



New analysis from the Energy Efficiency Financing (EEF) scheme has revealed that the industrial sector is overspending on energy to the tune of over £2.2 billion per year.

The analysis, based on official sources and proprietary EEF data, examined a number of sectors to calculate the amount that these industries were overpaying on their energy bills because of inefficient technology, equipment and controls.

The EEF scheme, which provides business finance for the acquisition of energy-efficient equipment, regularly highlights the difficulties that businesses have raising finance for energy-efficiency investments in the current economic climate. The squeeze on business access to credit is revealed in regular reports from the Bank of England, with no indication that this situation is likely to alleviate significantly in the near future.

Darren Riva, Head of Green Financing of the EEF scheme, comments: "Our analysis has shown that there is a huge market potential for energy savings from business investment in energy-efficient equipment, amounting to over £3.7 billion per year across the country, and around £2.2 billion in the industrial sector alone. That potential energy saving covers motors, compressed air, high/low temperature processes, lighting and space heating, amongst others."

"In the current credit squeeze, a major problem for firms has been access to affordable finance to enable business to make those green investments. That is why EEF was created – a joint financing initiative between the Carbon Trust and Siemens – to make finance more accessible and affordable for companies, especially SMEs. The EEF scheme matches monthly payments to real monthly energy cost savings, which means that firms effectively end up paying no extra for their new equipment investment. These investments improve business competitiveness, cut carbon and boost the green growth."

To help companies raise finance for energy-efficient investments, the EEF scheme covers such technologies as low energy lighting, energy-efficient motors, low carbon air conditioning and biomass heating. Any business with at least 3 years trading history is able to apply for new green growth finance from the scheme, which is designed to match monthly payments with the equivalent savings from lower energy consumption. The Carbon Trust will apply its expertise in carbon saving from energy-efficient technologies to provide a reliable and trusted assessment of the carbon, energy and cost savings of any application for finance. Siemens Financial Services Limited in the UK provides the financial backing and manages the provision of funding.

Any business wishing to apply to the scheme for energy-efficient equipment finance, or any equipment supplier wishing to offer the scheme to its customers, should visit: www.energyefficiencyfinancing.co.uk