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# Local Energy Hubs – An update

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**ASPE Big Energy Summit, Warwick**

15<sup>th</sup> March 2019

James Johnson, Programme Lead, Local Energy North West Hub

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## An update on Local Energy Hubs



The role of Local Energy Hubs

Scope of activities

Local Energy North West Hub – An Example

Contact your Local Energy Hub

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## The role of Local Energy Hubs



Our remit

Governance

LEPs role on energy in a wider context

LEP Energy Strategies

Part of a network or organisations

# Local Energy Hubs

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Local Energy Hubs are new government funded programmes, supported by Department BEIS

There are five Local Energy Hubs across England, on the footprint of each region:

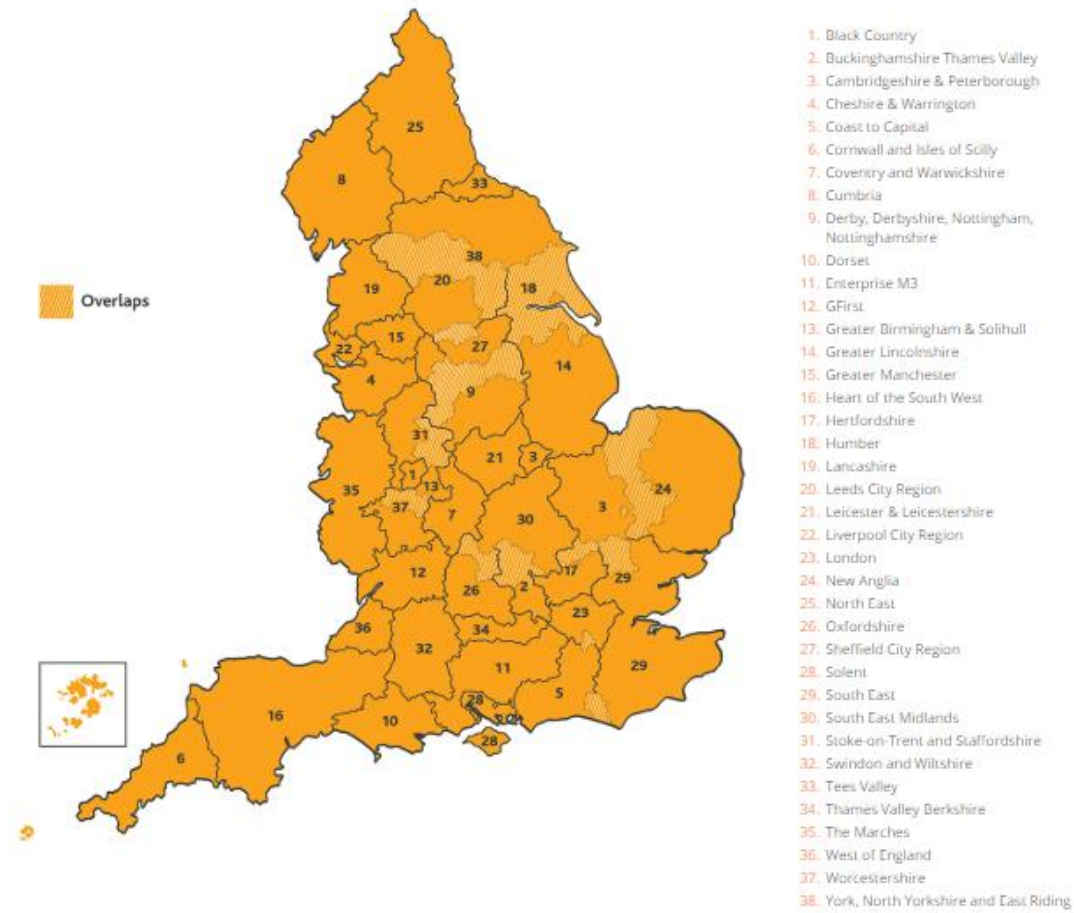
**Midlands / North East, Yorkshire & Humber / North West / South East / South West**

The Hubs have been created to increase public sector capacity to bring forward energy schemes

At arms length from BEIS, with flexibility to agree objectives that align with local needs

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# Governance and Oversight



The work of Local Energy Hubs is governed by representatives from each LEP in the region

Management boards will oversee the allocation of resources to strategic activities that align with locally determined objectives

