
A Sustainable Energy Agency for Cumbria

Annexes: Supporting information

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1 Introduction

This paper provides supporting information to accompany the business plan, and should be read in conjunction with the main document.

2 The consultation process

The main document describes the consultation process. Below are the details of the stakeholder workshop, list of consultees, and details of the issues raised by communities, businesses and installers involved in renewable energy projects.

2.1 Stakeholder event: agenda, attendees and findings

The purpose of this workshop was to present the team's initial proposals for the Agency, and work with participants to discuss, refine and improve these ideas. In particular, the session focused on the needs and opportunities: what areas of work, or projects, should the Agency focus on?

Issues for discussion

These initial questions guided discussion:

- How could an Energy Agency help Cumbria meet its economic and environmental aspirations?
- What areas should the Agency focus on? What are the needs and opportunities? And linked to this, how could the work be funded?
- How would your organisation link to the Agency?
- Do you see scope for collaborative projects between your organisation and the Agency?

Agenda

1.30pm	Introduction from the Chair: John Knox, project team Background to this project: Simon Sjenitzer, Cumbria Vision
1.40pm	An Energy Agency for Cumbria: Rebecca Willis, project team
2.00pm	Questions and initial discussion
2.30pm	Tea / coffee and split into discussion groups

Discussions in groups will focus on the potential areas of work for the Agency: what projects could it undertake; who could it collaborate with, and who could fund?

- Energy generation and energy service companies (ESCOs)
- Community solutions

- Employment and business development opportunities
- Housing, built environment and fuel poverty

3.30pm Feedback from discussion groups

4.00pm Conclusions and next steps

4.20pm End

Attendees

Vicky Darrall	Lake District National Park Authority
Phil Davies	Cumbria County Council
Simon Sjenitzer	Cumbria Vision
Michael Hamer	Cumbria Business and Environment Network
Bob Clarke	Cumbria Rural Enterprise Agency
Paul Jackson	TADEA
Martin Holdgate	Cumbria Renewables Panel
Mike Crowther	Capita Symonds
Keith Richardson	CORE
Alan Smithson	Business Link
Neville Elstone	Cumbria Woodlands
Peter Fox	Forestry Commission
David Rowlands	Managing Growth
Nigel Catterson	NB21C
Andrew Temple Cox	NB21C
Christine Armstrong	Second Nature UK
Sonny Khan	South Lakes Action on Climate Change
Glenis Postlethwaite	Turbine Services
David Hayes	Cumbria Vision
Charlotte Smyrl	Lake District National Park Authority
Martin Cottrell	Sundog Energy
Richard Suddaby	Cumbria Action for Sustainability
Phil Greatorex	Sellafield
Rebecca Willis	project team
Marna McMillin	project team
John Knox	project team
Elizabeth Bruce	project team
Andrew Fawcett	Business Link
Charles Crewdson	Gilbert Gilkes and Gordon
Julie Betteridge	Copeland Borough Council
Tony Markley	Cumbria County Council
Don Taylor	Carlisle City Council
Helen Seagrave	NorthWest Development Agency
Sarah Green	University of Cumbria
John Barwise	Cumbria Green Business Forum
Martin Holdgate	Chair, Cumbria Renewables Panel

Feedback from plenary discussion

- How will the Agency work with existing players – where are the ‘gaps’?
- Energy Saving Trust Advice Centres (ESTACs) will be widening their
- Role from next year – doing more renewables; more at a community level; etc. Possibility of collaboration (and risk of duplication)
- Need for simple advice from one source on renewables – at the moment people are passed from one place to another. (‘lots of signposting but no actual help’)
- Need to restructure / streamline existing advice providers – merge into one Agency?
- Worries re lack of funding for this agenda. Would the Agency compete with others for money?

Feedback from table discussions

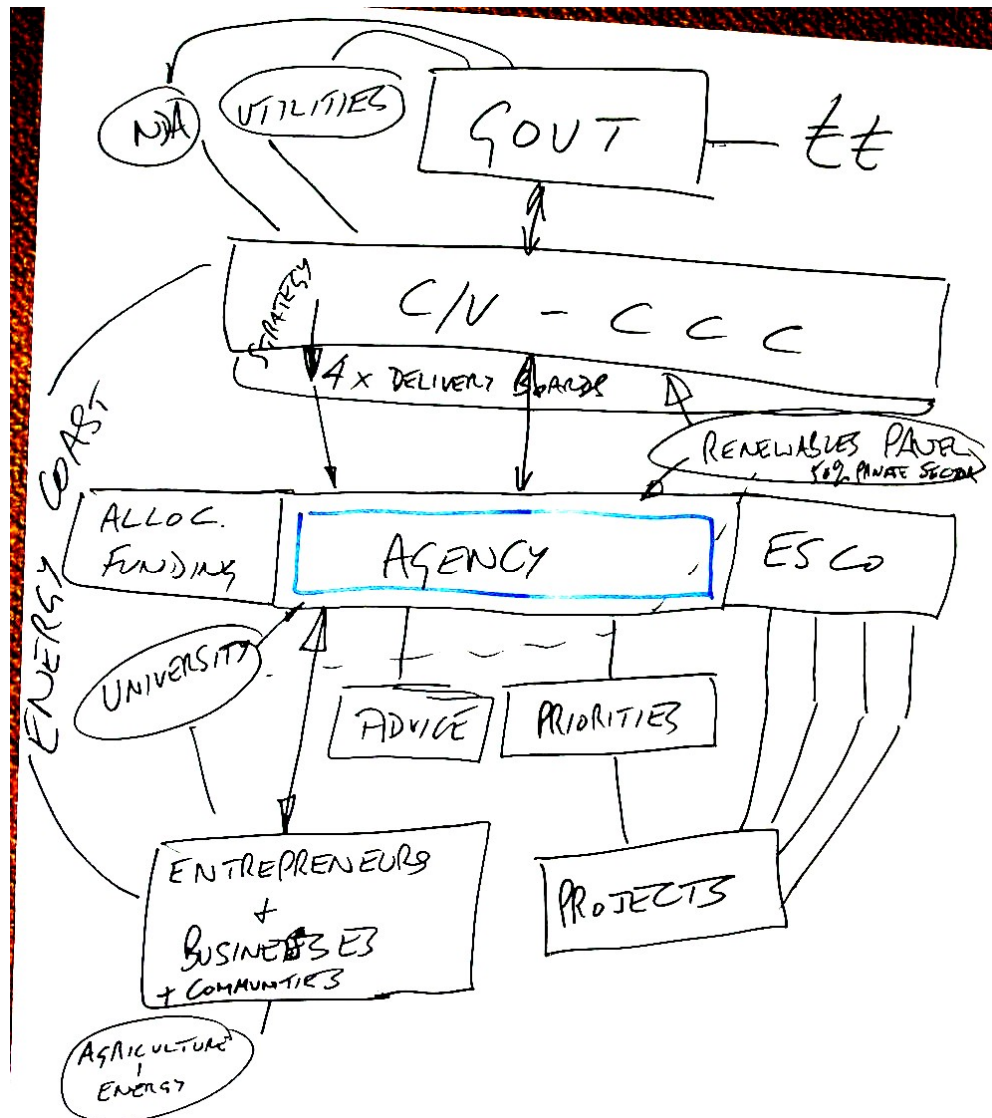
Table 1: Energy Generation and ESCOs

- There are some projects currently planned (Kentmere hydro, Silloth AD etc) but they need grant support
 - Example: Biomass market failure; resource available, no supply chain, no demand
 - Actions identified
 - Energy Agency could carry forward
 - Identify potential projects
 - Take the Initiative – e.g. Hydro
 - Potential projects – match to location of generation
 - Active entrepreneurial role

Table 2: Community solutions

- Need for support/hand-holding for community projects
 - And funding
- Energy Savings Trust
 - Concentration of single houses now
 - New year – communities
 - Need for bigger projects – e.g. streets, neighbourhoods
- Should be more targeted e.g. off-gas areas
- Future opportunities and potential projects:
 - Targeting new developments
 - E.g. neighbourhood CHP projects
- Need to share best practice/intelligence/project information between projects
- Potential to “recycle” project funding

Table 3: Employment and business development opportunities (1)



- A more radical “take” on the agenda
 - Strong input from entrepreneurs, businesses and communities who will propose projects to the Agency
 - Agency to set priorities and determine which projects proceed and receive support
 - e.g. agriculture (wastes/energy crops/biomass)
 - agency to provide Advice Centre for projects and developers – this would require funding
 - Governance for Agency from Cumbria Renewables Panel – with strong (50%) private sector membership
 - Strategy determined by Cumbria Vision, sub-sub-regional Vision Boards and Energy Coast programme

