

NEWSLETTER

PROJECT DELIVERY FOR 09/10

We're pleased to report that 2009/10 has been Salix's most successful year to date, with the 2,616 projects we have supported expected to generate lifetime savings of some £296m. Thanks to all of our clients for helping make a real impact on CO2 emissions across the public sector.

See below for a more detailed breakdown:

Year to 31 March 2010						
Project Numbers (No.)	Value committed (£)	Annual CO2 (tonnes)	Lifetime CO2 (tonnes)	Annual Fin. Saving (£)	Lifetime Fin. Saving (£)	
Recycling Fund	946	18,853,603	31,992	450,146	5,509,503	76,226,621
Loans (SEELS)	1,435	57,380,609	84,220	1,218,974	14,016,728	202,047,250
Loans Wales (SEELS)	235	5,280,000	7,435	112,801	1,180,399	17,888,954
Total	2,616	81,514,212	123,647	1,781,921	20,706,630	296,162,825

ASSURANCE AWARD

In May, Salix underwent an external assessment of its processes and methodology for CO2 reporting, conducted by independent assessors. As a result of this review, Salix expects that in July it will receive formal confirmation that it has achieved the limited assurance accreditation. This achievement will re-enforce both client and stakeholder confidence in Salix as a proven and robust delivery vehicle and will put the company on a strong footing for future growth.

To achieve this, the company completed an extensive review of all of its operating processes and procedures in 09/10, with a view to enhancing its operational management of the funds entrusted to it. These new, more comprehensive processes and procedures were then documented and phased into full operation during the year.

Work has included the creation of a technical services team, led by Paul Smyth, to review all committed projects and the formation of an internal audit team of Richard Sansom and Andrew

Hinder. We are very grateful for all the help given to us by our clients over the last few months, both in terms of responding to our project queries and also the time spent with our internal audit team.

It will be our intention to retain the assurance certification for the coming year and we look forward to our continued working relationship with our client base.

A link setting out our full methodology is at the foot of our website, titled 'Assessment Methodology'. http://www.salixfinance.co.uk/downloads/Assessment_Methodology.pdf

ALLOCATION OF FUNDING - KEEPING UP THE MOMENTUM

Both the Salix Energy Efficiency Loans Scheme (SEELS) and our Recycling Fund have been fully subscribed (some additional funding may be available through SEELS – see below) with over 600 public sector clients now working with us to get CO2 emissions down whilst saving money on energy bills. The good news is that for those clients with a recycling fund, in which savings are reinvested in new energy efficiency measures, the search for new projects continues.

Below we have some great new examples from clients to help you identify new projects and keep the momentum going.

- **LED lighting at University of Manchester**

Manchester University is currently replacing 1,700 T12 lamps with LED T8 tubes in its John Rylands Library. The new LED tubes require less than half the energy used by the T12s, and last longer, therefore requiring less frequent replacement. They can be installed using existing end caps and fittings, enabling the improvements to be made with a minimum of disruption and cost.

The total project cost of £219,725 will be paid back within 3.5 years and minimum expected annual savings will be £62,152 and 305.1 tonnes CO2. The lights have an expected lifetime of 12.5 years, so lifetime savings could amount to well over £700,000.

- **Eco cooler unit and schools projects at Warwickshire County Council**

Warwickshire County Council holds a recycling fund of around £600,000. It has used this to fund a diverse range of projects across a range of local services, which in total are projected to save more than £2m and 11,578 tonnes of CO2 over their lifetime

Notably, it has installed an innovative eco cooler unit, which uses fresh air from outside the building (unlike conventional units which use energy to reduce the temperature of inside air) to cool the council's own server room. This project cost just £21,810 and will save £300,000 over its lifetime.

The council is also implementing projects across more than 30 schools. Upgrading lighting from T8 to T5 at Brook school at a cost of around £15,000 will save almost £31,800 and 144 tonnes of CO2. Cavity wall insulation in Bilton Infants costing just £5,074 will save a total of £38,500.

