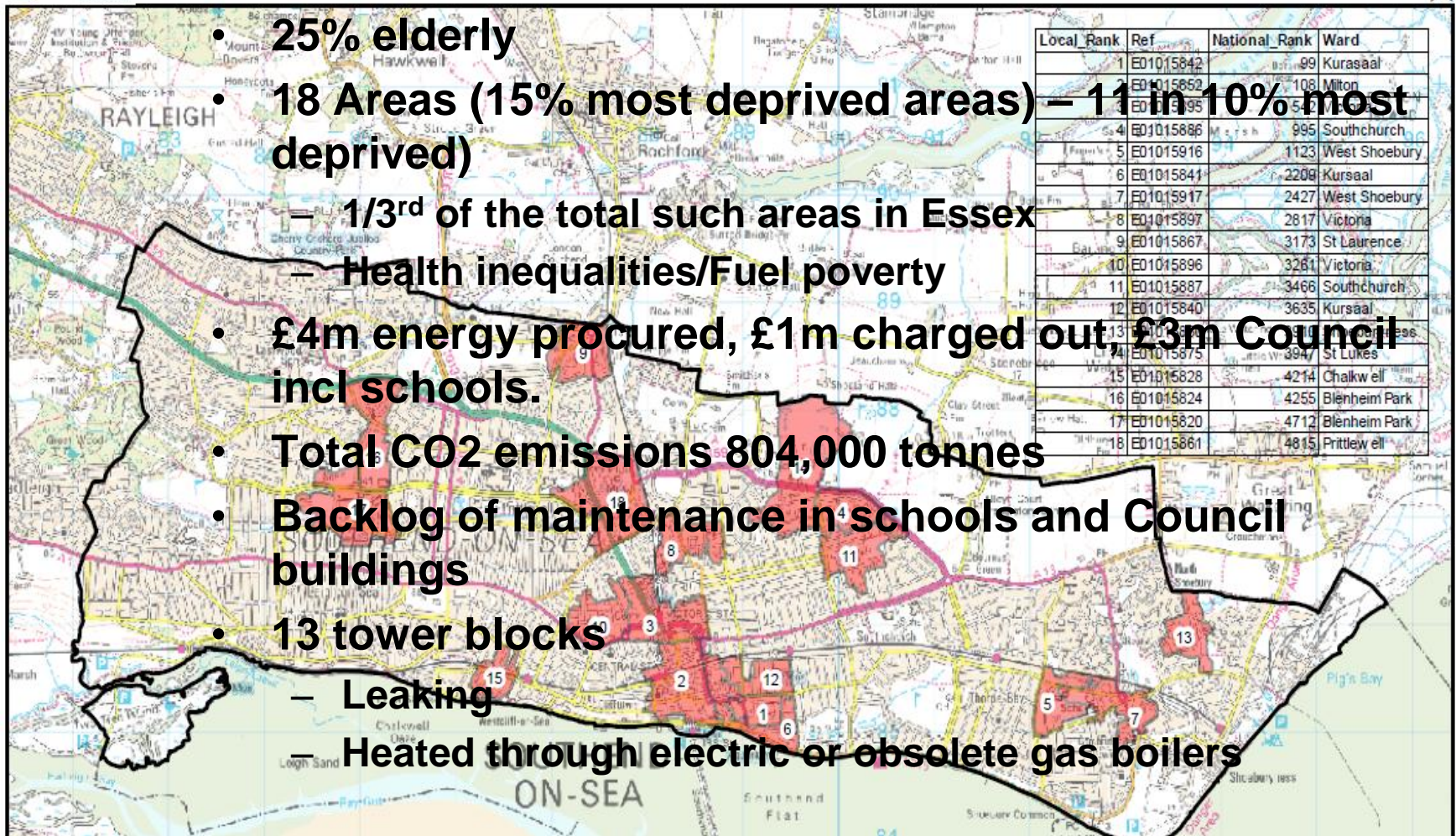




Southend Challenges

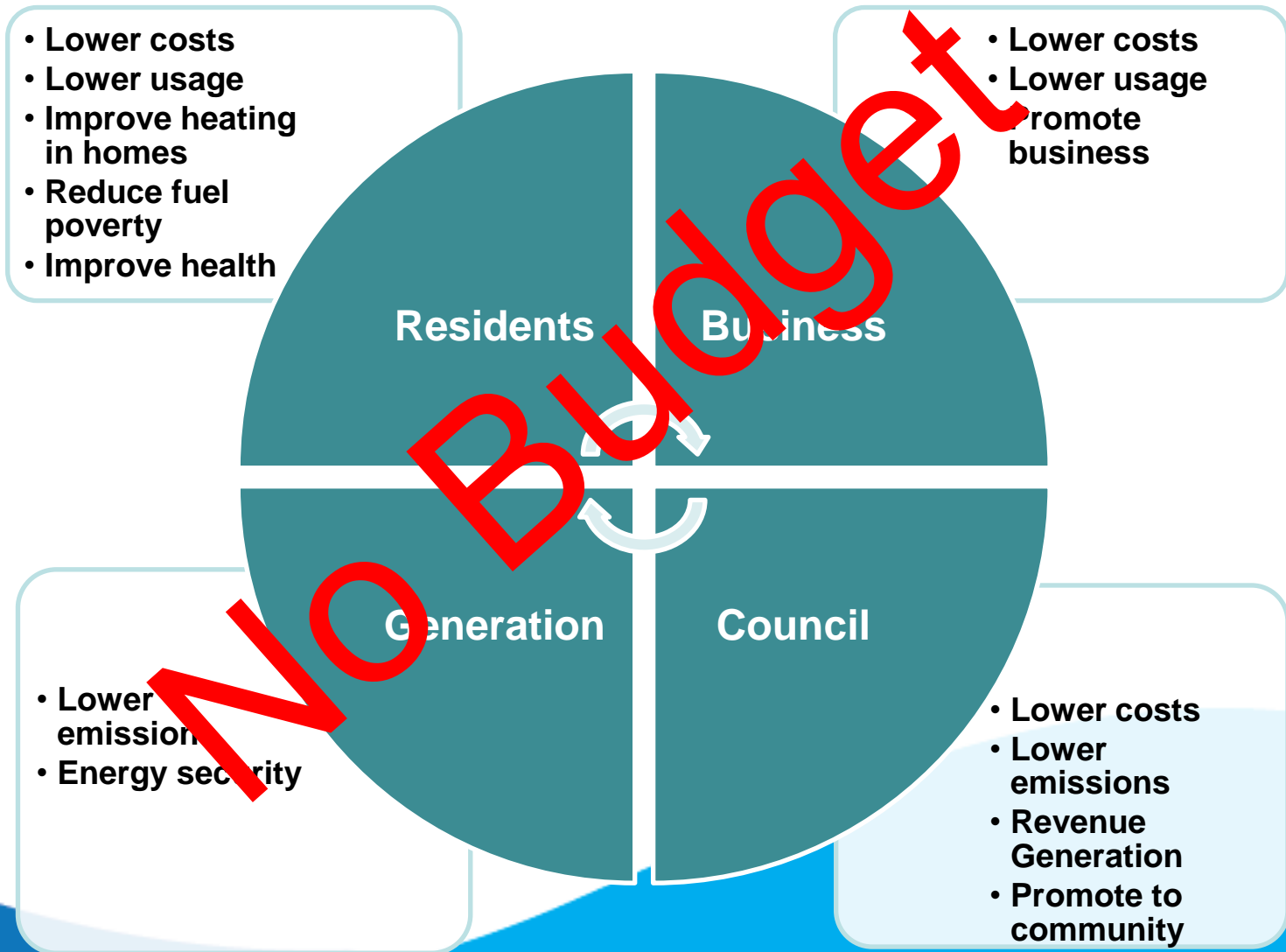
- 3 x 11 miles land area
- 151,000 dwellings, 10,000 Pre-payment meters



