

# Agenda



Contact Officer: Candida Mckelvey, Democratic Services Officer  
Tel: 07895 213820  
E-mail: [candida.mckelvey@southandvale.gov.uk](mailto:candida.mckelvey@southandvale.gov.uk)  
Date: 04 September 2020  
Website: [www.southoxon.gov.uk](http://www.southoxon.gov.uk)

Listening Learning Leading

## A MEETING OF THE

# Climate Emergency Advisory Committee

WILL BE HELD ON MONDAY 14 SEPTEMBER 2020 AT 6.00 PM

## VIRTUAL MEETING

### Members of the Committee:

Sue Roberts (Chair)

Sam Casey-Rerhaye  
Sue Cooper  
Stefan Gawrysiak  
Sarah Gray

Kate Gregory  
Simon Hewerdine  
Lynn Lloyd  
Caroline Newton

David Rouane  
Alan Thompson  
Celia Wilson

### Substitutes

*Ken Arlett  
Robin Bennett  
Elizabeth Gillespie  
Lorraine Hillier*

*Kellie Hinton  
Mocky Khan  
Axel Macdonald  
Jane Murphy*

*Andrea Powell  
Jo Robb  
Anne-Marie Simpson*

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MARGARET REED  
Head of Legal and Democratic

## **1 Chair's announcements**

To receive any announcements from the chair and general housekeeping matters.

## **2 Apologies for absence**

To record apologies for absence and the attendance of substitute members.

## **3 Declarations of interest**

To receive any declarations of disclosable pecuniary interests in respect of items on the agenda for this meeting.

## **4 Urgent business**

To receive notification of any matters which the chairman determines should be considered as urgent business and the special circumstances which have made the matters urgent.

## **5 Minutes of the last meeting (Pages 4 - 8)**

For the committee to review the minutes of the meeting on 03 August 2020, and for the chair to sign them as a correct record of the meeting.

## **6 Public participation**

To receive any questions or statements from members of the public that have registered to speak.

## **7 Power purchase agreement (Pages 9 - 13)**

For the committee to review the opportunity to enter into negotiations with the Low Carbon Hub and other Oxfordshire Councils on a potential Power Purchase Agreement. To make recommendations to Cabinet.

## **8 England's Economic Heartland - Transport Strategy Consultation**

For the committee to review consultation materials and consider their input to Cabinet and officers for inclusion into the Councils submission into the consultation.

*Link to the consultation:*

<http://www.EnglandSEconomicHeartland.com/Pages/transport-strategyconsult.aspx>.

## **9 Preparations to respond to Government's energy efficiency grants funding schemes (paper to follow)**

For the committee to discuss how to respond to the Government's energy efficiency grants funding schemes, in particular the Flexible Home Improvement Grant (1-page paper to follow)

**10 Corporate Plan 2020-24 - Input into proposed metrics for Climate Emergency and Protect and Restore our Natural Environment themes**

To make suggestions for and input into proposed measures for the Climate Emergency and Protect and Restore our Natural Environment themes of the proposed Corporate Plan 2020-24. (no paper)

**11 Future agenda items**

For the committee to receive an update on the future agenda items

# Minutes

OF A MEETING OF THE



Listening Learning Leading

## Climate Emergency Advisory Committee

HELD AT 6.00 PM ON MONDAY 3 AUGUST 2020

<https://www.youtube.com/watch?v=ww2ksfXISpY>

### Present

Sue Roberts (Chair)

Sam Casey-Rerhaye, Sue Cooper, Stefan Gawrysiak, Sarah Gray, Kate Gregory, Simon Hewerdine, Lynn Lloyd, David Rouane, Alan Thompson and Celia Wilson

### Officers

Michael Flowers, Candida Mckelvey, Heather Saunders, Michelle Wells

### 52 Chair's announcements

Chair's Address to CEAC 3<sup>rd</sup> August 2020

Climate change has not gone away during Covid19. Uncommonly large hurricanes have hit Texas and Florida so early in the hurricane season; Italy and Spain hit record high temperatures in last week's heat wave; and Southern France and California are ablaze.

Meanwhile in South Oxfordshire the emerging Local Plan 2035 has been in inspection for 3 weeks and there will be a summing up on Friday by the Inspector, Mr Jonathan Bore.

