

<b>Meeting date:</b>	24 March 2020					
<b>Agenda Item:</b>	3					
<b>Item Subject:</b>	Marches Energy Strategy Update					
<b>For:</b>	<b>Discussion</b>	<b>X</b>	<b>Decision</b>		<b>Information</b>	<b>X</b>

**Purpose:** This paper is to set out an overview of progress made towards the implementation of the Marches Energy Strategy.

**Recommendations:** The Board notes the content of the report.

**Summary:**

Overview

- Midlands Energy Hub fully staffed and operational
- Marches Energy Strategy launched
- Marches Energy Strategy Steering Group established
- Development of Project Pipeline

Midlands Energy Hub

The Midlands Energy Hub is a Department for Business Energy and Industrial Strategy (BEIS) funded initiative supporting the capacity of Local Enterprise Partnership's (LEP) and Local Authorities in order to identify and deliver local energy strategies and projects. The Hub helps to address the capacity gap of Local Authorities and LEPs and improve the regional and national communication channels.

Each of the 9 LEP areas within the Midlands has a locally based Senior Energy Project Officer to provide support on energy projects. The funding is in place until October 2021.

The Objectives of the Midlands Energy Hub are to:

- Increase the number, quality and scale of local energy projects being delivered
- Raise local awareness of the opportunity for and benefits of local energy investment
- Enable local areas to attract private and/or public finance for energy projects
- Identify working model for teams to be financially self-sustaining

The Midlands Energy Hub will meet these objectives by:

- Targeting realistic, deliverable projects
- Attending events / networking / knowledge sharing
- Developing funding bids, and build relationships with private investors
- Setting short, medium- & long-term goals
- Building a robust project pipeline of projects and initiatives

The Midlands Energy Hub reports regularly to BEIS, including information about progress made against the aims and objectives of the LEP Energy Strategies.

Marches Energy Strategy

All of the Midlands Energy Hub LEPs have developed energy strategies specific to their area. The strategies provide a focus for low carbon energy projects by helping to set out energy demand and carbon emissions trajectories and identifying opportunities and challenges for power, heat and transport.

The Marches Energy Strategy was commissioned by Marches Local Enterprise Partnership with support from BEIS. Its objectives are to:

- Identify barriers to growth from current energy infrastructure.
- Highlight opportunities for the Marches to deliver its growth potential through innovative and low carbon related business opportunities.
- Develop an achievable action plan required to mitigate risks and capture the opportunities for the Marches that come with change in the national energy system.

The Marches Energy Strategy was officially launched on 25<sup>th</sup> July 2019 following the employment of the Marches Regional Senior Energy Projects Officer on 29<sup>th</sup> May 2019.

The Marches Energy Strategy sets out 6 Key Priorities to tackle energy issues in the region:

Key priority 1: Smart control and mitigation of grid constraints

Key priority 2: Innovation in agricultural technologies

Key priority 3: Sufficient reliable energy supply

Key priority 4: Development of the supply chain in key areas of the low carbon economy

Key priority 5: Local renewable energy supply

Key priority 6: Addressing high levels of fuel poverty

#### Marches Energy Strategy Steering Group

To oversee the delivery of the Marches Energy Strategy, a Steering Group was established in October 2019. The steering group meets on a quarterly basis and has an agreed set of Terms of Reference (Background Paper). The Group brings together representatives from the public, private, and voluntary sectors.

<b>Name</b>	<b>Organisation</b>
Ben Boswell (Chair)	Herefordshire Council
Harjot Rayet	Telford and Wrekin Council
Joe Bubb	Shropshire Council
Simon MacVicker	Shropshire Business Board
Mark Thompson	Telford Business Board
Gareth Williams	Herefordshire Business Board
Tony Green	Shropshire Green Xchange
Gordon Coppock	Herefordshire Green Network
Simon Ross	Marches Energy Agency
<b>Non-voting members</b>	
Gary Spence	Shropshire Council - ERDF
Nicholas Alamanos	Marches LEP
Tim Yair	Midlands Energy Hub Project Officer

#### Project Pipeline Development

A Project Pipeline to sit under the Energy Strategy has been established. The project pipeline is a constantly evolving document, including a “short list” of projects currently being delivered as well as projects that are being developed. A “long list” of projects, including more aspirational projects, is also being developed. As these come forward, they will be included within the short list. The intention of the pipeline is to ensure that projects in each of the Key Priority areas of the strategy can be addressed. The level of intervention between projects will vary.

The table in Appendix 1 includes detail on the programmes and projects that have been identified and developed under each of the Energy Strategy Priority areas. It also highlights the

wide range of existing projects, initiatives and organisations that will help to deliver the goals of the Energy Strategy.

Currently the following areas are identified as gaps in the delivery of the Energy Strategy priorities:

- Development of an Energy Innovation Zone to undertake a pilot smart grid project.
- Work with energy companies to influence local use of ECO funds for energy efficiency.
- Reporting progress to BEIS particularly in relation to local engagement.

Strategic Local Engagement

As highlighted in the Marches Energy Strategy, one of the main areas of concern is grid constraints. All of the substations in Herefordshire have extremely limited capacity for both generation and demand. In Shropshire and Telford & Wrekin, the picture is slightly less bleak, although constraints still have the potential to impact the economic generation of the area. Discussions with the electricity network operators (DNO) in the region to overcome these barriers are ongoing.

**Financial implications:** There are no financial implications from this report

**Legal implications:** There are no financial implications from this report

**Risks, opportunities and impacts:**

**Consultation:** Consultation has taken place with the Marches Energy Strategy Steering Group, which reflects the views of public, private and voluntary sectors in the Marches. The report also reflects the Midlands Energy Hub.

**Additional information:**

Local Authority Partners

- All three Councils in the Marches Region have now declared Climate Emergencies. All have formed internal working groups to develop plans to meet their declared targets.

Wider Midlands Energy Hub

- There are a large number of projects on the short and long lists across the Midlands. Projects include deep mine water heating, Electric Vehicle infrastructure and taxis, low carbon new-build, and large-scale solar PV.
- The Rural Community Energy Fund is now live and receiving Expressions of Interest. To date Expressions of Interest from four projects in the Marches have been received. These will be supported through the local project officer.
- Discussions with BEIS are ongoing to ensure that outcomes from the LEP areas are fed back to BEIS.
- A Joint Venture document has been written and launched by the MEH, which will be useful as more projects come forward.

**Appendices:**

Appendix 1: Energy project descriptions against strategy priorities.

**Background papers:**

Steering Group Terms of Reference