



**Increasing the environmental capital of your locality:
big investment in green energy with big financial
returns for Peterborough City Council**

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**APSE South/South West: Innovation and
Commercialism in Local Government, 23 May 2013**

2 years ago...

What's happening at the moment.....A LOT

- that's not co-ordinated
- that does not link into a lot of the councils core policies and strategies
- of resources
- lack of prioritisation
- conflicting priorities
- **missed opportunities to make real difference**

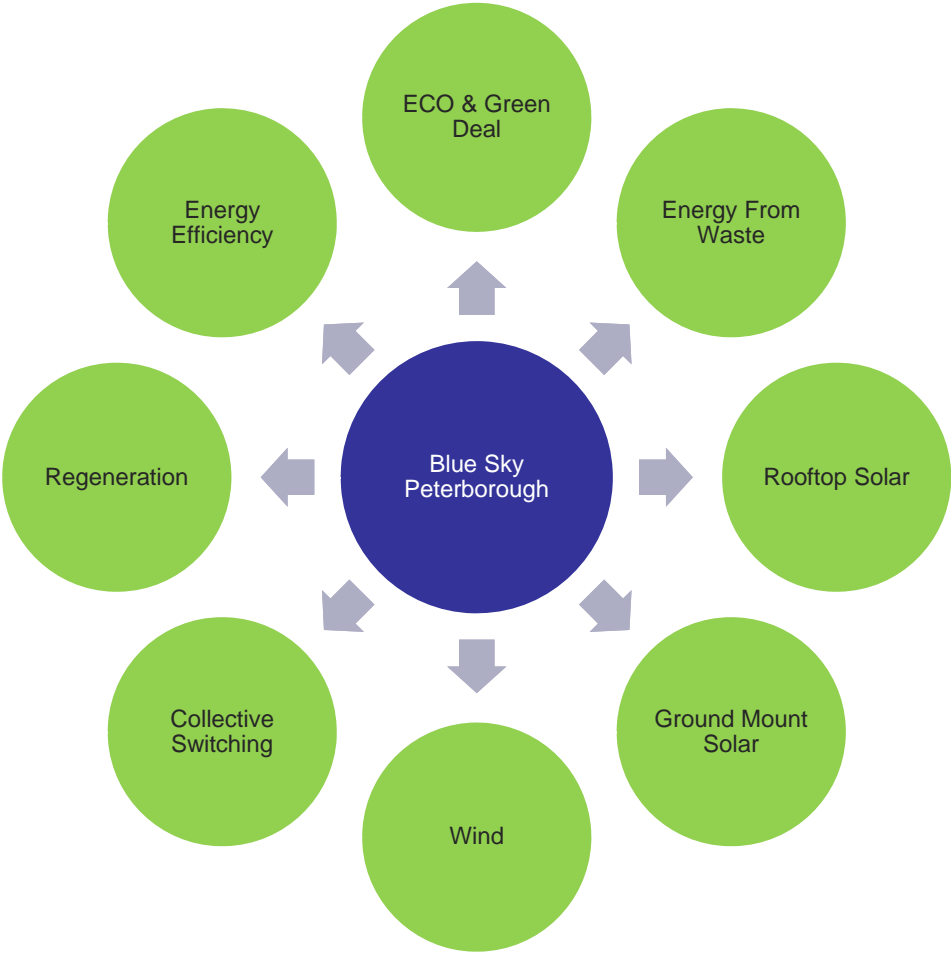
I WANT AN ESCO!



