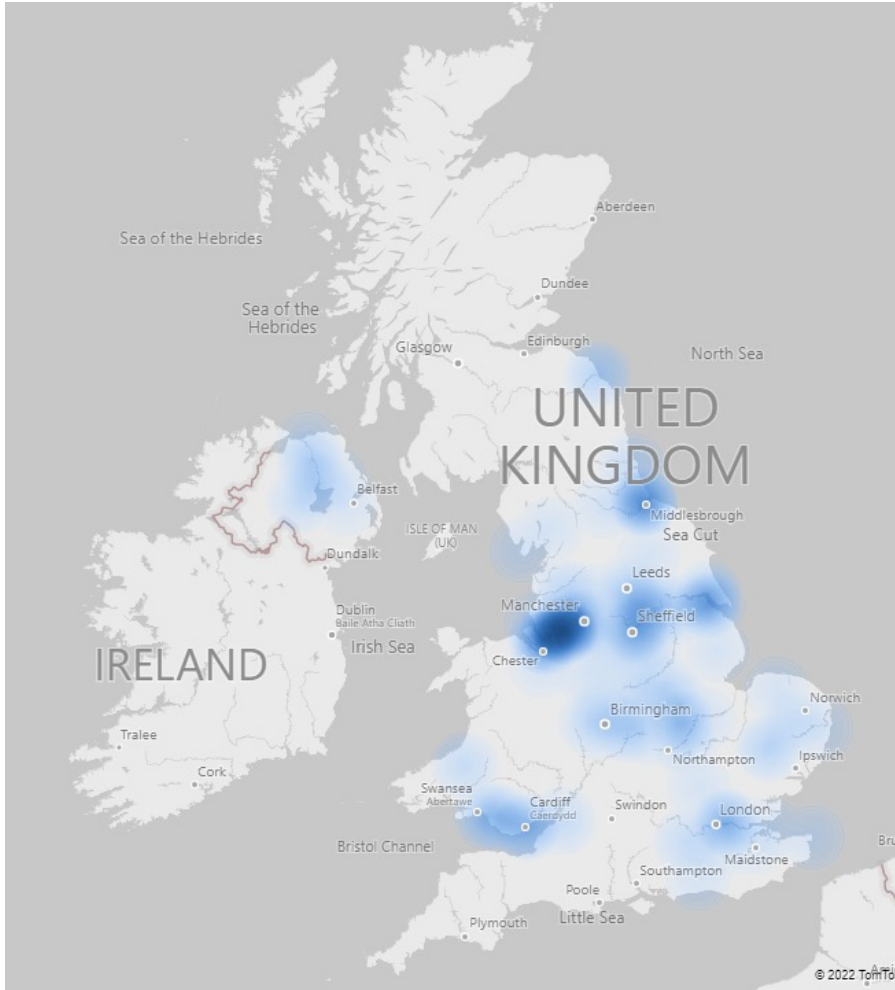
The IETF was first announced in the 2018 budget. A consultation ran in October 2019, and the initial government response was published in June 2020.

IETF Phase 1 launched in Summer 2020 followed by Phase 2 in Autumn 2021. We are currently reviewing applications to the last Phase 2 application round. In total, we have received almost 500 applications and expect to support over 150 projects.

*“We are announcing an extension to the Industrial Energy Transformation Fund (IETF), worth **up to £185m**. Subject to business case approval, we intend to open Phase 3 of the IETF for new applications in early 2024.”*

