

## **Energy Policy and Strategy Review**

Report of the:

Head of Highways Capital Development and Waste and Chair of the Environmental Performance Board (EPB);  
Head of Business Strategy and Support;  
Head of Planning, Transportation and Environment;

as members of the EPB.

### **1. Purpose**

Following a review by the Environmental Performance Board, this report provides an update to the Place Scrutiny Committee on a revised energy policy, and on the proposed energy strategy and action plans for the Authority to meet its revised energy policy targets and objectives.

### **2. Background**

An energy policy was adopted by Cabinet in July 2013 together with an embryonic energy strategy based on three pathways - short term "spend to save" measures, the development of an Energy Services Company (ESCo) model to deliver guaranteed energy savings, and the deployment of large scale renewables. Whilst delivery along these lines has been progressed through the Environmental Performance Board, a formal energy strategy supported by costed action plans was not, previously, available.

The Place Scrutiny Committee established a task group in March 2014 to review the implementation of the existing energy policy. The Energy Policy Task Group reported in November 2014 (CS/14/38 dated 19 November 2014) and its findings and recommendations have informed the proposed energy policy, strategy and action plans presented in this paper.

### **3. Revised Energy Policy**

In undertaking the strategy review the EPB recognised that the energy policy contained items that it had not be able to take forward as expected. Moreover, the scope was inappropriate as it included schools over which the Authority has no financial control. It also had a policy target that was no longer appropriate in the light of the EU's and UK's aspirations for a Global Climate Deal in Paris in December 2015. These changes together with some important additions to provide clarity on accountability for implementing the energy policy and to mainstream an energy management function have been incorporated in the revised energy policy document at Appendix 1 (red underlined text indicates the amendments made to the 2013 version).

### **4. Proposed Energy Strategy**

At Appendix 2 is a short strategy document entitled "*Cash, Kilowatts and Carbon*" - the three principal savings to be made from implementing an effective energy strategy. The document outlines the context, drivers for change, vision and scope of the strategy and quantifies the

baseline which is taken as that at financial year (FY) 2012/13. This baseline year has been chosen as it reflects the start of major business change in the Authority in response to Public Sector austerity measures. The strategy is:

a. *“to save cash, kilowatts and carbon by actively promoting, funding, and implementing cost effective measures/activities that deliver the Authority’s energy policy targets and objectives in accordance with the energy management principles of ISO 50001:2011 Energy Management Systems”.*

It is not intended that the Authority seeks accreditation to ISO 50001 at this stage but conforms to the principles laid out in the standard. The energy management model proposed in this policy/strategy/action plan trilogy reflects that conformance. It is recommended that this strategic approach is adopted.

## **5. Proposed Action Plan**

Having reviewed the Authority’s present energy management regime against the Carbon Trust’s Energy Management Matrix, it is clear that there is more work to do to put in place an effective energy performance management system that conforms to ISO 50001. Whilst adoption of the revised energy policy will represent best practice, in terms of organising, training, performance measurement, communication and investment the Authority still has some way to go. The action plan identifies a series of strategic actions to improve energy management and to provide an effective performance management system as the basis from which to build robust business cases for investing in further energy efficiency measures and renewable technologies to save *“cash, kilowatts and carbon”*.

The action plan also identifies the list of current programmes and projects together with their estimated savings. These projects are dominated by the ongoing asset disposal programme and the recently announced street lighting LED lantern and column upgrade programme for arterial routes. The projected consumption savings from all the projects are estimated to meet the 2% per annum reduction target through to FY 2018/19. Additional projects will need to be identified, costed and funded to continue the trajectory into the next decade which is the critical one for the climate.

## **6. Consideration of Energy Task Group Recommendations**

Appendix 4 identifies how each of the Energy Task Group’s recommendations has been actioned in the context of the energy strategy and action plan outlined above.

## **7. Next Steps**

Following recent endorsement by the Corporate Leadership Team, the EPB is expecting these proposals to be actioned as follows:

- Formal consideration and adoption by Cabinet at its 9<sup>th</sup> September meeting.
- Annual review of the policy and updating of the Action Plan accompanied by formal reporting in the annual Environmental Performance Statement.

### Appendices

1. [Revised] Devon County Council Energy Policy. (changes highlighted)
2. *“Cash, Kilowatts and Carbon”* An Energy Strategy for Devon County Council.
3. *“Cash, Kilowatts and Carbon”* An Action Plan for Devon County Council.
4. Energy Policy Task Group Recommendations.

