

## Turning energy efficiency into a competitive advantage

Although Enhanced Capital Allowances on energy-efficient technologies are due to run out in April 2020, the Energy Technology List scheme will continue to denote equipment with especially high efficiencies. In this guest column, May Laghzaoui, ETL project coordinator at the Carbon Trust, argues that suppliers of such equipment should be encouraging customers to take advantage of the tax relief before it expires.

**M**anufacturers of energy-efficient technologies can gain a competitive advantage in a crowded market by securing independent assurance to demonstrate their energy-saving credentials. The leading scheme in this area is the UK government's Energy Technology List (ETL), which currently lists approximately 15,000 of the most energy-efficient products across 57 technology categories.

**“The ETL is a valuable tool for manufacturers seeking to differentiate themselves from the competition. Those on the list can gain access to a variety of companies and organisations who use the ETL as a trusted source of verified energy-efficient products.”**

Based on rigorous standards and testing processes, the ETL allows manufacturers to credibly claim that their products demonstrate top-quartile energy-saving performance, offering customers operational savings when compared with less efficient alternatives.

When it comes to buying new equipment, purchasing managers are increasingly looking beyond up-front capital costs to

consider the total costs of ownership. This is why the ETL has become an integral part of the procurement processes for many large companies and public sector organisations.

Although this has not always been a top priority, organisations are quickly realising that a focus on energy efficiency benefits their bottom line as they seek to become more sustainable. This is one of the most immediate and compelling ways to make the business case for investment into strong environmental policies, by demonstrating the vital cost savings that result from energy and material efficiencies.

There is also an attractive financial benefit available to businesses that purchase equipment listed on the ETL. Until April 2020, companies are eligible for 100% accelerated tax relief on these products through the use of Enhanced Capital Allowances (ECAs).

While the clock is ticking on the availability of ECA tax relief, it is important to note that the government has no plans to stop supporting the ETL beyond April 2020. The Energy Technology List will continue on as a trusted, independent source that

procurement teams, including those in the public sector, can rely on to make good purchasing decisions and manage their energy costs. Purchasers interested in the accelerated tax relief will still be able to claim for plant and machinery purchases through a company's Annual Investment Allowance, where the limit is being raised to £1m for two years from January 2019.

Many manufacturers are already

using their inclusion on the ETL as a key feature within their product marketing strategies, gaining public acknowledgment for their high-performing products. This includes the ability to use the official ETL logo to demonstrate to their customers that their products have been verified independently as being high-performing technologies within their category.

The ETL is therefore a valuable tool for manufacturers seeking to differentiate themselves from the competition. Manufacturers on the list can gain access to a variety of companies and organisations who use the ETL as a trusted source of verified energy-efficient products. ■

*For more information on the Energy Technology List, visit [www.carbontrust.com/energy-technology-list](http://www.carbontrust.com/energy-technology-list).*

