

# Decentralised Energy Programme

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*Collaborative support in the development of Decentralised Energy policy across the East Midlands*

“Decentralised Energy is a broad term used to denote a diverse range of technologies, including micro-renewables, which can locally serve an individual building, development or wider community and includes heating and cooling energy”



## **Project Background / Context**

EM IEP has commissioned the Carbon Trust to manage this project on their behalf. It will be funded from the Communities and Local Government Skills Fund, and supports the delivery of the Government's broad objective - *facilitating the delivery of increased renewable energy supply through the activities of local authority planning departments.*

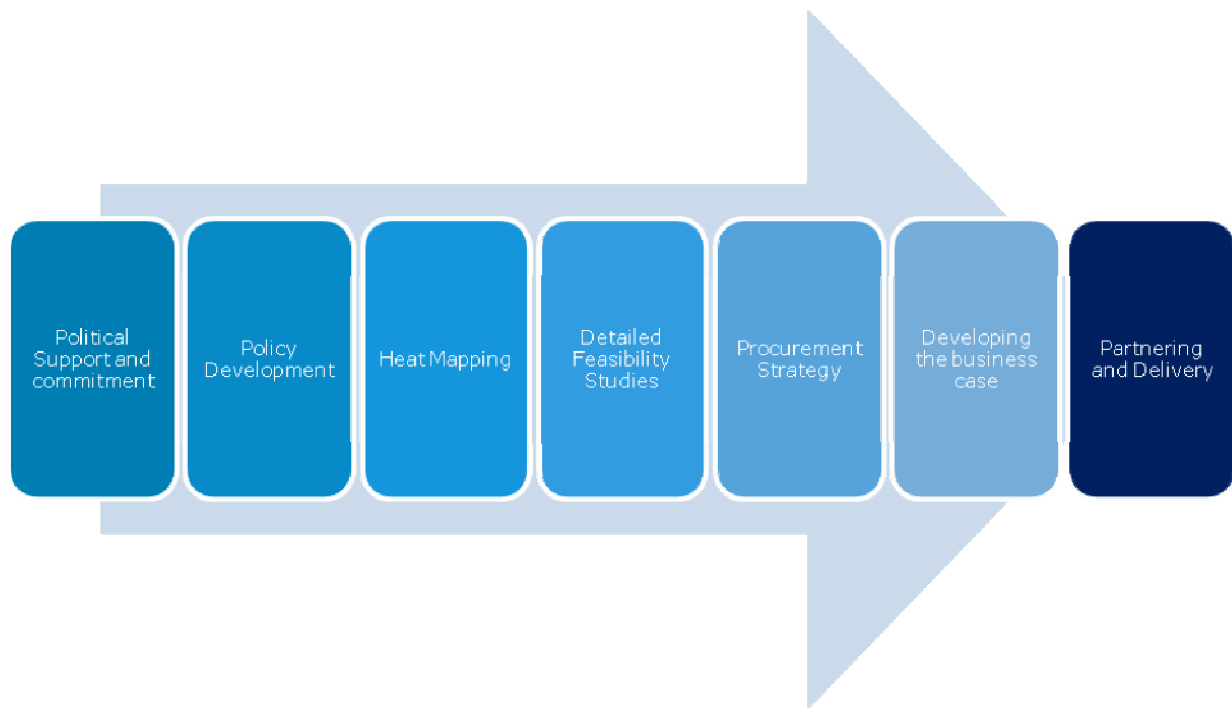
Consultation has taken place with local authority officers, including planners, to develop this project within the context of reducing CO<sub>2</sub> emissions and moving towards a low carbon economy. The project will specifically support training for planners, officers and other professionals to develop planning policy that supports the cost-effective introduction, or extension, of decentralised energy systems at a regional and local level.

The recruitment event for this programme will be held at GOEM, Nottingham on 28 February and the launch is provisionally arranged at the same venue for 7 April.

## **Approach**

The proposal is to provide in-depth support over one year, for around five areas in the East Midlands that will lead to the development of low-carbon energy infrastructure, and provide practical experience in contributing to the development of an area-wide energy planning policy. Although the biggest carbon savings may be generated from urban projects, we are interested in looking at diversity in order to generate learning, case studies and develop best practice, so ideas from rural areas are also welcomed.

The programme has the following key components that lead to the identification and development of decentralised energy projects within a local authority area. It also helps to provide a policy framework in which decentralised energy can be developed cost effectively through the contribution of developers.



- **Political Support and commitment** – Raise awareness and understanding with officers and senior managers, secure decentralised energy as a priority in the organisation, establish working groups
- **Policy Development** - Development of pro-active spatial planning policies and targets which promote investment in energy opportunities. Provide mechanism for new customers to connect.
- **Heat Mapping** -Accumulate heat loads into clusters that produce a viable heat load profile. Make use of existing / proposed profiles where available. *The Heat Mapping exercise itself is not covered in the programme costs. For areas where heat mapping has not been completed the estimated cost for a Local Authority is £15-25k.*
- **Detailed Feasibility Studies** – *This stage will require the LA to cover any fees associated with necessary technical feasibility studies.* The programme will support in the definition and scope of viability options analysis and the management of consultant tendering and delivery. *Technical feasibility studies - £30-50k (once schemes have been identified and prioritised)*
- **Procurement strategy** – Review options for heat tariffs, use of electricity supply revenues and ownership issues. Advice on maintenance contracts, risks and liability.
- **Developing the business case** - Develop implementation programme; and secure internal resource to deliver the decentralised energy project.