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Local Government Act 1972: List of Background Papers

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Background Paper	Date	File Reference
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Nil

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## APPENDIX 1

### DEVON COUNTY COUNCIL ENERGY POLICY

“Devon County Council will reduce its demand for energy, improve energy efficiency and utilise renewable energy where appropriate in existing and new buildings”.

DCC Environmental Policy Statement  
May 2011

#### STATEMENT OF COMMITMENT

Devon County Council (the Authority) consumes significant amounts of energy in its operation of vehicles, buildings, equipment and facilities, and through its commissioned services.

It is committed to responsible energy management through continuous improvement of its energy performance in order to avoid unnecessary expenditure, reduce carbon emissions, protect the environment, and meet all relevant legislative and statutory reporting requirements.

It will promote and practise energy conservation, energy efficiency and the avoidance of energy waste and will invest in sustainable energy measures whenever and wherever it is cost-effective or otherwise expedient to do so.

#### SCOPE

This policy is applicable to energy consumption arising from all statutory and discretionary services provided by the Authority directly or through its contractors to the communities of Devon. The Authority will encourage schools to adopt the energy management principles laid out in this policy and will continue to address energy and carbon reduction in schools through the School Maintenance Budget.

#### KEY AIM AND TARGET

The Authority undertakes to provide reasonable resources to develop and implement an affordable energy strategy that minimises its energy costs and greenhouse gas emissions, and deploys renewable energy where appropriate.

The specific energy target for the Authority that reflects the agreed EU targets for 2030 (October 2014) and the UK's 4<sup>th</sup> Carbon Budget for 2025 (July 2014) is an annual reduction in energy consumption of at least 2% per annum (equivalent to at least 30% by 2030 over the baseline year of 2012/13) with a commitment to provide at least 30% of the remaining consumption from renewable sources by 2030/31. This total package will reduce carbon emissions by around 50%.

#### OBJECTIVES

The following policy objectives will deliver the required strategic approach to energy management:

- To purchase the most cost-effective and sustainable energy and fuels.
- To ensure that energy performance is a material consideration in the commissioning and procurement of goods and services where relevant.

- To implement a comprehensive energy performance management system in accordance with the principles of ISO 50001:2011 Energy Management Systems.
- Develop a mainstream energy management function to guide/support facilities' managers and staff in managing the energy consumption in properties.
- To continue implementing a programme of asset disposals.
- To use energy performance data to identify the most cost-effective opportunities for improving the energy efficiency of the residual estate and related assets.
- To develop a corporate renewable energy strategy.
- To ensure that all new and refurbished buildings meet appropriate energy efficiency standards by integrating whole life costing and energy management into all relevant decision making, and by working collaboratively with our partners.
- To use the most appropriate investment models and resources for cost-effective projects in support of our agreed target and objectives including taking advantage of energy-related financial incentives schemes where appropriate.
- To ensure awareness of and full compliance with all relevant energy-related regulations in a timely fashion, and to document and meet all formal requirements for energy and emissions reporting.
- To investigate, market-test and adopt where appropriate alternative delivery/funding/contracting models for energy performance, management and efficiency enhancements, and for deploying renewables.
- To promote vehicle energy efficiency and reduce fuel consumption through emphasis on efficient fuel use, operation and maintenance of fleet vehicles and the acquisition of alternatively powered vehicles.
- To implement a programme to improve the environmental performance of street lighting.
- To develop policies and practices to promote sustainable business travel and commuting.

## ACCOUNTABILITY AND REVIEW

The Environmental Performance Board is responsible to the Corporate Leadership Team and the Community and Environmental Services Cabinet Member for ensuring that the objectives of this policy are met. It will review progress on a bimonthly basis and will publish an annual Environmental Performance Statement that will include an energy performance report. It will also regularly review and update this policy to ensure it remains consistent with and relevant to the Authority's vision and targets.

The Head of .....[TBD].....is accountable for leading the implementation of the energy policy on behalf of the Authority.

## APPLICABILITY

It is fully recognised that everyone in the organisation should be responsible for their own actions with respect to energy conservation and efficiency. Accordingly staff and contractors are expected to support the Authority's objectives and to cooperate actively in achieving them. In order to facilitate this process, the policy will be documented and communicated to all tiers of the Authority's management structure and across all service areas. In addition, appropriate awareness-raising and training will be provided aimed at reducing energy consumption and improving energy efficiency.

