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**Pescara**  
**19<sup>th</sup> December 2014**

# Greater Manchester Low Carbon Governance

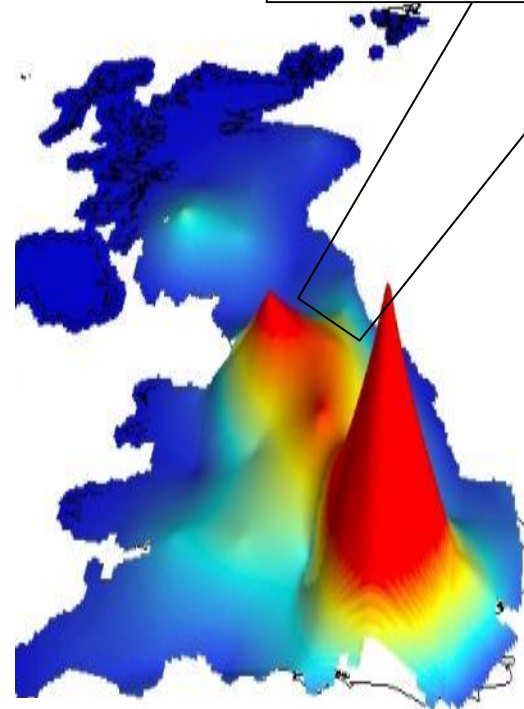
**Dave Catherall**

Head of External Funding  
Oldham Council

Member of the GM environmental funding partnership

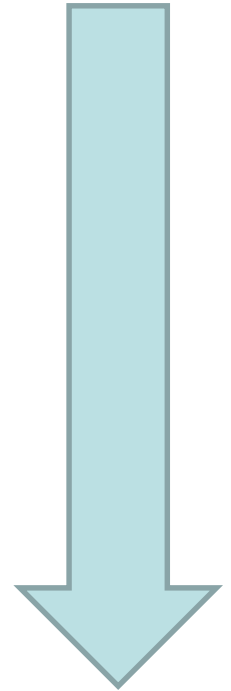
# Greater Manchester Combined Authority (GMCA)

- ❖ GMCA formed 1986
- ❖ UK's **largest** & fastest growing regional economy: GVA **£46bn**
- ❖ 2.6 million residents and a workforce of 7.2 million people within 50 miles
- ❖ 1.2m households, 25% are social homes
- ❖ Largest UK onshore wind farm (planning)
- ❖ Low carbon and environmental goods sector worth **£5.4 billion**, which supports 37,000 jobs - projected to grow at more than 4% pa

