

Peter Horrocks CBE Chair, SEMLEP

28th February 2019 Vincent Auditorium, Cranfield University



South East Midlands Local Enterprise Partnership National View: Energy police and infrastructure – a key component of delivering the national Industrial Strategy

Patrick Allcorn Head of Energy, BEIS

28th February 2019 Vincent Auditorium, Cranfield University



South East Midlands Local Enterprise Partnership

South East Midlands **ENERGY STRATEGY** Dr Kerry J Mashford OBE

CEng FIMechE FICE FIET FRSA SEMLEP Board Member



South East Midlands Local Enterprise Partnership



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Key considerations

Policy/Driver	
Climate Change Act (2008)	UK committed to reduce CO2 emissions to 80% below 1990 levels by 2050.
Clean growth Strategy (2017)	Businesses energy efficiency and productivity up by at least 20% by 2030. Heat networks and innovation.
Industrial Strategy (2017)	Innovation and research, clean growth in construction, energy, electric vehicle infrastructure, industrial productivity.
Heat Networks (2017)	Heat networks to supply 17% of heat demand in homes and 24% of heat demand in industrial and public sector buildings by 2050 (currently 1%)
Clean Air Strategy (2018)	New fossil fuel powered vehicles outlawed between 2040 and 2050, including diesel trains.
Renewable Energy (2018)	UK target 15% of energy from renewables by 2020 and 32% by 2030.



Local Enterprise Partnership

The SEMLEP Energy Strategy identifies 4 main scenarios

Gone Green Medium Growth	Gone Green High Growth
High Prosperity – medium growth levels Housing growth based on Local Plans projections of approximately 340,000 new units by 2050 High sustainability ambition	High Prosperity – high growth levels Housing growth based on National Infrastructure Commission (NIC) estimates of 560,000 new units by 2050. High sustainability ambition
Consumer Power Medium Growth	Consumer Power High Growth
High Prosperity – medium growth levels Housing growth based on Local Plans projections of approximately 340,000 new units by 2050	High Prosperity – high growth levels Housing growth based on NIC estimates of 560,000 new units by 2050. Low sustainability ambition

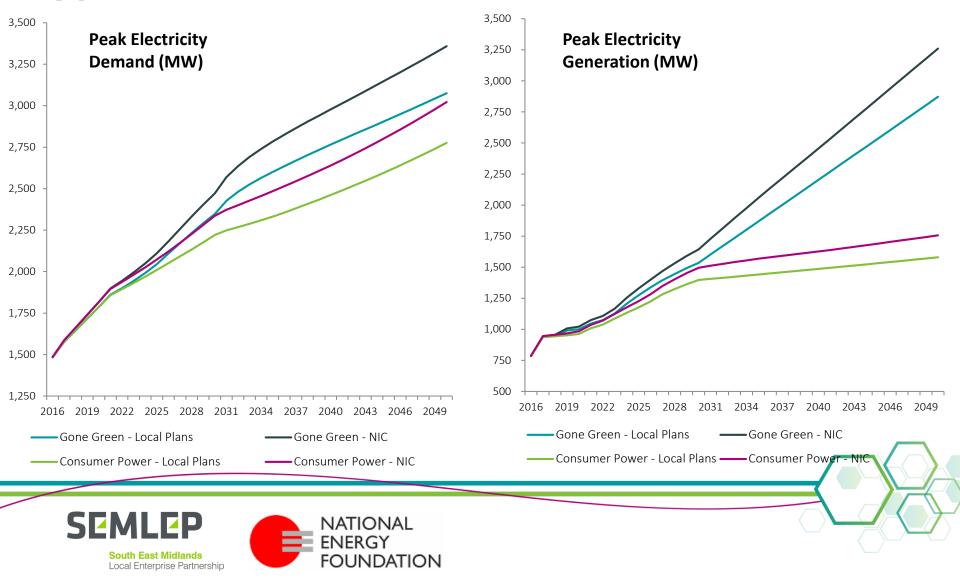
Low sustainability ambition

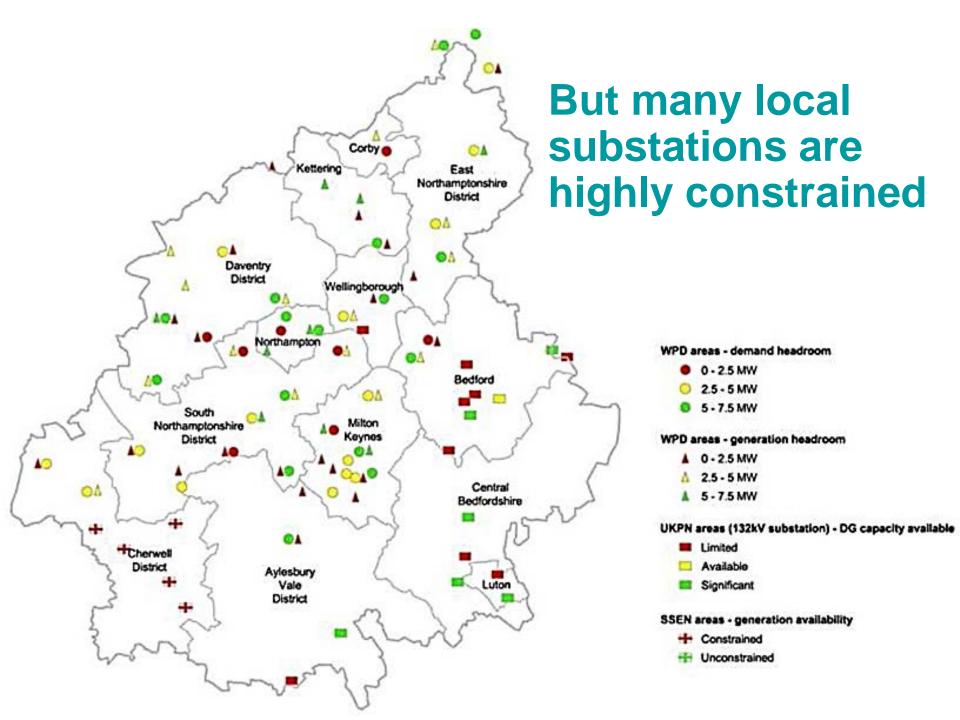
Medium Growth = Local Plans projections High Growth = National Infrastructure Commission projection