Local Energy Hubs have Local or Combined Authorities as accountable bodies for funding, and public sector representatives on boards

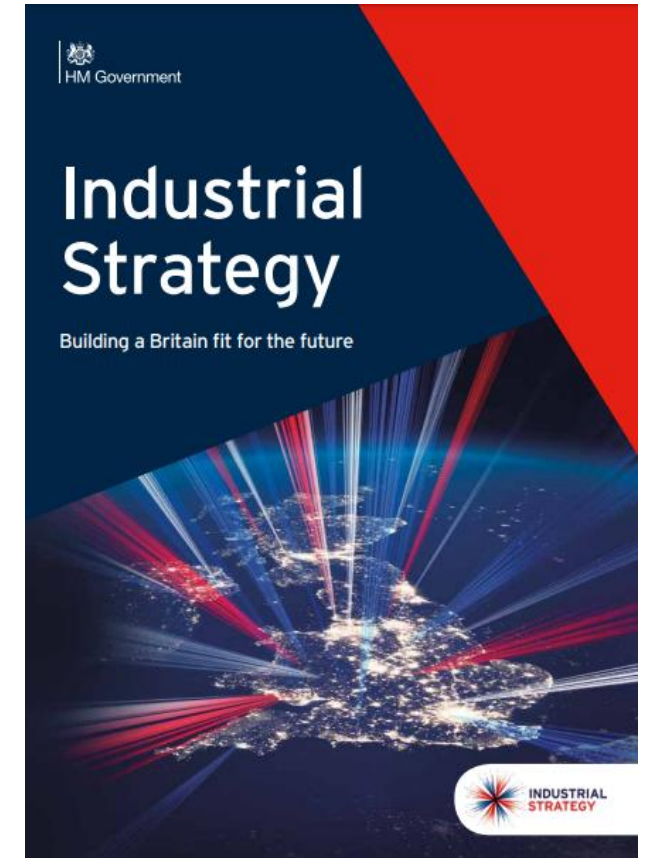
LEPs have been identified as having an important role to play when it comes to clean growth

# LEP Energy Strategies

- ❖ All LEPs have produced or updated Energy Strategies in 2018 (Some yet to be published)
- ❖ Aligned with the **Clean Growth Strategy** → Should be informative to **Local Industrial Strategy**
- ❖ Local Energy Hubs have been created to support those investment pipelines identified in strategies
  - ❖ Everywhere evident some strong ambition for investment to flow in clean energy projects
  - ❖ Energy and carbon targets stated by some local authorities, mixed picture of political importance
  - ❖ A lack of detailed project proposals across England e.g. ERDF Low Carbon Funds not taken up
  - ❖ Substantial changes to the energy system regulatory context and more change coming
- ❖ Local Energy Hubs will collaborate across boundaries e.g. Northern Powerhouse

# LEPs role on energy in wider context

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[LEPs and Local Energy, 2016](https://www.liverpoollep.org/wp-content/uploads/2017/03/LEPs-and-local-energy_FINAL.pdf)

[https://www.liverpoollep.org/wp-content/uploads/2017/03/LEPs-and-local-energy\\_FINAL.pdf](https://www.liverpoollep.org/wp-content/uploads/2017/03/LEPs-and-local-energy_FINAL.pdf)

# Part of a network of organisations

## Government

- ❖ BEIS Local Energy Team
- ❖ HNDU, Heat Network Delivery Unit, BEIS
- ❖ MHCLG, Housing, European Funding
- ❖ DEFRA, Rural Community Energy Fund

## Arms-length

- ❖ LEP Local Growth Hubs
- ❖ UKRI, Innovate UK, KTN
- ❖ Green Finance Taskforce
- ❖ Energy Systems Catapult
- ❖ Ofgem/Distribution Network Operators

## Public Sector Networks / Advisory orgs.

- ❖ ADEPT
- ❖ ALEO
- ❖ APSE Energy
- ❖ Carbon Trust
- ❖ CES
- ❖ Energy Savings Trust
- ❖ Regen SW
- ❖ Sustainability West Midlands

(These lists are illustrative not exhaustive)



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## Scope of Activities



Feedback to central government

Awareness raising

Project pipeline development

Note in scope...

