

LOCAL ENERGY

Project Support

SOUTH WEST

ENERGY HUB



Energy Hubs

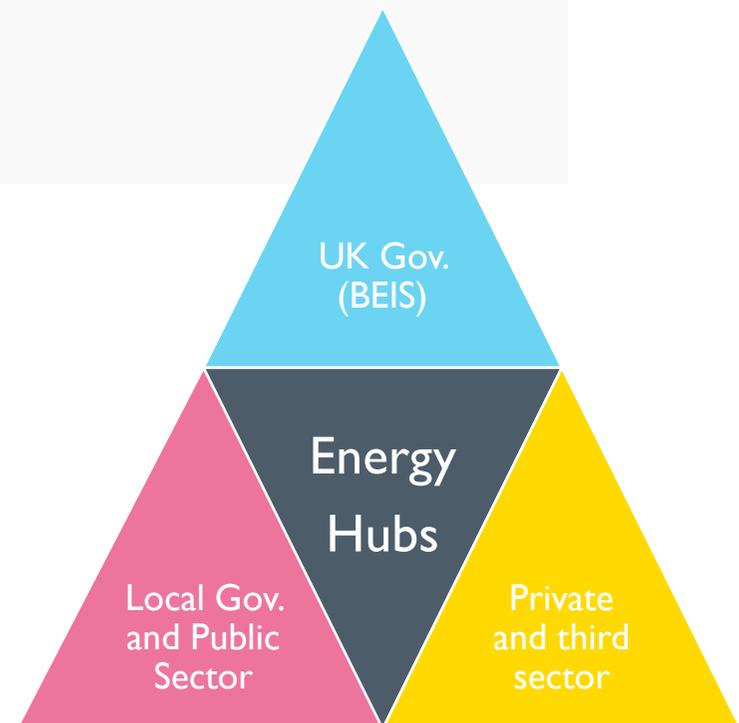
The Department for Business, Energy and Industrial Strategy (BEIS) Energy Hub programme is a country wide initiative to support the identification, development and implementation of energy projects across five regional hubs. The initiative has six core objectives aimed at stimulating local investment in energy projects.

1. Increase the number, quality and scale of local energy projects being delivered
2. Provide regional leadership, raise awareness about local energy investment opportunities and benefits; liaise with BEIS
3. Enable local areas to attract private and/or public finance for energy projects
4. Support and deliver national and local Government schemes
5. Collaboration, co-ordination and sharing of best practice

Projects can be supported at a range of scales, from smaller community led schemes through to strategic regional energy projects and at any point from initial feasibility through to planning and financing.

Where possible, the Energy Hubs will look to maximise benefits across the region by aggregating solutions to drive economies of scale, accelerating routes to market for programmes stuck in early feasibility stages