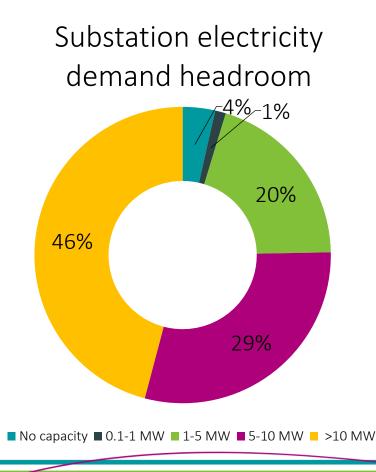


Peak electricity demand is projected to rise dramatically, due to transformational growth opportunities across the Ox-Cam Arc.



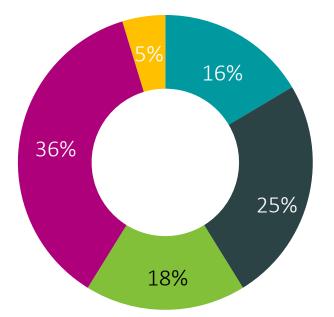


5% of substations have little or no demand capacity 16% cannot accept further energy generation connections





Substation headroom for distributed generation



>20 MW

■ No capacity ■ 0.1-5 MW ■ 5-10 MW ■ 10-20 MW

Zero Energy Bills Homes, Electric Corby (2013)

There is potential to reduce demand through energy efficient new builds

on Cent

FR ISLA

Magna Park, Milton Keynes



South East Midlands Local Enterprise Partnership



Graven Hill site, Bicester





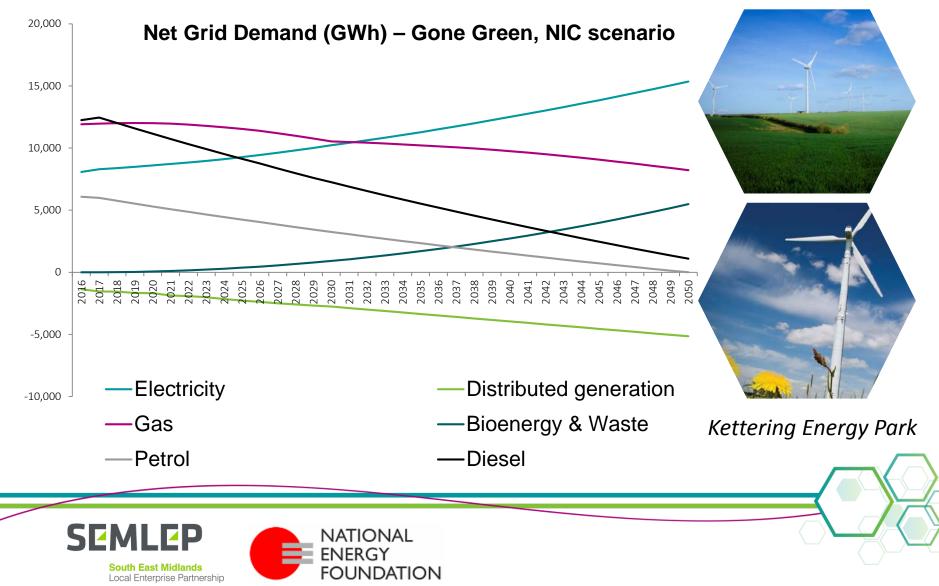
South East Midlands Local Enterprise Partnership