The Guardians of South Oxfordshire is a group of councillors and members of the community speaking up for nature, for the wellbeing of existing and future residents of the district, and for action on climate change. We have contributed to most of the hearings conducted by Mr Bore and have found him to be sympathetic and concerned for the future of our District.

Nevertheless, where we consider the plan to have fatal failings, it is possible that Mr Bore will find the plan sound, with amendments, in terms of the very loosened-up planning law that we now work to. This is worrying for those of us concerned that a 50% increase in housing is **exaggerated**, when our population is set to rise by only 10%; **unsafe** as it will create large greenhouse gas emissions in construction and operation of the homes; **illegal** in terms of the requirement for a speedy reduction in greenhouse gases, and **insecure** as it takes land from wildlife and farming when the natural world is collapsing, and food security considerations demand that we grow more food locally.

Mr Bore was receptive to concerns over carbon emissions and nature recovery. I explained what I myself have only newly learned, that we are, in SE England, the

custodians of most of the world's chalk streams, and much of the world's chalklands. Chalk makes up our Areas of Outstanding Natural Beauty (AONB). Outside Britain it is found only in France, Texas, Greenland and Asia. We are the custodians of unique ecosystems that should not be destroyed.

He invited me to write some words on how to achieve environmental improvements, and he encouraged planning officers to work with our committee to improve our environmental and climate change policies.

However, we must be cognisant that the new plan has very high targets, 10,000 homes more than we are working to at the moment (that is 3 Wallingfords), and the minute it gets adopted our housing land supply will drop from 10 years to 5 years. That means we can show that for only 5 years will developers be likely to build to our targets. If they slow the rate of build, perhaps because the housing market dips, then the 'housing land supply' is said to fail and developers can make speculative applications for even more development land.

We have suffered this enough in South Oxfordshire. Speculative development has created permissions for 16,000 homes in-train to be built, double the number we can even fill according to the Office of National Statistics.

The plan allocates land for 40,000 homes (10 new Wallingfords), land which cannot be unallocated; this will be catastrophic for South Oxfordshire. We at CEAC will do what we can to improve the climate and environmental policies, but these will not be enough to protect our district from environmental destruction.

### **53 Apologies for absence**

It was noted that Councillor Newton was on leave.

### **54 Minutes of the last meeting**

There were some amends requested, which the Democratic Services officer will apply before publication. The minutes were agreed as a correct record of the meeting, and the chair will sign them as such.

Amendments:

Item 48, bullet point 10 – should read Oxfordshire County Council, and remove OxLEP. Suggested use of acronyms.

### **55 Declarations of interest**

No declarations

### **56 Urgent business**

The first item discussed under urgent business was nominations for a task and finish group for a meeting this Thursday, 6 August, to work on climate and biodiversity policies with planning policy.

**Resolved:**

This meeting was confirmed for 2pm, and the councillors who were interested in attending were Jo Robb, Sue Roberts, Celia Wilson, Simon Hewardine, Sue Cooper, Sam Casey-Rerhaye and Sarah Gray. Councillor Gillespie had also been invited.

The second discussion in urgent business was an item raised in the previous meeting on 29 June 2020, regarding obtaining legal advice. Councillor Sue Roberts had been given advice, from Head of Legal and Democratic Services, that they will not commission specialist legal advice. However, the Planning Policy team will bring forward a report after the Local Plan examination.

The committee discussed timescales – there was some concern that the report would be too late, and the committee wants to find out if they can have this information any sooner. It was suggested that the committee could ask the Programme officer for the timescales, in order for the committee to contribute comments.

If there are no internal advice options, the committee agreed that finding an external advisor could be an option. Suggestions included Client Earth, Local Government Association and Plan B (planb.earth).

**Resolved:**

That the Chair would ask Legal and Democratic to provide any information they have that makes up the planning report on climate change that has been referred to, ideally for the Thursday meeting of CEAC members with the planning officers, or as soon as possible.

Additionally, because it is believed that we no specific climate expertise in our planning department, we seek to commission legal advice from an environmental analyst - that person to be proposed by the committee - to ensure the legality of climate policies in the emerging Local Plan.

**Motion:**

The CEAC is in agreement that if necessary, the committee can use the one-year work programme underspend towards legal advice to input into possible sustainability amendments to the Local Plan inspection.

The committee agreed unanimously.

The third item for discussion under urgent business was the active travel funding from Oxfordshire County Council (OCC).