- Agency/Renewables Panel to put forward funding proposal to:
 - Cumbria Vision and sub-sub-regional Vision Boards
 - Energy Coast programme
 - NWDA
 - Government
 - Utilities
 - Nuclear Sector (NDA/Parent Body organisations/Site Licence companies)
- Agency to track periodic funding opportunities from sources as above
- Agency to establish ESCo to provide project funding (though nb this model is not yet proven, and could be risky)
- Link to universities (Cumbria and others) for R&D for new technologies

Table 4: Employment and business development opportunities (2)

- Facilitating demonstration projects (eg help with business planning)
 - Energy efficiency/renewable energy/sustainable energy for houses
 - Demonstration house (CAT model)
 - In LDNP?
- Community owned schemes
 - Facilitation
- Joule Hydro Resource Model
 - Take forward (Joule Centre confirm that this will be freely available)
- Support training in, and development of, renewable technologies
 - Including installers
- Strategic energy planning for businesses – possibly linking with CBEN
- Could lead on drawing down ERDF funding for low-carbon business parks etc
- Support community heating initiatives (community buy-in, legislation, legalities)
- Expand existing initiatives to farms

Table 5: Housing, built environment and fuel poverty

- Potential for embedded renewable energy and energy efficiency programmes
 - Retrofit for defined areas/towns/schools (rather than individual properties or businesses – economies of scale from larger projects)
 - Agency funded through CERT
- Agency support for public sector to encourage application of highest energy efficiency standards for New Build projects
 - Hospitals
 - Schools (which are 60% of carbon emissions attributed to Cumbria County Council)

- Academies
- Revolving Loan Fund for Cumbria, following model of Salix but possibly for more than just public sector
- Address fuel poverty – with Local Authority funding
- Project to support natural products, eg Thermafleece, in energy efficiency. Possible collaboration with Prince's Trust, following Poundbury development
- Support for local products and companies – including architects, renewables and EE companies (to counter the lobbying power of large companies who appear on national lists) – possibly extend Made in Cumbria brand to this sector

2.2 List of people consulted

The project team held discussions (in person, by phone or email) with the following people and organisations.

Trustees	(by presentation)	Cumbria Action for Sustainability
Members	(by presentation)	Transition South Lakes
Members	(by presentation)	West Cumbria Business Cluster
Bob	Allen	Brampton sustainability Group
Will	Barden	Barden Biomass
John	Barwise	Cumbria Green Business Forum
Debbie	Binch	Cumbria County Council
Bob	Cartwright	Lake District National Park Authority
Bob	Clarke	CREA
Winston	Collidge	Cumbria Green Fuels
Geoff	Crossley	Business Link NW
Mike	Crowther	Capita Symonds
Phil	Davies	Cumbria County Council
David	Doxford	Solway & Border Leader Programme (RDPE)
Angela	Dunbobbin	Appleby Manor
Neville	Elstone	Cumbria Woodlands
Derek	Elsworth	Ulverston Sustainability Group
Andrew	Fawcett	Business Link NW (Energy and Environment Broker)
Peter	Fox	Forestry Commission
Helen	Friedrichsen	Dumfries & Galloway Council
Carl	Glynn	Action with Communities in Cumbria (Formerly VAC)
John	Grainger	Invest in Cumbria
Sarah	Green	University of Cumbria
Richard	Griffiths	Brigsteer Village Hall Committee
Michael	Hamer	CBEN
Warren	Hatter	Ripple prd
David	Hayes	Cumbria Vision
Katie	Hornby	European Policy Development Officer, CCC

David	Hunter	NWDA (RDPE)
Paul	Jackson	TADEA & Carlisle ESTAC
Chris	Knowles	SusKes
Nick	Lancaster	Langdale Estate
Chris	Leake	Community Energy Solutions
Phil	Leigh	University of Cumbria
Tony	Markley	Silloth Parish/Allerdale Borough/Cumbria County Councils
Rosie	Mathisen	West Lakes Renaissance
Celia	McKenzie	Eskdale Open
Catherine	Monaghan	Energy Saving Trust
Sandra	O'Neill	Farfield Mill
Kate	Rawles	University of Cumbria / Outdoor Philosophy
Keith	Richardson	CORE
Martin	Robinson	Sustaburn
David	Rowlands	Managing Growth Ltd
Richard	Scott	Ulverston Sustainability Group
Ian	Sibbick	EnviroLink Northwest
Charlotte	Smyrl	Lake District National Park Authority
Richard	Suddaby	CAFS
Don	Taylor	Carlisle City Council
Andrew	Temple Cox	nb21c
Stephen	Tindale	Npower Renewables
Graham	Vincent	Councillor, SLDC
Sue	Walley	Staveley Sustainability Group
Claire	Wilson	Npower Renewables
Keith	Woof	Lakes Leisure
Archie	Workman	Invest in Cumbria
Rod	Yeoman	Impact Housing Association

2.3 Feedback from communities, businesses and installers involved in renewable energy projects

Elizabeth Bruce led a consultation process with practitioners involved in establishing renewable energy projects in Cumbria. The main issues raised by these groups were as follows:

- Currently, end users are passed from one organisation to another often receiving little in the way of practical and technical advice. There are concerns about the fragmentation and quality of support available with no single organisation currently able to offer an independent overview of the best renewable technology for a specific location.
- Respondents stressed the need for a co-ordinated approach in the county in both the delivery and promotion of renewables. Issues that came through were the need for a 'champion' or 'face' for renewables in the county; a first port of call when looking to install low carbon technologies which is a 'hub' of information with access to not only what is going on in

the county but an independent overview of the technologies and expertise on available funding.

- In addition the role of the Agency at a strategic level was raised, as currently there is no one to ensure climate change is high up on the agenda or that practical solutions are identified for tackling it. The concern for many is that the NWDA are addressing the issues regionally yet the measures appropriate for other parts of the region rarely duplicate effectively here in Cumbria. Here we need a package of measures specific to the county and its unique set up; which an Energy Agency could deliver working in partnership with existing organisations.

More detail on these views, from different groups, follows below:

Views from community organisations

- Requires clarity on how it sits at a strategic level alongside ESTAC, climate change strategies etc
- As the energy agency only addresses one issue of sustainability, concern that the Agency could muddy the water for 'true' transition projects
- Needs to be proactive and target challenging big opportunities
- Concerns that you are perpetuating frustration that already exists through signposting. This is often poor and the client ends up no further forward or better informed despite 20 phone calls
- Concerns about capacity – this is a big agenda with big targets yet the set up looks very 'lean'. However can you deliver objectives, develop exemplar projects and access funding?
- There is currently a lot of confusion for potential clients about where they go to for support, expectation on the level of this support and quality of this support. There are issues with signposting but no one actually offering any real support to enable projects to happen. Feel the model would work as long as there is confidence in the partnerships. Cynical side questions whether this is possible in Cumbria. It is important to the outside world that the Energy Agency is where you go for support on renewables and energy efficiency. Accepts why the agency cannot do everything therefore for the model to work and still address issues above there needs to be a robust INTERNAL referral system to prevent frustration from caller in phoning round. Therefore client phones and then they get a call back from relevant person within an agreed timescale. Therefore to the outside world it is an organisation that can provide an INDEPENDENT and COMPLETE service although in reality it is being delivered by a range of organisations. Feels this is really important to give confidence to groups on the ground. It is really important that the agency is a mechanism for delivery and not just another talk shop although thinks the strategic role is key to success of take up of renewables in the county.
- Keen for the Agency to be a real mechanism for instigating substantial change and delivery in the county. If this needs to tread on toes so be it. The most important things are making something happen in the county. Need to be able to pass people to an organisation that can actually help

and provide the expertise and information to enable them to move a project forward.

- Different communities have access to different professional expertise within their own community and the associated ability to investigate and make informed decisions about the different sustainable options. There is limited independent support unless you can draw down funding to pay for it; although this is possible. There is a role for independent support to assist communities in developing projects - one port of call; however even more important is its role in bringing in funding that is otherwise not available to small projects in particular to support rural areas which seem to have been practically forgotten.
- Cumbria is distinct from the rest of the region and measures implemented elsewhere are not necessarily appropriate to Cumbria.
- The concept is sound and the project illustrations seem sufficiently broad to cover the main, urgent requirements in this area. Only concern would be the scale of the outputs. To address the urgency of the need for action, and to cover the whole of Cumbria, the project needs to be on a sufficient scale. It requires a planned programme of activity which will stimulate community, public service and business activity across the county. It would be a missed opportunity in the start-up phase if resources were insufficient to tackle the scale of the task, and make all the connections and partnerships which will be necessary. The central team sounds very small. Activity, despite some high profile examples, is at a very low level, and the whole issue needs a very strong push to get it moving. Opening up the resources of the NWDA to support this work, here and in communities across Cumbria, would be a major step in the right direction.
- General comments include reservation about the name. Bearing in mind we already have multi-million £££ energy businesses in Cumbria, and may have 2 mega nuclear stations, it needs to be something like 'Cumbria Local Energy'. If it's limited to renewables, then 'Renewable Energy Cumbria' or 'Sustainable Local Energy Cumbria'. Also feel it is important utilises existing expertise and links into existing structure e.g. hosted by CREA.
- Feels an Energy Agency could help provide support to enable group to be more effective in delivery. For example help draw down funding, be a source of information so that groups can get independent advice, information on existing projects, companies etc. This takes the 'general public' a long time to gather but by helping in this way it would help move things forward quickly. Feels there is a need to target elderly (fuel poverty) but also younger low income families with young children who have the 'time' to realise payback for sustainability investments. Recognises need for training of installers if they are to meet an increase in demand. Need to address both supply and demand side if the sector is to respond positively and deliver real carbon reductions. This needs to be delivered in a co-ordinated manner – currently this is piecemeal and of varying degrees of quality. Often on paper organisations say they are doing something but in reality they offer little or no support.

