

# Heavy industry to cut 2 million tonnes of carbon emissions with new tech

- £315 million to help energy intensive industries reduce power bills and lower carbon emissions
- companies to save up to £1 billion a year in energy bills by 2030 by dramatically improving the energy efficiency of commercial buildings
- British businesses account for a quarter of all UK greenhouse gas emissions

The government is on the hunt for the most effective ways to help cut industrial greenhouse gas emissions, as part of a £315 million investment drive in decarbonising heavy industry to help reach net zero by 2050.

The government last week set out plans to drastically improve the energy efficiency of commercial buildings, with businesses set to benefit by saving up to £1 billion a year on their energy bills by 2030. This includes improving the energy performance of rented commercial buildings and setting a minimum energy efficiency standard of Energy Performance Certificate (EPC) band B by 2030.

The Industrial Energy Transformation Fund (IETF) will help businesses with high power use, such as energy-intensive industries, to cut their bills and carbon emissions through investing in efficiency measures. It will shrink industrial emissions by around 2 million tonnes between 2028 and 2032 – the equivalent of taking nearly 200,000 cars off the road every year. [This consultation seeks views](#) on how the fund will work.

Business, Energy and Clean Growth Minister Kwasi Kwarteng said:

The UK is already cutting emissions faster than any other major economy and we're the first to legislate to end our contribution to climate change entirely. Eliminating emissions from industry is key to achieving this, but doing so does not have to mean compromising our business success. That's why we're bolstering our investment in clean growth.

Ensuring energy intensive businesses are equipped with the latest low-emission technologies will not only help our transition to net-zero, but will also ensure these companies are more agile and competitive going forward – creating new skilled, well-paid jobs.

In June the UK government became the first major economy to legislate to end its contribution to climate change by 2050. Emissions from industry, currently accounting for around a quarter of all UK emissions, will need to be cut to nearly zero to achieve this.

Eight industrial sectors (cement, ceramics, chemicals, food and drink, glass, iron and steel, oil refining, and pulp and paper) currently emit around 2 thirds of industrial carbon emissions. Ministers are keen to fund tried and tested low-carbon industrial processes, as well as exploring new options that will keep British industries agile.

Businesses in various sectors are already taking steps to reduce their energy consumption and carbon footprint, including:

- Nestle, who are using high temperature heat pumps for heating and cooling during the chocolate manufacturing process – cutting energy costs by nearly £150,000 every year
- manufacturer Ibstock Bricks, who are using brick-building robots to help make repetitive manufacturing processes more efficient, halving emissions output for every brick produced
- manufacturer Saint-Gobain, who are saving £165,000 a year in energy costs by becoming more responsive to demand, powering down its factories at peak energy periods
- in the ceramics sector, whose energy accounts for a third of its production costs, heat reduction programmes have reduced the heat used to glaze tableware by 5%, helping cut their carbon footprint by 25%
- the Fund is worth £315 million over the period to 2023/24. The first phase of the Fund will be launched in spring 2020 and open for applications in summer 2020, with the second phase following in 2021
- the IETF will provide funding for capital investment in energy efficiency and deep decarbonisation projects. The first phase will provide around £30 million of funding with the rest to follow in the second phase.