## ADOPTION

This energy policy (Revision 3) was adopted by Cabinet on.....

## APPENDIX 2

### **“Cash, Kilowatts and Carbon”**

#### **An Energy Strategy for Devon County Council**

##### **1. Purpose**

The purpose of this document is to outline the Authority’s energy strategy to deliver its energy policy targets and objectives.

##### **2. Global Context**

Following the latest assessment by Intergovernmental Panel on Climate Change it is clear that “*business as usual*” will raise global temperatures by 3°C to 5°C by 2100. This is generally considered to be a costly and catastrophic outcome. In order to stay below the 2°C threshold for dangerous climate change, an immediate and rapid shift away from fossil fuels to low carbon strategies based on renewable energy sources is required.

##### **3. Drivers for Change**

In addition to the need for urgent action on climate change (the “*carbon*”), the following financial drivers for change (the “*cash*” and the “*kilowatts*”) are relevant:

- **Business change to deliver imposed austerity savings** – significant reduction in local authority funding has required business contraction, the disposal of assets and staff, and increased commissioning of services.
- **Rising energy prices** - over the past decade energy prices have risen significantly and this long term trend is likely to continue.
- **Income from renewable technologies** – the use of financial incentives for renewable electricity and heat generation providing attractive return on investments (ROIs) of 5% to 12% through guaranteed income streams for 20 years.

##### **4. Vision**

To be recognised by our staff, communities, partners and peers as a major contributor to a low carbon and climate resilient Devon.

##### **5. Scope**

The scope of the strategy encompasses the functions under the financial control of the Authority i.e. corporate estate, street lighting, vehicle fleet, business miles, passenger transport, the deployment of renewables, procurement and DCC commissioned services.

##### **6. Baselines**

The core baseline largely reflects the scope of the strategy but does not include procurement or commissioned services.

Year:	2012/13
Cash:	£14.9m energy spend
Kilowatts:	121 Gigawatt hours (GWh)
Carbon:	42,464 tonnes of CO <sub>2</sub> equivalent (tCO <sub>2</sub> e)

A separate baseline reflecting the energy associated with DCC expenditure on procurement and commissioned services in 2013/14 has been estimated using emission factors provided by Defra.

Carbon: 318,756 tCO<sub>2</sub>e

## 7. Methodology

The basic way of working is to measure, monitor and manage all DCC energy consumption in accordance with the principles of ISO 50001:2011 Energy Management Systems and develop opportunities for improvement by reference to the universal energy hierarchy – first reducing demand, then improving energy efficiency and finally installing renewables.

Procurement and commissioning processes need to have regard to minimising the embodied energy of goods and services.

## 8. The Strategy

To save “*cash, kilowatts and carbon*” by actively promoting, funding, and implementing cost effective measures/activities that deliver the Authority’s energy policy targets and objectives in accordance with the energy management principles outlined above.

## 9. The Strategic Elements

- **Corporate Estate** - to implement the 2012 -17 Estates Strategy for asset disposal and a achieve energy efficiency improvement in the remaining estate.
- **Street Lighting** - to complete part-night lighting and lighting management system programmes, and to implement arterial route lighting and column upgrades.
- **Vehicle Fleet** – to acquire the most cost-effective low emissions vehicles.
- **Business Miles** – to deliver nominal fuel savings through continued business contraction and through the use of the most sustainable travel options.
- **Passenger Transport** – to deliver fuel savings by meeting the agreed business requirement with a reducing budget.
- **Renewables** – Consider viable opportunities and develop a strategy and action plan.
- **Procurement and Commissioned Services** – Provide support to all those engaged in the procurement of goods or commissioning of services on the energy issues to be considered within these processes.

## APPENDIX 3

### “Cash, Kilowatts and Carbon”

#### An Action Plan for Devon County Council

##### 1. Governance

The energy strategy is part of the Authority’s Corporate Change Programme where it is reported on by exception. Regular informal briefings are provided to the Cabinet Member for Community and Environmental Services; other Cabinet Members are consulted as necessary. In November 2014 Place Scrutiny Committee requested a formal reporting mechanism to its Members.

##### Strategic Action 1 – Member Engagement (Scrutiny Recommendation 1).

###### We will

- Continue to report progress to Cabinet through the Cabinet Member for Community and Environmental Services and provide formal reports at agreed intervals to Place Scrutiny Committee on the Energy Policy Task Group’s recommendations. Progress will also be recorded on SPAR.net.