Peterborough City Council - Strategic Context

	Current	Future
Strategic Direction	Environment City	Environment Capital
Tactical Development	Net Consumer	Net Generator
Operational Deployment	ESCo	Micro-Utility
Contractual Definition	Customer	Central Purchasing Authority

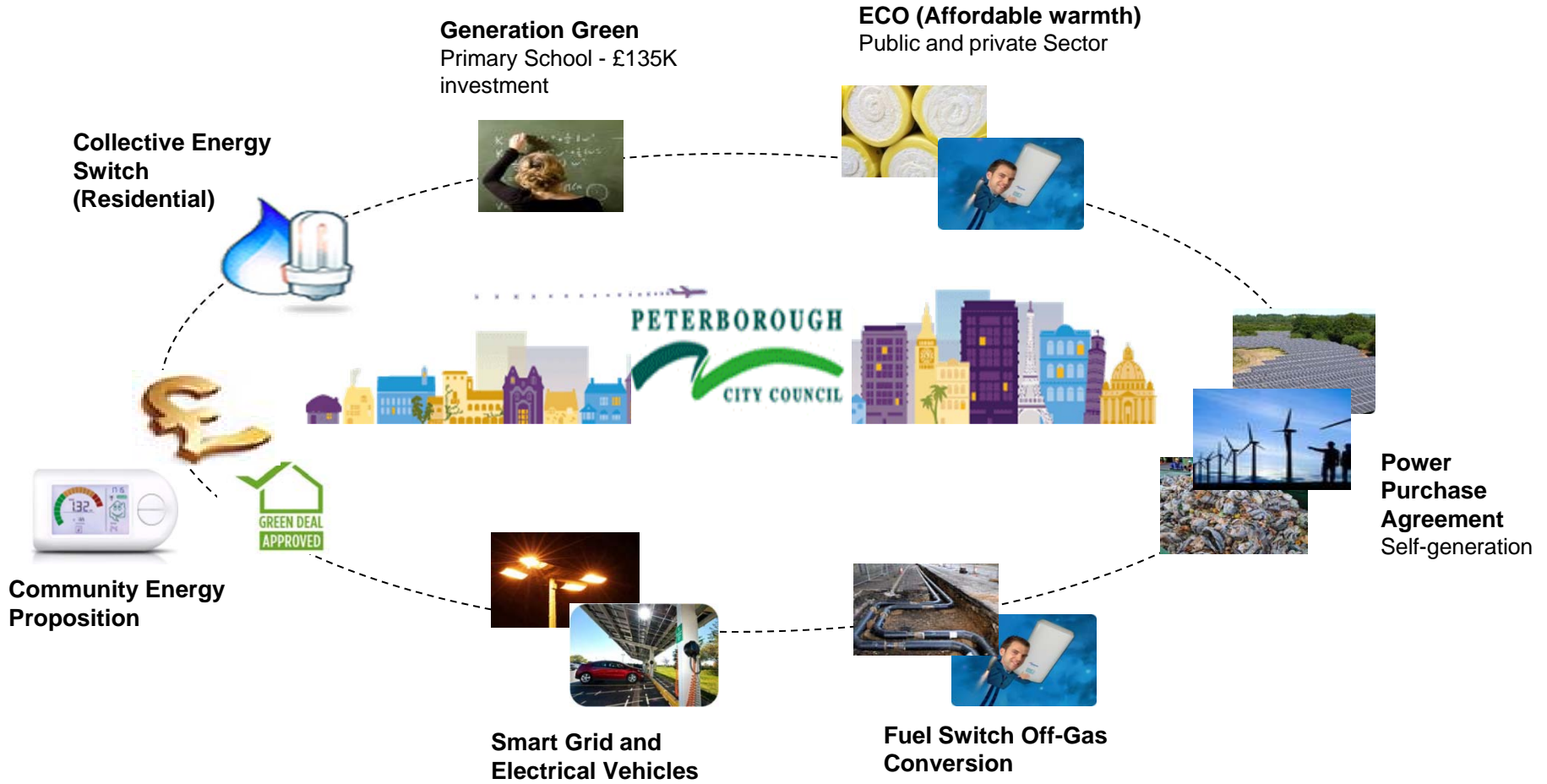
ESCO Scope



Area-Based Energy Programme

INSIDE HOUSING news, views and jobs in social housing
.CO.UK

“LA residents gain from £20m ECO deal”