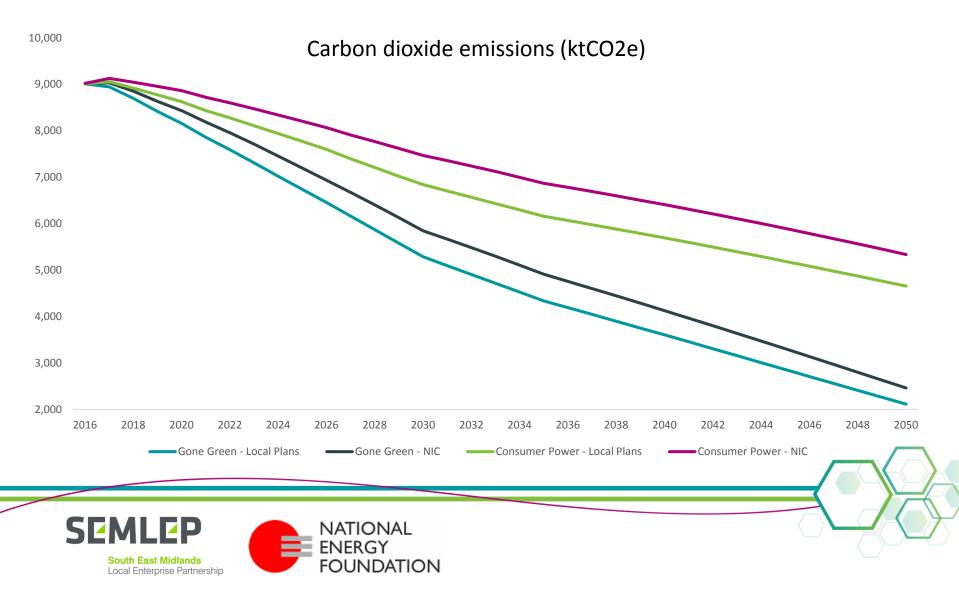
RENEW Project (ERDF funded) – Marsh Farm High-rise block [Source: Luton Today, 2018]

Retro-fitting energy efficiency measures to existing buildings is also a priority

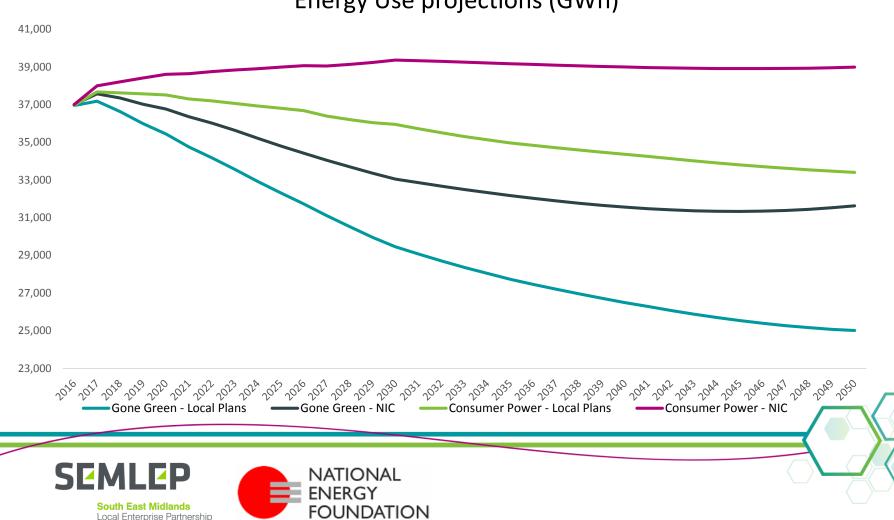
Local distributed generation can reduce grid demand and augment supply



Outcome 1: Lower CO₂ emissions by 41% - 77%



Outcome 2: Lower grid energy demand (also improving network balance through ANM)



Energy Use projections (GWh)



Outcome 3: release capacity for clean growth

- Businesses
- Housing
- Transport

Waitrose in Northampton to fuel its entire HGV fleet using Biomethane, supplied through CNG



UK Autodrive, Milton Keynes

Summary of Recommendations

Challenges	Recommendations	
Energy Supply -	Support development of Distributed Energy Resources, working with DSOs, domestic	
Capacity and	and non-domestic developers, and other stakeholders.	
Distributed	 Pilot and establish new commercial framework 	
generation	 Potentially revise Local Plans, priorities and develop new guidance. 	
constraints	 Develop and promote the Business Case. 	
	Arrive at a zonal approach to ANM roll-out (start with areas with local generation).	
	 Build into new estates / regeneration areas / pilot trials and refine. 	
Energy Supply –	Develop area-wide heat network support programme.	
Low carbon heat	 Identify / focus on areas with maximum viability. 	
networks	 Develop case studies to support a business case and wider roll-out. 	
Energy Demand –	Agree consistent new build standards and planning requirements across the area.	
energy (and	 Develop a more certain and supportive regulatory framework. 	
carbon) efficiency	 Investigate land valuation options to fund higher standards 	
of buildings	 Produce case studies and business incentives for best practice energy efficient 	
	homes and buildings, including the use of new electric technologies.	



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Summary of Recommendations

Transport – Electric vehicles	 Planning Requirements (policy and guidance) to be used to require developers to accommodate EV charging. SEMLEP innovation project (Govt. funded) to define routes to engagement (uptake) and impact on infrastructure. Develop a support package for businesses to innovate on EV related services. (e.g. new apps for EV charging). Support preferential planning for EV parking spaces Develop a central repository for case studies and learning
Transport - Connectivity	 Develop programmes to target road capacity stress points. Develop programmes to tackle rail network stress, focused on Thameslink morning peak and PM peak in London Northwestern, in addition to AM peak services to London in both train operators' services. Support the development of new strategic road and rail links towards Oxford and Cambridge, as well as connections into these.





Next Steps

Work with relevant stakeholders and with the support of the Greater South East Energy Hub to:

- Continually update base data and projections
- Plan for specific developments
- Communicate opportunities.
- Be cognisant of the granularity across the SEMLEP area and work at all scales.
- Welcome involvement in demonstrator and scale up opportunities.
- Start now and create a virtuous cycle.





