

# CARES Innovation Grant

## Themes and examples for rural businesses



### Introduction

These themes and examples have been prepared to support potential applicants to the Scottish Government's CARES innovation grant from rural businesses. The purpose of this is to give you some ideas on which to base a project. You should also review the [general guidance](#) on applying to CARES and the [Innovation grant guidance](#).

If you are at an early stage in developing your project proposal you are likely to find it most useful to complete a [project proposal form](#) first and let the team at Local Energy Scotland help you to apply for the right package of support. Contact details for all Development Officers by region can be found [here](#). They will help you to plan your project, think about objectives and consider the risks.

### Themes and examples

Proposals can be projects or pilots of innovative approaches, but must include energy demand reduction and efficiency as a priority in terms of developing local, efficient energy systems. As such all applications will need to include a commitment to review what energy reduction and efficiency measures would optimise the proposed energy project. All projects must include a significant element of local ownership. Whilst we are interested in projects that have a community element, it is not a criteria of the fund that the project must have a community element.

Example projects may also include but are not limited to:

- **New energy provision** to or from local enterprises in the form of direct supply of renewable energy generation, or supply between partner energy generators and consumers.
- **Better utilisation of renewable heat and electricity:** looking at ways to improve the use of renewable heat and electricity, for example using surplus energy to provide heat and / or power within rural enterprise or local community
- **Hydrogen** generation from existing or new electrical generation and the development of a hydrogen fuel supply chain.
- **Energy storage:** opportunities for energy storage projects, peak demand supply or demand side response. There are opportunities to increase the usage of renewable energy on site by either storage of energy on site for use at another time or by managing demand to take advantage of renewable energy when it is available. Your project could assess the potential for this and the installation of control and storage technology to implement it.
- **Maximise community benefit:** Looking for opportunities to increase benefit to the local area or for ways to maximise community benefit. For example;
  - utilising heat locally from larger scale anaerobic digestion projects
  - re-visiting local and community ownership or levels of community benefit when re-powering or refinancing wind farms
- **Catalyst anaerobic digestion funding:** Feasibility and set up costs for anaerobic digestion projects can be prohibitive and present a significant risk to a rural enterprise. Where the right combination of circumstances are present (feedstock, land for digestate, gas grid/demand or on site use) catalyst funding may be provided. Your project could be anaerobic digestion from waste otherwise destined for landfill, AD plant feeding into a gas network or used in electricity generation, or as a heating or transport fuel. The size of the project could be small and local or larger scale. You may want to think about how you could help communities in your area that want to do something with the landfill ban coming up. You may also find the

support from Zero Waste Scotland and the [circular economy investment fund](#) helpful in taking forward an AD project.

- **Dairy and Intensive livestock systems** have predictable energy use profiles and high energy demands and may benefit from identifying appropriate technologies that increase the use of renewables and improve the economic performance. For example;
  - using solar and storage for direct heat and electricity supply
  - combining installations to benefit from aggregated buying and lower design costs.
- **Tourist accommodation businesses** are often not suited to domestic renewables or larger commercial scale installations and energy consumption can vary significantly by season. Finding new opportunities in appropriately designed and scaled solutions to support high energy consumers in the tourist industry through combinations of renewable generation technologies, supply, storage and aggregated buying.
- **Feasibility to increase capacity** on sites where existing renewables may improve the viability of further installations through sharing infrastructure, sharing grid connections, diversifying technologies or extending to on-site use. Catalyst funding may be provided, particularly where there are additional community benefit, community and local ownership opportunities.

The list above is intended to be wide and inclusive; however, projects applying should include significant consideration of the **CARES focus on local energy, local benefit and local and / or shared ownership**. Applicants should discuss any potential project proposals with the local CARES Development Officer and ensure interest is registered as early as possible.

#### **Case study: Electric tractors in development**

Rural industries are already responding to the need to provide cleaner, greener farming practices. John Deere unveiled a prototype battery-powered tractor earlier this year, whilst Case New Holland have been developing prototype tractor that will run on methane gas to add to their green fleet which already includes hydrogen powered tractors.

The NFU supports integrated systems with renewable sources such as wind and solar being used to charge electric tractors and machinery. This also has the possibility of generating income through “vehicle to grid” network balancing services and car charging points.

Find out more:

<http://www.scotsman.com/business/companies/farming/surge-of-momentum-for-electric-tractor-development-1-4515176>

#### **Case study: Comrie croft**

Comrie Croft Ltd is an award-winning community and employee owned ‘community of eco-enterprises’ on the outskirts of Comrie, Perthshire. They were awarded £47k match funding from the CARES Rural Energy Challenge Fund towards a supporting structure for a 50kW PV installation. This provides energy to the buildings and electric vehicle charging points. Three 15kW Tesla Power battery storage units have also been installed to store any excess electricity generated by the solar PV.

Read the full case study on our [website](#)

## Who should apply

### Eligible Applicants

- Small and Medium Enterprises in rural areas, where this is defined as Settlements of less than 3,000 people<sup>1</sup>. If you are unsure if this applies to your enterprise please send the projects postcode to [info@localenergy.scot](mailto:info@localenergy.scot) or call us on 0808 808 2288
- The project lead organisation should be a rural Scottish Small and Medium-sized Enterprise (SME) i.e. landowner, agricultural business, croft, grazing committee, college or social enterprise.
- SME's must fall within the EU definition, which can be found [here](#)
- If you are in doubt about whether your organisation is eligible, or you would like to discuss eligibility for other CARES support, please contact [info@localenergy.scot](mailto:info@localenergy.scot)

### Ineligibilities:

- We will not fund the development of a pipeline of work for a specific company.
- Projects where the applicant is not willing to share the outputs.
- Technology research and development
- Normal commercial activities. Rural enterprises should be considering projects where some aspect is new and although may lead to future projects of a similar nature, such projects are not mainstream at present.
- Firms in difficulty are excluded from the scope of the State Aid Regulations and are therefore not eligible to apply
- Energy efficiency measures and stand-alone renewable technologies commonly funded through the [SME Loan](#).

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<sup>1</sup> <http://www.gov.scot/Topics/Statistics/About/Methodology/UrbanRuralClassification>