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| **Energy Bill Saving Cap and Minimum Financial Assistance (MFA) Declaration Form** |
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**Energy Bills Saving Cap and Minimal Financial Assistance Declaration Form**

For the purpose of this declaration,

[ENTER Public sector applicant name] will be referred to as **the Digarbon Loan Recipient**

[ENTER Enterprise name] will be referred to as **the named enterprise**. In some cases the Digarbon Loan Recipient will also be the named enterprise.

# Purpose

This declaration is required because **the Digarbon Loan Recipient’s** application has stated that **the named enterprise** is an enterprise, as defined in the Subsidy Control Act (2022) **and** is predicted to receive a subsidy via lower energy bills as a result of the proposed Digarbon works in **the Digarbon Loan Recipient’s** application.

This declaration determines if a subsidy is present, and if a subsidy is present if this can be given as Minimal Financial Assistance (MFA).

## *What is MFA?*

*‘Minimal financial assistance (MFA) allows public authorities to award low-value subsidies without needing to comply with the majority of the subsidy control requirements. MFA has a financial threshold so no recipient can receive more than £315,000 over the applicable period.’*

*p.93 of UK Subsidy Control Regime: Statutory Guidance*

# Energy Bills Savings Recovery

If **the Digarbon Loan Recipient** and **the named enterprise** commit to **all** ‘actual’ energy bill savings being ‘passed back’ to **the Digarbon Loan Recipient** in sections 3 and 4 of this form, no subsidy would be present and **the Digarbon Loan Recipient** will not need to adhere to any subsidy control rules. If this applies, **only** sections 3 and 4 of this form need to be completed.

If **the Digarbon Loan Recipient** and **the named enterprise cannot** commit to **all** ‘actual’ energy bill savings being ‘passed back’ to **the Digarbon Loan Recipient** in sections 3 and 4 of this form, a subsidy is present, and this must comply with the subsidy control rules for Digarbon. This subsidy **cannot** be provided if the value of the subsidy is **above** the Minimal Financial Assistance (MFA) threshold.

For the purposes of this declaration the subsidy value is based on the predicted energy bill savings which is calculated using information provided in **the Digarbon Loan Recipient’s** application. Please see section 6 for further details.

For the Welsh Government to provide the subsidy as MFA, both **the named enterprise** and **the Digarbon Loan Recipient** must declare in sections 3 and 4 that **any** ‘actual’ energy bill savings that cause **the named enterprise** to exceed the MFA threshold of £315,000 over the applicable period of the current and two most recent financial years will be ‘passed back’ to **the Digarbon Loan Recipient**.

**Enterprise MFA Declaration**

Please note that any other MFA received over the applicable period will count towards the MFA threshold. As such, **the named enterprise** must disclose in section 5 any other MFA subsidy or comparable types of subsidies (see section 42(8) of the Subsidy Control Act (2022)), excluding this Digarbon application over the applicable period of the current and two most recent financial years.

The amount of ‘actual’ energy bill savings allowed while remaining within the threshold will therefore be £315,000 (MFA threshold) minus any other MFA previously received over the applicable period.

If **the named enterprise** will receive less than a total of £315,000 in MFA over the applicable period of the current and two most recent financial years, from any source (including the energy bill savings from Digarbon), then the subsidy can be provided as MFA as specified in section 36(1) of the Subsidy Control Act (2022).

It is the responsibility of **the Digarbon Loan Recipient** to ensure that the declarations made are adhered to, and **the Digarbon Loan Recipient** will be responsible for the baselining and calculation of the ‘actual’ energy bill savings. See section 10 of the terms and conditions in the Digarbon Loan Agreement.

# Enterprise Energy Bills Saving Cap Declaration Section

## Please check the box with the statement that applies to **the named enterprise**:

|  |
| --- |
| **The named enterprise** will ‘pass back’ to **Digarbon Loan Recipient** **any** actual energy bill savings that would put **the named enterprise** above the MFA threshold |[ ]
| **The named enterprise** will ‘pass back’ to **Digarbon Loan Recipient** **all** actual energy bill savings that accrue to **the named enterprise** and therefore no subsidy will occur |[ ]
| **The named enterprise** will **not** ‘pass back’ to **the Digarbon Loan Recipient** the actual energy bill savings that accrue to **the named enterprise** and therefore the affected buildings must be removed from the Digarbon Loan Recipient’s application |[ ]

## **Enterprise signature:**

Signed\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

For and on behalf of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Position\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Digarbon Loan Recipient Energy Bills Saving Cap Declaration Section