Showcase Project

Nick Bolton – Co-Founder











Powered by Electric Corby







Innovate UK

Community Interest Company

Formed with support of **Corby Borough Council** as public / private hybrid

Developing and promoting projects that actively enhance Corby, grow the economy and benefit the community

transportation





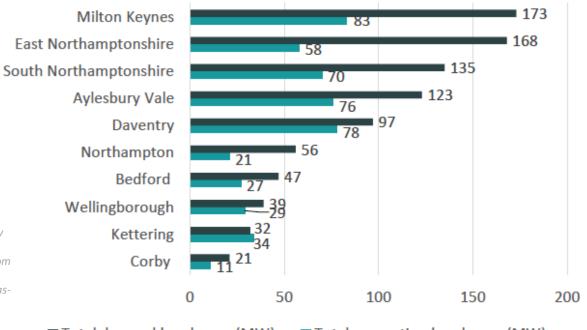
South East Midlands ENERGY STRATEGY



"There is compelling evidence that new buildings are failing to achieve their basic design energy (and carbon) performance targets (with typical performance gaps of 200%).

- 1. Innovate UK, 2016. Building Performance Evaluation Programme: Findings from domestic projects Making reality match design
- 2. Building Performance Evaluation meta-analysis. Insights from social housing projects. National Energy Foundation
- 3. Zero Carbon Hub, 2014. Closing the gap between design & asbuilt performance. Evidence Review Report

Energy Constraints



Total demand headroom (MW)

Total generation headroom (MW)



MIND THE PERFORMANCE GAP







To build a regular house with a net zero energy bill, ie. revenue from generation counteracts any energy costs . The project was based on:

- 8 terraced/semi detached 3 bedroom homes adapted to meet modelled ZEB performance
 - 1. Fabric thicker walls, more insulation
 - 2. Energy PVT electricity generation
- 2 standard unaltered 3 bed homes to act as the standard benchmark
- All 10 homes were fitted with Lightwave RF home automation and monitoring equipment

Sales achieved a 9% price premium,

Better then normal, but below expected performance due to multiple build quality problems.

Overall significant learning and experience



...sold above standard market price



...with Home Automation with monitoring and management built in









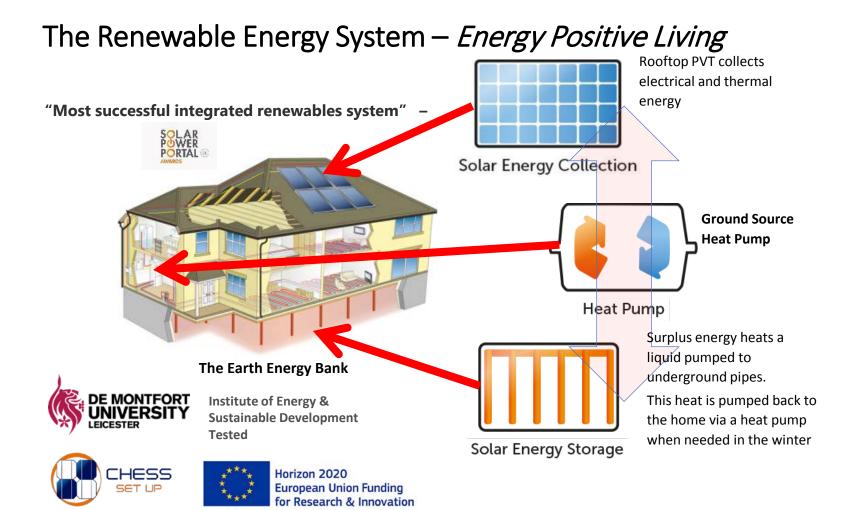
Fabric First - 4 Wall super SIP

Performance Enhancement - Maximised U Values for 'Thin Wall' implementation:

- Use of highest grade / lowest Lambda value PU injected foam from BASF - panels injected with 'over packed' insulation ensures lowest U Values and highest strength
- High strength foam core has no 'front to back' connectors no 'thermal bridging' elements to panel joints or interconnecting elements
- No requirement for additional external or internal insulation to counteract thermal bridging optimised U Values with minimal wall thickness
- No requirement for external or internal membranes to provide moisture or air permeability control

 optimised U Values and Airtightness with minimal wall thickness
- Class leading U Values 185mm wall panel = 0.15W/m2K & 287mm wall panel = 0.09W/m2K
- Class leading airtightness (without tapes or membranes) = 0.855m3/h/m2