**Cost implications** – nil [existing resource].

##### 2. Present Position

The Carbon Trust Energy Management Matrix provides a high-level assessment of strengths and weaknesses of organisational energy management. An initial assessment indicates that the Authority is doing well on Energy Policy but has significant room for improvement on all other aspects - Organising, Training, Performance Measurement, Communication and Investment.

**Carbon Trust Energy Management Matrix**

Level	Energy Policy	Organising	Training	Performance Measurement	Communication	Investment
4	Energy Policy, Action Plan and regular reviews have active commitment of top management	Fully integrated into senior management structure with clear accountability for energy consumption	Appropriate and comprehensive staff training tailored to identified needs with evaluation	Comprehensive performance measurement against targets with effective management reporting	Extensive communication of energy issues within and outside the organisation	Resources routinely committed to energy efficiency in support of organisational objectives
3	Formal policy but no active commitment from top management	Clear line management accountability for consumption and responsibility for improvement	Energy training targeted at major users following training needs analysis	Weekly performance measurement for each process, unit or building	Regular staff briefings performance reporting and energy promotion	Some appraisal criteria used for energy efficiency as for other cost reduction projects
2	Un-adapted policy	Some delegation of responsibility but line management and authority unclear	Ad-hoc internal training for selected people as required	Monthly monitoring by fuel type	Some use of organisational communication mechanisms to promote energy efficiency	Low or medium cost measures considered if payback is short
1	An unwritten set of guidelines	Informal, mostly focused on energy supply	Technical staff occasionally attend specialist courses	Invoice checking only	Ad-hoc informal contacts used to promote energy efficiency	Only low cost or no cost measures taken
0	No explicit energy policy	No delegation of responsibility for managing energy	No energy related staff training	No measurement of energy costs or consumption	No communication of promotion of energy issues	No investment in improving energy efficiency
Score						



### 3. Performance Against Carbon Trust Objectives

- **Organising**

In order to undertake effective energy and carbon management there is a need to identify who in the senior management structure is accountable for energy consumption.

#### **Strategic Action 2 – Organising.**

##### **We will**

- Assign through the Environmental Performance Board responsibility for the implementation of the appropriate elements of the energy policy and periodic reporting to a Head of Service. This will provide clear accountability for energy consumption and for the responsibility for improvement.

**Cost implications** – nil [existing resource].

- **Training**

In order to create an organisational culture that values the importance of energy consumption in a business and environmental context, energy awareness training for staff at all levels is necessary.

#### **Strategic Action 3 – Training.**

##### **We will**

- Deliver and evaluate appropriate and comprehensive staff training tailored to identified needs for all staff in the organisation ranging from e-learning to bespoke workshops for colleagues with key roles e.g. facilities managers, cleaning staff, procurement officers, project managers.

**Cost implications** – basic e-learning package in existing EMP budget (£1.5k in-house). New allocation(s) of similar cost required for specialist roles.

- **Performance Measurement**

Effective energy management relies on the timely collection, analysis and communication of energy data and information for the purpose of detecting avoidable waste, quantifying saving, improving budget setting, undertaking benchmarking, calculating energy and carbon reduction targets, checking bills and negotiating tariffs. In large organisations this is achieved by deploying an Automatic Meter Reading (AMR) capability on all meters and feeding those reads together with billing data from suppliers to an Automatic Monitoring and Targeting (aM&T) system.

#### **Strategic Action 4 – Performance Measurement (Scrutiny Recommendations 2, 3).**

##### **We will**

- Set energy performance indicators (EnPIs) appropriate to measuring and monitoring the energy performance of the organisation.
- Implement an affordable, comprehensive energy management data collection and performance measurement system to report on the agreed EnPIs.

**Cost implications** – may require new allocation.

**Comment** – Norse already has an aM&T software package (eSight) and collects energy data for the Authority under an existing arrangement. This capability is not at a level where it can be used routinely to monitor and manage consumption or develop and present business cases. A costing has been requested from LASER (our new energy supplier) for its Bureau Service which provides all the functionality necessary for effective energy management. It is used by 40 comparable public sector organisations. The potential cost savings from its deployment in DCC have also been requested. The decision is likely to be determined by the cost of implementing a comparable energy management solution on the Norse Energy eSight platform.

- **Communication**

The promotion of energy awareness and performance both inside and outside the organisation is required to gain and maintain momentum. Current communication is ad-hoc with no ongoing plan in place.