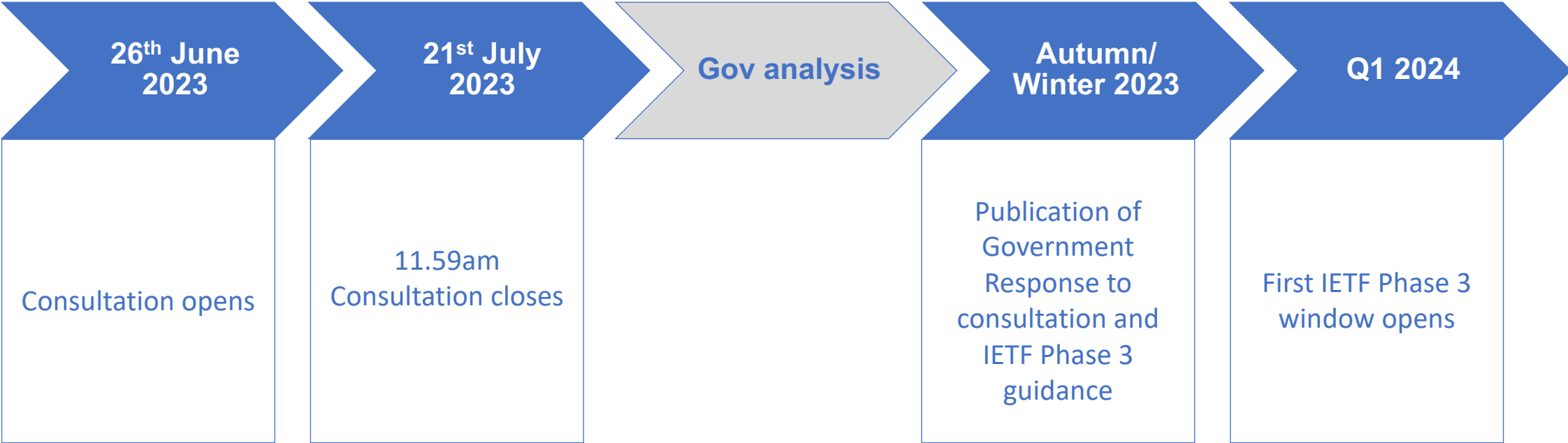
Powering up Britain Publication, 2023

IETF Phases 1 and 2



- So far, we have run 6 competition windows in two Phases (Phase 1 and 2)
- Funding allocated to **over 130 projects**
- Winners from across England, Wales and NI, from both within and outside industrial clusters
- 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

Consultation Timeline



How to Respond

You can submit a response via the [Citizen's Space Platform](#)



We will also accept responses sent to IETF@beis.co.uk

Please answer the questions and provide all details in your answers.

We cannot analyse responses sent in separate documents.

Industrial Energy Transformation Fund (IETF) Phase 3

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Closes 21 Jul 2023

This service needs [cookies](#) enabled.

About you

What is your name?

Name

What is your email address?

If you enter your email address you will automatically receive an acknowledgement email when you submit your response, and a copy of your response.

Email

Name of organisation

(Required)

What type of organisation you represent

(Required)

Large business (greater than 250 employees)

Medium business (50 - 250 employees)

Consultation Structure

This consultation is an opportunity for stakeholders to shape the development of Phase 3 enabling government to deliver policies that are informed by robust evidence.

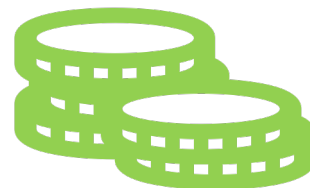
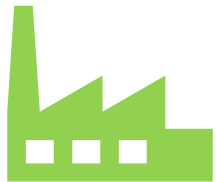
The consultation is split into two parts:

- **Part 1 - Development of Phase 3**, seeks views on IETF Objectives; Eligibility and Scope; Technologies; Project Assessment Criteria; and Monitoring and Evaluation.
- **Part 2 - Long-term role of government support**, seeks views to help inform the development of future industrial policies (post 2025).

Part 1 – IETF Objectives

The objectives of the IETF are to **reduce energy consumption and emissions** for UK industry in the near-term and to bring down risk-adjusted costs of industrial decarbonisation technologies through demonstration by:

- Supporting industry in building a pipeline of future projects by supporting feasibility and engineering studies
- Improving the energy efficiency of industrial processes by bringing payback of projects within an investable range for companies
- Incentivising early movers by making the low-carbon investment financially more attractive than the carbon-intensive option.