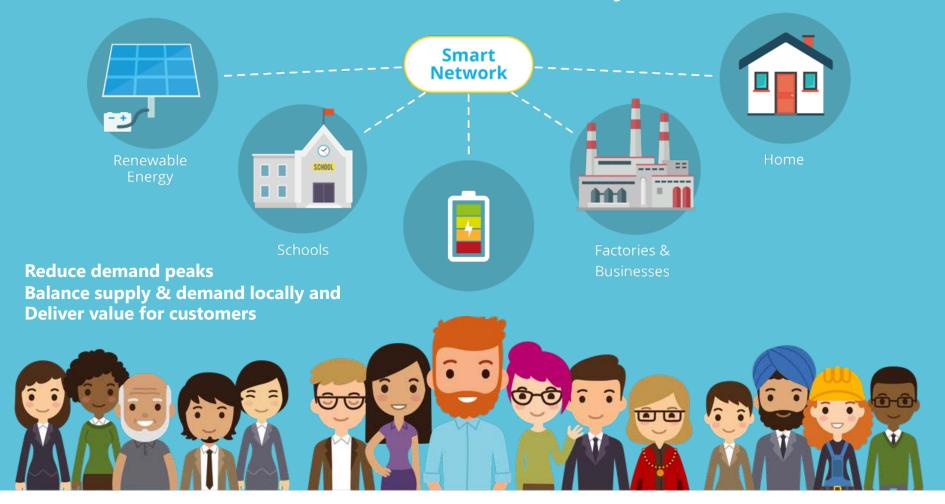






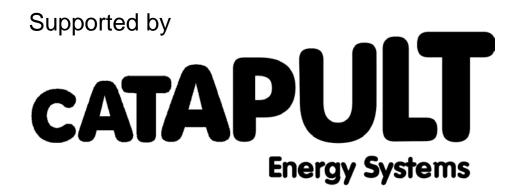


Connected Community



Innovate UK

Smart local energy systems: concepts and designs



www.YourCommunity.Energy



Produce and disseminate case studies and business case for best practice energy efficient homes and buildings, including the use of new electric technologies

- Energy+ living utilising modular offsite construction system
- Smart energy system at a microgrid level





Nick Bolton

nick@electriccorby.co.uk

Greater South East Energy Hub Delivering Regional Energy Priorities

South East Midlands Energy Strategy Launch 28th February 2019 Maxine Narburgh – Regional Hub Manager



The GSE Energy Hub

Objectives

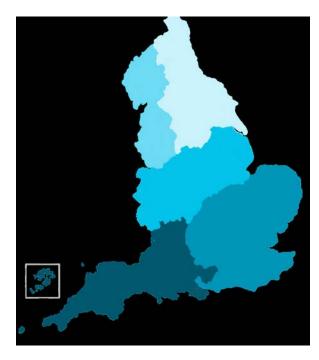
- Increase the number, quality and scale of local energy projects being delivered;
- Raise local awareness of the opportunity for and benefits of local energy investment;
- Enable local areas to attract private and/or public finance for energy projects;
- Identify options for the GSE Energy Hub model to be financially self-sustaining after the first two years.

Working on behalf of all LEP areas and their member LAs

- BTVLEP Buckinghamshire Thames Valley
 Local Enterprise Partnership
- C2CLEP Coast to Capital Local Enterprise
 Partnership
- CPCA Cambridgeshire & Peterborough Combined Authority
- EM3LEP Enterprise M3 Local Enterprise Partnership
- GLA Greater London Authority
- HERTSLEP Hertfordshire Local Enterprise Partnership
- NALEP New Anglia Local Enterprise
 Partnership
- OXLEP Oxfordshire Local Enterprise Partnership
- SELEP South East Local Enterprise Partnership
- SEMLEP South East Midlands Local Enterprise Partnership
- TVBLEP Thames Valley Berkshire Local Enterprise Partnership
- Potential staff hosts/hot desks
- Solent LEP in West of England Energy Hub
- \equiv Local Authorities in more than one LEP



Local Energy Hubs: The National Picture



- 5 Local Energy Hubs in England
- £4.8m total funding for 2 years
- £9m Rural Community Energy Fund up to 3 years
- North West
- North East
- Midlands
- Greater South East
- South West
- Each hub will have a regional lead, energy project managers and access to technical, financial and legal support

South East Midlands Regional Energy Priorities

STRATEGIC ECONOMIC PLAN

KEY ISSUES & CHALLENGES - ENERGY STRATEGY

Major new house building programme (340,000 – 560,000 by 2050)

Improved transport infrastructure

Business & employment growth

Innovation & 'showcase' sectors

Sustainable, secure energy infrastructure

Capacity supply constraints

Distributed generation constraints

Low carbon heat networks

Energy demand of buildings (efficiency, embedded carbon)

Electrification of transport

Transport connectivity

Energy Supply Capacity & Distributed Generation Constraints

SOLUTIONS

Clean Growth

Decarbonisation of the power system

Development of distributed energy

Manage Peak Demand

Active Network Management (smart grids)

Flexibility services (e.g. Piclo)

Demand Side Response

Energy Storage

GSE HUB ROLE

Identify new business models

Liaise with DNO, OFGEM and other stakeholders

Share case studies and best practice from across the UK

Support business case development & project financing

Communicate policy and/or regulatory barriers to BEIS and other government departments.

Low Carbon Heat

SOLUTIONS

Heat networks – new developments & areas with high load and density

Electrification of heat (rural and urban)

Use of waste industrial heat

Sustainable biofuels

Hydrogen

Plan ahead ~10 year development framework

GSE HUB ROLE

Support areas to access HNDU feasibility funding

Identify and drive best practice planning policy for new build

Share case studies, business cases and business models

Support access to funding and finance

Expand projects to an integrated whole system approach

Building Performance

SOLUTIONS

Low carbon 'in use' buildings e.g. passivhaus, Enerphit, energiesprong

High quality and carbon standards (planning policy, building regulations)

Buildings regulations -Enforcement of the 'performance gap'

Integrated renewable technologies

Behind the meter solutions

Whole house, energy efficiency retrofit at scale

GSE HUB ROLE

Support local policy development

Garden towns – models for local energy

Share case studies and best practice from across the UK

Support business case development & project financing

Communicate policy and/or regulatory barriers to BEIS & MHCLG

Transport: Electrification & Connectivity

SOLUTIONS

GSE HUB ROLE

Electrification Enable EV uptake EV charging infrastructure Planning policy, highways, procurement Connectivity Public transport Electrification of rail Avoid or shift transport activity Mobility as a Service GSE wide peer2peer network for EV & charging infrastructure Liaison with DNOs (networks and data) Integration into smart grids Regional events Shared best practice and lessons learnt Case studies Business models

Funding & finance

The Hub Project Pipeline

PROJECT SUPPORT

OUR PROCESS

Our aim is to develop and resource existing & future local energy projects to be investment ready.