**Strategic Action 5 - Communication.**

**We will**

- Provide extensive communication on energy issues within and outside the organisation.
- Communicate the objectives of the Energy Policy to all tiers of the Authority's management structure and across all service areas.

**Cost implications** – nil [if existing communications resources used]

- **Investment**

It is clear that routinely committing in-house resources to energy efficiency in the present financial climate is unlikely. However, this should not prevent the identification of energy projects robust business cases. These opportunities should be considered alongside competing opportunities for investment from a variety of sources including DCC capital and revenue, joint ventures, the private sector and community shares.

**Strategic Action 6 - Investment (Scrutiny Recommendations 6, 7, 8, 9, 10).**

**We will**

- Use the most appropriate investment models and resources, including community investment, for cost-effective energy conservation/efficiency/generation projects in support of our agreed aims, objectives and targets.

**Cost implications** – New allocation(s) would be required if external opportunities were not forthcoming.

#### **4. Performance Against the Additional Energy Policy Objectives**

- **Regulatory compliance**

The task is to identify which energy-related regulations apply to the Authority and who has responsibility for regulatory compliance. In the present regimes this is likely to cover Energy Performance Certificates (EPCs) and Display Energy Certificates (DECs), incentive schemes like Feed in Tariffs (FITs) and Renewable Heat Incentive (RHI), Corporate Social Responsibility (CSR) reporting and Greenhouse Gas (GHG) reporting as well as any transport and street lighting requirements.

### **Strategic Action 7 – Regulatory Compliance.**

#### **We will**

- Ensure that we are continually aware of and fully comply with all the relevant energy-related regulations in a timely fashion by producing a legislation register.
- Take advantage of energy-related incentives schemes where it is appropriate and cost-effective to do so.
- Document and meet all formal requirements for environmental, energy and emissions reporting.

**Cost implications** – nil [existing resource almost regardless of cost].

#### • **Commissioning and Procurement**

The DCC Sustainable Procurement Matrix is used for procurements over £10k and requires that energy is a material consideration for the procurement process.

DCC's Impact Assessment Toolkit provides guidance for project managers and commissioners on minimising environmental effects of the authority's practices. This includes guidance on minimising greenhouse gas emissions.

DCC purchases energy through a collaborative contract with other public sector partners to achieve economies of scale. The contract is competitively tendered at least every 7 years. LASER will be the appointed supplier from April 2016.

New buildings aim to be designed to DEC B minimum and refurbishment projects over £250k require an energy audit so that the designers can make informed choices in upgrading buildings.

### **Strategic Action 8 – Commissioning and Procurement.**

#### **We will**

- Raise awareness amongst commissioners of the opportunities to improve energy performance within commissioned services.
- Take into account the energy performance of procured items/services in all procurements, including vehicles.
- Purchase the most cost-effective and sustainable energy and fuels based on an understanding of organisational usage and projected future consumption.
- Ensure that all new and refurbished buildings meet high energy efficiency standards by working collaboratively with our expert partners to provide relevant and timely input to capital projects.

**Cost implications** – nil [existing resource as part of routine specification work and programme management].

#### • **Identifying Projects**

In addition to the essential management systems needed to create an effective energy management culture and system, the organisation needs to identify and deliver projects that meet the targets in the most cost-effective manner. This will require the analysis of energy data, carrying out benchmark comparison and energy surveys/audits and reviewing condition surveys/asset registers/EPC/DECs as well as preparing a clear renewables strategy as suggested by the Place Scrutiny Committee.

## **Strategic Action 9 – Identifying Projects (Scrutiny Recommendations 4 and 8).**

### **We will**

- Use all the energy performance data and other sources as required to identify the most cost-effective opportunities available to improve the energy performance of the estate and related assets.
- Determine the opportunities available to enhance our delivery of renewable energy generation and community investment in these projects.

**Cost implications** – nil [from existing resources with energy management responsibility]

## **5. Current Projects**

**Cost implications** – nominally nil as they are “current” projects.

### **a. Corporate Estate**

- Complete asset disposal programme commensurate with business contraction proposals and building refurbishment programme.
- Initiate a RE:FIT Phase 2.
- Identify how energy efficiency improvement in the remaining estate (mentioned in the Estates Strategy) can be achieved. This might be the target for the RE:FIT 2 programme identified above.

