

Committee: **Regeneration Scrutiny Committee**
Date of meeting: **8th December 2021**
Report Subject: **Energy Prospectus Annual Review**
Portfolio Holder: **Cllr D Davies, Executive Member Regeneration and Economic Development**
Report Submitted by: **Amy Taylor, Team Manager Regeneration Opportunities**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
16.11.21	18.11.21	26.11.21			8.12.21	15.12.21		

1. Purpose of the Report

- 1.1. To present members with an update on progress for the last 12 months on the Energy Prospectus and emerging opportunities for the future.

2. Scope and Background

- 2.1. In December 2019, Regeneration Scrutiny Committee and Executive Committee were asked to consider the draft Energy Prospectus. Both Committees agreed to approve the document and to move forward with a proactive approach to projects that will help meet our future energy challenges.
- 2.2. The prospectus document provides a mechanism through which, a range of available development opportunities within Blaenau Gwent can be promoted; and as a means of engaging proactively with potential investors, scheme developers, other Local Authorities and community groups in an effort to stimulate local energy development and supply. This will in turn address the fuel poverty challenges and carbon reduction targets we currently face.
- 2.3. The first annual review for 2019 – 2020 was presented to Regeneration Scrutiny Committee and Executive Committee in December 2020.

Review of Activity 2020-21

- 2.4. An annual review report containing highlights for each of the Projects identified within the Energy Prospectus has been included as Appendix 1 to this report.
- 2.5. Since its approval we have utilised the Energy Prospectus in a number of ways. We have utilised the document to set out our aspirations of taking a pro-active approach to addressing future energy challenges. This has enabled us to build further collaborations, take forward existing opportunities and identify future opportunities for the Council to consider.

- 2.6. One of the key areas which will directly impact on our work around future energy requirements is the understanding of energy infrastructure across the Borough. In some parts of Blaenau Gwent there are constraints within existing grid infrastructure that will impact upon the deliverability of projects. Over the past 12 months we have worked with Western Power Distribution to better understand the current position and to seek further opportunities to work with them to strengthen the grid through innovation and reduce demand on the grid through alternative sources of energy.
- 2.7. During 2021, some of the highlighted activities that were completed include:
- Completion of the works phase of the Re:FIT Programme. Work is ongoing around monitoring and evaluation of the project.
 - The Works District Heating Expansion. Lime Avenue Business Park Units have been connected to the District Heating Network.
 - Wind Generation – Progress has been made with one site to reach full business case development stage.
 - Hydro Generation – Funding was secured for feasibility studies. Phase 1 of a 2 Phase process has now been completed.
 - EV Charging Infrastructure – Completion of the Gwent Regional Project and all sites are now live
- 2.8. More detail on the projects above is contained within Appendix 1 – Energy Prospectus Annual Review 2020-21.

Emerging Opportunities

- 2.9. Alongside delivery of existing projects within the Prospectus several new opportunities have emerged which would add value to work already being undertaken and create a pipeline of further opportunities for us to take forward.
- 2.10. Cardiff Capital Region City Deal (CCRCDD) through Merthyr Tydfil County Borough Council have secured £1.3million from the Welsh Government Ultra Low Emission Vehicles (ULEV) fund to install rapid chargepoints for taxi ranks across the region, purchase electric taxis for deployment across the City Region and install chargepoints for general public use. Rapid chargepoints have been installed in four taxi ranks within Blaenau Gwent and a rapid charge point will also be installed at the Depot as part of the project.
- 2.11. Welsh Government has awarded all Local Authorities in Wales a £300k EV charging infrastructure grant to provide infrastructure for Council fleet and staff as part of the transition to low emission vehicles. This is to support Councils in reaching ambitious targets that all new cars and light goods vehicles in the Public Sector fleet are ultra-low emission by 2025 and where practically possible, all heavy goods vehicles are ultra-low emission by 2030.
- 2.12. We have continued to work with the Welsh Government on the Smart Living Programme. Through this work, we have been able to apply for further funding to run a Small Business Research Initiative. SBRI is a mechanism which enables public sector bodies to connect with innovative ideas and technology

businesses to provide innovative solutions to specific Public Sector challenges and needs. Therefore, the Council launched the Whole Systems Business Research Innovation for Decarbonisation Challenge (WBRID) “Developing Smart Industrial and Commercial Energy Platform Solutions to Achieve Net Zero Outcomes” in December 2020.