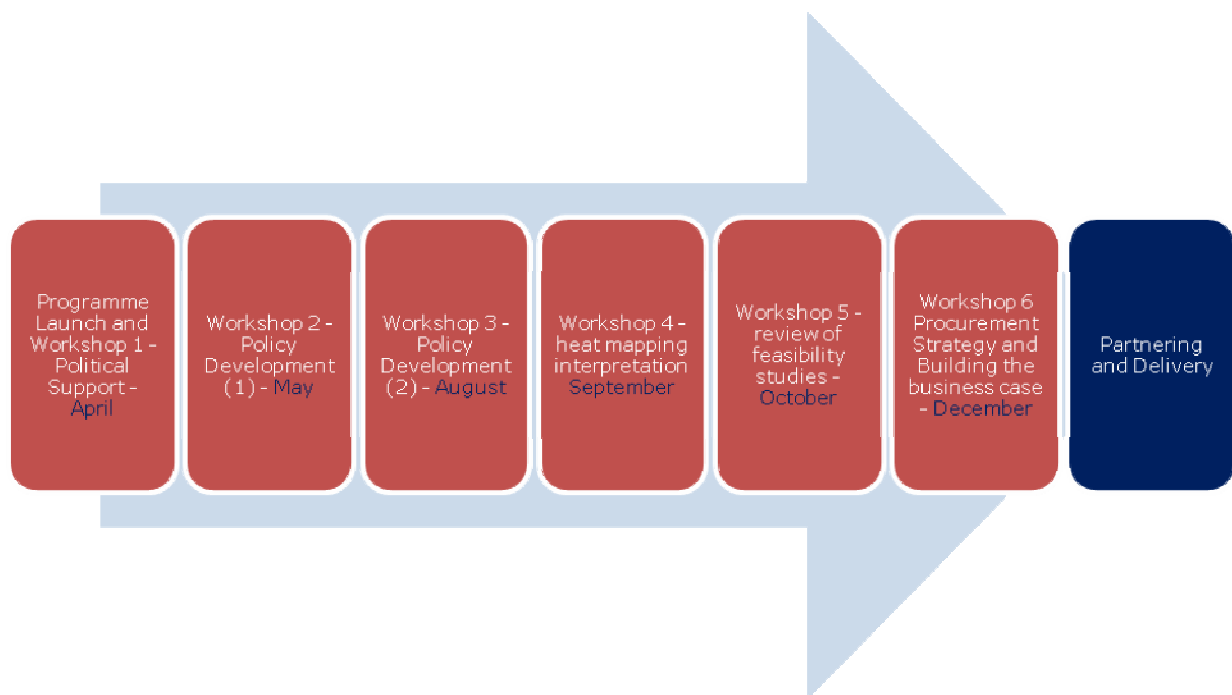
*The Carbon Trust would assist in matching Local Authorities with private sector delivery partners.*

**Bespoke support throughout the programme** – It is understood that the Local Authorities across the East Midlands will have varying levels of experience and knowledge of decentralised energy. For this reason the support available can be tailored to suit each Local Authority, such that the emphasis of the technical work and available resource is spent at a particular stage.

The programme has the following key benefits:

- Establishment of local, district and city region **investment funds** to pool contributions from developers towards lower cost community energy infrastructure
- Allows developers to meet their carbon **emissions targets** cost effectively and guides their positioning of new developments.
- Large energy infrastructure projects that allow local authorities to reach **longer-term local and regional carbon reduction targets** through the de-carbonisation of energy-supply in-line with national objectives
- Improve the **security of supply** for chosen sites and reduce fuel poverty in a region
- The development of **local jobs** in a burgeoning industry
- Strengthens the region's position as a **low carbon economic area**
- Help local authorities **develop policy** around decentralised energy
- become part of an **East Midlands community for shared learning**

**Project timeline – delivered over 10 month period from April 2011**



The programme will be run in a collaborative manner with all the recruited local authorities attending workshops. On-site support will be provided throughout the programme in preparing each local authority for the next stage (workshop).

**Resource commitment and costs**

The Decentralised Energy programme would begin in April 2011 and would follow a 10-month programme, ending in February 2012. The programme is funded by East Midlands IEP and is free to participants.

*Projects developed as a result of this programme will be long term, with a high capital investment requirement.* The process will determine whether this financing should be from within the local authority or through private sector partnering.

We would expect each local authority to provide a key representative, who would co-ordinate meetings within their authority, attend regional workshops and be the key contact for the programme. *We would expect a minimum time commitment of 2 days per month, including workshop attendance.* We are also looking for support from senior planners and energy professionals within each organisation and would expect attendance from these individuals at the launch event.

Further details can be obtained by contacting:

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