#### **Expected savings from asset disposal end 2017/18**

Cash	£0.483m
Kilowatts	7.530 GWh
Carbon	4,296 tCO <sub>2</sub> e

#### **Expected savings from improvement in energy efficiency in Estates Strategy**

Cash	£0.339m
Kilowatts	5.282 GWh
Carbon	1,641 tCO <sub>2</sub> e

### **b. Street lighting**

- Completion of part night lighting programme – approximately 45,000 street lights converted.
- Complete the commissioning of the Remote Monitoring System for street lighting in Exeter – approximately 11,000 street lights converted.
- Plan and install an LED lighting solution for the high wattage lighting principally on arterial routes using DfT Challenge Fund.

#### **Expected savings from LED project by end 2017/18**

Cash	£1.134m
Kilowatts	8.575 GWh
Carbon	4,609 tCO <sub>2</sub> e

### c. Vehicle Fleet

- Trial lease of an electric vehicle (EV) using Government grant funding in 2015 plus a further reduction in activity commensurate with business contraction is expected.

#### **Expected savings from EV lease by end 2017/18**

Cash	£217 p.a
Kilowatts	5150 kWh p.a
Carbon	0.4 tCO <sub>2</sub> e p.a

#### **Expected savings from business contraction by end 2015/16**

Cash	£48k
Kilowatts	0.312 GWh
Carbon	60 tCO <sub>2</sub> e

### d. Business Miles

- Further reduction in activity commensurate with business contraction is expected. Short-term car hire is being reviewed and there is a possibility of including hybrid/electric vehicles in these proposals.

#### **Expected savings from business contraction by end 2015/16**

Cash	£0.372m
Kilowatts	1.033 GWh
Carbon	362 tCO <sub>2</sub> e

### e. Passenger Transport

- To meet the agreed requirement with reduced funding.

**Expected savings not yet quantified.**

### f. Renewables

- Dependent on creation of action plan.

**Expected savings not yet quantified.**

### g. Maintained Schools

#### **Within Scope of policy/targeting regime**

- Track and quantify energy upgrades installed through the Schools' Maintenance Programme e.g. the impact of new boilers, roofs and windows.
- Continue to promote the DEC B standard for new classrooms.
- Promote and quantify the consequential improvements on projects valued at over £250k through a mandatory energy audit.
- Develop and implement innovative energy saving solutions through the special projects budget (allocated from the Schools Maintenance Budget). The initial project is likely to be a renewable solution to electric heating in schools.

**Expected savings not yet quantified.**

**Out of scope of policy/targeting regime**

- Encourage take up of Phase 1 RE:FIT for the initial 22 schools by promoting a 15 - 20% energy saving option using the Authority's £1m Energy Efficiency Savings Initiative borrowing facility.
- Develop the concept for a Phase 2 RE:FIT and an appropriate borrowing facility.
- Issue revised guidance to schools on the opportunity for 'rent a roof' investment models for the installation of building-mounted renewable energy projects.

**6. Position against Targets**

- Current projects are projected to deliver the savings in the table below.

<b>Source</b>	<b>Expected savings</b>	<b>FY</b>	<b>Cash (£m)</b>	<b>Kilowatts (GWh)</b>	<b>Carbon (tCO2e)</b>
Corporate Estate	Asset disposal	17/18	£0.483	7.530	4,296
Corporate Estate	Improvement in energy efficiency	n/k	£0.339	5.282	1,641
Street lighting	LED project	17/18	£1.134	8.575	4,609
Vehicle Fleet	EV lease	17/18	£0.001	0.015	1.2
Vehicle Fleet	Business contraction	15/16	£0.048	0.312	60
Business Miles	Business contraction	15/16	£0.372	1.033	362
<b>Total</b>			<b>£2.377</b>	<b>22.747</b>	<b>10,969</b>

- The projected consumption savings are equivalent to the target for FY 2018/19.
- The projected carbon savings are equivalent to the target for FY 2020/21

Future opportunities will need to be developed to be implemented by the end of 18/19 so that energy and carbon savings are delivered from the beginning of FY 2019/20 to keep the Authority's performance against the Energy Policy's targets on track.

## APPENDIX 4

### Energy Policy Task Group Recommendations

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**Recommendation 1:** *To develop the ongoing scrutiny of the "One Council" Energy Policy and Strategy and associated opportunities for monetary savings and investment returns, with a formal reporting mechanism to Members.*

**Strategic Approach** – The EPB will continue to report progress to Cabinet through the portfolio holder and provide formal reports at agreed intervals to Place Scrutiny Committee. Progress will also be recorded on SPAR.net.