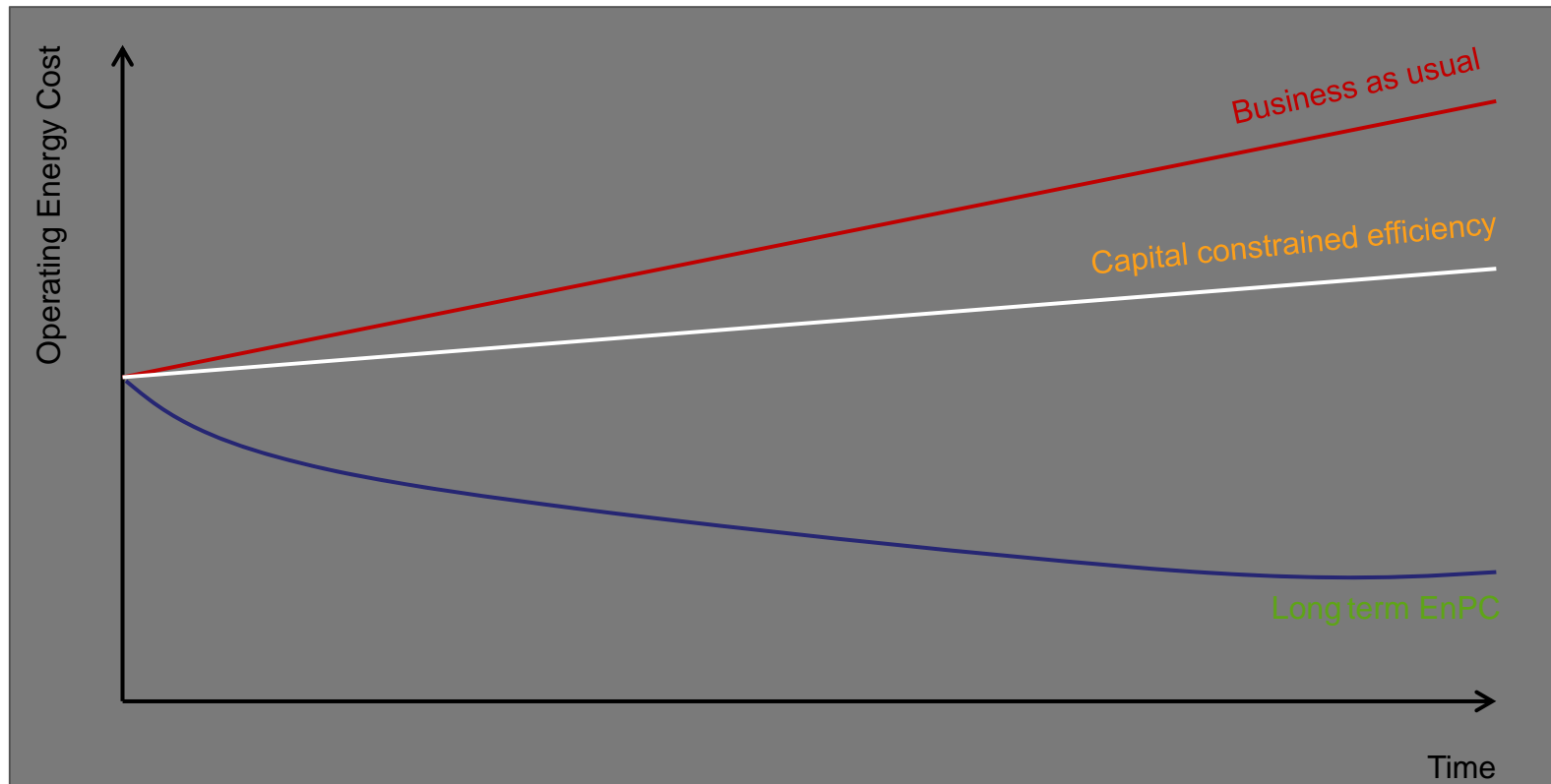
PETERBOROUGH

 CITY COUNCIL