Local_Rank	Ref	National_Rank	Ward
1	E01015842	99	Kursaal
2	E01015852	108	Milton
3	E01015895	541	St Laurence
4	E01015886	995	Southchurch
5	E01015916	1123	West Shoebury
6	E01015841	2209	Kursaal
7	E01015917	2427	West Shoebury
8	E01015897	2817	Victoria
9	E01015867	3173	St Laurence
10	E01015896	3261	Victoria
11	E01015887	3466	Southchurch
12	E01015840	3635	Kursaal
13	E01015875	3947	St Lukes
14	E01015875	3947	St Lukes
15	E01015828	4214	Chalkwell
16	E01015824	4255	Blenheim Park
17	E01015820	4712	Blenheim Park
18	E01015861	4815	Prittlewell

- 25% elderly
- 18 Areas (15% most deprived areas) – 11 in 10% most deprived
 - 1/3rd of the total such areas in Essex
 - Health inequalities/Fuel poverty
- £4m energy procured, £1m charged out, £3m Council incl schools.
- Total CO2 emissions 804,000 tonnes
- Backlog of maintenance in schools and Council buildings
- 13 tower blocks
 - Leaking
 - Heated through electric or obsolete gas boilers

Energy Strategy Objectives



What have we done so far?

Essex Energy Switch

- Feb 14 – 116 residents switched saving £230 each
- Only those with paper contracts benefited
- Costs way above benefit
- Another round now underway

Pilot Projects on an Invest to Save basis

- School/Adult Community College
- Funded by borrowing
- Energy efficiency and generation
- New windows and boilers – big problems resolved
- Cash positive for 20 years

Low Carbon Strategy – 2015-2020

- Sets out ambition on Low Carbon
- Transport, Low Carbon Economy, Emissions, Residential
- Planning and Improving infrastructure to cope with Climate Change