# Feedback to central government



The work of Hubs is coordinated and overseen by **BEIS Local Energy Team**. This will provide one avenue for:

- ❖ Good information on regional activity to be made available to other BEIS teams and government departments
- ❖ Future policy to be informed by regional priorities and emerging innovation

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# Awareness raising

**Local Energy Hubs** will have a role to raise awareness of new policy frameworks and initiatives

- ❖ Partner with other organisations for events and workshops, dissemination
- ❖ Understand the supply chain, research the market, signpost organisations to relevant information
- ❖ Linked to the work of Local Energy Hubs in other parts of the country – national resource network
- ❖ Over the course of time, develop an online portal with resources & case studies

# Project pipeline development

Sector specialists recruited to the hubs will provide **Technical support** to energy schemes.

*Support will be allocated to a limited number of schemes, those that best align with the goals of the programme.*

## Projects will ideally:

- Be led by a project team that has already identified a strategic objective and has senior level buy-in
- Have identified sources of funding for full business cases if initial work demonstrates an opportunity
- Are large in scale or aggregate smaller projects into larger programmes
- Have the potential to be duplicated elsewhere/ are of value to other LEP areas in the region and UK
- Deliver a public good such as carbon savings, health and wellbeing
- Rely on market or near market ready technologies, with scope to be integrated in innovative ways

## Not in scope...

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**Local Energy Hubs** may come to play a networking role in disseminating information about national energy policy. Though this is a role fulfilled well by other organisations already.

The local energy hubs are not envisaged to play a significant role when it comes to:-

- ❖ Nationally significant infrastructure – e.g transmission networks, offshore wind, nuclear, tidal schemes
- ❖ The preparation of local authority energy strategy; working with LA's on project delivery is the focus
- ❖ Climate adaptation measures; non-energy sustainability goals, environmental management, waste

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# Local Energy North West Hub – An Example

↳ LENW Hub Aims and objectives

Project pipeline development

Investment Frameworks

↳ Solar Photovoltaics

Heat Networks

Business Clusters

# LENW Hub - Aims and objectives



## Locally agreed scope of activity :

- ❖ To support projects ubiquitous to all authorities so as to benefit all North West LEP Areas
- ❖ Focus on projects which can deliver a return on investment
- ❖ Focus on energy efficiency, energy generation and smart distribution across the public sector and social housing
- ❖ Building integrated clean and smart generation for larger sites and underused land, including heat and power networks and storage
- ❖ Provide knowledge sharing in other areas e.g., street lighting, CHP, waste heat, offshore wind

# Energy Project Support

Some examples of projects in the pipeline for the North West:

## REGIONAL SUCCESSES THIS YEAR (Local Energy Hub can promote lessons learnt)

- ❖ **Burneside Community Solar**      *Crowd funded, subsidy free solar pv on roof of industrial building*
- ❖ **Wirral Met College Energy**      *Public building CHP optimised with phase change thermal storage*
- ❖ **Omega Park, Warrington Council** solar array on the roof of a commercial building

## PROJECTS IDENTIFIED

- ❖ **Together Housing**      Domestic Solar and Behind the Meter Storage, 250 Homes (ERDF)