Part 1 – IETF Scope

Energy Efficiency Deployment

Grant offer £100k - £14m

Deep Decarbonisation Deployment

Grant offer £100k - £30m

Studies

Energy Efficiency and Deep Decarbonisation

Engineering study grant offer: £50k (total eligible cost) to £14m

Feasibility studies: £30k (total eligible cost) to £7m

Part 1 – Eligible Sectors

To lead an application, your organisation must be a registered company, of any size, **in England, Wales or Northern Ireland**.

As lead applicant, **you must carry out an eligible industrial process** at an **existing** site (or sites) which will be the focus of the application.

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 centre	63110

Part 1 – Eligible Technologies

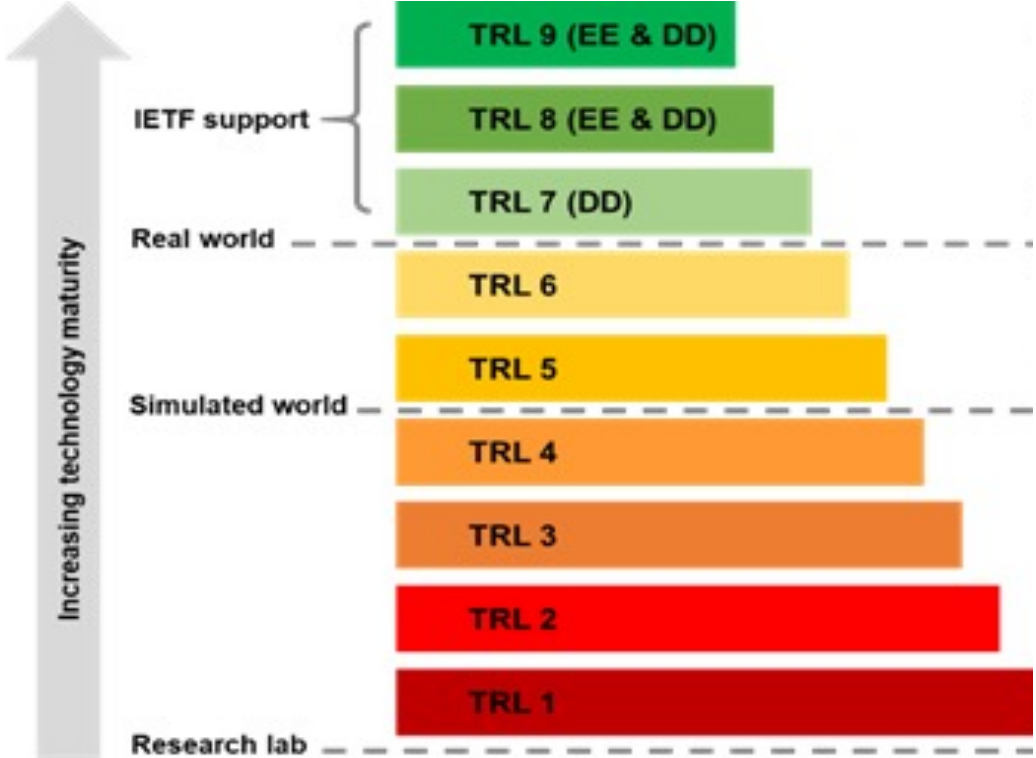
EE technologies generate energy savings, measured/estimated in MWh, these include:

- Process optimisation
- Equipment upgrades
- Process heat and energy recovery and heat pumps
- Resource efficiency measures

DD technologies should generate emissions savings, measured/estimated in CO₂e, these include:

- Fuel switching
- Onsite carbon capture technology for utilisation or storage

Technology Readiness Level (TRL)



Consultation Q&A

www.menti.com

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Please be aware that your comments will be displayed on the main screen