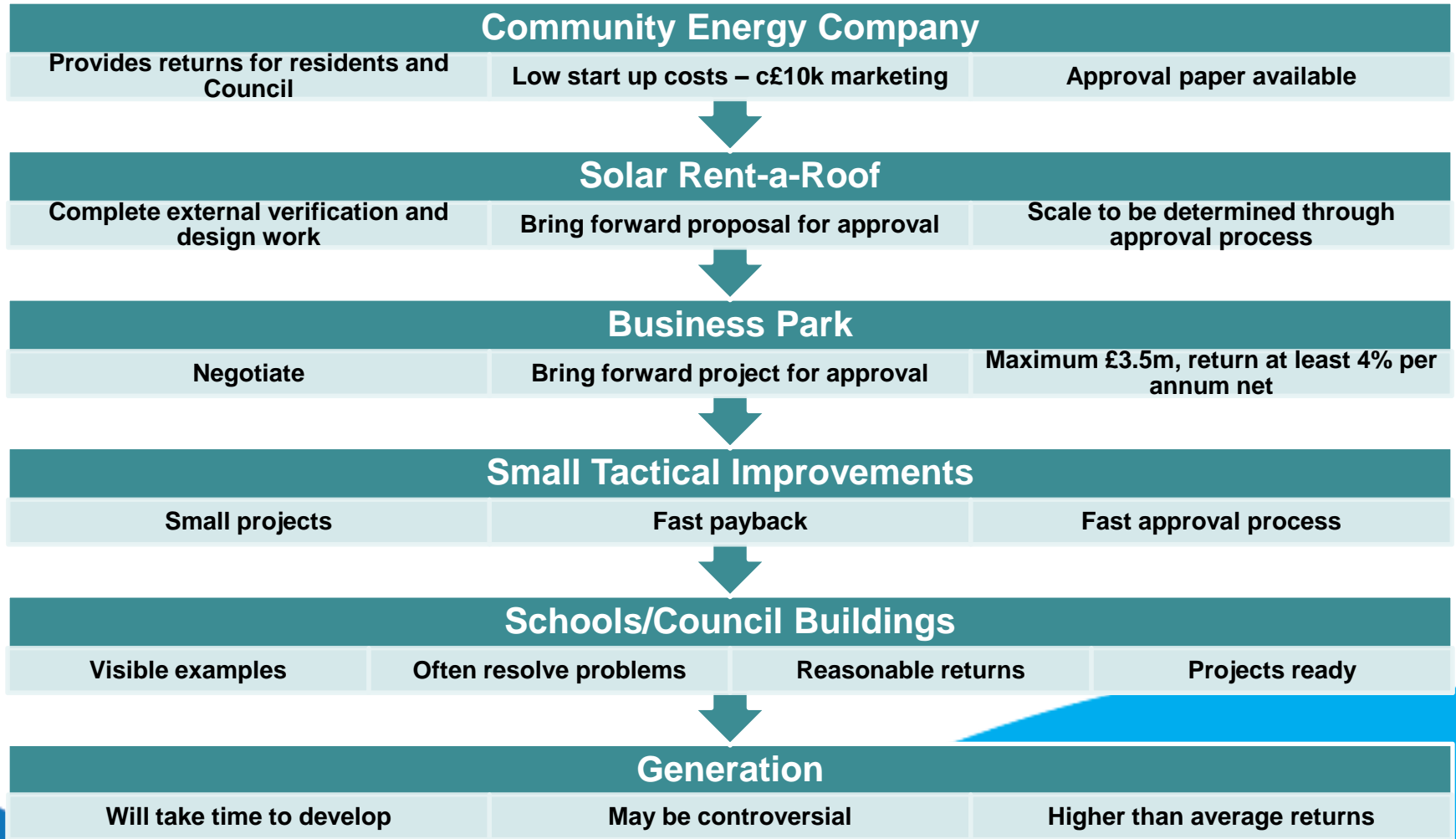
Funding, Scale, Priorities

- PWLB/Green Investment Bank/Salix
- How big can we go? – investment vs returns
- How much borrowing can we stand?
- What to concentrate on first?

Project Examples

Project	Cost /£m	Council Returns /£m pa	Resident /Other Return/£m pa	Current Status
Community Energy Company, partnership with OVO Energy Ltd	N/A	0.2 based on 9,000 clients	0.5 based on 9,000 clients	Seeking approval, contract nearly agreed subject to approval, requires marketing
Wind and Solar on Old Tip	5.6	0.13 (2.3%)	N/A	Detailed feasibility started up to point of planning and public consultation
Solar Rent-a-Roof, solar on residential and business roof tops	22	0.29 (1.3%)	Up to 1-1.4m	External verification of calculations and support to work up programme being sought.
Large Wind generation site	15	0.66 (4.4%)	N/A	Initial feasibility only
Schools, renewables and energy efficiency	Variable modelled on 1m each	Variable modelled on 2.2%	Variable modelled on 1%	2 pilot projects approved 1 ready for approval 2 being written up + some council buildings 7 schools expressed interest
Leisure Centre, solar and biomass	1.3	0.11 (9%)	0.03 (2%)	Feasibility complete, approval paper to be written when current procurement complete
Business Park, potential solar joint venture	3.5	0.15-0.18 (4-6%)	Negotiable	Concept based on initial discussions. Requires approval to negotiate a deal.
Small Tactical Improvements, resolving problems paid for by energy saving	0.6	Less than 5 year payback	N/A	Some projects undertaken in 2014 based on 0% loan and council budgets

Proposed Work Priorities



Why Community Energy Company?



Energy Company Marketing



Key Considerations

Objectives

- **Sectors – Domestic/Business**
- **Competition**
- **Positioning – what is outsourced/do yourself**

Contract with Partner

- **Governance**
- **Contract negotiation**
- **Ongoing review**
- **Debt management**

Financial

- **How do you earn and recognise revenue**
- **Risks/rewards**
- **Reputational risk**
- **Resources required**

Structure

- **Direct Contract**
- **Subsidiary Company/CIC**
- **Separate Organisation**
- **Integrate with other projects**