

# The INDUSTRIAL TRANSFORMATION FUND (IETF)

In this document you will learn

- [What the IETF is](#)
- [Who is it relevant to](#) (including eligibility criteria and questions)
- [The major changes in the design](#) of the IETF from previous phases
- [How to apply](#) for a IETF grant
- [Where to get help](#)

## What is the IETF?

The [Industrial Energy Transformation Fund \(IETF\)](#) Phase 3 (up to £185 million) is designed to help businesses with high energy use to reduce their energy consumption and carbon emissions through investing in energy efficiency and low carbon technologies. It provides grant funding towards the costs of feasibility and front-end engineering studies, and energy efficiency and deep decarbonisation projects.

The fund is competition-based and the first 2024 **application window is now open from 29 January to 19 April 2024** (projects to start by 01/07/2025 and to complete by 31/03/2028).

## Who is the IETF relevant to?

The IETF will be accessible to:

- **Manufacturing businesses (SIC codes 10000 to 33200<sup>1</sup>) of all sizes** in England, Wales and Northern Ireland, and businesses registered in Scotland but with the sites in England, Wales and Northern Ireland.  
Sites based in Scotland are managed under a separate Scottish IETF scheme<sup>2</sup>.  
It is not necessary to qualify as an Energy Intensive Industry (EII).
- **Minimum and maximum thresholds (of grants applied for)**  
The proposal must fall within the stated minimum and maximum award (e.g. grant applied for) thresholds in the table below.
- **Multiple projects may be aggregated within or across the lead applicant's sites** to meet the minimum grant threshold.

---

<sup>1</sup> If the parent company SIC Code allocated at the time of registering at Companies House does not reflect the activity carried out at your site, you may still be eligible.

<sup>2</sup> For the Scottish IETF scheme<sup>2</sup> please contact the Scottish Government at [SIETF@gov.scot](mailto:SIETF@gov.scot)).

<b>Funding applied for</b>	<b>Minimum threshold (of grant applied for) per application</b>	<b>Typical maximum subsidy intensity<sup>3</sup> (small/medium/large) business</b>	<b>Maximum threshold per project</b>
<b>Energy efficiency deployment projects</b>	£75,000 (SMEs) £100,000 (large companies)	40% (M), 50% (S), 30% (L)	£14 million
<b>Deep decarbonisation deployment projects</b>	£75,000 (SMEs) £100,000 (large companies)	60% (M), 70% (S)	£30 million
<b>Engineering studies</b>	£50,000 (total eligible cost)	25% (L), 35% (M), 45% (S)	£14 million
<b>Feasibility studies</b>	£30,000 (total eligible cost)	50% (L), 60% (M), 70% (S)	£7 million

### Major changes in the IETF design from previous phases

Make UK have provided to DESNZ a lot of feedback received from members regarding eligibility and accessibility of the fund. DESNZ have been attentive to this and have adjusted the design of the fund accordingly.

These major changes of the design from previous phases are:

- For SMEs only, the minimum grant threshold for deployment projects has been lowered from £100,000 to £75,000.
- For SMEs only, the application process has been simplified.
- There is now a first very easy and quick registration step, separate from the registration. A separate free eligibility check service is also available with a very quick answer (within 48 hours).
- For grants for deployment projects of £5 million or above, applicants must submit a feasibility study or Front-End Engineering Design (FEED) study to support their application.
- The Technology Readiness Level (TRL) will be lowered from 8 to 7 for energy efficiency deployment projects to match the requirements for decarbonisation projects.
- The end use of waste-heat recovery (heat re-used in existing processes) for non-process heat (space heating) and export to heat networks will be allowed, subject to further

---

<sup>3</sup> There are also further subsidy intensity uplifts on some of the study and project types.

development of bounding criteria.

- Site relocations will be allowed if the basis of the grant (e.g. same project scheme, cost and magnitude of benefits) remain unchanged and the relocation is notified before the application.
- Study (but not deployment) projects will be allowed to include offsite infrastructure, subject to clearly defined boundary limits.
- **Projects in the same strand** (e.g. feasibility studies, engineering studies, energy efficiency deployment projects or deep decarbonisation deployment projects) **can be aggregated** to achieve or exceed the minimum grant thresholds.
- **The scope of feasibility studies is expanded to include option analysis in the same strand** (e.g. Energy Efficiency or Deep Decarbonisation). The technology solutions considered within the scope of a single feasibility study must seek to deliver the same outcome, either EE or decarbonisation. For example, companies will now be able to consider routes to decarbonising existing combustion equipment via an investigation of different low carbon fuel options.