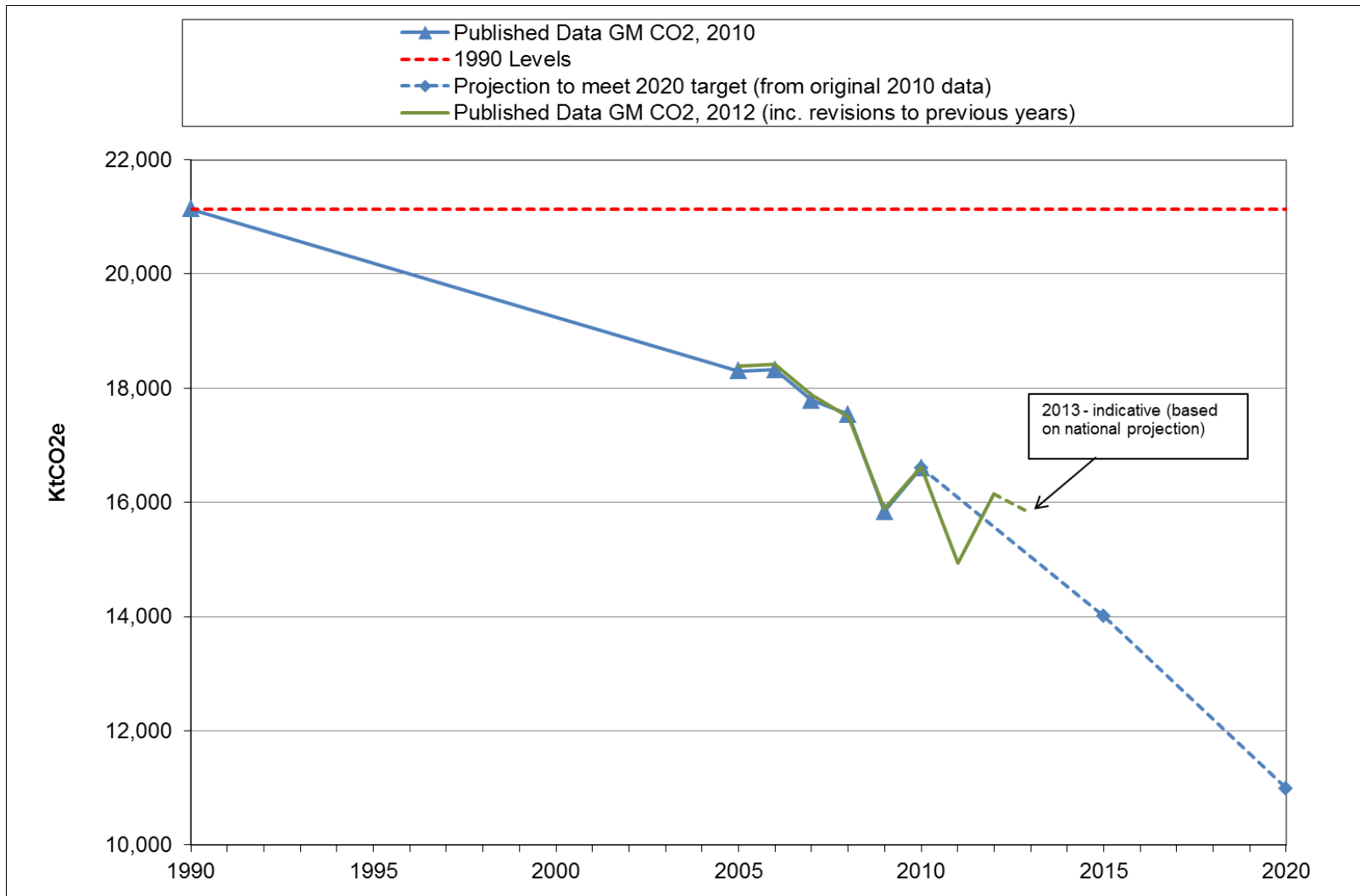


# GM's Strategic Framework

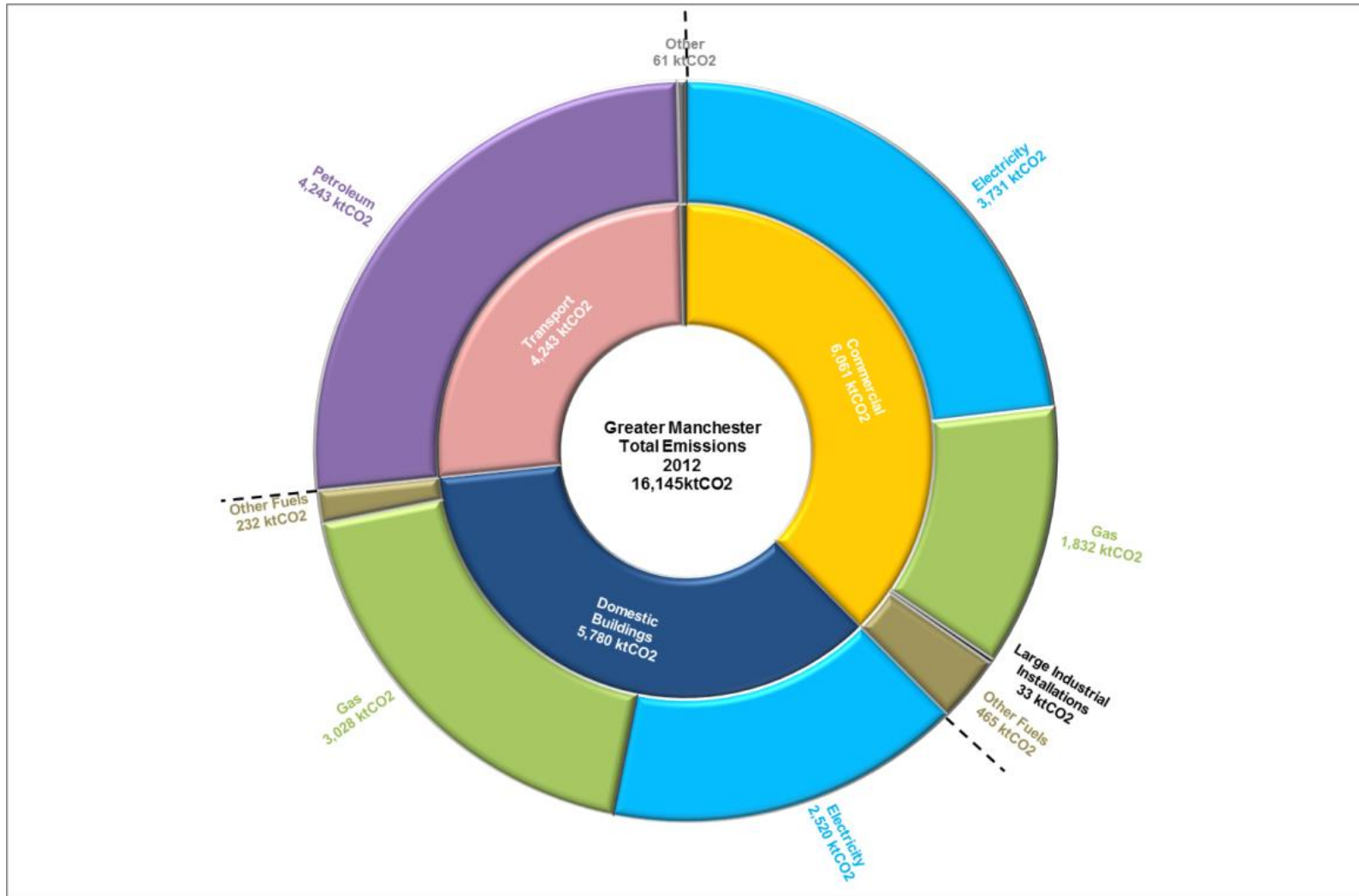
- ❖ GMS Refresh – Economic Strategy (2013)
- ❖ Climate Change Strategy (2012)
  - + Energy + Transport + Waste Plans
  - ❖ High level frameworks to 2020
- ❖ Climate Change Implementation Plan (2013)
  - ❖ What we will achieve by 2015
- ❖ Thematic Work Programmes (2014/15)
  - ❖ What we will do this year (two year rolling)