- As a volunteer giving up time you find that you can spend large amounts of time speaking to lots of different people, being passed from one to another. This can be not only frustrating but also time consuming and often lead nowhere. A single face of renewables whether they actually deliver or not is key. In addition there is a big barrier to the development of projects e.g. they are looking to develop hydro project which they know is financially viable however struggling to find access to funds to cover development costs etc. If there was a way for the EA to access funds to distribute to projects to assist in development, even if took fee for example it would help speed the process along considerably.

Feedback from businesses installing renewable energy

- Real need for a hub/resource centre which has a good independent overview of all the technologies. Currently as a business you need to be determined to do it 'despite' the support; which is patchy in both availability and quality. Support is currently fragmented, sharing of expertise and most importantly single place to go for independent overview of best technologies for you. This does not need to be time consuming hand holding. A lot can be learnt from a phone call as long as the person you are talking to knows enough about the subject and is targeted in their questions. This would enable the business to focus efforts on the right technology for them. The Agency could have a role in ensuring relevant personal within the local authorities are up to speed with issues e.g. clean air act as an example for biomass; plus potentially 'rent out' or 'lend' technology that is required only for a time limited time. E.g. energy monitoring, water flow meters etc. Cumbria is different to the rest of the region and therefore the model that fits in Manchester for example is unlikely to be effective here in Cumbria; we need to look at the needs specific to the county.
- As a business looking at renewables they have really struggled to get independent information about all the options available to them. They have talked to lots of different people which takes up a lot of time. Having all expertise on one site would save time and enable them to make an informed choice about whether to invest large amounts of capital into specific technologies and enable them to target the time they invest on such a project more effectively , as a small business their time is at a premium.

Feedback from installers

- As a small business setting up in this market it is extremely frustrating how little support there is in helping to develop the sector. Would like to see an Energy Agency offering joined up advice about what is available within the county supporting where possible local companies. Ensuring there is joined up sharing of information. However see key role as strategic, putting pressure on local government to seriously look at renewables in house and give local companies the option to quote for the work. These bigger contracts seem to go for the cheapest which is not always the best, could there be some form of incentive to help stimulate support for Cumbrian based companies. For example Westmorland hospital, Kendal

leisure - these are ideal for biomass but has the option been considered and will local business get the opportunity to quote? The Agency could help facilitate sharing of expertise between potential clients and installers to develop working relationships and partnerships. This ensures that locally they know who you are and your ability to deliver job so that when you quote for the work you are not a small business competing against large businesses that big projects tend to favour. Need the opportunity for big projects in the county using the local expertise they have, otherwise there is the risk of local businesses doing all their work outside of the county bringing nothing into it in the way of local employments opportunities, training etc.

- There is a need for an organisation of this type that could develop ESCOs. Target areas are trainers of heating engineers, tackling fuel poverty, setting up ESCOs
- One of the biggest challenges is getting the word out, promoting the opportunities. He would see the role of such an agency helping to support the development of businesses such as his, firstly with support in supply and training but also promoting local businesses and ensuring the renewables agenda is built into the strategies and encouraging bigger contracts to look locally.

3 Relevant strategies and targets

The proposal for an Energy Agency helps to achieve national and local strategy for tackling climate change and promoting low-carbon economic growth. This section details relevant national, regional and local strategies and targets.

UK energy goals

Overall goals for UK energy policy, as set out in the Energy White Paper published in 2007, are:

- to put ourselves on a path to cutting CO2 emissions by some 60% by about 2050, with real progress by 2020;
- to maintain the reliability of energy supplies;
- to promote competitive markets in the UK and beyond;
- to ensure that every home is adequately and affordably heated.

Climate change targets, strategy and action

The UK has committed to reducing carbon emissions by 80 per cent by 2050, and will shortly set binding 'carbon budgets' for the UK as a whole, following the advice of the newly-formed Committee on Climate Change. A target of around 30 per cent reduction by 2020 is likely to be set.

While some of this reduction will be achieved through EU and national policy measures (the EU Emissions Trading Scheme, the Renewables Obligation,

building regulations, fuel and vehicle taxation, and so on), further savings must be found at regional and local levels.

The UK has also signed up to an EU target to source 20 per cent of all energy (electricity, heat and transport) from renewable sources by 2020. This is a challenging target, and the Government is currently consulting on the best way to meet it.

Cumbria's response is within the context of the **North West Climate Change Action Plan**, which states the region's ambition to lead the way on responses to climate change and sets a framework for regional action. There is a commitment in the Action Plan to "develop and support sub-regional climate change partnerships and Agencies to identify and deliver local action."

Action in Cumbria is co-ordinated by the **Cumbria Strategic Partnership**, who have recently agreed and launched a **Climate Change Strategy for Cumbria**. This commits all members of the CSP to take action.

The Cumbria Strategic Partnership has also signed up to a carbon reduction target as part of its local area agreement (LAA). Under a new arrangement with central government, Local Authorities can now choose from a suite of targets against which their performance will be measured. Cumbria has signed up to two climate change targets:

- NI 185, to reduce direct emissions from Local Authorities;
- NI 186, to reduce per capita CO₂ emissions across Cumbria as a whole, excluding emissions from large industry and motorways.

The target under NI 186 is 11.5% savings by 2010/11. Of this, national initiatives are assumed to contribute 7.73%, leaving 3.75% to be achieved by local actions, or the local component of national programmes.

The NI 186 target is relatively short-term, so is best achieved through actions that are quick to implement, such as energy efficiency improvements in homes and business, and encouragement of alternatives to car travel. However, the Climate Change Strategy for Cumbria also looks to the longer term, which will help in achieving future NI 186 targets.

In a separate but linked initiative, the Lake District National Park Authority has pledged to take a leadership role on climate change in Cumbria, through its **Low-carbon Lake District initiative**. Following an initial report and conference, it commissioned some initial research into the feasibility of an Energy Agency for Cumbria. Findings from that research are integrated into this paper.

Developing Cumbria's low-carbon economy

Tackling climate change can bring substantial benefits to the local economy, as markets for low-carbon products and services are likely to grow. The twenty-year **Cumbria Economic Strategy**, drawn up by Cumbria Vision, includes a commitment to develop the energy and environmental technologies

sector. Specialist advice on the sector, to guide Cumbria Vision in its strategy development, is provided by the new **Cumbria Renewables Panel**.

The '**Britain's Energy Coast' Masterplan**, a regeneration initiative for the West Coast, includes the '**Industries for the Future**' project, looking at opportunities for renewable and sustainable energy, particularly in terms of skills development and manufacturing opportunities. A key aim is to use existing skills in the nuclear sector to adapt and diversify the economy through the opportunities provided by a low-carbon economy.

