



# **Report to the Partnership for Urban South Hampshire Overview and Scrutiny Committee**

**Date:** 10 April 2018

**Report of:** Natalie Wigman, Corporate Strategy Director, Lead of the Energy and Green Economy Panel

**Subject:** Proposal for Innovative Energy Projects

## **SUMMARY**

Previously, £44k of funding had been allocated to support energy feasibility across the PUSH region. This has now been superseded by the LEP work, and this monetary allocation was unspent. This document sets out two projects which have recently come forward to seek the view of the Joint Committee as to whether they should be supported. If successfully taken forward to delivery, both initiatives could lead to economic, health and environmental benefits to the area. The approaches being considered have the potential to be replicated across other organisations across the region and beyond.

## **RECOMMENDATIONS**

It is RECOMMENDED that the Overview and Scrutiny Committee:

1. NOTES the potential projects and their benefits;
2. NOTES that the Joint Committee, subject to the compatibility with the LEP's Energy Strategy, approved £30,000 of the £44,000 funding allocation is to be carried forward to support these new work streams; and
3. NOTES that the Joint Committee approved that this amount is to be split between the two projects so that feasibility can be carried out to assess the business case to deliver schemes.

## **Background**

Successful lobbying of BEIS by the partnership led to the release of significant development funding for further energy strategy development for the Solent region and this is being administered by the Solent LEP. Despite a desire expressed by BEIS to see this funding support the existing energy strategy work that Future South has developed, the LEP decided to put the process out to tender. Although Future South bid for this work, the LEP did not allocate this work to the partnership. Attached as Appendix 1 is information from Solent LEP regarding their work on the energy strategy and their rationale for the decisions made.

Previously, £44,000 of funding had been allocated to the Energy and Green Economy panel to support the energy strategy work. This was not spent in 2017/18 and is to be carried forward.

In light of the energy strategy being superseded by the LEP work, it was asked if the Joint Committee approved that this carry forward could be used to support a new work stream focusing on Energy Storage, consisting of two projects. It is thought £30,000 will support the projects presented below. The remaining £14,000 is to fund the Low Carbon Economy Programme; this is discussed in the budget report on this agenda.

## **Potential Projects**

### **1) Battery backup storage conversion to enable access to STOR and TRIAD**

Several large energy consuming sites in the region have been considering converting their backup generators to battery systems. There are several reasons for moving to battery backup. The most significant reason for large energy consuming sites is the possibility to generate income through grid balancing payments such as STOR and TRIAD. Funding is requested in order to carry out a feasibility assessment to develop the business case for converting a 1Mw Diesel generator to a grid balancing battery system.

#### *Potential Benefits*

- Successful delivery of the approach could be applied to other largescale energy users across the region
- STOR and TRIAD are potentially substantial income streams for host sites which could range from Local Authorities or medium to large businesses
- The approach would bring national grid balancing spend to the region
- Conversion from Diesel to Battery storage will reduce air quality issues and support expansion of renewable energy schemes in the region.

### **2) Small scale Demand Side response**

Portsmouth City Council is seeking funding to carry out a feasibility study into the potential for domestic Demand Side Response (DSR) across their estate. It is intended that this project will utilise new technology to combine solar and battery

storage across the social rental estate. External funding through BEIS is considered too prohibitive at the feasibility state, however subject to a positive business case may be available for delivery. Should the project prove successful is it possible that the approach could be widened out to other Local Authorities and Housing Associations.

### *Potential Benefits*

- If the project moves into delivery the approach could be rolled out to other local authority and Housing Associations
- The initiative can provide low cost energy for occupants of social housing
- The approach may improve the business case of small-scale solar, increasing income to the installing body
- Increased local Solar PV roll out will improve the carbon intensity of the local supply and avoid spend on energy from outside the area.

## **CONCLUSION**

It is RECOMMENDED that the Overview and Scrutiny Committee:

1. NOTES the potential projects and their benefits;
2. NOTES that the Joint Committee subject to the compatibility with the LEP's Energy Strategy, approved £30,000 of the £44,000 funding allocation is to be carried forward to support these new work streams; and
3. NOTES that the Joint Committee approved that this amount is to be split between the two projects so that feasibility can be carried out to assess the business case to deliver schemes.

## **APPENDICES**

Appendix 1 - Update from Solent LEP

### **Background Papers:**

None

### **Enquiries:**

For further information on this report please contact Natalie Wigman

Email: [Natalie.wigman@eastleigh.gov.uk](mailto:Natalie.wigman@eastleigh.gov.uk)