Discussion was had regarding how the committee could generate some “iconic” project ideas to send to OCC, via the Committee chair, Councillor Sue Cooper as Leader, and Cycle Champion, Councillor Sam Casey-Rerhaye.

The cycle route ideas raised in the meeting were:

1. Science Vale strategic network cycle route– Didcot Parkway station to Milton Park, to include Mendip Heights.
2. Chinnor to Thame
3. Thame to Haddenham
4. Also, Pedestrianisation Wallingford was championed by committee chair – however apparently the parish council didn’t agree with the idea.

## **57 Update from the Task and Finish group**

The committee was updated on the work of the task and finish groups.

There were three held recently, as follows:

1. The Planning design guide was the subject of the task and finish group on 13 July – an update was given from Councillor Casey-Rerhaye. The group was given an introduction on the timescales, and the guide was planned to be ready mid-2021. It

needs to link to national design guidance. It is a material planning consideration in planning application, but it is not the same as in the Local Plan. It was discussed how task and finish would feed into this. The committee were informed that there was a meeting chat set up by Marta Bou Fernandez in Planning, it has been sent as a separate Microsoft teams chat link called teams forum. Councillor Casey-Rerhaye informed that she contributed to the forum with information about Town and Country Planning Association and the Royal Town Planning Institute, who have developed climate change guide for planners, also Living with Beauty and NPPF also.

2. On 20<sup>th</sup> July, Dominic Lamb discussed ecology with a task and finish group. Committee chair Sue Roberts updated the committee on this. Work has started on creating Nature Recovery Networks, this came about in the 25-year environment plan of 2019 and is mentioned in the Environment Bill. The work has been done by Thames Valley Record Centre (TVRC). There is a map which will be shared. It covers South Oxfordshire and shows where to start putting funding towards improvements. Tree planting map will be ready by the end of 2020, completed by TVRC. There will be an Office for Environmental Protection – and an upgrade to a general duty to conserve and enhance biodiversity. A report will be created in 3-5 years by the District. All developments need a 10% biodiversity net gain. Local Planning Authorities should register land with conservation covenants. We are publishing a local nature recovery strategy, and it must include the networks in it.
3. The report commissioned with Aether was reviewed by the task and finish group. The methodology used for the baseline carbon emissions was reviewed and the group were content with the methodology. The committee acknowledge this, but could not recommend the report to Cabinet, as they had not seen it. The committee are happy for Aether to continue with the next stage of work. The presentation slides were requested. It was noted that air travel wasn't included as it is out of our influence.

**Resolved:** To note that the Aether report methodology was presented to the task and finish group. The committee notes the verbal reports for the three task and finish groups.

## 58 Public participation

None.

## 59 Future agenda items

Several items have now been identified for CEAC review, including Oxfordshire ARC, Community Infrastructure Levy, Power Purchase Agreement and England's Economic Heartland Consultation.

The committee needs to reprioritise the work programme soon, as of the next meeting.

It was also confirmed that a meeting would be held in September, and then roughly six week intervals, with other meetings set for late October and then December 2020.

The meeting closed at 7.46 pm

Chairman

Date



# Climate Emergency Advisory Committee



Report of Acting Deputy Chief Executive Transformation and Operations

Author: Michelle Wells

Telephone: 01235 422648

E-mail: michelle.wells@southandvale.gov.uk

Executive member responsible: Andrea Powell

Tel: 07882 584120

E-mail: andrea.powell@southoxon.gov.uk

To: Climate Emergency Advisory Committee

DATE: 14 September 2020

REPORT NO:

## Power Purchase Agreements

### Recommendation

That the Committee recommends to Cabinet that officers join discussions with other Oxfordshire councils and commercial partners to identify the feasibility of entering into a Power Purchase Agreement.

### Purpose of Report

1. Following the council's participation in a workshop on 22 July 2020, this report introduces the idea of South Oxfordshire District Council working collaboratively with other Oxfordshire councils on a Power Purchase Agreement (PPA). The report explains the concept of a PPA, describes some of the issues for consideration and sets out the possible next steps.

### Strategic Objectives

2. Action on the Climate Emergency is a priority theme in the proposed Corporate Plan 2020-2024. The opportunity to consider a PPA is important as part of a portfolio of initiatives to meet the council's target to become a carbon neutral council by 2025.