## How to apply for a IETF grant

**Step 1. Read the webpage on how to apply [here](#).**

### **Step 2: Check your eligibility**

- Eligibility is checked before the submission of the application.
- There is a very simple set of eligibility questions that has been purposefully streamlined (see Annex 1).
- The response will be provided normally within 48 days, and within 2 weeks at the latest.
- For information, the full eligibility criteria can be found [here](#) (see section 3, p. 18)

### **Step 2: Register to apply**

- Registering is very quick and easy: only the name and email of the applicant are required. The registration form can be found [here](#).
- It is important that it is the lead applicant who registers. The lead applicant and their site must be a business that carries out an eligible industrial activity (as defined by the SIC codes).  
Once the registration form submitted, the registrant will receive a password and link to the online application forms hosted by SmartSurvey.

### **Step 3: Apply by 3pm, Friday 19 April 2024**

- The application *must* be done through the IETF portal (you will have received the link and password once you have registered). *Only applications submitted via SmartSurvey will be accepted.*
- Project partners can be involved in the project. However, third parties, including public sector organisations (e.g. universities, utilities), technology providers and consultants, are not eligible to be the lead applicant, but can collaborate with the lead.  
The lead applicant must always be an eligible industrial site.  
It is important to keep the same lead applicant across the application forms.
- Lead applicants must submit:
  - one Applicant Details form
  - a further application form for each intended proposal during this competition window. There are no limits on the number of proposals that can be submitted.
- The application forms consist of 4 different templates (see the webpage), one each for the feasibility/engineering studies and for the energy efficiency/deep decarbonisation deployment projects.
- The forms are parcelled per project to enable aggregate, as well as mixing and matching between strands (energy efficiency or deep decarbonisation) to achieve the required thresholds.

## Getting help

### 1. Guidance for applicants

The full guidance for applicants to the IETF Phase 3 Spring 2024 can be found [here](#).

### 2. Free eligibility screening service

DESNZ offers a free eligibility screening service and can provide answers to questions about the application process. Contact DESNEZ at [ietf@energysecurity.gov.uk](mailto:ietf@energysecurity.gov.uk), typing 'Eligibility screening assessment request' as the subject line of the email. (see eligibility questions in Annex 1).

### 3. Questions on IETF phase 3, including the application process or portal

See the FAQ [here](#).

Alternatively, contact the DESNZ IETF team at [ietf@energysecurity.gov.uk](mailto:ietf@energysecurity.gov.uk).

### 4. Stakeholder briefing webinar and clinics

DESNZ organises events and clinics throughout the competition window to inform businesses about the scope of the competitions, eligibility criteria and the application process. These are also opportunities for you to speak to us directly about potential projects and applications for funding:

- a [IETF stakeholder briefing webinar](#), Tuesday 6 February 2024, 10.00 - 12.00
- fortnightly [IETF stakeholder clinics](#), Tues 13 February–Tues 16 April, 10.00 - 11.00

### 5. Finding Inspiration

The Competition winning projects from phases 1 and 2 can be viewed [here](#) for reference.

#### For further information contact:

Faye Skelton  
Head of Policy  
[fskelton@makeuk.org](mailto:fskelton@makeuk.org)

Brigitte Amoruso  
Senior Climate Change and Energy Specialist  
[bamoruso@makeuk.org](mailto:bamoruso@makeuk.org)

**Twitter:** [@MakeUKCampaigns](https://twitter.com/MakeUKCampaigns)

**Newsletter:** [Manufacturing Mondays](#)

## Annex 1: Eligibility questions

### Free eligibility screening service

DESNZ offers a free eligibility screening service and can provide answers to questions about the application process. Contact DESNEZ at [ietf@energysecurity.gov.uk](mailto:ietf@energysecurity.gov.uk), typing 'Eligibility screening assessment request' as the subject line of the email.

The eligibility screening consists of the following simple questions:

1. Please advise which competition you will be applying into:
  - Studies (please specify whether a feasibility or engineering study)
  - Energy efficiency deployment
  - Decarbonisation deployment
2. Please provide a short description of your company and the current industrial process taking place on the site of your proposal(s):
3. Please provide a short paragraph that briefly describes your proposal(s) and how you either propose to
  - save energy in your industrial process
  - OR
  - decarbonise your industrial process
4. What is the estimated length of your proposal(s) and anticipated start and end date? (earliest projects start date is spring 2023)
5. What is the cost of your proposal(s) and (if known) how much grant are you seeking? If not known, please advise what is the size of your organisation (small/medium/large).
6. Please advise who your proposed partners will be (if relevant)
7. Please advise where the project will take place (region and postcode)
8. Please advise the SIC code of your business and also the SIC code of where the project will take place (if different)
9. Please advise (if known) the Technology Readiness Level (TRL) of your proposed technology solution(s)