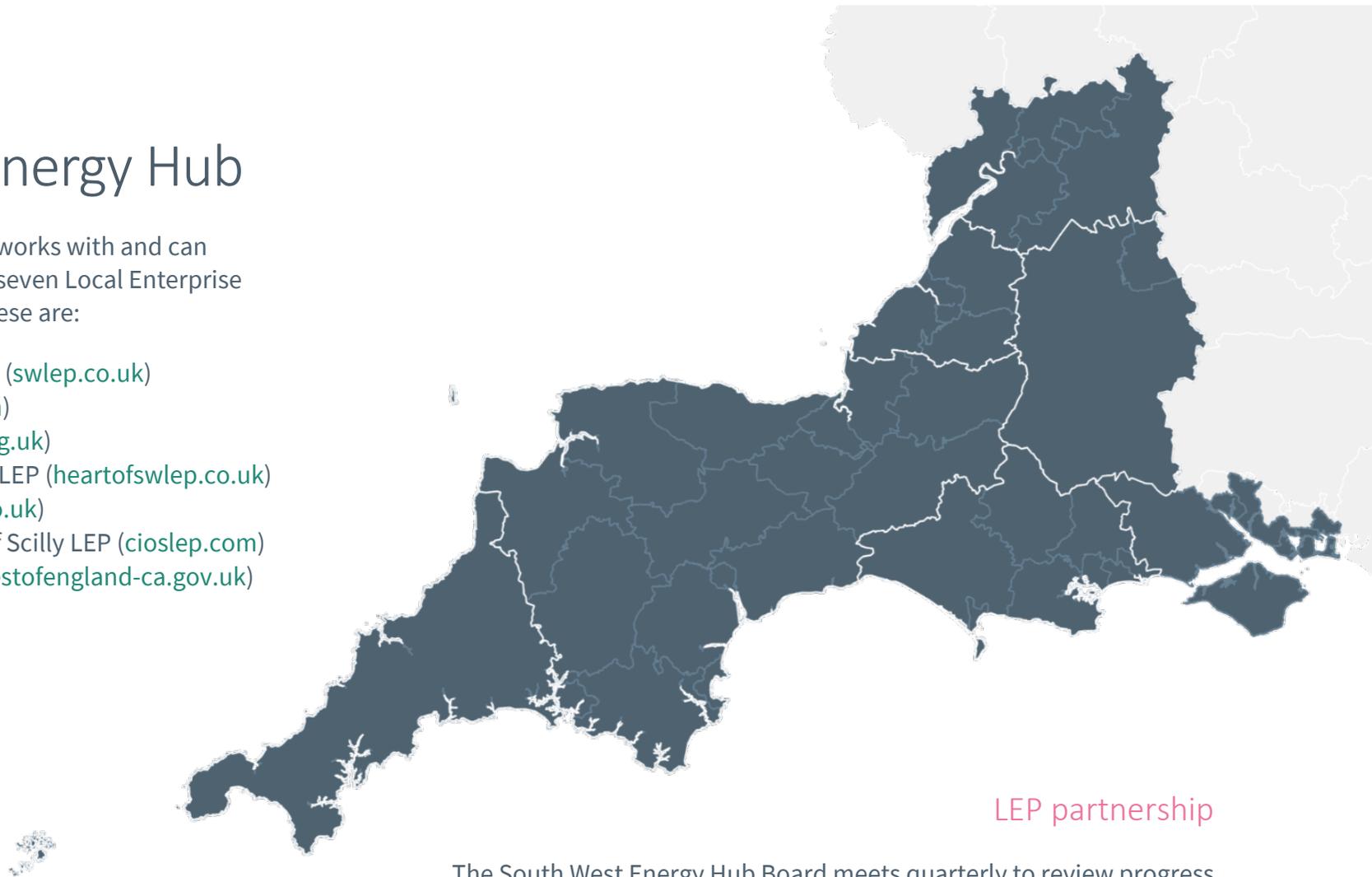
Additionally, the Hubs can also serve as a new conduit between local energy actors and central Government, providing co-ordinated intelligence of pan-regional energy issues, connecting local institutions and sharing best practice across the five Hub regions.



South West Energy Hub

The South West Energy Hub works with and can support projects across the seven Local Enterprise Partnership (LEP) regions. These are:

- Swindon & Wiltshire LEP (swlep.co.uk)
- GFirst LEP (gfirstlep.com)
- Solent LEP (solentlep.org.uk)
- Heart of the South West LEP (heartofswlep.co.uk)
- Dorset LEP (dorsetlep.co.uk)
- Cornwall and the Isles of Scilly LEP (cioslep.com)
- West of England LEP (westofengland-ca.gov.uk)



LEP partnership

The South West Energy Hub Board meets quarterly to review progress and consider and recommend new projects accessing support through the Hub's ongoing programmes.

The Hub Board is made up of representatives from the BEIS Local Energy team and each of the seven South West LEP regions. The Hub is hosted by The West of England Combined Authority (WECA) which acts as the Accountable Body for all Hub programmes. As a team, the Hub is equally represented across the South West with project managers located in each of the greater sub-regions.

Up to date information including new grant programmes and technical support can be found at westofengland-ca.gov.uk/south-west-energy-hub
For more information you can also contact the hub at SWenergyhub@westofengland-ca.gov.uk

Local Capacity Support

Programme

The Energy Hub's Local Capacity Support is the main Hub programme for strategic projects. It is focused on providing support to projects or programmes that can deliver the aspirations for sustainable and low carbon energy outlined within the Energy Strategies, Strategic Economic Plans and Local Industrial Strategies that cover the seven Local Enterprise Partnership (LEP) areas of the South West region.

Eligible projects

Projects supported by the Hub should lead to a significant investment in energy assets, technologies and infrastructure which result in a direct improvement in the way that energy is used, supplied or distributed. In general, these projects are likely to require capital investment.

