

# Green backs – Enhanced Capital Allowances from the Carbon Trust

**Since 2003 the UK government has recognized that the process of reducing carbon emissions requires that actual energy usage be monitored, so that wastage can be identified and the effectiveness of energy saving measures assessed. To encourage businesses to make the investment in monitoring technology, Enhanced Capital Allowances (ECAs) have been made available, which means that 100% of the qualifying capital expenditure may be claimed back against taxable profits in the first year.**

To qualify, the monitoring equipment must meet strict accuracy and functional criteria. Until November 7th this year, the Carbon Trust will be maintaining a list of Automatic Monitoring and Targeting (AMT) equipment manufacturers who have completed an assessment procedure that establishes that their designs meet ECA requirements. The specific products from these manufacturers are not listed, because in the words of the ECA website “it is not simply a matter of installing a particular product”.

The list of manufacturers will be discontinued in November, but qualifying equipment will still be eligible for the ECAs. IntelliData Systems is currently on the list of accredited suppliers as a manufacturer that can supply all the parts of a Component Based AMT system. To make identification of qualifying products simpler beyond November, IntelliData Systems are introducing a new ECO range that includes both existing and new products that meet the technical requirements to qualify for the ECA. However, meeting the technical requirements alone are not enough to qualify for an ECA, the application that they are put to must be taken into account.

There are 3 components that make up an AMT system: metering; automatic meter reading; and analytical software. The metering hardware needs to meet tighter accuracy standards than are normally associated with in-cabinet devices – for example, it is not sufficient to just measure current and assume voltage and power factor values, it is necessary to measure the real power to Class 2 accuracy. The new ECO range of products from IntelliData Systems meets these specifications.

The automatic reading component must collate raw data from a combination of meters, sensors and other field devices “solely for the purpose of AMT”. In the real world, this data is not collected solely for this purpose, it will also be used for detecting fault conditions and analysing trends

for forward planning and the data may be combined with environmental data for an integrated monitoring tool. This means that it may not be possible to claim 100% of this component of the system.

The requirements of the third component, the analytical software, are completely met by IntelliData Systems IntelliManager and IntelliServer software package that supports both standard report sets and user customisable reports.

In addition to claiming the ECA on the equipment itself, it is also possible to claim against directly related installation costs. This results in a fairly complex assessment of what exactly can be claimed. Neither the manufacturers nor the Carbon Trust themselves are able to give direct tax advice, but the ECO range from IntelliData Systems will make it easier to identify the equipment that qualifies technically.

IntelliData Systems will be equipping a new Data Centre this autumn with some 1100 ECO monitoring devices for both single and 3-phase power applications, giving this client the opportunity to claim on their investment within the ECA Scheme and provide a statement to the market that they are incorporating technology that will reduce energy operating costs and carbon emissions. ■

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[www.intellidatasystems.com](http://www.intellidatasystems.com)  
[www.intellidatasystems.mobi](http://www.intellidatasystems.mobi)  
[sales@intellidatasystems.com](mailto:sales@intellidatasystems.com)  
 tel: +44 (0) 20 7485 4500



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