Energy Project Managers – 121 support with Hub team

Business models, funding and finance options

Case studies, briefing notes, business models and templates for project development

Peer to peer energy networking for collaboration, sharing collateral and assets

Technical support for project development

Talk to us about your project

Complete an Expression of Interest form for Hub support

The Hub will identify priority projects that can collaborate for mutual benefit

Projects seeking technical support complete 2nd stage form

The Hub allocates resource for project support

Projects are added to the pipeline and programme of work

Contacts

Maxine Narburgh Regional Hub Manager maxine.narburgh@energyhub.org.uk 07395 799475

Sam Bosson Energy Projects Manager – SEMLEP, Herts LEP, CPCA <u>sam.bosson@energyhub.org.uk</u>

07395 799476

General Enquiries Erica Sutton Hub Support Coordinator erica.sutton@energyhub.org.uk 07542 226976

SEMLEP ERDF Funding Opportunities

28th February 2019 Sam Bosson – Energy Project Manager, Greater South East Energy Hub

Cranfield University, Bedfordshire



South East Midlands Local Enterprise Partnership

Apologies...

Jane Roemer - ESIF Manager for SEMLEP cannot attend due to illness





ERDF Priority Axis and allocations 2019-20

ERDF Priority Axis	March 2019
PA1 Research & Innovation	£5.3m
PA2 ICT	£1.9m
PA3 SME Competitiveness	£6.7m
PA4 Low Carbon	£3.2m
PA6 Green Infrastructure	£455K
Total	£17.55m



Call Timetable

- MHCLG have confirmed one further SEMLEP round in MARCH 2019 of £17.55m
- Any uncommitted funds will be amalgamated into a national call open to all in NOVEMBER...
- There will be NO calls in 2020





Useful documents

- ERDF Operational Programme 2014-20
- **ESIF** Programme Guidance 2014-20
- European Growth Programme: Output definition guidance 2014-20
- ESIF: Funding Agreements Guidance 2014-20
- SEMLEP Strategic Economic Plan
- SEMLEP ESIF Implementation Plan 2017-20





ERDF Key Principles

- Minimum project size is £500k ERDF (therefore £1m gross)
- 50% match funding includes staff time, SME contributions, delivery partners, donated land no more than 10%, buildings (present value), bank loans, capital/revenue match funding
- BREEAM rating of 'excellent' for new build and 'very good' for refurb.



ERDF Key Principles

- Sustainable Development and Equality Principles
- Added value, 'good value for money' and alignment with domestic priorities
- Simplified cost options for indirect costs
- Must be able to cashflow for up to 6 months
- Procurement policy (legal advice)
- State Aid (legal advice)





SEMLEP: ERDF Priority Axis 1 Research and Innovation

1b Promoting business investment in research and innovation

Specific Objectives: SMEs invest more in research and innovation in sectors / technologies linked to Smart Specialisation Strategy for England



SEMLEP: ERDF Priority Axis 2 Enhancing Access to ICT

2b Developing Information & communications technology products and services, e-commerce, and enhancing demand for ICT

Specific Objectives: Increase the number of small and medium sized enterprises making productive use of digital technologies



SEMLEP: ERDF Priority Axis 3 SME COMPETIVENESS

- 3a Promoting Entrepreneurship (new idea, new firms, business incubators)
- Specific Objective: increase entrepreneurship particularly in areas with low levels and amongst underrepresented groups





SEMLEP: ERDF Priority Axis 3 SME COMPETIVENESS

3c Supporting the creation and extension of advanced capacities for products, services and development

Specific Objective: Increase the growth capacity of SMEs





SEMLEP: ERDF Priority Axis 3 SME COMPETIVENESS

3d Supporting the capacity and the extension of advanced capacities for products, services & development

Specific objectives: Increase the growth capacity of SMEs





4a. Promoting the production and distribution of energy derived from renewable sources

Specific objectives: to increase the number of small scale renewable energy schemes in England





4b. Promoting energy efficiency and renewable energy use in enterprises

Specific objectives: to increase energy efficiency in particular in SMEs, including through the implementation of low carbon technologies



4c. Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector

Specific objectives: Increase energy efficiency in homes and public buildings, including through the implementation of low carbon technologies



4e. Promoting low-carbon strategies particularly for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptational measures

Specific objectives: Increase implementation of whole place low carbon solutions and decentralised energy measures



SEMLEP: ERDF Priority Axis 6 Green Infrastructure

6d Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure

Specific Objectives: Investments in green & blue infrastructure and actions that support the provision of ecosystem services on which businesses and communities depend to increase local natural capital and support sustainable economic growth



SEMLEP: ERDF Priority Axis 6 Green Infrastructure

6f Promoting innovative technologies to improve environmental protection & resource efficiency in the waste or water sector, & in regard to soil, or to reduce air pollution

Specific Objectives: Investment to promote the development & uptake of innovative technologies, in particular in resource efficiency, in order to increase the resilience and environmental and economic performance of businesses and communities.



