

GK R22 Solutions

What is the R22 issue and how might it affect your business?

R22 is a refrigerant gas which is commonly used in refrigeration and air-conditioning systems and is Ozone Depleting. Under EC regulations on Ozone Depleting Substances (2037/2000), which cover a number of common gases including R22, a ban on the use of virgin HCFCs from 1st January 2010 and a ban on the use of all HCFCs, including recycled R22 refrigerant, from 1 January 2015 is being implemented.

This means that the only source of R22 gas available in the market to service your installed equipment will be recycled, which will become more and more expensive as it becomes less available. You are allowed to recycle your own refrigerant if the refrigerant is suitable for recycling. This refrigerant can only be used on your own site/sites and it is illegal to use or sell this recovered refrigerant to a third party.

A further major issue is the availability of spare parts for R22 equipment. We expect that leading manufacturers will reduce their parts holding programmes which will make the repair of existing R22 equipment more difficult. Manufacturers will generally only guarantee product support for ten years and the last supplied R22 AC systems are now 6 years old.

How GK can help with your issues

We will help customers to develop a strategy to ensure compliance with the new legislation. This will include:

- A detailed survey of the installed equipment and its likely lifespan;
- An assessment of the options available to a customer which include replacement, refit or retrofit;
- Production of a project plan to ensure that our customers remain within the requirements of the legislation and replace equipment where necessary. This will be prioritised on the basis of risk to the business, including for example, taking consideration of the availability of spare parts;

- Bespoke storage of recovered gas for each customer's use on their other or the same site;
- Recovery of spare parts from components replaced to address the increasing risk of unavailability of spares from manufacture;
- Safe disposal of any extracted R22 refrigerant

Energy Savings and other funding assistance

- A new air conditioning system may represent the best long term investment to a customer. The replacement of older systems is expected to bring considerable energy savings to customers which can be as high as 50% reductions in energy usage;
- We will calculate the likely savings, CO₂ reductions and the payback period on such new investment;
- Government backed schemes are in place to help companies. These include tax incentives and carbon trust incentives;
- We at GK have also put together a unique funding programme to help customers to spread the costs of the replacement programme

Tax incentives

- The Government has introduced an Enhanced Capital Allowances scheme ("ECA") which could allow accelerated tax relief on certain new equipment. Customers can call us for further advice as to the equipment available or visit www.eca.gov.uk/et/
- The ECA scheme may provide 100% first year allowances, which means that the full cost of the investment in designated energy-saving plant and machinery can be written off against the taxable profits of the customer in the period in which the investment is made. This compares to the general rate of capital allowances for spending on plant and machinery of 20% per year, on a reducing balance basis.



Interest Free Energy Efficiency loans

A number of schemes are available from the government to help to finance investment in energy efficiency. These include:

Carbon Trust

For businesses which are not part of the Carbon reduction Commitments Scheme (i.e. those using up to £500,000 of electricity per annum), the Carbon Trust may provide interest free loans of between £3,000 and £500,000, and for between 1 and 4 years, subject to certain eligibility tests;

To be eligible a project must be able to demonstrate energy savings in excess of the CO₂ threshold of 1.5tonnes of CO₂ per £1,000 of loan;

We are registered with the Carbon Trust as a supplier and would be pleased to complete the necessary calculations and applications on behalf of customers.

Salix Finance

This scheme relates to public bodies including NHS Trusts, Universities, Local Authorities, Central Government and other public sector bodies;

It is based on improving energy efficiency and reducing energy bills and raising green credentials;

Applications under the current Local authority programme have a closing date of 31 January 2010.

Our fully managed process and Special Funding packages

- We have created a fully managed scheme which addresses all of the matters noted above. As part of this scheme we may be able to offer a fully comprehensive package of service and maintenance on your old equipment whilst it is in the process of being upgraded;
- We recognise that the required level of expenditure is beyond the annual budgets of many companies and competes with other business requirements for expenditure, for example on business development.

- We have therefore created a bespoke loan scheme which we will develop in conjunction with each customer based on the timings and amount of their requirement and their ability to pay;
- As an example, we could spread the costs of a two year upgrade programme into a five year, fixed amount repayment plan which includes comprehensive service and maintenance on all equipment.

About GK Industrial

As a specialist installation and maintenance provider of electrical and mechanical solutions, GK Industrial aims to manage climate control and energy efficiency issues on behalf of its many national clients in the retail, food, commercial, industrial and public sectors.

The company's portfolio covers the entire spectrum of installing complete air conditioning, heating, ventilation, refrigeration and energy efficient lighting systems, to providing service maintenance contracts for both GK installed and client adopted systems.

For more information on how GK can benefit your business contact our Business Development Team on:

0161 654 3777

or email:

enquiries@gkindustrial.co.uk