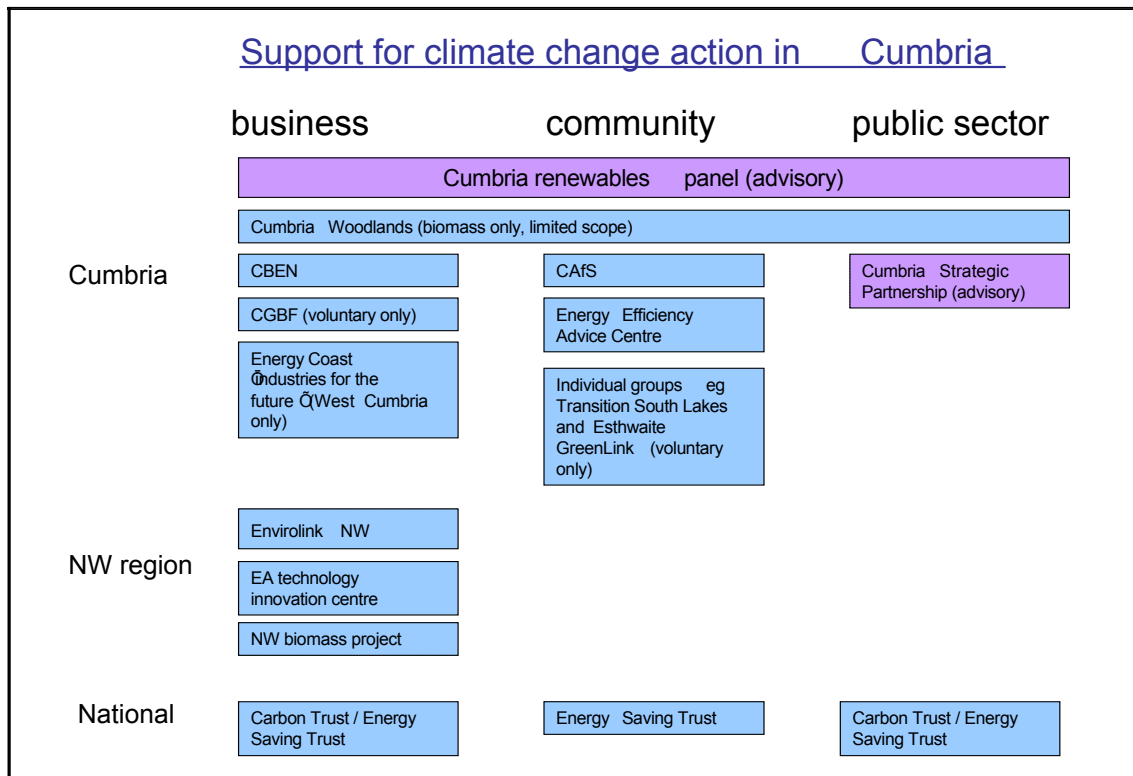
A study conducted in 2008 for Cumbria Vision by consultants Quantum and Regeneris, ***The economic implications of climate change legislation for Cumbria***, demonstrated the potential for economic development from this sector. While all businesses will have to adapt to higher prices for carbon, the overall impact of climate change legislation is likely to be positive, with the potential for around 1500 new jobs in the sustainable energy and tourism sectors. The study points to a number of areas that should be supported, because of the potential for combined economic, social and environmental gain:

- The biomass supply chain, making use of the wood resources from forestry operations, to be used for heating in properties not on the gas grid. Several hundred jobs could be created in forestry, fuel preparation, equipment supply, installation and maintenance.
- Anaerobic digestion systems, including farm biogas and systems using food wastes from the food industry, restaurants and hotels.
- The sustainable energy supply chain, working with microgeneration equipment installers already in Cumbria to develop small-scale renewable installations, and developing companies providing energy efficiency services for homes and businesses, as well as low-carbon building construction and refurbishment.
- Focussing on the potential for green tourism, advising firms in this sector how to reduce carbon emissions, and improving transport infrastructure.

Fuel poverty is also an important national and local goal. Cumbria County Council is currently drawing up a fuel poverty strategy for Cumbria.

4 Current providers of advice and support in Cumbria

The study for the LDNPA lists the current providers of advice and support in the County, as follows.



Cumbria-based organisations:

- The Cumbria Renewables Panel, and the Cumbria Strategic Partnership, are strategic bodies that steer the county's response to climate change and sustainable energy
- The Energy Coast Masterplan is a regeneration initiative for the West Coast, and includes the 'Industries for the Future' project, looking at opportunities for renewable and sustainable energy (particularly skills development and manufacturing)
- Cumbria Woodlands employs a member of staff to promote biomass energy (working on both demand and supply)
- Cumbria Rural Enterprise Agency (CREA) runs the Cumbria Business and Environment Network (CBEN), helping businesses, particularly SMEs, supporting the development of environmental management systems and resource efficiency. CBEN also offers limited advice to public sector organisations
- Cumbria Green Business Forum is a grouping of businesses who help each other improve their performance and lobby for change
- Cumbria Action for Sustainability (CAfS) runs the popular Green Build Fortnight and helps communities take action on climate change
- The Energy Efficiency Advice Centre in Carlisle provides householders and others with basic energy advice, including energy efficiency, greener motoring and basic information on renewable technologies

- A raft of community groups, including new Transition initiatives, help communities to act together
- The University of Cumbria, involved in research and development in a number of new renewable energy technologies and developing academic courses to support the sector. The University's new CERESE, Centre of Excellence in Renewable and Sustainable Engineering, has plans to increase uptake of higher education offerings in this sector, particularly on Cumbria's west coast.

NorthWest based organisations:

- Envirolink NorthWest aids the development and growth of businesses in the energy and environmental technologies and services sector in the NorthWest of England. A new low-carbon market development programme operated by Envirolink will have staff in each sub-region. Two Cumbria-based staff are planned: one working on market development, the other on sector development. Staff will be based at Cumbria Vision
- ENWorks provides environmental advice, support and training to all businesses in the region
- EA technology's Energy Innovation Centre in Cheshire helps start-up companies in the energy sector
- The NorthWest Biomass Project (based at Envirolink NorthWest) helps large energy users investigate biomass options
- The Joule Centre, a partnership of NorthWest Universities, commercial organisations and other stakeholders, sponsor R&D projects in the energy sector, including renewables

National organisations:

- The Carbon Trust helps business and the public sector to cut carbon emissions
- The Energy Saving Trust provides advice to householders, business and communities, in part through its local centres.

5 The national policy framework

The national policy framework for sustainable energy is constantly evolving. Given the ambitious carbon targets that the UK government has signed up to, it is likely that policy will become stronger – in other words, low-carbon energy and energy efficiency will be further incentivised, and there will be more costs imposed on carbon emissions. However, the picture is far from clear. The current economic difficulties for example, may prevent ambitious policy development, and there are strong business lobbies arguing for the status quo.

However, the following policies are in place or planned, and could help the Energy Agency to encourage sustainable energy in Cumbria.

CERT (Carbon Emissions Reductions Target): This is an obligation on energy suppliers to help customers install energy efficiency measures (including some forms of distributed generation). Energy suppliers can meet their targets in any area nationally, and Cumbria is not currently getting high levels of CERT funding.¹ From 2012 CERT will be replaced by a more ambitious policy which is likely to require energy suppliers to reduce absolute demand (rather than just increasing efficiency). Increasingly, energy suppliers need to look beyond simple measures like loft and cavity wall insulation to meet their targets, and are investigating distributed generation.

How does this relate to the Agency? The Agency could partner with energy suppliers to deliver CERT targets. This would ensure that CERT money is spent in Cumbria, and could also provide a revenue stream for the Agency (see funding section).

Community Energy Saving Programme (CESP): This recently-announced programme is similar to CERT, but will operate at a community level, rather than for individual households – ‘greening’ whole streets or small villages, for example.

How does this relate to the Agency? There is currently no detail on how CESP will work, so it is hard to say. However, as with CERT, energy suppliers are likely to benefit from partnering with local organisations which could help to deliver CESP projects.

Zero-carbon new buildings: A target has been set to make all new homes zero-carbon by 2012, and commercial buildings by 2016. Although there is as yet no clear definition of ‘zero-carbon’, it is very likely to include distributed generation of heat and / or electricity.

How does this relate to the Agency? As these deadlines approach, planners and developers will look for sources of advice and support to develop zero-carbon buildings. An Energy Agency could act as a solutions ‘broker’, linking developers with the necessary expertise.

Renewable Obligation Certificates (ROCs): generators of renewable power gain ROCs which can be sold to energy suppliers to meet their obligation to source power from renewable energy. Reforms to the ROC system mean that some distributed generation, such as PV, are eligible for more ROCs.

How does this relate to the Agency? ROCs increase the ‘value’ of renewable energy, and so make projects more viable. However, there is considerable uncertainty as to how ROCs will develop – at the moment, they do not provide much support for distributed generation. Some organisations buy and sell ROCs on behalf of small energy generators; this is something the Agency could potentially do.

¹ see NI 186 action plan

Feed-in tariffs: The government has committed to introducing ‘feed-in tariffs’, meaning that those who generate their own power on-site will be able to sell their excess electricity to the grid at market or premium rates.

How does this relate to the Agency? Feed-in tariffs, like ROCs, could help to make small-scale renewables more viable. If an ESCO is established, the feed-in tariffs could provide a source of revenue for the Agency. However, the level of tariff has not yet been set, and it would have to be sufficiently high to incentivise such schemes.

Carbon Reduction Commitment (CRC): Another new policy to be introduced shortly, this is a legally binding climate change and energy saving scheme called the Carbon Reduction Commitment (CRC). It will cover large business and public sector organisations. Organisations will have to measure their carbon emissions and pledge reductions. They can trade – selling surplus reductions to others, or buying credits if they produce too much carbon. Organisations that take no action will need to buy credits.

How does this relate to the Agency? When the CRC is introduced, organisations involved will want help and support in meeting their targets – the Agency could play a role. Large public sector organisations in particular, including Local Authorities and the NHS, will need to understand and act on the policy.