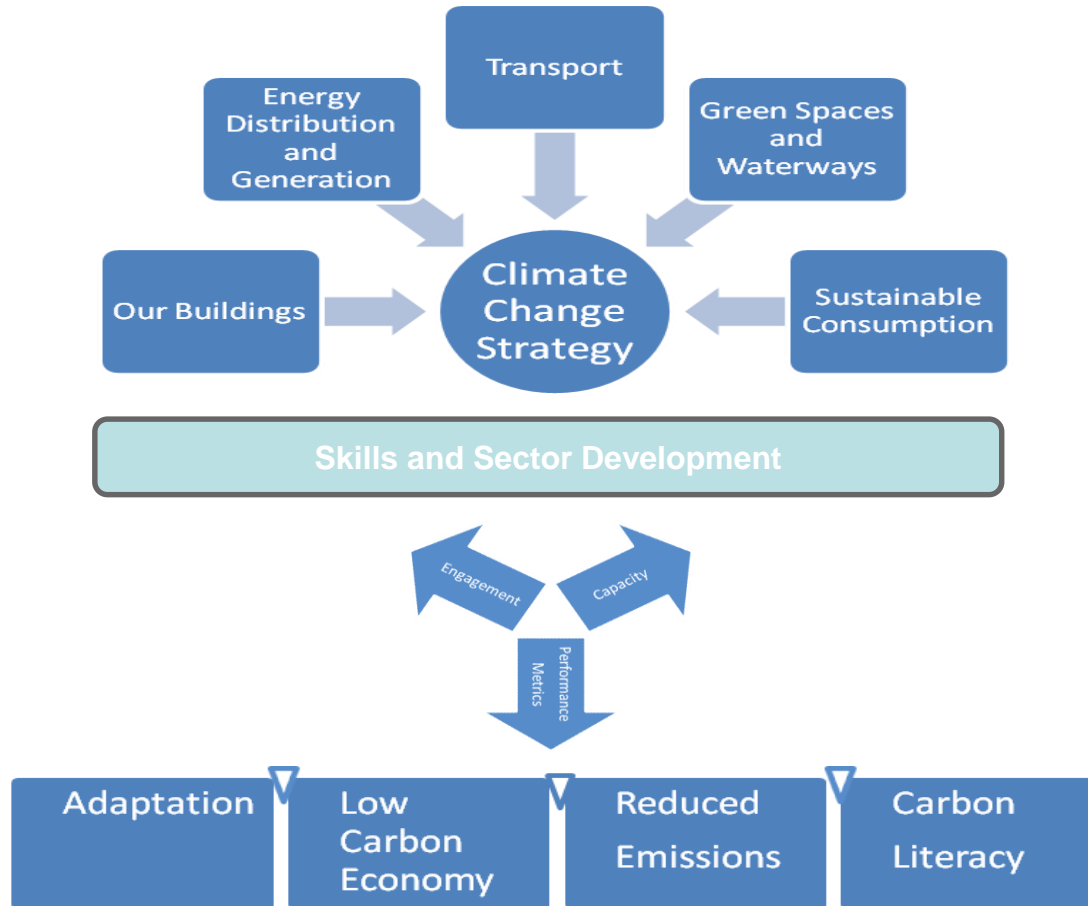
# Key Issue – Carbon Reduction



# Emissions by Source



# Delivery Approach



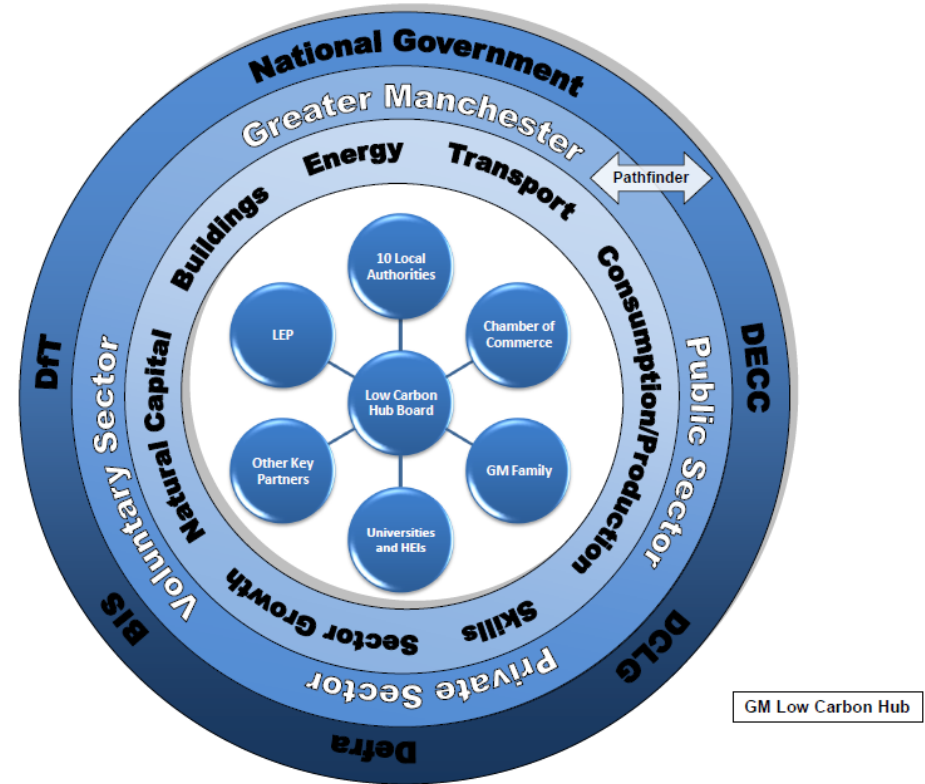
Themes and Sub-groups

Enable and Measure

Outcomes

# GM Low Carbon Hub

- ❖ A centre of excellence for achieving economic gain through the integrated delivery of carbon reduction.
- ❖ Harnesses the knowledge of our universities with the innovation of our businesses and strong public governance.