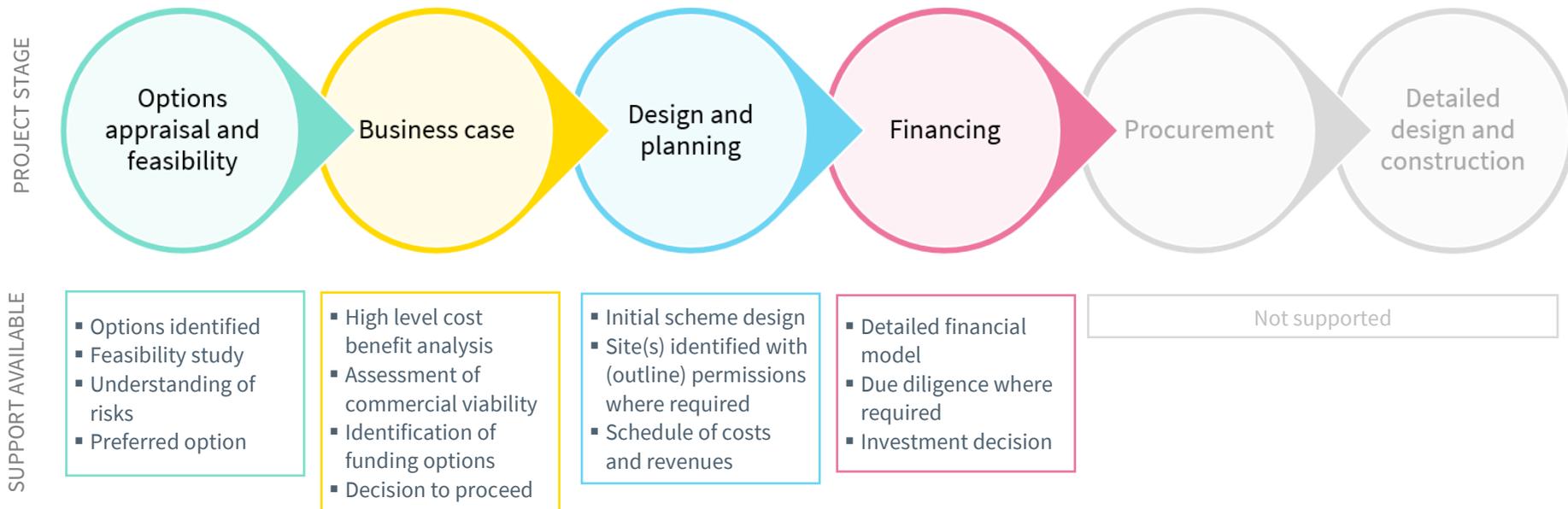
The types of capital investment projects supported by the Hubs can include:

- Home energy efficiency retrofit
- Public sector energy efficiency and street lighting replacement
- Business and industrial energy efficiency retrofit
- Energy infrastructure for new development or improvements in construction standards
- Renewable or low carbon electricity generation (Solar, Onshore wind, Tidal)
- Renewable heat generation (Geothermal, Heat pumps, Biomass, AD and Biogas)
- Electricity distribution network improvements over and above those delivered through standard network investment processes, including smart grids and storage
- Gas distribution network improvements over and above those delivered through standard network investment processes, including works to enable the supply of decarbonised gas
- Heat networks, combined heat and power (CHP) generation, energy from waste and industrial heat recovery
- Energy supply/refuelling for low carbon vehicles

Projects which are not within scope include: policy or strategy development for local authorities, transport projects other than those listed above, air quality management, and climate change adaptation.

Direct support

Through the Local Capacity Support programme the Energy Hub can support capital investment projects at any point from their inception through to the point which they are investment ready. Support is offered in co-ordination, project management or technical capacity, dependant on the stage of the project and the level of governance already in place.



Additional technical support

Where additional technical support is required the Hub can also fund and procure external consultancy assistance for a limited number of priority projects or programmes. The level of support is based on demand for resource across the region and prioritisation according to the Hub's Assessment Framework.¹

¹ This Hub Assessment Framework is based on criteria including strategic fit, deliverability, additionality and economic, environmental & social benefits.

Other Support Programmes

As well as direct support through the local capacity programme, the South West Energy Hub are responsible for delivering UK Government programmes with a local energy focus. To date, this has included two major programmes.

Rural Community Energy Fund (RCEF)

Applications open @ swenergyhub.org.uk/energy-fund/

RCEF is being delivered by the Energy Hubs in England on behalf of the Department for Business, Energy & Industrial Strategy (BEIS) and Environment, Food and Rural Affairs (DEFRA).