Useful links

ERDF Operational Programme

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/4538 88/England_ERDF_operational_programme_FINAL_140815.pdf

- Programme Guidance (eligibility, publicity, procurement, revenue, state aid, document retention, performance, fraud, conflict of interest, timesheets) <u>https://www.gov.uk/government/publications/european-structural-and-investment-funds-programme-guidance</u>
- Output definition guidance <u>https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5770</u> <u>16/ESIF-GN-1-002_ERDF_Output_Indicators_Definition_Guidance_v3.docx</u>
- Funding Agreements <u>https://www.gov.uk/government/publications/european-</u> <u>structural-and-investment-funds-funding-agreements</u>
- Strategic Economic Plan and ERDF Impact Brochure can be found: <u>https://www.semlep.com/resource-hub/key-publications/</u>



SEMLEP ERDF Thank you for listening

WE WILL BE HAPPY TO ANSWER ANY QUESTIONS DURING THE WORKSHOP



South East Midlands Local Enterprise Partnership



ERDF Project RENEW





European Union

European Regional Development Fund

Sue Davies

Strategic Energy Manager Luton Council





ERDF Priority Axis 4: Supporting the Shift towards a Low Carbon Economy

£3,000,000 match funded project to increase the energy efficiency of public sector housing stock



LOWER CARBON FOOTPRINT LOWER UTILITY

LOWER UTILITY COSTS FOR RESIDENTS



Project Aims



To find low carbon solutions for 224 homes which would improve the fabric and core building services and provide a whole building energy solution. Establish a "fabric first" focus





Project Outputs

- Saving of 1000kg of CO₂/flat/year
- Financial saving to help alleviate fuel poverty presently residents pay around £700 per year – savings from lower utility bills









Project RENEW



10 blocks of flats, built in 1960s

Each block with 112 flats

Project RENEW to renovate 2 blocks = 224 flats



Low Carbon Solutions: In each flat

Heat recovery system

Ensures humidity levels are controlled while the heat recovery system recovers up to 75% of the

heat





Low Carbon Solutions: In each flat

All bulbs replaced with LED resulting in electricity savings of around 75% as well as having a life up to 25 times longer.







Low Carbon Solutions: Communal Areas

PV arrays to supply communal areas





Low Carbon Solutions: Communal Areas

Battery storage to compliment PV

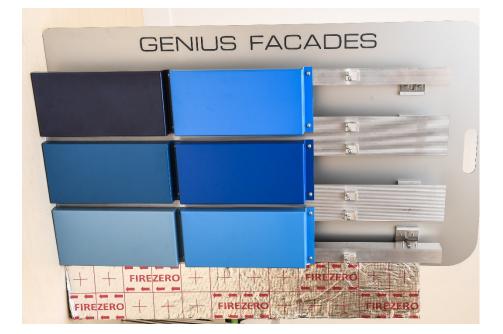




Low Carbon Solutions: Building Fabric

Retrofit external insulation consisting of an external fascia and Rockwool insulation to wrap the original concrete structure









Tenant Engagement







Tenant Engagement

Access to properties to install new lighting, heat exchangers and extensions to boiler flues was key

A programme of events for local residents was organised to inform tenants of the planned works and to introduce them to their tenant liaison officers







Coping with the unexpected

The tragedy of the Grenfell Tower fire coincided with the planned start date for the project.

Everything was immediately put on hold while we sought absolute reassurance that the planned external cladding system was safe

Due to the heavy demand for testing facilities for cladding already installed on buildings, we lost many months waiting for the necessary clearances.





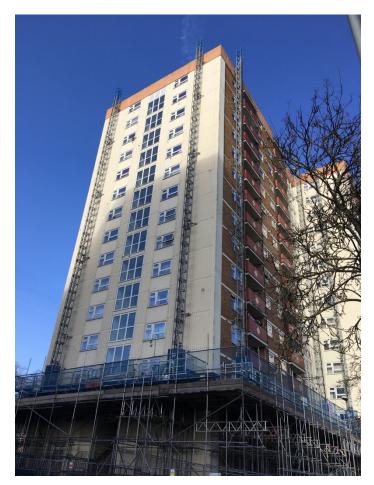
Coping with the unexpected

Not only did we need the reassurance that the cladding system was safe, it was also very important that residents were at ease and had confidence too. The fire test was filmed and made public at another residents event and on the Luton Council website.





At last – project start

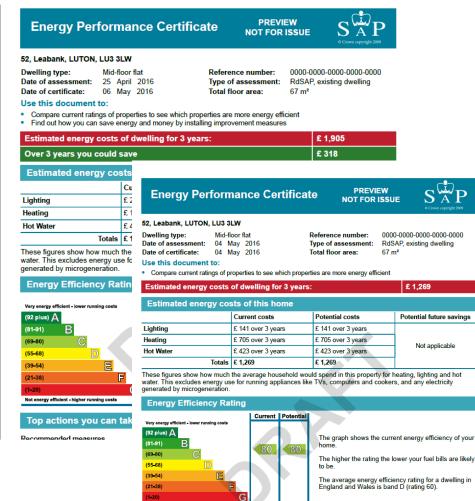


Scaffolding up and ready to go – the elusive mast climbers in place PV panels and batteries installed and internal works to flats completed

External works have revealed the need for more testing of the concrete to ensure cladding system is well secured.



