
EXCERPT FROM THE MINUTES OF THE ENVIRONMENT AND ECONOMY OVERVIEW AND SCRUTINY PANEL HELD ON 28 JULY 2011

EEOSP.47/11 SUSTAINABLE ENERGY STRATEGY

The Buildings and Facilities Manager (Mr Kay) submitted report LE.18/11 that provided details of the Council's opportunities for investment in renewable energy projects by taking advantage of the feed-in-tariff for micro-generation.

Mr Kay explained that there were opportunities available for a limited time that may assist the City Council to achieve some of its objectives in relation to climate change, energy conservation and "invest to save" projects. The main driver for those was the Government's "Feed-in-Tariff" scheme and the "Renewable Heat Incentive". That was an incentive scheme to encourage property owners to invest in renewable energy and micro-generation projects. Mr Kay informed Members of the different types of schemes for which the Feed-in-Tariff and the Renewable Heat Incentive were available. He added that once the quota for renewable energy production had been reached it was likely that the scheme would be stopped or the tariff reduced. As the current micro-generation scheme would run until April 2012 it was recommended that prompt action was taken, particularly in respect of solar photovoltaic projects.

Mr Kay stated that the Council's Asset Review would identify where income had stagnated and would seek to re-invest in more productive schemes. The liquidation of those assets would provide a funding opportunity for the renewable energy projects.

With regard to consultation, Mr Kay advised that a specialist renewable energy and climate change consultant had delivered a presentation to Officers on how Councils could take advantage of the Feed-in-Tariff. He had attended several workshops on renewable energy projects and the Feed-in-Tariff. Tenders had been invited and received from specialist consultancies to carry out feasibility studies on selected properties and prepare a specification for solar photovoltaic installations. If the proposal was approved then the consultants would advise on the viability and expected returns on each project.

Mr Kay advised Members on the hydro turbine scheme at Holme Head Bay. He added that the scheme would be too large for the Council to take up without partnership but explained that a feasibility study was to be undertaken. Mr Kay also informed Members that the boiler at Longtown Community Centre could be replaced with a wood burning boiler.

In considering the report Members raised the following comments and questions:

- *The Sustainable Energy Strategy seemed to be a list of potential projects.*

The Environment and Housing Portfolio Holder advised that the strategy had been considered by the Executive 12-18 months ago. A number of projects that had been completed were highlighted. Mr Kay believed that the current strategy was an extension of that work and that the use of solar photovoltaic cells on the roof of the civic centre would reduce energy costs. The Holme Head Bay hydro project indicated that there were alternatives to wind power and the Environment Agency were keen to be involved in such a scheme. He stated that a feasibility study was needed that would give the opportunity to a look at other areas of water that could be used similarly. Mr Kay suggested that community groups may also be interested in the scheme.

- *How optimistic were Officers about sourcing funding for such schemes?*

The Environment and Housing Portfolio Holder advised that there were organisations that were willing to fund such schemes and he believed that the local community would also wish to be involved.

- *What financial burden would there be on Denton Holme Community Centre if the Holme Head bay scheme went ahead?*

The Environment and Housing Portfolio Holder stated that the Community Centre could invest in the turbine but in any event the electricity would be used in the community as a whole but added that a feasibility study was needed before a decision was made.

- *There should be a feasibility study into photovoltaic cells with the roof of the Civic Centre being leased to house them. That way the council would benefit from free electricity.*

Mr Kay advised that the Council would benefit from the Feed-In-Tariff scheme but added that it would require a 25 year commitment. The current window for that scheme would end in March 2012 after which the scheme would be reviewed or scrapped.

- *Would the project have to be completed by the end of March 2012 to qualify?*

Mr Kay advised that that was the case so it was essential that Officers moved swiftly. Of the Council's 18 properties 6 or 7 were obvious properties for the scheme. Once the feasibility study had been completed the information would be brought back to Members.

It was hoped that once the feasibility study was completed, if approved and funding was available, that the work on the Holme Head Bay scheme would commence as quickly as possible. Any excess energy generated would go back into the National Grid and any profit would be shared with any partners in the scheme.

- *Was it likely that the scheme would be ongoing?*

Mr Kay advised that the schemes would be reviewed when the new tariffs were published.

- *A Member hoped that the Executive would act quickly to realise assets to enable the schemes to be undertaken.*

The Environment and Housing Portfolio Holder agreed and advised that initial discussions with the Executive had been favourable. It was also unclear whether money could be diverted from some of the Council's capital projects if they did not progress.

- *The Holme Head Bay scheme would be good but expensive and would take less than 10 years to regain any of the funding. The Member asked whether Officers had looked at ground source heating as he believed that to be a worthwhile scheme. The Member also believed that solar panels would be more efficient than photovoltaic panels as they were more efficient.*

Mr Kay explained that technology had improved over the years and Officers had investigated the photovoltaic panels and with the Feed-in-Tariff there would be a return within 10 years with the tariff guaranteed for 25 years. With regard to the Holme Head Bay scheme there were the technological and financial feasibility studies to be undertaken. The study would look at the connection to the National Grid, ownership of the land for the turbine and the development capital. He believed that once those issues had been resolved people would be keen to invest in the scheme.

RESOLVED: 1) That Report LE.18/11 be noted and the recommendations as set out in the report approved.

2) That a further report be brought back to the Panel when the feasibility study had been completed on condition that that did not delay the project.