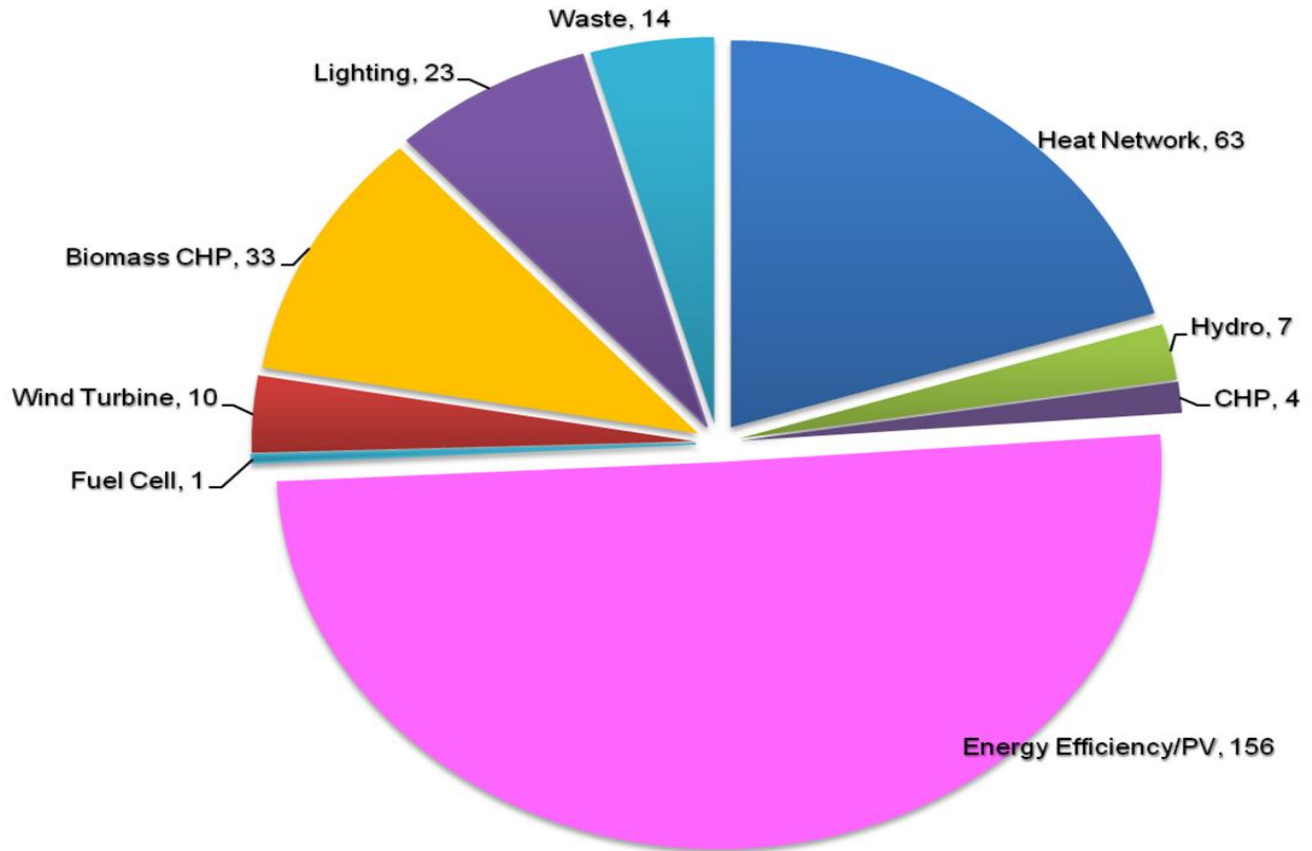
**Key**

- Inner Hub - Hub Board and Core Team
- Radial - Existing partnerships and resources
- Inner Ring - Thematic delivery groups
- Mid Ring - Wider Greater Manchester Public, Private and Voluntary Sector
- Outer Ring - Government Departments