### Why is the council interested in a PPA?

3. The council will achieve its climate goals by adopting a range of initiatives. Energy efficiency in council buildings and the installation of on-site renewables are also important but are unlikely on their own to allow us to meet our carbon targets.

4. The council intends to purchase REGO backed renewable electricity. The Renewable Energy Guarantees of Origin (REGO) scheme provides transparency to consumers about the proportion of electricity that suppliers source from renewable generation. However, we cannot use this electricity to offset our own carbon emissions. The National Grid already takes this renewable energy into account when calculating the grid emissions factor, so to use this renewable generation for our own offsetting would be double counting.
5. The Greenhouse Gas Reporting Protocol allows us to record that we are using renewable electricity in our properties **if** the council's contribution is essential to the development of a generation asset. This is known as 'Additionality'. A PPA connects a consumer directly with a generator and this direct relationship provides the guarantee required. If the council's intervention is necessary for the project to occur then additionality is verified, and we can record our electricity use as having zero carbon emissions.
6. If the council enters into a PPA agreement with a renewable energy generator in Oxfordshire this would have the additional benefit of stimulating local renewable generation capacity.

### **How does a PPA work?**

7. A PPA is a contract for a defined volume of electricity, for a defined price and a defined period.
8. Unlike standard energy procurement where the council would have a relationship with an energy supplier, a PPA would also involve the councils having a direct arrangement with an energy generator. The council pays the generator for the energy provided. In turn, the generator provides the council with a Renewable Energy credit, certifying that the council is using electricity with zero carbon emissions.
9. The energy supplier is still involved and provides a 'sleeving' service in which the electricity generated by the generator is matched on a half hourly basis to the customer's (council's) electricity demand. Electricity demand that does not match the renewable supply is purchased as normal from the energy supplier. The energy supplier will charge a fee for these administration and 'balancing' roles.
10. A PPA is therefore a three-way legal agreement as shown overleaf:

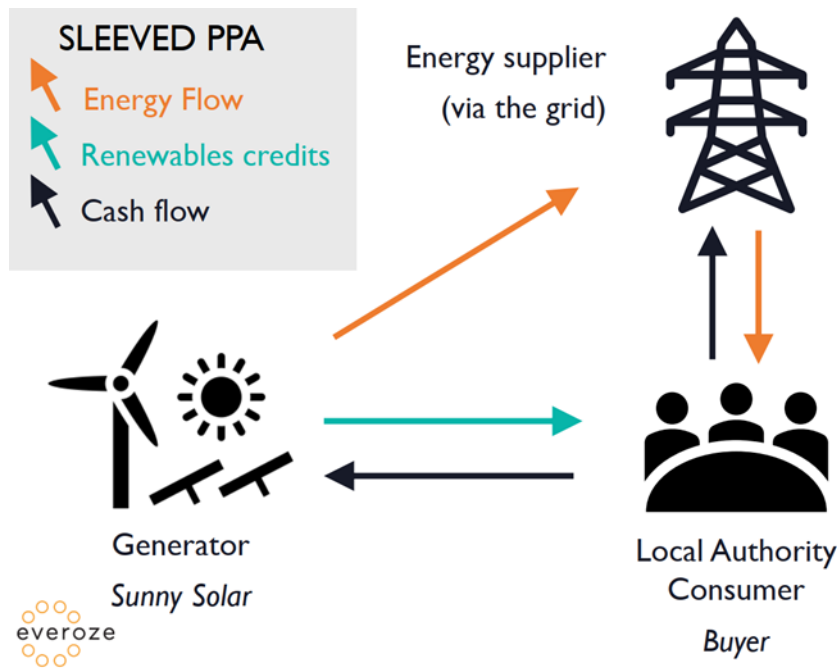


Figure 1. Interactions between parties in a PPA

## Issues for consideration

11. A PPA would be a new way of operating for a council and there are some significant issues to consider:

### FINANCIAL ISSUES

12. The council's current energy procurement contract is for a period of four years. Renewable energy investors require revenue certainty and, as such, a PPA is normally a long-term contract of around 15 years. Further work will be necessary to identify whether the project benefits justify such a long-term commitment.

13. No indicative costs are yet available for electricity purchased through a PPA and this would be part of further discussions. Electricity costs will be set by the generator at a level that will make an asset such as a solar farm viable.