RCEF offers support to eligible communities in two stages:

Stage 1 – Feasibility Grants for communities at an early stage of exploring the possibility of a renewable energy project. Grants of up to **£40,000** are available to cover consultancy and professional costs for the development of a feasibility report in a standard format for a specific project. These should be early stage activities without which the installations would not be able to go ahead.

Stage 2 – Full business development and planning grants for projects that demonstrate a good chance of securing planning permission and being implemented. Grants of up to **£100,000** are available to cover more detailed investigation into the key areas of technology selection. This includes securing a site (legal fees for example), environmental impact assessments, submitting planning applications, permitting applications and developing a full investment business plan.

Council Tax and Business Rates Feasibility and Design Studies

Programme delivered.

Nationwide pilot to support local authorities in testing the viability of piloting council tax and/or business rate incentives to encourage homeowners and businesses to improve energy efficiency through retrofit measures. Funded by BEIS through a **£200,000** grant programme, these projects will be completed by April 2020.

These studies will:

- a. Build evidence around the viability and appetite for introducing council tax and/or business rate incentives across a range of different local authorities in England.
- b. Outline the requirements for implementing these incentives and formulate a proposed structure for a potential council tax and/or business rate incentive pilot.
- c. Provide BEIS with a comprehensive evidence-base focussed on determining the practicalities of introducing such incentives and evidence around how to pursue these as a means of stimulating the energy efficiency market.

Strategic Priorities

Strategic priorities in the South West reflect those nationally and include increasing local generation, reducing the energy demand of buildings, enabling the increase of zero emission vehicles, developing smart grids and growing the low carbon supply chain. **The region has ambitions plans of becoming self-sufficient or a net exporter of renewable energy**, with repeating themes across the region's LEP Energy Strategies. These form the top ten strategic priorities for Hub support.

- 1 Renewable Generation.** The South West has a diverse and high availability of renewable sources including the greatest wind, solar, geothermal, anaerobic digestion and tidal resource in the UK.
- 2 Smart demonstrator hubs.** All regions contain historic and planned low carbon demonstrator projects that are complimentary and well aligned with future opportunities across the South West. Examples include the Isle of Wight Eco Island, Isles of Scilly Smart Energy Island, Swindon Hydrogen Hub and zero carbon ports.
- 3 Hard to treat properties.** The South West has one of the highest proportions of hard-to-treat homes in the UK at 44%. The potential savings through deep and whole house retrofits remain one of the most significant opportunities for the region.
- 4 Rural, off gas properties.** All strategies highlight the need for different approaches in urban and rural areas. A large percentage of rural properties are off the gas grid and present opportunities for leapfrogging from oil and solid fuels to zero carbon heating solutions.
- 5 District heating & green gas.** District heating is prioritised in all strategies, although source fuels vary significantly from fossil gas to deep geothermal. Hydrogen and green gas pilots have also been trailed but in siloed projects. Potential exists to co-ordinate heat strategy and momentum across the region.
- 6 Electricity network constraints.** The lack of affordable access to electricity network capacity is a consistent theme and a major barrier to developing renewable energy proposals already in place. The need for smart, flexible and local energy networks is a priority across all strategies, with an increased role for energy storage.
- 7 Housing growth.** All areas have high levels of housing growth in the short to medium term, with inconsistent and inadequate planning controls for zero carbon futureproofing. If not addressed, this will lead to a requirement for additional retrofit of new buildings within 30 years.
- 8 EV transition.** All regions have minimal uptake of electric vehicles with lack of leadership and a clear need for co-ordination over the roll out of charging infrastructure. Commitments exist in all strategies to drive transition through public sector fleets, but action and accountability is limited.
- 9 Marine renewables.** The South West is a leader in maritime engineering across naval, business and research institutions. It is an incubator for developing new marine energy technologies such as floating offshore wind, but current initiatives risk failure without further promotion and support.
- 10 Co-benefits.** All strategies set out to embed energy priorities within wider growth targets. Achieving this means recognising shared benefits in job creation, air quality, rural connectivity, fuel poverty, skills growth, infrastructure coordination and spill over innovation from technology research.

Project Pipeline

The South West has a wealth of energy projects in early stage development. Over 100 projects have been identified to date with a combined value exceeding £230 million, if they reach construction stage.

We are in the process of prioritising and aggregating support to these projects, identifying where value can be best delivered.

If you are aware of a strategic (Local Capacity Support) or rural community (RCEF) energy project that could be relevant for support though one of the Hub's programmes, please get in touch via our team mailbox

SWenergyhub@westofengland-ca.gov.uk