## Please check the box with the statement that applies to the **Digarbon Loan Recipient**:

|  |
| --- |
| **The Digarbon Loan Recipient** will recover from **the named enterprise any** actual energy bill savings that would put **the named enterprise** above the MFA threshold |[ ]
| **The Digarbon Loan Recipient** will recover from **the named enterprise all** actual energy bill savings that accrue to **the named enterprise** and therefore no subsidy will occur |[ ]
| **The Digarbon Loan Recipient** will **not** recover from **the named enterprise** the actual energy bill savings that accrue to **the named enterprise** and therefore the affected buildings must be removed from the Digarbon Loan Recipient’s application |[ ]

## **Digarbon Loan Recipient signature:**

## **Signed\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

## **For and on behalf of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

## **Position\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

## **Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

1. **Enterprise MFA Declaration Section**

## **Other previous MFA declaration table**

[Please populate this table]

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] |
| Enterprise | Value of the DIGARBON subsidy  | Value of other subsidy **awarded** to **the named Enterprise** as MFA over the applicable period | Date MFA subsidy was awarded | Value of other subsidy **received** by **the named Enterprise** as MFA over the applicable period | Date MFA subsidy was received | Description of MFA subsidy | Total MFA subsidy value (DIGARBON subsidy energy bill savings subsidy + other MFA subsidy) |
| **[Enter Enterprise Name]** | **[INSERT VALUE OF DIGARBON SUBSIDY £]** |  |  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

***[1]*** *This is entered by Salix and is the name of the enterprise named in the Digarbon application form in Step 5a.*

***[2]*** *This is entered by Salix and is the value of the subsidy taken from the energy bill savings that are calculated in the Digarbon Loan Recipient’s application form. See Section 6 of this form for further details.*

***[3]*** *To be completed by the enterprise. This should be the amount of other subsidy awarded, over the applicable period of the current and two most recent financial years.*

***[4]*** *Enter the date the subsidy was awarded.*

***[5]*** *Please enter the value of subsidy actually received.*

***[6]*** *Enter the date the subsidy was paid, including if this was paid by instalments.*

***[7]*** *Please confirm the nature of the subsidy (e.g. a Loan or a loan etc) and the purpose for which it was awarded (e.g. any project funded by it).*

***[8]*** *The value of [8] = [2] (the Digarbon subsidy) + [3] (the value of other subsidy)*

We take this opportunity to remind **the named enterprise** that you are required to keep a written record of the amount of MFA you have received and the date/s when it was received. The written record must be kept for at least three years beginning with the date on which the MFA was given. This will enable you to respond to future requests from public authorities on how much MFA you have received and whether you have reached the cumulative threshold.

Please note that the below confirmation must be sent by someone who is authorised to do so on behalf of your organisation.

## I confirm, for and on behalf of, **the named enterprise** that receipt of MFA to the value shown in the above declaration table from the Welsh Government will not exceed **the named enterprise’s** MFA threshold specified in section 36(1) of the Subsidy Control Act (2022).

## **Enterprise signature:**

Signed\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

For and on behalf of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Position\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Calculation of Predicted Energy Bill Savings

## **Predicted vs actual energy bill savings?**

The predicted energy bill savings is a calculation of what **the named enterprise** is estimated to save from the information provided at the application stage[[1]](#footnote-2). The predicted energy bill saving will be the value used to declare the subsidy value on the UK subsidy transparency database, <https://searchforuksubsidies.beis.gov.uk/>.

**The actual energy bill savings are the savings that accrue in practice and is the value that must not exceed the MFA threshold.**

To calculate the predicted energy bill savings please use the below calculation using information provided in the application.

$Measure annual energy bill savings \left(£\right)=MBS$

$$Measure life=ML$$

$$Measure lifetime present value (MLPV)= \sum\_{N=0}^{ML}\frac{MBS}{(1+0.053)^{N}}$$

$$Grant funded MLPV=MLPV\*\% of measure funded by the loan$$

$$Indirect subsidy=Σ all loan funded MLPV\*\% buildings energy bill paid by Enterprise$$

1. The information provided in the application form by the public authority enables Salix to calculate the predicted lifetime energy bill savings for each building in the application, this is informed mainly but not totally, by pre and post DIGARBON energy consumption, the unit price of energy, and the measures installed. The full lifetime energy bill savings are required to be declared over a single year. The annual bill savings are discounted at a rate of 5.3% annually. [↑](#footnote-ref-2)