Local Area Agreement targets: Local Authorities now have to measure their performance against indicators chosen from a national indicator set. They can choose which indicators are appropriate for their circumstances. There are several indicators relevant to climate change and energy, including NI 185 (CO₂ reduction from Local Authority operations); NI 186 (per capita CO₂ emissions in the LA area) and NI 187 (tackling fuel poverty).

How does this relate to the Agency? Local Authorities need support in delivering action plans to meet these indicators. Some Energy Agencies, such as Marches Energy Agency, are beginning to position themselves as ‘delivery agents’ for NI 186, and are also supporting local authorities on the other indicators.

6 Energy Agencies elsewhere in the UK

There are a number of successful energy agencies operating elsewhere in the UK. It is clear that there is no single model – the agencies vary greatly in size and role.

The study for the LDNPA noted some common lessons from other agencies:

- While some Agencies just work on either the demand side (energy efficiency) or energy supply (renewables and distributed generation), most do both. This is because of a growing realisation that, at local level, energy supply and demand should be looked at together. There is no point promoting renewables without improving energy efficiency as well.

- Some Agencies provide advice to individual households and businesses, but others concentrate on larger projects, working with a whole village, or business cluster, for example
- Some agencies are also working to develop local supply chains for sustainable energy, by providing information and training for installers, for example
- Most of the Agencies are experiencing a very high demand for their services, and are raising significant funds to help meet this demand, so are growing rapidly. The Marches Energy Agency, for example, doubled its staff and turnover in a year
- Most Agencies are charities and/or not-for-profit companies. This allows them to seek funds from, for example, local authorities, development agencies, the Big Lottery Fund, energy companies and charitable trusts.

Below are some examples of other Agencies. See the separate Excel sheet for a detailed list.

Marches Energy Agency in the West Midlands operates at local, regional and European levels to deliver a portfolio of innovative and effective projects contributing to a lower carbon society and ensuring communities, organisations, businesses and households embrace sustainable energy opportunities. It has five teams, as follows:

- Project Carbon: delivering sustainable energy advice and practical action, supported by a local carbon offsetting service
- Low Carbon Communities: engaging communities of place and their sectors in climate change and its opportunities
- Carbon Forum: education, information and inspiration on climate change or 'decarbonisation inspiration'
- RE:think Energy: supporting the implementation of renewable energy technologies in small and medium businesses
- Action Heat: understanding fuel poverty and alleviating households through energy efficiency

Funded by a wide range of sources, including the RDA, local authorities, the EU and individual energy companies, it has a staff of 20 and a turnover of over £1 million.

Renewable Energy 4 Devon (RE4D) aims to maximise the opportunities for local economic benefits and business growth amongst renewable energy companies by increasing the demand for and deployment of smaller scale renewable energy installations while assisting SMEs and communities to reduce their energy costs. RE4D offers advice and support from initial enquiry to installation, including: renewable energy technology options, sources of funding and planning issues, offering a free and independent service to businesses, households, communities, schools and the public sector.

RE4D also works on the supply side, increasing capacity to deliver in increased demand. They have worked with 37 Devon-based installers, providing advice and grants. 55 new jobs have been created within the sector since April 2006, and the turnover of Devon's renewable energy sector has increased from £7 million to £11 million.

RE4D is funded by Devon County Council, Devon Renaissance, European Union ERDF, Mid Devon District Council and others.

The Manchester Climate Change Agency is currently under development. It is a project of AGMA (the Association of Greater Manchester Authorities) and aims to work through a partnership between all ten AGMA local authorities. Work in five areas is proposed: skills and training; energy planning and development of energy infrastructure; promoting competitiveness through iconic projects and improved efficiency; developing tailored business support strategies; and developing a consistent approach to planning around renewables.

The Cornwall Sustainable Energy Partnership (CSEP) was created in 2001 as a partnership between public, private and voluntary sector players in Cornwall, to raise the profile of sustainable energy. Cornwall is at the end of the line for electricity and heat supply; only 50% of the County is on the gas network. There is a high percentage of fuel poor, and increasing worries about climate change and its effects, including coastal erosion and flooding.

CSEP sits half way between top-down strategy and community level delivery. CSEP's aims include establishing local energy service companies (ESCOs), integration of climate change issues into all local policies, a programme on energy efficiency and fuel poverty, and retrofitting renewables into buildings.

An example of their work is the Home Health project, a multi-agency approach to improving household energy efficiency in deprived and isolated communities. Working with health authorities, doctors' surgeries, social workers, and even shops, scheme uptake was 67% compared to 1% for a mailshot.

As a result of the Partnership's work, in 2005 Cornwall's Local Authorities achieved Beacon Council Status for Sustainable Energy.

7 ESCOs elsewhere in the UK

An Energy Service Company, or ESCO, provides energy services such as electricity, heating, hot water or energy efficiency, normally within a clearly defined location. They therefore provide an alternative to the 'traditional' energy supply model, where an energy company merely sells units of gas or electricity.

Beyond this general definition, there are many different sorts of ESCOs, some commercial, some community-based, and some run by local authorities.

Examples include:

Local Authority owned or managed ESCOs:

- The Woking ESCO, run by Woking Borough Council, is a 'private wire network'. This microgrid, run by a separate company Thamesway Energy, connects over 60 local generators to power municipal buildings, social housing and some town centre businesses. Technologies involved include CHP, hydrogen fuel cells and solar PV arrays. Although the network is connected to the national grid, as an insurance measure, it is almost entirely self-sufficient. Woking Borough Council has reduced its energy consumption by 48% and their carbon emissions by 77% over 15 years.
- London's ESCO, an initiative of the London Climate Change Agency. This ESCO designs, finances, builds, owns and operates local decentralised energy systems for both new and existing developments. It is established as a private limited company, and is a joint venture with EDF Energy.
- The Nottingham District Heating Scheme, which is managed by an independent company. Combustion of household waste generates enough power to heat 5000 homes, civic buildings, schools and Nottingham Trent University.
- Nottinghamshire County Council's scheme, Renewable Nottinghamshire Utilities Ltd (ReNU), is an ESCO established in 2002 which provides heat supply contracts, and helps establish more ESCOs in Nottinghamshire. The County Council has a 19% stake in ReNU. The scheme is justified under the Council's Wellbeing power.
- FenESS is an energy services scheme set up by Fenland District Council, originally to help meet targets for affordable warmth. It was established in 2000 with the help of the Energy Saving Trust. It combines energy supply with help on energy efficiency, so is a broad 'service' concept, working with public and private sector landlords.
- Southampton has set up a not-for-profit company, Solent Sustainable Energy Ltd, which has recently begun building a new CHP plant powered by palm oil. The plant has taken six years to get to market.
- Sheffield City Council has three CHP plants, but has stopped operating them because they are "not economically viable at the moment."
- Barnsley Metropolitan Borough Council has set up a biomass heating scheme along ESCO lines, to provide power for council flats and buildings. The biomass is wood-chip from council tree waste. The boiler and heating systems in the buildings are managed by Econergy Ltd, an Energy Service Company, who buy the wood-chip and sell heat to Barnsley Council. The project won Barnsley an Ashden Award for sustainable energy.

Regional ESCOs

- CoRE (Community Renewable Energy) is a national pilot programme, formed in 2004 and funded by Regional Development Agency One North East, with the aim of forming the first UK wide community owned energy supply company. CoRE is involved in a number of different Renewable Energy Projects in the Northeast and Cumbria.

Community-run ESCOs

- Ashton Hayes, the 'going carbon neutral' village, has recently put forward a proposal for an ESCO for the village, which will own distributed generation capacity and manage the electricity supply generated. They are considering following the model of Tiree, where the Tiree Community Development Trust has set up Tiree Renewable Energy to own and run a wind turbine and provide funds for the Trust.

Commercial ESCOs

- Mill Energy Services Ltd (MES): this company provides energy services for Titanic Mill. Energy for Sustainable Development Ltd and Kirklees Borough Council have collaborated on the scheme. The building incorporates PV and CHP systems and excess generation is exported to the grid. MES sells heat and electricity to the Mill and profits are reinvested. A detailed description of the MES is available in a report 'making ESCOs work' (see below).
- EcoCentroGen: this company works with developers to install distributed generation in buildings (such as apartment blocks) and then sell energy services to occupants.
- Utilicom is a company that develops district energy schemes (heat and electricity). It runs Birmingham City Council's CHP network and Southampton Geothermal, and is working with Barratt Homes and Sanctuary Housing Association on a private district energy scheme.
- CoRE (Community Renewable Energy) is a national pilot programme, formed in 2004 and funded by Regional Development Agency One North East, with the aim of forming the first UK-wide community owned energy supply company. CoRE is involved in a number of different Renewable Energy Projects in the North of England.