Confirmation of Output



Not energy efficient • higher running

- Improved EPC
- Monitoring of residents smart meters where possible to ensure savings are achieved
- Ongoing monitoring and support to ensure savings continue



Project completion expected summer 2019









Project Renew – Next?

Two blocks down – another eight to go.....





European Union European Regional Development Fund

Sue Davies

Strategic Energy Manager Luton Council sue.davies@luton.gov.uk





www.cranfield.ac.uk

Energy: Leading global innovative technological solutions

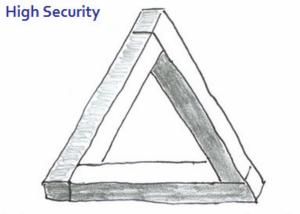
Phil Longhurst – Professor of Environment & Energy Technology

Head - Centre for Climate & Environmental Protection

Energy strategy launch - SEMLEP, 28th Feb-19

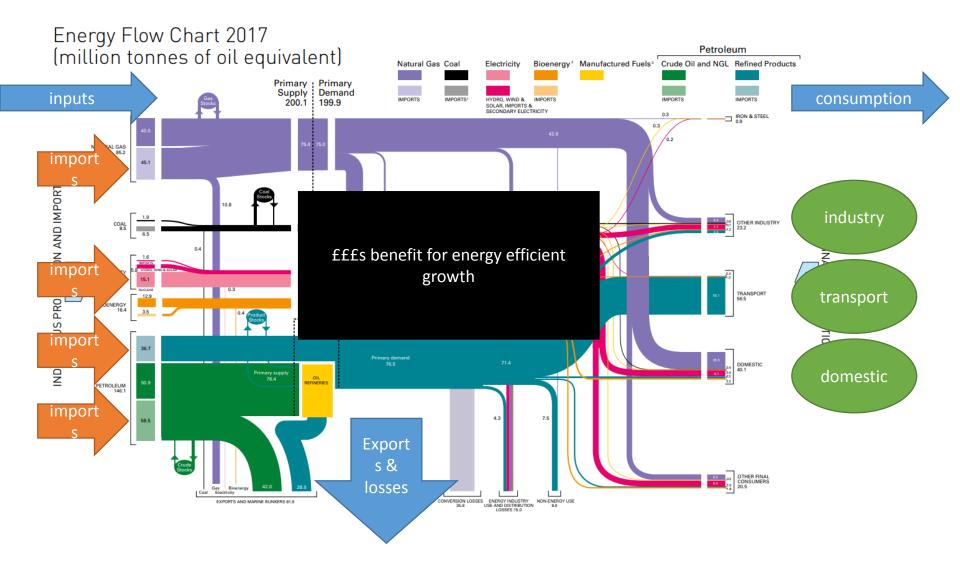
The Energy Sector's Global Importance

- Secure, affordable and reliable energy supplies underpin:
 - Political and economic stability
 - Ability to manufacture goods and export services competitively
 - A comfortable standard of life
- Future energy requirements:
 - Increasing energy demand from growing populations and industrialisation
 - Production of energy in a clean and sustainable manner



Low Carbon

Low Cost



Cranfield University - Energy and Power Theme





Cranfield - ENERGY AND POWER

Activities cover:

- Advanced fossil fuel utilisation
- Carbon capture and storage
- Low carbon energy supply
- Materials for energy systems
- Offshore renewables
- Oil and gas engineering
- Power generation technologies
- Risk and reliability
- Subsea engineering
- Thermal conversion technologies
- Utilisation of wastes as fuel





Total Pazflor Angola Block 17 Subsea Gas Liquid Separator



Jack-up drilling rig



4x large-scale facilities

- Electrical Power & Drives Laboratory
- Energy Technology Centre
 - Concentrated Solar Power Laboratory
 - Energy Materials Laboratory
 - Energy Processes Laboratory
 - Energy Technology Laboratory
 - Advanced Thermal Conversion Technology Lab
 - Bioenergy Laboratories & Anaerobic Digester
- Process Systems Engineering Laboratory
- Structural Integrity Laboratory





Environmental Impacts & Opportunities

- Environmental law/regulation
- Emissions and waste control
- Waste management
- Sustainability
- Re-use and recycling
- Environmental monitoring





Project Management & leadership

- Project design and procurement
- Project planning
- Regulatory issues
- Health and safety
- Contract law
- Environmental law
- Cost engineering capex/opex
- Risk management



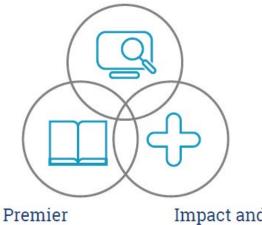
Industrially-led learning programmes

Transformational research



REMS Centre for Doctoral Training

http://www.rems-cdt.ac.uk/



Premier learning Impact and influence











Partners include...



Delegates choice





ERDF Workshop Lecture Room 1

Steve McAteer, Deyton Bell Sam Bosson, GSE Energy Hub

Tour of Cranfield University Meet Nigel Simms outside of auditorium

Next Steps

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- Communicate opportunities.
- Be cognisant of the granularity across the SEMLEP area and work at all scales.
- Welcome involvement in demonstrator and scale up opportunities.
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