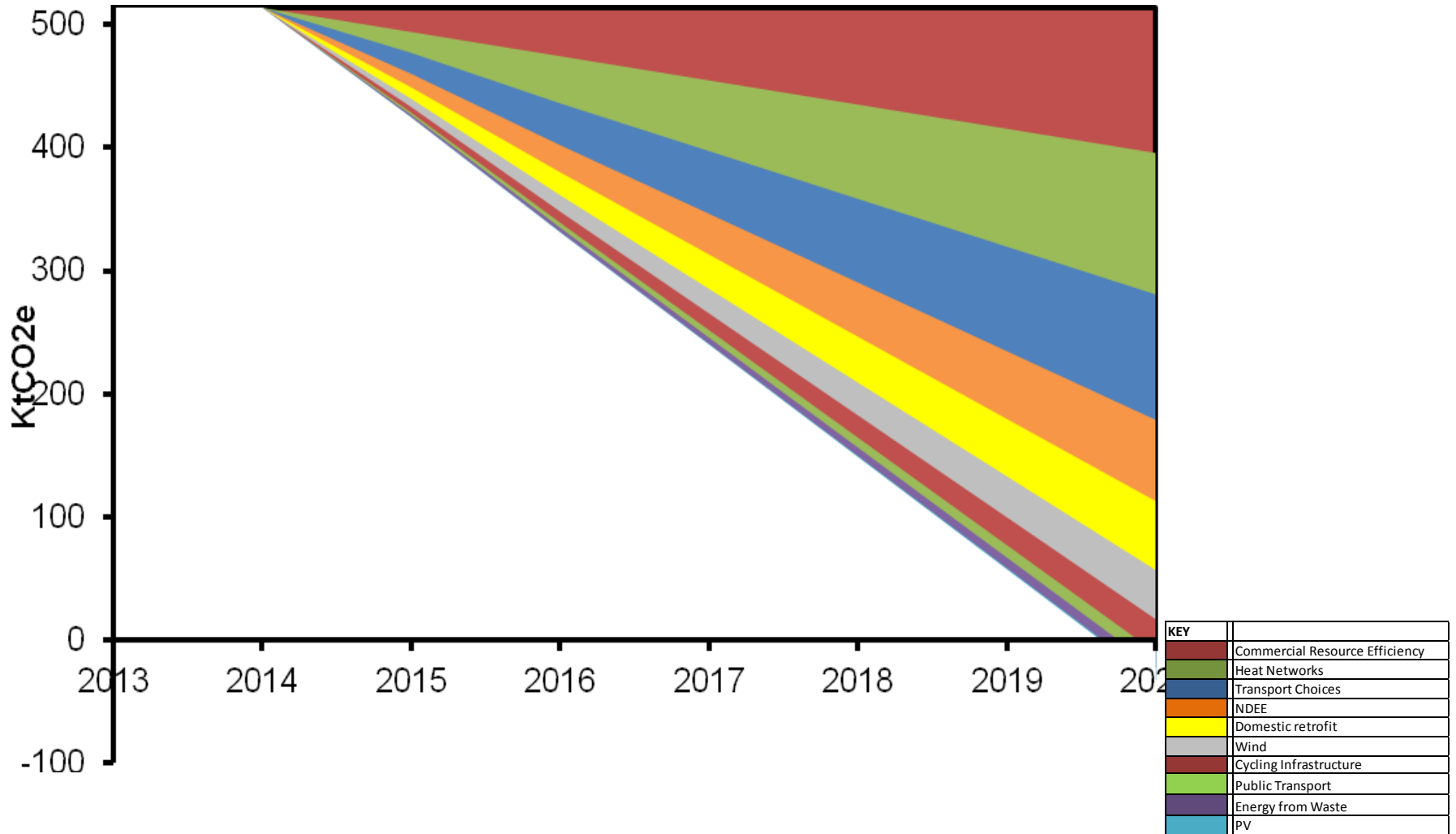


# Low Carbon Assets Portfolio

Weighted  
(Allowing  
for risk)  
c£320m



# Wedges Approach



# Peer Review Recommendations

Recommendations		Mitigation Actions	2014-15 Work Plans	2015-2020 CCI Plan
1	Make sure that the complex governance structure does not hinder how projects will be carried forward.	Initiate a dedicated Project Development Unit (PDU) within GM Core Investment Team to drive forward investment and capital project delivery.	Enabling	
2	Make it easier for the businesses to find information regarding technology and funding by creating an Information Point in the Low Carbon Hub structures.	<ul style="list-style-type: none"> <li>Provide GM businesses with information on technologies available in local supply chain</li> <li>Engage with wider private sector/commercial interests on availability of investment/funding</li> </ul>	SCP/Sector Growth	PDU – to be considered
3	Engage representatives of citizens into the Hub.	<ul style="list-style-type: none"> <li>Enhance web based communications mechanisms;</li> <li>Engage citizens in development of Climate Change Implementation Plan Refresh to 2020</li> </ul>	Enabling Enabling	
4	Facilitate the creation of sectoral clusters and associations.	<ul style="list-style-type: none"> <li>Deliver a Low Carbon sector development programme in Greater Manchester to build on existing strengths</li> <li>Identify opportunities to support sectoral clusters through Enworks and wider Growth Hub activities</li> </ul>	Sector Growth	Sector Growth
5	Establish a clear set of criteria for project selection.	Create a project gateway process which recognises the nature of low carbon investments	PDU	
6	Improve the technical and engineering competencies of the general management level in Local Authorities.	<ul style="list-style-type: none"> <li>Appoint a dedicated Investment Director for the PDU with technical/engineering expertise to support Local Authorities in defining and delivering projects</li> </ul>	PDU	
7	Balance the ambitions with the human resources available.	Ensure LCH work programmes are realistic with respect to the resources available to deliver.	Enablers	Enablers
8	Implement the monitoring system – KPIs.	<ul style="list-style-type: none"> <li>Establish a set of KPIs which monitor the progress of the each LCH workstream</li> <li>Utilise research on carbon wedges to focus attention on attaining 48% carbon reduction target and achieving economic growth and build these into ongoing monitoring of performance</li> </ul>	Enablers	Enablers