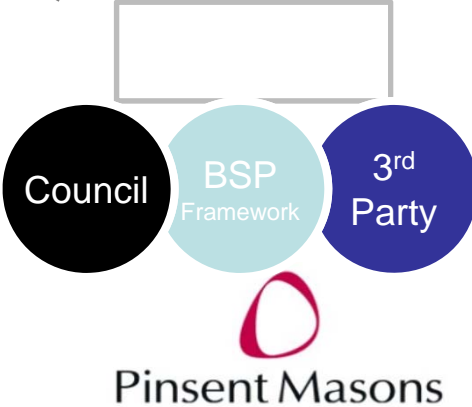
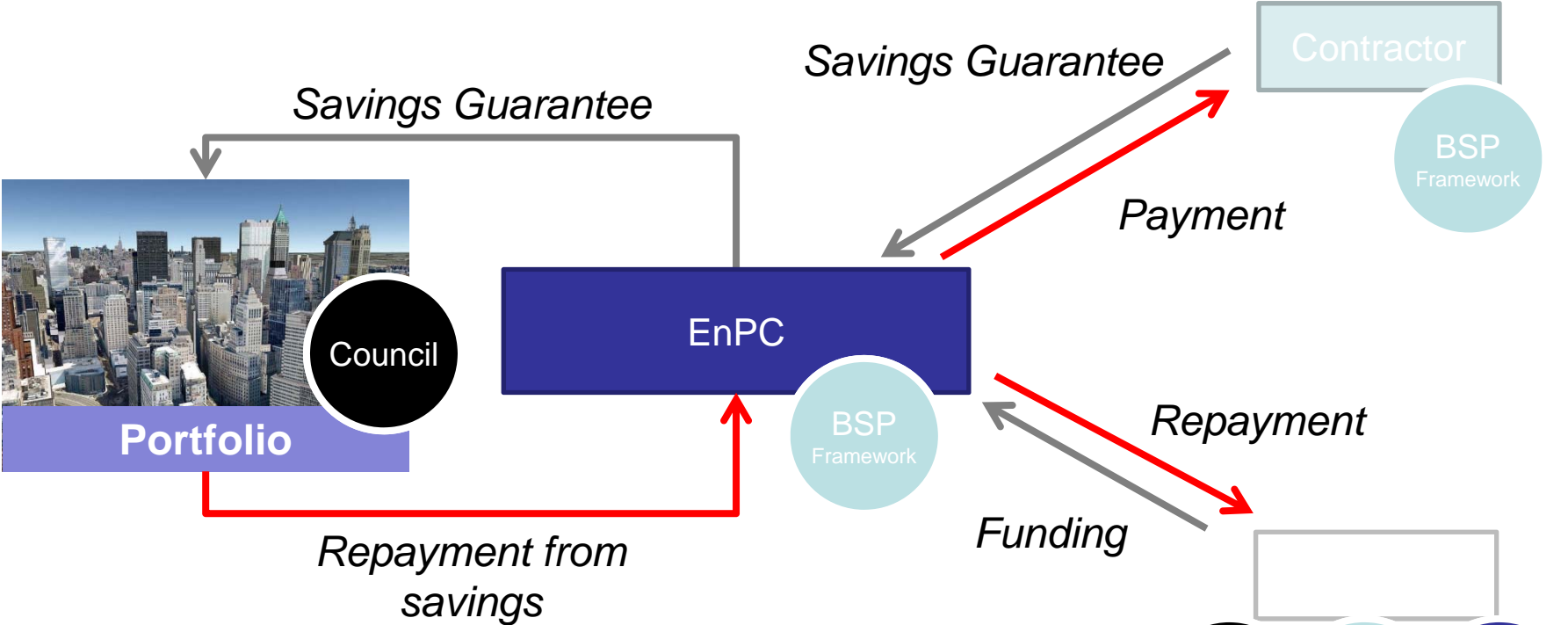
Blue Sky
 Green Energy