Further information on ESCOs

- There are several useful reports on ESCO feasibility and development, including
- Making ESCOs work: Guidance and advice on setting up and delivering an ESCO, Brodies LLP for the London Energy Partnership, February 2007
- ESCO feasibility study for Manchester Knowledge Capital, by tnei, July 2000

8 The renewables resource & the potential for energy efficiency improvements

A scoping study on the potential for renewables in Cumbria is being undertaken by the Cumbria Renewables Panel. The work will be co-ordinated by Sir Martin Holdgate. The initial findings suggest that there is considerable natural resource – in other words, enough sun, wind, water and wood – for significant quantities of large-scale and small-scale renewables, but the ability to exploit these resources is curtailed by landscape and ecology issues; economics; skills; etc.

This is a brief overview of the potential of each technology or approach.

Energy efficiency: there is evidence that much of the straightforward measures (loft and cavity wall insulation) have been undertaken, but there is now a need to look at more 'difficult' options such as older properties. Most energy efficiency installations are at the level of individual households or businesses (through the CERT scheme, see section 3 above) – there is potential for increasing the scale to tackle whole streets or communities together, and link to behaviour change initiatives.

Onshore and offshore wind: if plans for onshore and offshore wind come to fruition, Cumbria will become a net exporter of electricity. However the considerable planning difficulties may hamper this progress. Onshore wind remains the only straightforwardly 'cost-effective' renewable energy source (ie delivering a good return on investment). While most wind projects are large-scale so would not fall into the category of 'distributed' energy, there are links: developers pay into a 'community fund' that could be used for local energy projects (see funding section), and there may be potential for community-owned wind turbines.

Small scale wind: the economics are unproven, but feed-in tariffs may help. Small-scale wind may be an option for more remote rural dwellings (particularly those not on the gas grid). While small-scale wind is unlikely to generate significant quantities of energy, it may be of use to power remote buildings.

Hydro power: there is considerable potential for, and interest in, small-scale hydro power in Cumbria, with both community (Staveley, Kentmere, Langdale) and commercial (Ellergreen Energy) projects ongoing. There are a significant number of existing weirs from old hydro schemes that could be put back into use. There are also local companies specialising in hydro (Gilkes, Gilbert & Gordon; Turbine Services; InterHydro). However the economics remain uncertain, and there are difficult planning and permitting issues to overcome. The Joule Centre and Lancaster Environment Centre are currently carrying out a detailed study into the potential for hydro power in the northwest.

Solar PV: there is some potential for solar PV, in domestic, commercial and industrial settings, as well as local expertise (Sundog). Sundog currently does

very few installations in Cumbria, despite being based here. However the economics of PV will depend on the level of feed-in tariff, particularly if the grant regime comes to an end.

Solar thermal systems are being installed at many locations in Cumbria, and payback times will reduce if energy prices rise (which most forecasts suggest will happen). They are particularly beneficial for areas off the gas grid.

Heat pumps: Martin Holdgate's paper states that heat pumps "currently supply only a fraction of Cumbria's heat requirements. It is unlikely that they will make more than a marginal contribution to the county's energy needs unless and until they become a widely available and economically attractive option for new-build houses and offices – maybe as alternative to solar systems. By 2010 it is likely that fewer than 100 installations will exist in Cumbria, maybe saving 250,000 to 500,000 litres of heating oil. By 2020 the number may have doubled and by 2050 have increased by an order of magnitude."

Biomass: There is strong interest in biomass heat and CHP systems in Cumbria, promoted by Cumbria Woodlands and the Forestry Commission. Like solar thermal and heat pumps, biomass is most likely to be attractive in areas off the gas grid. Systems already exist in the Eskdale and Langdale valleys, for example. A paper by the Forestry Commission suggests that there would be indigenous biomass resources available if under-managed woodlands were brought back into management (see map below). Cumbria Woodlands already provides advice and support to potential installers, however they and the Forestry Commission have said that there is a need for further capital investment, training, advice, facilitation and awareness-raising.

9 Financial models for community renewables projects (Energy4All models)

Below are two financial models for community renewables, covering two technologies: wind and hydro. These are generic models and for illustration only. They show the costs involved in establishing such schemes, and the likely returns. There is also a table of comparative costings, showing how the scale of the project affects costs.

Notes on financial models

These models should be considered in conjunction with the paper on comparative costs for different scales of power production.

The two models, for wind and hydro, are based on Energy4All's model and experience in the field. Both models assume a community Co-operative raising money to fund the project, with the balance required coming from a bank loan. This model requires a certain scale of project as otherwise the costs of raising the equity monies are too high for the project to bear. So these illustrative examples show the smallest projects that are in general supportable with this approach. However, every project is different, and this is especially the case for hydro, so there may be smaller projects that are still possible. Each potential project has to be evaluated on its own merits.

A number of assumptions have been made in creating these illustrative models:

1. The level of capital costs
2. The current and future price of electricity
3. The capacity factor
4. The rate of interest on a bank loan
5. The debt to equity ratio
6. Inflation
7. No account has been taken of any grant funding available

Other numbers are based on current experience and industry norms.

Capital costs

The three numbers that affect the model most are the capital costs, capacity factor and the price of electricity. Generally, for both wind and hydro, the larger the turbine, the lower the cost per unit of electricity generated. Civil engineering costs tends to fall as a proportion of the whole as the project size increases, because projects need foundations, roads, cabling, a substation etc no matter what the size. There is a base level for costs of obtaining planning consent, so they are large for small schemes, and do not increase proportionately as projects increase in size. For example, currently it is reasonable not expect to pay less than £200k for any wind project, other than very small scale and domestic installations.

For wind, the £/E exchange rate is critical, as turbines are sourced in euros. The fall of the £ has made some projects unviable.

Electricity price

For wind the assumption is a current price of 90p, and for hydro 1.10p. This is because hydro contributes more to baseload than wind and so is able to command a higher price. For the future, the current price plus inflation is used. There are more complex models for future electricity prices, but given the recent volatility in price, this would not add anything to the understanding of the model. The price represents the total receivable for power production, including ROCs, LECs and ROC recycle.

Capacity Factors

This number represents the fraction of the theoretical maximum power production that is likely to be achieved in actuality. For wind, the average factor is 27%, but this number varies from site to site and much of the success of a wind farm is in choosing a good site with high wind speeds. Cumbria is a very windy county, which is why so many commercial developers are seeking to site wind farms here. Hydro generally has a much higher capacity factor, because the power produced is usually more constant, but again much depends on the actual site chosen.

Bank loan interest rate

The rate used is one which has been available for projects, but banks are being much more cautious in their lending presently. There appears to be a 'flight to quality' where both project and borrower are being scrutinised for security risk. New entrants to the market and unsupported community schemes could struggle to obtain bank finance in the current climate.

Debt:equity ratio

Although commercial operators can borrow up to 80% of the money required to finance a project, Co-ops cannot do this, because of the cash requirement to pay Members a return annually. In the modelling a 50:50 ratio is used, although in practice ratios have tended to be closer to 40:60. This has been due to a combination of high levels of subscription in the projects, and an aversion to risk on the part of the Co-op Boards, which consist of local people who are the custodians of their neighbours' money.

Inflation

A flat rate of 2.5% has been applied to both income and expenses.

Grant support

Energy4All has looked at quite a few proposed hydro schemes but has yet to see one that makes money without considerable grant support. Even then, the projects have been marginal at best. Also, they are usually too small to support the historic model. Other models are potentially possible and may be used to see if smaller projects can work on a different basis, although experience elsewhere has not been ideal. The hydro model here appears to be the smallest scheme which will work financially, without grant support.

Rates of return

The lines labelled ROI Equity show the rate of return on money put into the scheme. At this level, both technologies have a similar rate of return.

9.3 Comparative costs of generation at present date and estimated for 2020

These costings must be taken as broad parameters, as for each site the costings can vary significantly. This is particularly the case with hydro generation.

Wind Power

The energy output of a wind turbine is highly dependent upon wind speed, so where the hub height can be increased, wind turbine performance is greatly improved. Broadly, the larger the turbine, the more cost effective it is. Although wind energy is a mature technology, both capital and maintenance costs are still expected to reduce by 2020.

2009 Costings

System size/type	Fixed cost (per site)	Marginal cost (£/kW)	Annual maintenance cost
Building mounted (<1.5kW)	£3,500	£2,000	£110
1.5–15kW	£10,000	£2,000	£220

System size **Cost**

Maintenance

15–50kW	£3,000 total per kW	£74 per kW
50–250kW	£3,000 total per kW	£74 per kW
250–500kW	£2,500 total per kW	£61 per kW
500–3,000kW	£1,500 total per kW	£44 per kW

2020 estimated costings

System size/type	Fixed cost (per site)	Marginal cost (£/kW)	Annual maintenance cost
Building mounted (<1.5kW)	£2,000	£1,150	£110
1.5–15kW	£10,000	£1,150	£220

15–50kW	£2,200	£55 per kW
50–250kW	£2,200	£55 per kW
250–500kW	£1,800	£46 per kW
500–3,000kW	£1,150	£34 per kW

Hydro Power

For electricity generation from a hydro source to be feasible, it is necessary to harness the energy from the movement of a significant amount of water. Typically a suitable stream, river, or weir is therefore required. At small scales (<10kW) a low head (<10m) system is assumed, whereas at the 10–50kW scale the assumption is a medium head (10–50m) system. Again, the larger the system the more cost effective it is, although the reduction in cost is not as great as for wind turbines.