- 2.13. We are continuing to explore the opportunity to launch Council Community Municipal Investments in partnership with an investment finance platform. We are in the process of carrying out due diligence financial and legal checks with a view to developing a full investment issue during 2022. The intention of this project is to engage the public and in particular the local community to invest in renewable energy generation within Blaenau Gwent.
- 2.14. Other projects and funding opportunities continue to become available e.g. Horizon Europe, SBRI etc. and these will be pursued for each of the projects as we become aware of them.

3. Options for Recommendation

Option 1 – Do Nothing

- 3.1. To not undertake any further work to promote the energy prospectus and the projects within it.

Option 2 – Continue to support the Blaenau Gwent Energy Prospectus

- 3.2. To continue to support and promote and develop the projects within the energy prospectus and to ensure that the document is updated to reflect any additional projects that have emerged. To also continue to identify future projects that will also meet the vision and objectives of the Council with respect to energy and decarbonisation.

Preferred Option

- 3.3. Option two is the preferred option as this provides us with basis to engage with potential project partners and investors to deliver some of the opportunities we have already identified. The prospectus demonstrates our ambition and commitment provides assurance that we are taking steps to contribute more positively to the environment and decarbonisation.

4. Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan

- 4.1. This topic supports the achievement of the Council’s Corporate Plan Refresh 2020-2022 in the following areas:
 - To create strong and environmentally smart communities we are taking a strategic approach to the management of buildings;
 - To be a carbon neutral Council by 2030;

- To develop a portfolio of potential energy opportunities to deliver economic, business and community benefits; and to develop a more commercial organisation to generate income and deliver cost reductions to make local services sustainable and raise money to re-invest in our priorities.
- 4.2. It will also work towards addressing some of the key challenges identified within the Council's Decarbonisation Plan 2020-2030. For the Council to become Carbon Neutral by 2030 we will have to exploit local opportunities for renewable generation and using energy differently.

5. Implications Against Each Option
Impact on Budget (short and long term impact)

- 5.1. Background research and initial feasibility work is carried out within existing staff resources. Further work to determine feasibility of projects has been completed with either external funding or support from the Welsh Government Smart Living Programme and Welsh Government Energy Service.
- 5.2. Works carried out through the Re:FIT programme were funded through a Salix interest free loan. The overall programme had a total cost of £4.1 million with the portfolio expected to achieve savings that enable payback within 8 years (or less).
- 5.3. In September 2020 an application was submitted to the Welsh Government Rural Communities – Rural Development Programme under the LEADER scheme for funding to undertake a Community Hydro Study of potential opportunities within the electoral wards of Llanhilleth and Cwm. The Council were awarded £20,000 to conduct the study within the total contract value of £29,600.
- 5.4. The Gwent EV Charging Infrastructure Network received circa. £450,000 of funding through the UK Government funded Office for Low Emission Vehicles (OLEV). This was matched with funding from the five Local Authorities to deliver a Gwent EV Charging network.
- 5.5. Cenex were appointed to provide a Low Emission Fleet Review and Depot Power Supply Assessment. Total cost of the Fleet Review was £17,052.62 which was funded jointly by Regeneration and Community Services Departments. and included a review of the Gwent Public Body Fleet Review (2019) to provide a basis for a more in-depth assessment of low emission vehicle suitability under the current fleet operating conditions within Blaenau Gwent.
- 5.6. The Whole System Business Research Innovation for Decarbonisation (WBRID) scheme, Phase 1 gave funding of £25k to each competitor to conduct feasibility studies with the aim of decarbonising Blaenau Gwent Business Parks. Two successful suppliers from the first phase were invited to demonstrate their solutions on Blaenau Gwent business parks with a total of

£500k funding split between the suppliers to deploy solutions in Phase 2. This project is 100% funded through Welsh Government.

- 5.7. Within the energy prospectus we also provided a snapshot of the level of investment required to deliver each of the projects together with some high level projections of the level of return per annum that could be achieved once completed. Further financial modelling has been carried out for the projects and this will be built into business cases for investment over the coming months.
- 5.8. There are also modern forms of generating funding which offer the local community a chance to become involved in creating a better future for Blaenau Gwent. Such forms of investment could include Green Energy Investments (Bonds). In July 2021 the Council's Executive Committee approved a proposal to proceed with a Community Municipal Investment.