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**Recommendation 2:** *To collect accurate energy consumption data across the corporate estate and to record the data so that it relates to the size of the estate.*

**Recommendation 3:** *To implement an energy management system across the corporate and schools estates to measure and monitor the consumption of all utilities, i.e. gas, water and electricity, in order to manage and reduce the County Council's energy consumption and financial expenditure.*

**Strategic Approach** – The new energy contract with the LASER Energy Buying Group will commence in April 16 and includes an Energy Management and Bureau Service as a costed option. A very competitive quote from LASER for providing this service to the corporate estate has been received. The EPB will determine the most cost-effective way ahead for providing the energy management requirements laid out in the revised strategy.

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**Recommendation 4:** *To develop a clear and concise renewable energy strategy, identifying a prioritised list of suitable sites across the corporate estate, based on evidence of current energy consumption levels and projected return rates from individual sites.*

**Strategic Approach** – With the forced postponement of large scale PV deployment on P&R/landfill sites as a consequence of Western Power Distribution's network capacity constraints, the Authority has contracted RegenSW to update previous work undertaken to identify renewable energy opportunities in the corporate estate. The report which is due by end June will consider roof-mounted PV on commercial properties, anaerobic digestion on farms and also the proximity of large consumers to the proposed P&R/landfill sites as potential users of power through private wire arrangements.

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**Recommendation 5:** *To work towards replicating the Okehampton model across the schools estate and explore measures by which this might be achieved, including utilising the knowledge, skills and expertise at Okehampton College.*

**Strategic Approach** – The Authority no longer exercises financial control over schools. As it is up to schools to determine how staff resources are used, replicating the Okehampton model across the board is not in the gift of the Authority. Furthermore, it has been determined that carbon emissions from schools will no longer be included in the Authority's annual greenhouse gas report. However, the Authority will continue to encourage schools to improve their energy efficiency; Recommendation 6 provides that opportunity.

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**Recommendation 6:** *Following an evaluation of the pilot installations, identify how to accelerate the rate of retrofitting schools with energy efficiency and renewable energy technologies in combination with recommendations 3 and 4.*

**Strategic Approach** – The £1m loan fund for the pilot tranche of 22 schools has been established. However, with the change in market conditions contractors on the RE:FIT framework are able to find more lucrative business opportunities than are available through Devon's schools. Consequently, the nature of the proposed activity has moved away from a guaranteed energy performance target to one of best efforts. The pilot scheme will be reviewed to identify whether this new approach will be able to deliver the wholesale retrofitting of the schools estate as envisaged in the recommendation.

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**Recommendation 7:** *To review the County Council's approaches to borrowing and investing capital reserves when presented with low risk, high return investment opportunities such as energy efficiency projects and renewable energy.*

**Strategic Approach** – The Authority will use the most appropriate investment models and resources, including community investment, for cost-effective energy conservation/efficiency/generation projects in support of its agreed aims, objectives and targets. Opportunities to invest capital in energy efficiency and renewable energy projects will continue to be presented to Corporate Capital Group alongside other investment opportunities.

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**Recommendation 8:** *To identify council assets appropriate for community-funded renewable energy projects, develop an approach for offering these for community investment and determine how individual initiatives can be supported.*

**Strategic Approach** – The Community Energy Accelerator project, run in partnership with RegenSW, is providing a programme of training workshops and small, start-up grants for community groups in Devon taking forward their own renewable energy schemes. Consideration will be given to community investment in the Authority's projects as part of the implementation of Recommendation 4.

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**Recommendation 9:** *If the use of capital reserves and prudential borrowing continues to be unviable (referring to recommendation 7), the existing outline business case prepared by the Environmental Performance Board for the development of solar PV on redundant landfill sites and park & ride facilities, and wind turbines on County Farms, should be presented to the Investment and Pension Fund Committee.*

**Recommendation 10:** *If the use of capital reserves and prudential borrowing continues to be unviable (referring to recommendation 7), Devon County Council should enter into a partnership with an expert body in order to produce a business case for investment by the Pension Fund in renewable energy installations across the corporate and schools estate, incorporating community investment.*

**Strategic Approach** – The EPB will propose the most appropriate investment models and resources, including community investment, for cost-effective energy conservation/efficiency/generation projects in support of its agreed aims, objectives and targets.

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