2009 costings

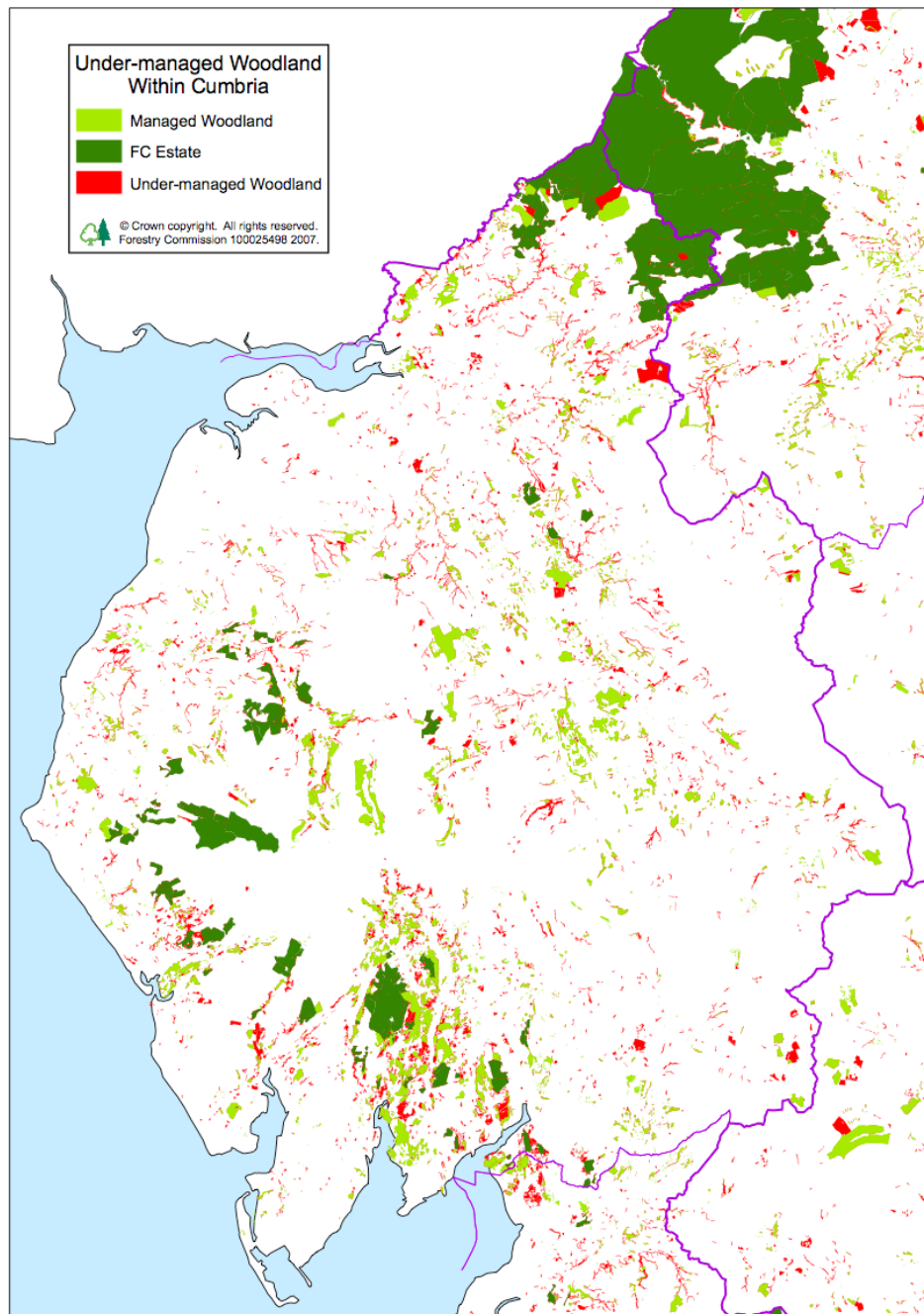
System size	Fixed cost (per site)	Marginal cost (£/kW)	Annual maintenance cost
1–10 kW	£4,000	£4,000	£440
10–50kW	£10,000	£1,425	£440
50–100kW	£3,000 per kW		2% of capex
100–500kW	£2,450 per kW		2% of capex
500kW–5MW	£2,000 per kW		2% of capex

2020 costings

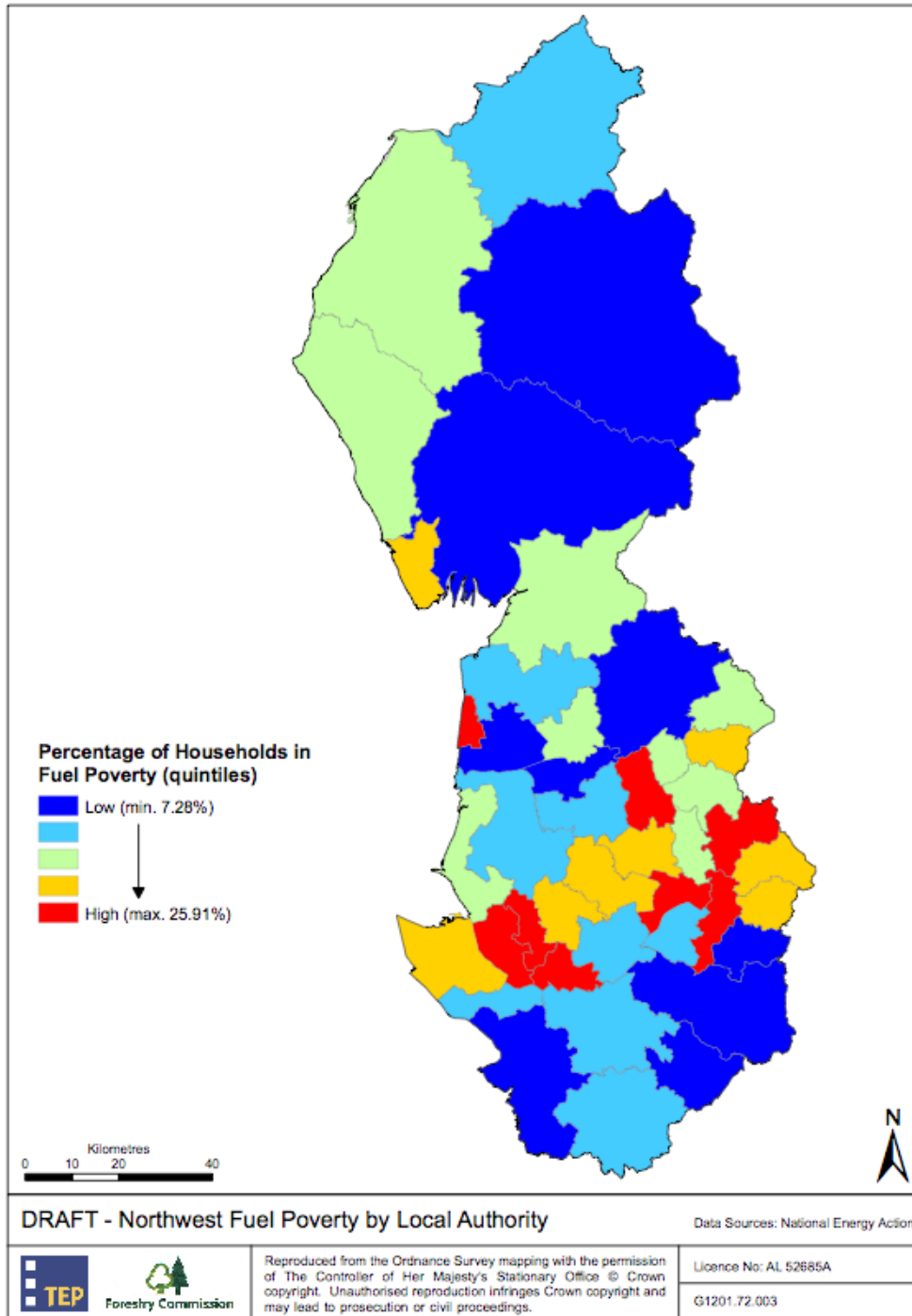
These are considered to be unlikely to change from the 2009 numbers.