Risk including Mitigating Actions

- 5.9. The risks associated with option 1 outlined within the report is that energy development within Blaenau Gwent remains low, especially relating to private open market development.
- 5.10. The risks associated with option 2 outlined within the report are minimal. There is a risk that the prospectus fails to stimulate interest; utilising the prospectus as a method through which relationships with a range of interested parties within the Welsh energy sector would reduce this risk.

Legal

- 5.11. There are no direct legal implications associated with this report. The projects identified within the prospectus are located on sites within the ownership of Blaenau Gwent.
- 5.12. Some of the Projects within the prospectus will look at different business models for delivery. As part of the Phase 2 work for the Blaenau Gwent Energy Catalyst project funded through Welsh Government, legal advice was commissioned to consider potential business models that could be used to deliver the project.

Human Resources

- 5.13. Energy projects outlined within the Prospectus are not delivered by one single department. Staff from a number of departments are involved in project development and implementation.
- 5.14. Regeneration Services continue to manage any enquiries for potential projects, with input from relevant departments as necessary, not least planning policy and Estates, Legal Services and Asset Management.

6. **Supporting Evidence**

Performance Information and Data

- 6.1. Approving the continuation of the annual review of the energy prospectus will demonstrate the Council's commitment towards achieving the Welsh Government target of generating 70% of energy from renewable sources by 2030 and 1GW of renewable electricity capacity to be locally owned in Wales by 2030.
- 6.2. For each of our projects we will continue to look at overall impact upon carbon footprint and this will be included in future annual reviews. To demonstrate the impact these projects, have on our carbon footprint we can use the REFIT project. It is expected that through installing the energy conservation measures across the portfolio we can save circa. 880 tonnes of carbon per annum.

Expected outcome for the public

- 6.3.
- Increased energy choices (private/social rented/business/industrial)
 - More efficient homes and communities
 - Reduction in carbon emissions and improved air quality
 - Stimulation of other related benefits including green transport

Involvement (consultation, engagement, participation)

- 6.4. Officers from across Regeneration and Community Services were involved in the development of the prospectus. They have continued to be involved in its development and delivery over the past 12 months. Project development support has continued to be received from the Welsh Government Energy Service.
- 6.5. To understand our local grid infrastructure availability and constraints we have established good working relationships with representatives of Western Power Distribution and we are continuing to explore opportunities with Western Power Distribution and Wales and West Utilities across a number of areas.

Thinking for the Long term (forward planning)

- 6.6. The prospectus has been designed to stimulate interest in energy development within Blaenau Gwent that will facilitate a supply of renewable energy that will meet the changing and future energy needs of Blaenau Gwent.
- 6.7. It will also contribute towards our target of achieving net zero carbon emissions by 2030.

Collaboration / partnership working

- 6.8. Continuing to maximise the impact of the prospectus will be dependent on strong collaboration and partnership working with communities, the public and

private sector and businesses. Progressing opportunities from the prospectus would require partnership working across the Council.

- 6.9. Although the prospectus is presented by Regeneration to the Regeneration Scrutiny Committee it is important to note that the projects are developed and delivered alongside many sections within the Council. These include Community Services, Education and Social Services. This ensures that we align with the one Council approach being taken for decarbonisation.
- 6.10. Members of the team have been asked on a number of occasions to present and share our model for partnership working and collaboration to deliver projects such as the Gwent Electric Vehicle Charging Network. We continue to share and develop knowledge and strengthen local and regional partnerships through our Smart Living and WBRID projects as we are working collaboratively with other WBRID Challenge Owners including Bridgend Council, North Wales Consortium of Councils and Rhondda Cynon Taff Council who are also individual project managers for other decarbonisation trials through Welsh Government.

Integration (across service areas)

- 6.11. Stimulating interest in available energy project sites, especially BG owned land would potentially have an impact on the planning division, technical services, estates and assets management and legal.

7. Monitoring Arrangements

- 7.1. Annual reports to update on progress of projects within the energy prospectus sit on the forward work programme for the Council's Regeneration Scrutiny Committee and Executive Committee.

Background Documents /Electronic Links

Appendix 1 – Energy Prospectus Annual Review

Previous Reports

Energy Prospectus, Regeneration Scrutiny Committee Report and Appendix – December 2019

Energy Prospectus Annual Review, Regeneration Scrutiny Report and Appendix – December 2020