Dishwashers will replace old steriliser sinks in 11 schools, achieving a total saving of £167,834 (an installation costing approx. £7,000 can be expected to save approx £14,000). The schools will benefit from an improved kitchen environment through a reduction in steam and heat output - and the dishwashers are safer to operate.

- Induction lighting at University of Winchester

Induction lighting employs fluorescent lights without electrodes or filaments, the items that frequently cause other bulbs to burn out quickly. Many induction lighting units have an extremely long life of up to 100,000 hours and use significantly less electricity when compared to Mercury Vapor, High Pressure Sodium, and Metal Halide bulbs.

Winchester installed 20 induction units in its sports hall at a cost of £8000, reducing the energy consumption by 50% and thus saving a projected £2,274 and 15.4 tCO₂ per annum. The expected lifetime of this technology is 20 years, giving a projected lifetime saving in excess of £45,000. Estimated maintenance savings of £1,200 per annum are also expected. The university is investigating the possible addition of a microwave absence detector, which would reduce the amount of time lighting is left on unnecessarily, and could give further savings of 40%.

- Never too late to plan for Christmas...

And finally...Derry City Council has already saved £1,220 and 10,584Kwhrs by replacing 1,000 25w Christmas lights with LED alternatives. The lights were used from 19th Nov - 6th January this year and will be employed for many Christmases to come. The bulbs cost £2,365 and will have paid for themselves within two years.

REGIONAL MEETINGS SHOW THE WAY

Our Quarterly Regional Meetings help clients and Salix to share knowledge and best practice so that we can all respond more effectively to the demands of the fast paced environmental and energy agenda.

The feedback from previous meetings has been positive with the majority welcoming the opportunity to share experiences and learn from others. So thank you all for coming, with special thanks to those who hosted the meetings. We will be in touch in due course to let clients know about the next regional meetings which are being planned for September.

SEELS SUCCESS

The Salix Energy Efficiency Loans Scheme (SEELS) was fully subscribed less than one year after the launch of this one-off loans package following the 2009 budget. 1,435 energy efficiency projects across 223 public sector organisations are scheduled for completion over the coming months. This will save an estimated 84,000 tonnes of CO₂ annually and some 1.2m tonnes over the lifetime of these projects.

Our clients will save a projected lifetime total of £202m in reduced energy bills.

However there is the possibility of some funding becoming available for projects that can be completed by February 2011 at the latest. If you have some projects that you wish to be considered

please complete the compliancy tool that can be found at:

http://www.salixfinance.co.uk/england_clients.html

This should then be emailed to: seelssupport@salixfinance.co.uk

In Wales, a further £5.3m of loan funding has been provided by the Welsh Assembly Government, all of which has been allocated across 17 clients who have committed 235 energy saving projects. These projects are forecast to generate lifetime energy efficiency savings of nearly £18m. This fund operates as a revolving loan and when the repayments come back to Salix they will then be reinvested in other energy savings projects in Wales.

Thanks to all our SEELS clients.

A full press release is available at www.salixfinance.co.uk/media.html

WELCOME TO NEW CLIENTS

We would like to extend a warm welcome to our most recent clients, who will be working with us on energy saving projects leading to reductions in CO2 over the coming months.

- London Borough of Havering
- London Borough of Southwark
- Westminster City Council
- Dorset County Council
- Scarborough Borough Council
- Peterborough City Council
- London Borough of Enfield

NEW WEBSITE

Check out our new website at www.salixfinance.co.uk, which provides a clearer overview of how our projects work, more case studies and a more user-friendly design. The site will soon also incorporate an expanded client area to help you exchange good practice, exchange information on specific technologies and make contact with other clients.

This planned 'Knowledge Sharing and Support' section will include client and presentation material from regional meetings and other relevant forums, information on client technology trials, an upgraded project knowledge slide register, and information on clients' delivery and performance.

We are looking for a small number of pilot clients to help us develop these ideas in a manner that best meets clients' requirements. For more information please contact paul.smyth@salixfinance.co.uk