### PROCUREMENT ISSUES

14. Our current energy procurement contract with LASER allows for the incorporation of 'sleeving' and PPAs, but this is coming to an end and the energy supply is the subject of a new procurement. A future LASER contract could also accommodate sleeving and PPAs so our energy procurement will not be impacted by these proposals.

15. The PPA format is tried and tested in the private sector. Local government procurement rules are more complex, however PPAs have already been implemented by the following councils and there is scope for Oxfordshire councils to learn from existing documentation:

- West Sussex County Council
- Swindon Borough Council

- Warrington Borough Council
- City of London

16. The council would prefer where possible to support a renewable energy generator based in the local area. The Low Carbon Hub is already involved in plans to own and operate ground mount solar sites in Oxfordshire and is interested in working with local councils to deliver this.

#### PREDICTABILITY OF DEMAND

17. Entering into a PPA would require the council to estimate its long-term electricity demand. Modelling our long-term energy needs will be made more complex by the fact that we also intend to deliver other Climate Emergency projects that will reduce energy demand. We will also need to consider how our demand for electricity will increase as we move away from gas and adopt electric vehicles.

18. Further, the council's strategic property review may affect the number of assets we have remaining in the longer term to form part of a PPA.

#### SHAPE OF ENERGY DEMAND

19. One issue for PPA is that the pattern of generation and demand do not match over a 24-hour period. Offshore wind energy tends to be a better match than solar but would not be local. Any PPAs with Oxfordshire-based generators are likely to use solar energy. We may therefore require a portfolio of PPA agreements to meet our targets, which would add complexity.

#### Next steps

20. The opportunity exists for the council to enter into discussions with other Oxfordshire councils regarding a potential PPA consortium. The Chief Finance Officer from Oxford City Council will be raising the matter in the Oxfordshire Treasurers Group.

21. Further online meetings are planned with other Oxfordshire councils to discuss detailed procurement issues. The councils' Legal and Procurement officers will be invited to these meetings. Further details of how the four councils listed above have successfully implemented PPAs will be explored in these meetings.

22. If the council is interested in engaging with the Low Carbon Hub to enter into a contract with an Oxfordshire solar farm, the Low Carbon Hub's initial proposal has an aim to agree Heads of Terms with councils in February 2021. This proposed schedule has however not yet considered the timescales that could realistically be achievable by the councils.

#### Investment in solar energy

23. Investment in solar energy is also part of the Climate Emergency work programme and is being considered in a separate feasibility study. At present the council's electricity demand from offices, Cornerstone, public conveniences and other properties is not sufficient to consider investment in a solar farm linked to a PPA. The council's leisure centres are currently not included within our energy procurement portfolio.

24. In 2019/20 approximately 70 per cent of the council's electricity demand was from leisure centres. Utilities at the leisure centres are currently procured by the leisure contractor. The council's leisure contract is due to end in 2024 with the option of a five-year extension. A new Active Communities Strategy is being commissioned which will consider options for the council in terms of leisure provision going forward. Our requirements for energy purchase arrangements can be considered as part of the development of this new strategy. When the electricity demand of our leisure centres is included, our demand may then be enough for the councils to consider securing electricity through a PPA with a local solar farm that could also be an investment opportunity.

### **Financial Implications**

25. The success of this project depends on whether the electricity price that is needed by a generator to make renewable generation viable will be attractive to the council. Councils have good creditworthiness and are able to make long term plans and are therefore in a strong position to negotiate with other parties in the renewable energy market. Once further information is available, we will be in a position to review whether it is appropriate to sign up to a long-term contract.

### **Legal Implications**

26. This potential project requires further investigation to identify whether a compliant procurement route is available which would allow the council to enter into a contract to support a local generation asset and/or enter into a PPA.

27. Due to the length of a PPA contract it is assumed that any procurement would need to be OJEU compliant.

### **Risks**

28. A PPA would be a new procurement approach for the council. If the council decides to proceed further with investigating the options for PPAs after initial discussions then risks will be fully assessed within the project documentation.

### **Climate Emergency Implications**

29. A Power Purchase Agreement is one way that the council can achieve zero carbon emissions from its own electricity use and therefore important for consideration within the Climate Emergency work programme.

### **Conclusion**

30. A Power Purchase Agreement is a new energy procurement approach for councils that enables them to claim zero carbon emissions for the contracted electricity and thus contribute towards the council's Climate Emergency targets.