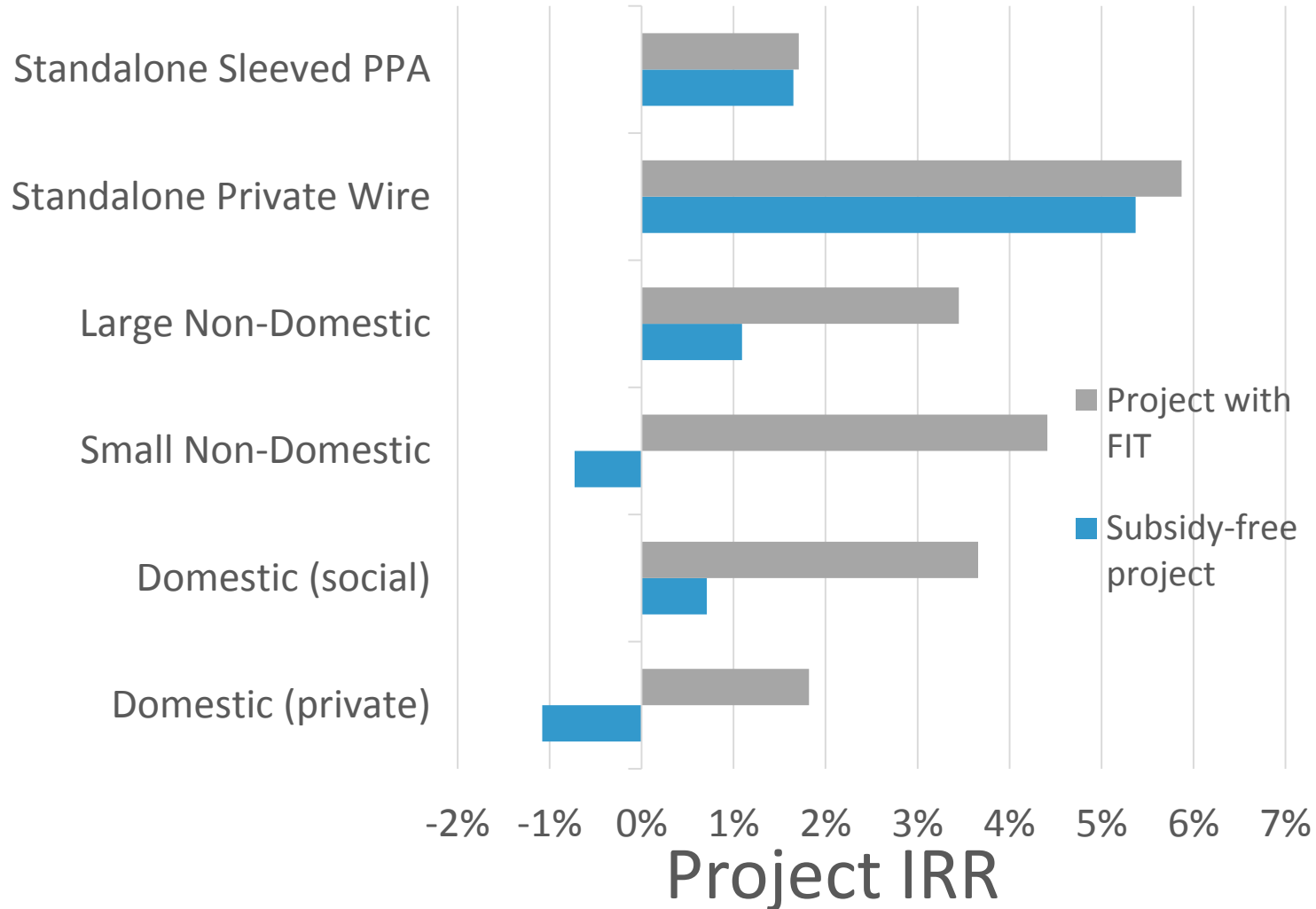


# Investment Frameworks

Focus areas of interest in which the hub wants to raise awareness so as to develop project pipelines