Part 2 – Industry and Net Zero

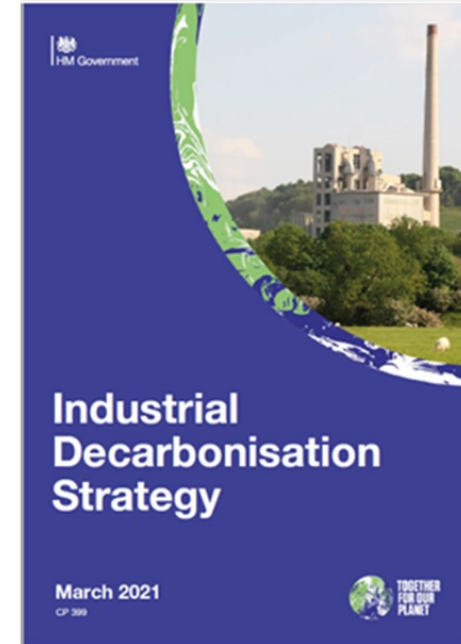
Industry contributes around £170 billion to the UK economy (GVA), supporting around 2.2m jobs. **Futureproofing of industry** is vital if we want to preserve and grow this key contributor to the UK economy.

Industry is responsible for c.16% of UK emissions and must take action in the 2020s to support the UK's commitments to:

- **cut emissions by 78% by 2035** compared to 1990 levels in order to meet Carbon Budget 6 targets, and
- contribute to the target to **reduce final energy demand across the economy by 15% by 2030** against 2021 levels

The Net Zero Growth Plan estimates that in order to meet Net Zero, the required net capital expenditure across 2020 – 2037 will total £19bn.

Industry will not be able to fund this investment alone, which is why a portfolio of support is required to meet Net Zero targets.



Part 2 – Current Government Support

The industrial policy landscape has changed a great amount since the IETF first launched in 2020. We have seen the introduction of the Industrial Decarbonisation and the British Energy Security strategies, and CCUS and Hydrogen Business Models have been developed and updated.

New funds such as the [Local Industrial Decarbonisation Plans](#) (LIDP), which provides support for new local clusters in dispersed areas to develop decarbonisation plans, have launched. LIDP will close to applications on the 2nd August.

Wider commitments to developing the industrial policy landscape have been made, including:

- Development of response to the recent consultation on Carbon Leakage
- Upcoming Call for Evidence on Scope 3 Emissions Reporting
- Upcoming Consultation on Non-Road Mobile Machinery
- Upcoming Call for Evidence on Industrial Electrification

Part 2 – IETF Evolution and Future Government Support

Part 2 of the consultation addresses support beyond Phase 3 of the IETF and will help to shape future governments longer term offer to industry, which could include further extensions to the IETF and/or improved access to lending. Themes in this section cover:

- The long-term role of the IETF
- Financing
- Government support avenues
- Wider benefits to supporting EE and DD technologies.

Consultation Q&A

www.menti.com

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Preparing for Phase 3

Competition information

Please be advised that the scheme design and rules may change in Phase 3 following the consultation.

[Past competition guidance](#)

[How to apply tutorial](#)

[Frequently asked questions](#)

[Phase 1 & 2 Competition winners](#)

Eligible technologies

Platform with videos from eligible technology suppliers, energy consultants, and past winners

[Virtual Technology Marketplace](#)

Partnering

Dedicated IETF networking platform to help companies find partners and technology suppliers

[IETF Networking Platform](#)



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Learnings from Phase 1 & 2

Sectorial podcast series

Talking to industrial sites who have been funded in Phase 1 and 2

Industrial site videos

Visiting some of the Phase 1 industrial sites to see what they have deployed

IETF brochure

Case studies from some of the Phase 1 and 2 projects

Technology Showcase event

Autumn 2023

A cross section of eligible industrial sectors will be covered to show the benefits of applying to the IETF



Post Event information

You will receive

- Link to the Government consultation page
- Link to the Citizen's Space Platform to respond to the consultation
- Link to the recording of today's event and the presentation

Contribute to the consultation to make Phase 3 IETF investment right for you



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Thank you

Jenni McDonnell MBE
Thermal energy systems
Innovate UK KTN
Jenni.McDonnell@ktn-uk.org