 Pinsent Masons

ENPC: STRATEGY



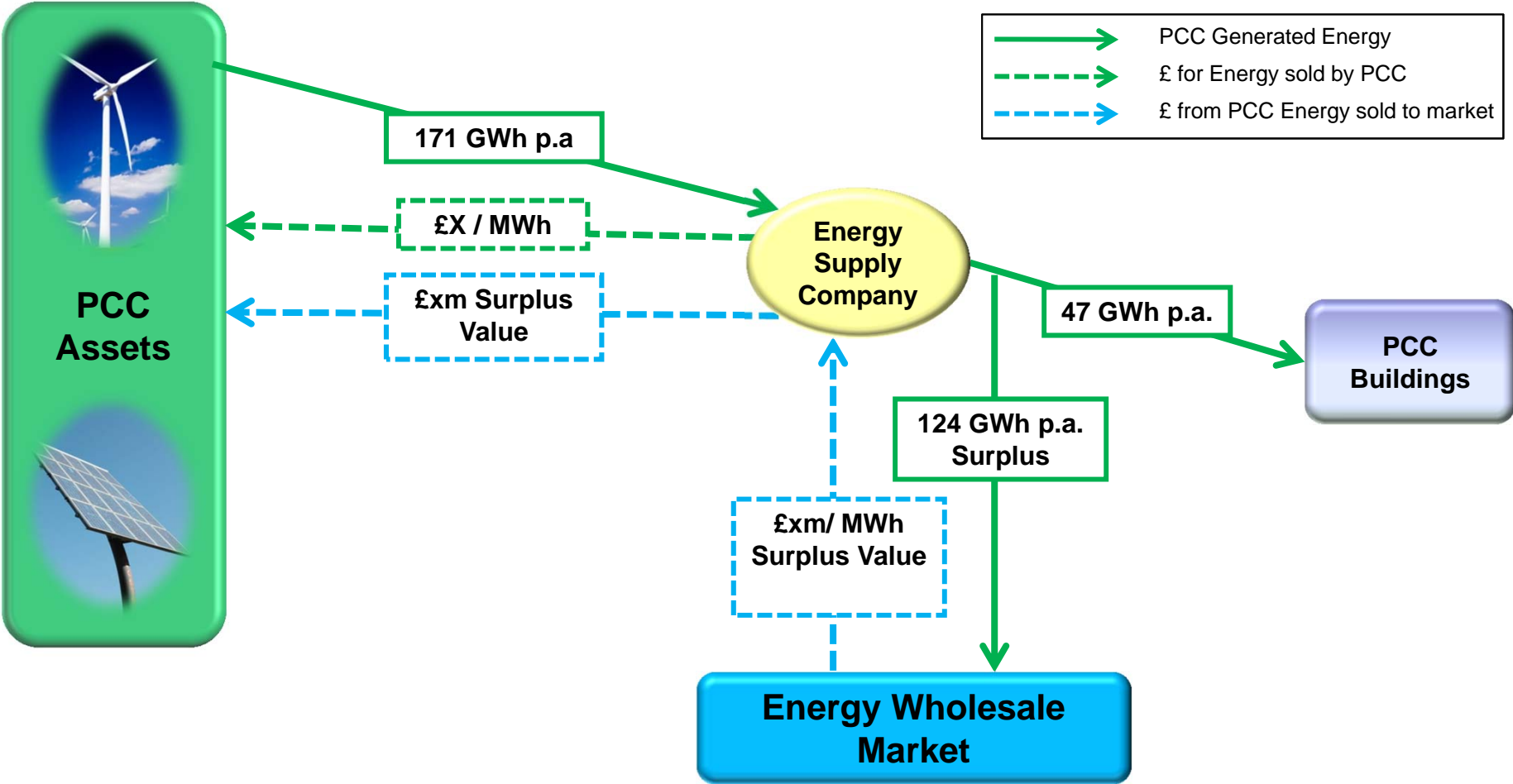
BSP & Other Council Example – EnPC



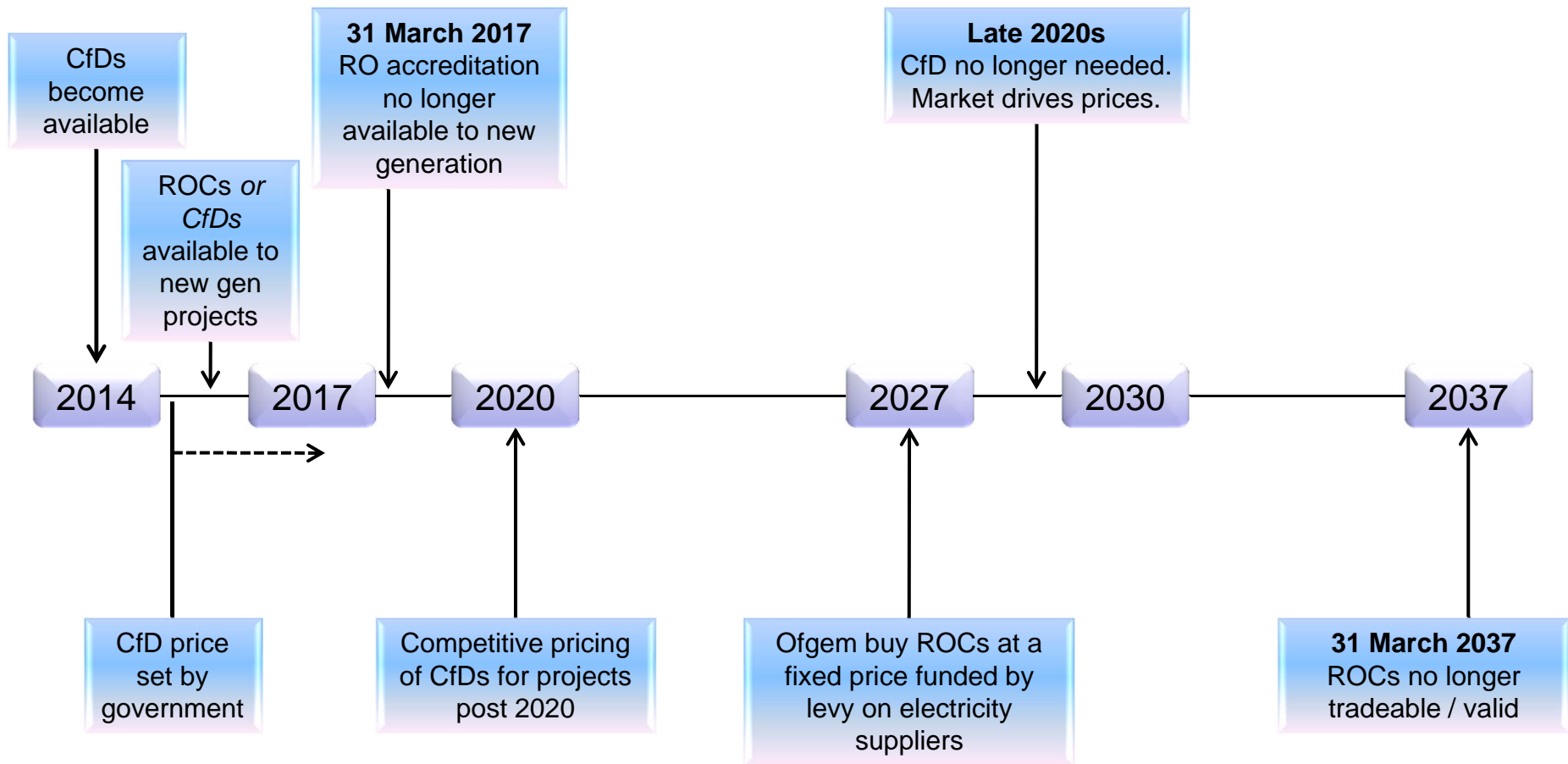
ESCO Trading Business Model

- Self supply
- Generate a profit from the sale of its excess energy;
- Be scalable / sellable to other councils;
- Keep costs of supply/transmission low;
- Result in a cheap, green “Peterborough tariff” for local residents;
- Allow Peterborough to be self-sufficient for energy.