10 Forestry Commission map showing undermanaged woodland in Cumbria

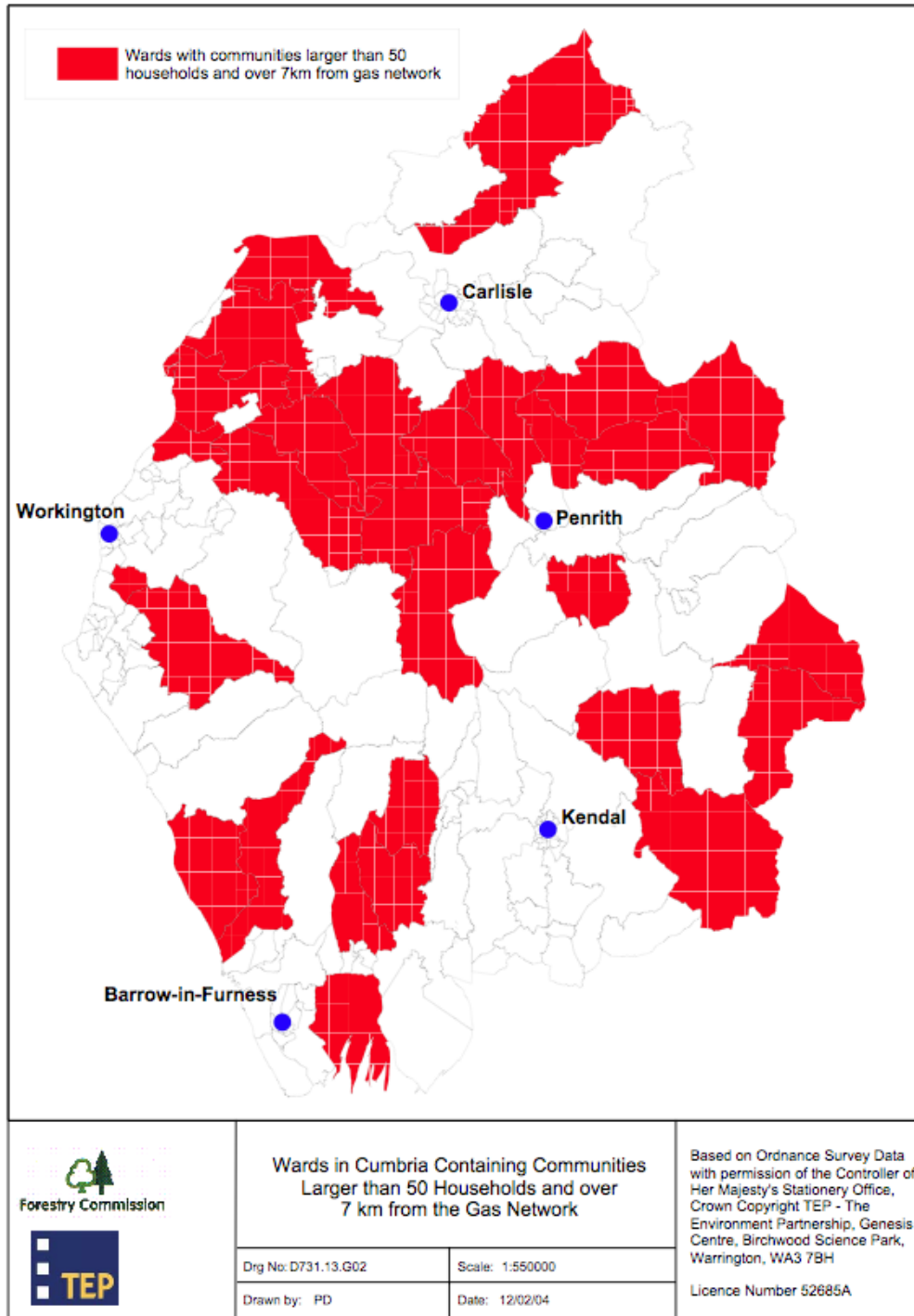
Note that not all of these woodlands may be managed for wood fuel. However work led by the Forestry Commission will identify which woods could provide wood fuel.



11 Map showing fuel poverty in the NorthWest



12 Map showing off-gas-grid areas in Cumbria



13 Sample policy on community benefit from wind developments

Some local authorities have taken an active role in helping communities to negotiate community benefit funds linked to large-scale wind developers. Developers normally pay into a 'community benefit' fund to support local people living near the turbines. This is seen as compensation for the loss of amenity due to the turbines. It is typically around £2000 per MW capacity. The following is an example of such a policy, developed by Dumfries and Galloway Council, establishing a framework for community benefit and ensuring that some revenue is spent on local sustainable energy projects.

DUMFRIES AND GALLOWAY COUNCIL WINDFARMS COMMUNITY BENEFIT GOVERNANCE FRAMEWORK

To ensure a consistent Policy, a level playing field region-wide and to negate developers requiring to enter into protracted discussions with communities relating to the payment of community benefit, Committee approval was given to a Governance Framework for the Dumfries and Galloway region.

The elements within the framework are 'guidelines towards good practice' but may be flexible and geared around each individual development should the specific need arise.

The main decisions of the 10th May 2005 Planning and Environment Committee were as follows:

- Community to benefit relates to Community Councils within a 15km radius of the wind farm
- The financial formulae: Community benefit to be paid on the basis of not less than £1 per kilo watt/hour actual output. This can be negotiated upwards. However the benefit will not fall below a figure of £2,000 per mega watt of installed capacity. Payments to be indexed and reviewed as appropriate.
- 60 % of the funds be used for Community projects (criteria as per report) and 40% for projects relating to Energy Efficiency.
- 40% for Energy Efficiency to go towards a region-wide fund
- That Solway Heritage be the approved Third party administrative body for all the funds (but, in respect of the 40% ring-fenced for energy efficiency and conservation projects, they must ensure close working with the Energy Agency to ensure maximisation of match funding etc)
- Decision on spend of the funds be made by the Community Councils concerned subject to compliance with agreed criteria and developers approval.

- A Strategic Management Framework, individually geared towards each project, be entered into with Developers to maximise benefits to the Dumfries and Galloway region from renewable energies.

How the Framework was agreed

- A.** The report to the Planning and Environment Committee of 10 May 2005 was the culmination of over a year's worth of intensive consultation. In detail this consultation included:
- A presentation on the suggested approach to Planning and Environment Committee – 9 March 2004
 - Presentation and discussion to all 7 Area Committees on the suggested approach – April/May 2004
 - Committee papers for the above circulated to all Community Councils - April/May 2004
 - Ongoing dialogue/engagement with wind farm operators/developers - March to present date
 - Consultation with other Scottish Councils on their approach including Orkney, Argyll and Bute, Highlands, Borders, South Ayrshire, South Lanarkshire, Western Isles etc
 - Presentation to Special Area Committee in Annandale and Eskdale for which all Annandale and Eskdale Community Councillors were invited to attend – 9 September 2004 and for which the draft report was circulated, to all Community Councils
 - Presentation to the Convention of Community Councils
 - Individual discussions with Community Councillors as a result of the above
 - Presentations and discussions with 5 individual Community Councils from across the region and a group presentation and discussion to a further 6 Community Councils
 - Discussion with a representative of 16 Community Councils in the Highlands Region to compare approach
 - Further report to all 7 Area Committees September/October 2004, papers for which were circulated to all Community Councils
 - Community Councils consultation sessions set up for 14 and 17 March 2005 in Dumfries and Newton Stewart. All Community Councils invited to attend
- B.** The definition of “Communities” as being those Community Councils within a 15km radius of the outer edge of the wind farm is designed with regard to Planning Advice Note 45 relating to the proximity at which a wind farm may be deemed visible. The 15km radius was also developed after research into population numbers within varying distances from wind farms, to ensure that the population base benefiting was not too small.

This approach was designed to be inclusive and to ensure that more Communities are able to benefit from various regional wind farms.

- C. 60% of the Community Benefit funds from any one wind farm goes to the 15km Communities and 40% will go into a region-wide fund ring-fenced for Renewable Energy or Energy Efficiency projects. This fund can be bid into by any Community Council. The 40% region-wide fund is designed to ensure that some of the funding is spread to as many communities as possible, to give impetus to the national drive towards better energy efficiency and greater use of renewables as an energy source.

The 40% fund is also in-line with developers' wishes to target spend towards renewables and energy efficiency and therefore its existence and use may advantage further funding from developers for communities developing suitable projects.

- D. The Financial formula is a "best-practice" target which we use when negotiating Community benefit payments with individual developers.

The payment of £1 per MW hour with a fall back of £2k per MW was determined via research across other Local Authority Regions and via discussions with several developers prior to the Framework being finalised. The advantages to developers of having a common region-wide framework for community benefits are that it creates a level playing-field, and, as such, evidence is beginning to show that it will now be easier to attract this level of payment more regularly and consistently across the region.

Although payment of Community benefit is not mandatory, the new framework is now beginning to be known and recognised amongst developers and is welcomed as "good practice" therefore again increasing our capacity to draw-down consistent funding.