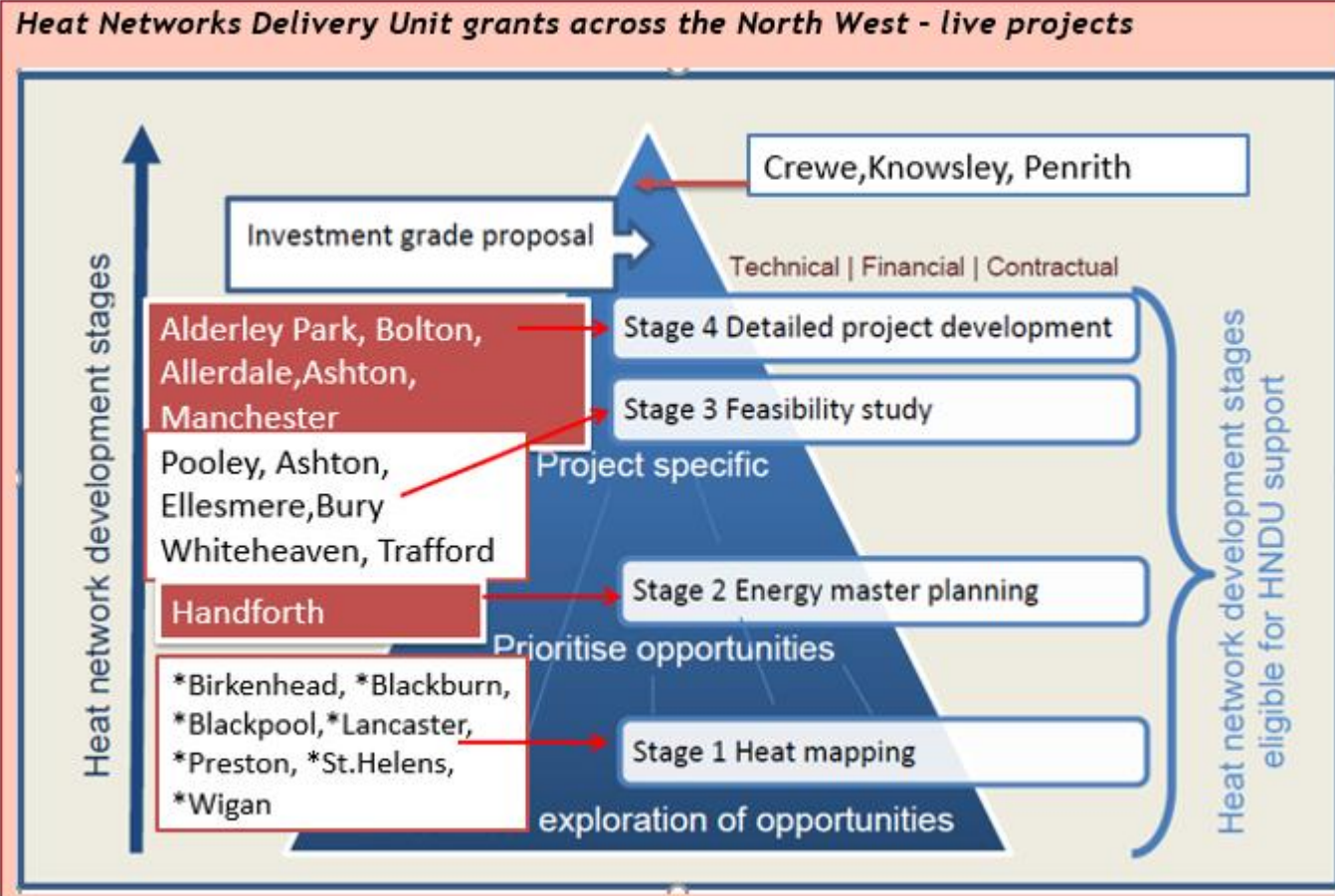
- ❖ **Subsidy Free Solar PV** Feasibility Studies, Market Mechanisms, Procurement
- ❖ **Investment in Heat Networks** Support investment into the HNDU Funded Pipeline,
- ❖ **Building Clusters** Promote whole place solutions, infrastructure innovation
- ❖ **Public Estate Energy Efficiency** Understand barriers, reinvigorate officer networks
- ❖ **European Regional Development Funds** Technical assistance for ERDF applications + dissemination

# Investment Framework: SUBSIDY FREE SOLAR



- ❖ Removal of Export tariff for small scale solar from April 2019. Replacement with SEG
- ❖ The potential for subsidy free solar is going to
- ❖ Larger stand alone schemes that supply power by private wire may be possible
- ❖ Large non-domestic schemes where solar < baseload

# Investment Framework: HEAT & POWER NETWORKS



- ❖ Heat networks have been a strong focus of councils considering action beyond their own estate
- ❖ There is a large pipeline of projects in the NW.
- ❖ Some projects on hold due to lack of council resources

# Investment Framework: ERDF 2014-2020 Low Carbon

- ❖ An underspend of European Regional Development Funding 2014-20 for the Low Carbon Transition (PA4)
- ❖ A lack of (PA4a) projects that deliver energy generation, high attrition rate for applications
- /
- ❖ Recent changes to eligibility guidance reflecting changes in subsidy, solar energy permissible
- ❖ A need to demonstrate innovation remains, but focus lessened (eg domestic retrofit)
- ❖ Recent changes at European level on the approach to calculating revenues for energy schemes
- ❖ Funding will still on table post Brexit, most likely

# Contact your local energy hub



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# Summary - Local Energy Hubs

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- ❖ New government funded programmes. Five **Local Energy Hubs** across England
- ❖ To support LEPs to deliver the ambitions within their new energy strategies
- ❖ To raise awareness of good practice, funding opportunities and green finance approaches
- ❖ To promote 'local energy' schemes; often capital projects that rely on partnerships and collaboration
- ❖ Provide technical support to public bodies developing business cases and funding applications

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