# More Recommendations

Recommendations		Mitigation Actions	2014-15 Work Plans	2015-2020 CCI Plan
9	Develop the ESCO business model and introduce an official ESCO registry with criteria in order to ensure the client's trust (example from Lazio).	<ul style="list-style-type: none"> <li>Develop the concept of and Energy Enterprise for GM.</li> <li>Assess the need for an ESCO model and registry to support low carbon project delivery</li> </ul>	Energy	PDU
10	Include in the procurement process criteria related to the compensation of carbon emissions generated during the contract execution which will encourage using local resources (example from Noord-Brabant about road building procurement).	<ul style="list-style-type: none"> <li>Include low carbon metrics criteria in procurements undertaken on behalf of the Low carbon Hub</li> </ul>	SCP	
11	Make a stronger strategic partnership with the Universities to foster innovation transfer (example from Noord-Brabant) and identify key challenges that are not covered yet.	<ul style="list-style-type: none"> <li>Establish a Low Carbon research forum for all GM Universities with a focus on longer term innovations</li> <li>Encourage universities to bid for H2020 Eco- Innovation funding</li> </ul>	Enablers/all	SCP
12	Nominate one person from each of the 10 LA to be responsible for energy purchasing forming a group in charge of energy procurement and make a start for a collective contract.	<ul style="list-style-type: none"> <li>Investigate the potential for collective energy purchasing as part of the Energy Enterprise concept.</li> <li>If viable, consider best governance for collective purchasing contract.</li> </ul>	Energy	Energy – subject to approval
13	Promote Green Public Procurement and extend it to all public purchases (example from Lazio). Consider the Oldham procurement mechanisms as a good practice to be replicated.	Assess the potential for including social value evaluation criteria in all GM procurements	SCP – subject to approval	
14	Facilitate the creation of a show-room for professionals with technical solutions in the house retrofitting sector (example from Rotterdam).	<ul style="list-style-type: none"> <li>Include the potential for demonstrators within the GM EU Investment Strategy</li> <li>Develop a show house for ASHP as part of the NED project</li> <li>Establish a wider show room for low carbon technologies</li> </ul>	Enablers Energy	Buildings - Potential
15	Use public building retrofit as pilots for innovative solutions in low carbon technology (example from Valencia).	<ul style="list-style-type: none"> <li>Consider opportunity for a hydrogen fuel cell demonstrator in buildings</li> <li>Explore potential for EU funding to create public sector building demonstrators</li> </ul>	Energy	Buildings - potential

# ESCO – Public / private partnerships

## GM DISTRICT HEATING NETWORKS

### Programme costs

- Upfront capital costs
- Availability of finance at medium to long term RoR
- Distribution and type of housing stock, make up of district
- Customer transaction / inertia
- Uncertainty in pricing structure/insurance etc

# Partnership Arrangements

- The particular structure of an ESCO will depend on project-specific issues including:
  - Cost
  - Contracting risk
  - MCC attitude, knowledge and experience of energy matters
  - the market to be serviced
  - the extent of the services that can be carried out
- Internal and stakeholder buy-in - essential.

# Benefits

- Guaranteeing long term energy pricing
- Ability to have localised energy fiscal options?
- Contracts for Difference in the EMR
- Fuel security - Long term supply energy contracts
- Mitigate Fuel poverty risk
- Stimulates economic growth (quicker)
- Mitigate Public sector risk
- Ability to raise private finance
- Ability to invest in long term challenging system

# Developing an Energy Cooperative for Oldham

- Development work to establish a new renewable energy co-operative to install solar PV on roofs across Oldham
- Opportunities for Oldham businesses in the supply and installation of renewable energy infrastructure.
- New jobs and support for the growing profile and reputation of the UK and Greater Manchester renewable energy sector.
- Investment by residents, businesses and the public sector in local communities.
- Increased energy security and economic resilience for Oldham communities, households and businesses.
- An opportunity for smaller community energy cooperatives to own shares and be voting members in the umbrella renewable energy cooperative.



# Domande?