Supply and Sell Model

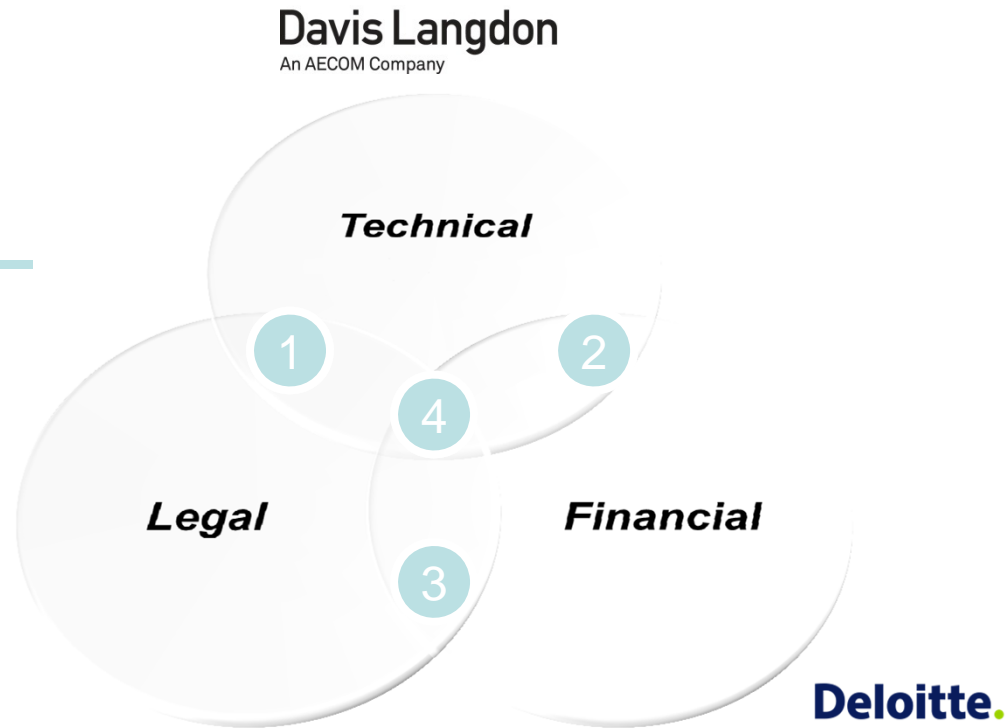


Transition from ROCs to CfDs



Converting “opportunity” to “project”

- 1 *Compliant*
- 2 *Bankable*
- 3 *Structured*
- 4 *Commercialised*



Commercialisation

- If it works for Peterborough then it has to work for another council
- Paying me is cheaper than the cost and time to procure and learn ...and avoid mistakes
- Renewables can generate income
- Energy efficiency saves money
- There is money in the ground – get in their first
- Funding is available from the private sector
- Off balance sheet solutions are available
- Get a good legal advisor on trading!

The Challenge!!



Commercialisation – Keeping clients out of troublelegally!

- Early engagement – what is it that you want?
- Procurement strategy
- Local authority governance
- Use of trading companies – securing income streams
- Energy regulation

Lessons Learned

- 1 **Governance** – Ownership at Financial Director level
- 2 **Centralised control** – Structured approach
- 3 **Strategic Direction** – Strong Legal, Technical and Financial focus
- 4 **Triage** – Focus on commercialisation
- 5 **Collaboration** – Leverage framework and experience to reduce time and costs

Contacts



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