

Annex A

Agenda Item No: 3

Cambridgeshire Renewables Infrastructure Framework

To: CRIF/CEF Steering Group
Date: 27th January 2012
From: Sheryl French

Purpose:

- Summarise the key areas of work in the CRIF Report
- Highlight the key recommendations in the CRIF Report
- Sign off the technical work as an evidence base

Recommendation: The Steering Group to:

- Comment and sign off technical work and Final Report as an evidence base

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This project is being developed as part of the Climate Change Skills Fund. The fund is managed by Sustainability East on behalf of Improvement East.

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East**
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and Efficiency

1.0 Purpose

- Summarise the key areas of work in the CRIF Report
- Highlight key recommendations included in the CRIF Report
- Sign off the technical work as an evidence base

2.0 Background

The CRIF Project was agreed by Cambridgeshire Horizons Board in September 2010 in anticipation of the findings in the Renewable Energy Capacity Study for the East of England (May 2011) and as a response to real concerns of long term energy security and rising costs of utility bills. The work has been funded by Housing Growth Funds (HGF) and the Climate Change Skills Fund managed by Sustainability East.

An Officer Steering Group has managed the project to date and it includes representatives from Cambridgeshire Local Authorities, Suffolk and Hertfordshire County Councils, Peterborough City Council as well as representation from the Energy Sector, RSLs, EEDA and Sustainability East. Cambridgeshire Horizons Board provided the strategic steer and guidance to the Project until its last Board meeting in September 2011. It was agreed to set up a Member Steering Group including Local Authorities and a representatives from the RSLs, Developers and Environment Agency to oversee the completion of the CRIF and CEF Projects and development of the next steps by the end of January 2012.

3.0 Summary of the Cambridgeshire Renewables Infrastructure Framework (CRIF)

The CRIF Final Report focuses on the financial, delivery and engagement aspects of the project but this work is underpinned by two technical reports commissioned through the Project and which are available on www.crif.citizenscape.net including:

- A baseline assessment of the opportunities and constraints for renewable energy in Cambridgeshire
- A social media audit

3.1 Why do we need a Cambridgeshire Renewable Infrastructure Framework?

There are strong economic drivers for renewable energy. A critical issue for the UK economy is increasing volatility of energy prices, the need to move away from reliance on fossil fuels and the transition to a clean energy economy creating an opportunity for economic growth through investment in projects and employment opportunities.

There are renewable energy policy drivers at national and international levels. The Climate Change Act places legally binding obligations on the UK to reduce its CO₂ emissions by 80% by 2050 over 1990 levels. The UK has also signed up to delivering 15% of its primary energy from renewable energy sources by 2020 in line with its commitments to the European Directive.

Cambridge has an excellent research base for renewable energy technologies and is recognised as one of the most important technology centres in Europe, with a worldwide reputation as a source of technology innovation. This excellent research base, its high tech nature, and the technology-based business community in the region provides Cambridgeshire an ideal location for Clean Tech investment and growth in the renewable energy sector. But there are perceived barriers to investment in Cambridgeshire which need to be recognised and overcome locally.

Up to 11,500 jobs can be created through renewable energy delivery across the technology opportunities in Cambridgeshire. This is a significant quantum of employment that demonstrates the potential importance of this sector for economic growth.

3.2 What is the scale of investment opportunity to deliver greater energy security for businesses and communities in Cambridgeshire?

In the public sector, 400GWh per annum of renewable energy could be generated by 2031. This represents a viable investment potential of £320m with Photo voltaics and biomass as the dominant technologies. **Error! Reference source not found.**

The community has the potential to deliver 450GWh per annum of renewable energy generated by 2031. This represents a viable investment potential in the community sector of £792m, even accounting for the reduction in Feed In Tariff for PV systems during 2011. PV remains the dominant technology, accounting for over half of the community infrastructure with the rest fairly evenly spread across the other technologies.

In the commercial sector, at least 1400GWh per annum of renewable energy could be generated by 2031. This represents a viable investment potential in the commercial sector of £1.2bn. PV and wind require the greatest investment followed by biomass.

In order to make the transformation happen all stakeholders need to do their bit. It is complex with strong dependencies between commercial developers and the public sector (local planning authorities in particular) and the communities that they represent. For the opportunities to be realised it will be essential that incentives are aligned to promote co-operation.

3.3 How can more renewable energy be delivered in Cambridgeshire?

The CRIF identifies the quantum of renewable energy and variety of technology options that can be developed in Cambridgeshire to provide politicians with the evidence to set the level of ambition and technology choices appropriate for their areas. It identifies the planning system as a key tool to guide local ambitions to deliver the right technologies into the right places and support progress towards long term goals.

To create a favourable investment environment, the report highlights the importance of tackling some key areas: Political leadership, Planning, Development risk, Creating demand and Finance.

Three delivery pathways have been examined – public, commercial and community. Draft delivery frameworks are presented in the appendices of the reports for planning authorities to consider.

3.4 What does the CRIF Report provide?

The CRIF report identifies a wide range of renewable energy technologies are available and how this creates the opportunity for Cambridgeshire to be a leading County for clean energy projects, goods and services.

The deployment potential for the CRIF identifies that to deliver 26% of Cambridgeshire's energy demand from renewable energy (as opposed to fossil fuels) that a potential delivery scenario could include 344MW solar PV, 42MW solar water heating, 219MW ground and air source heat pumps, 130MW small wind parks, 375MW larger wind farms and 41MW biomass Combined Heat and Power. Crucially the context for this must be the right choices in the right places and the local planning authorities are best placed to make these choices together.

The CRIF provides a clear understanding of where the potential for renewable energy delivery lies - 11% resides in the public sector through its assets, 36% in households and communities and 53% in the commercial sector. Localism and Big Society will be key to realising this potential.

3.5 How did we engage stakeholders?

The whole project was viewed as an engagement project. The aim was to move from the process where a strategy is created and the public are subsequently consulted on the document to one where participants shape the outcomes. The CRIF engagement ambition was to create a co-productive experience that would enable as many people as possible to share the knowledge of the technical work and participate in the formation of the framework, at the same time as sharing that experience as widely as possible to the less engaged community.

4.0 What are the key recommendations in the CRIF Report?

4.1 Establish political leadership

The CRIF workshops highlighted the strong political leadership needed to attract the investment in renewable energy including setting a clear vision for the county and the local planning authorities, sharing aspirations and levels of commitment and support across all sectors – public, commercial and community.

4.2 Develop supportive planning policies

Develop planning policies as part of the development of Local Plans / LDFs. to support continued development of appropriately sized and located renewable energy projects. The pressures that are currently observed are likely to become more acute as time goes on as a result of the national drive to ramp up the installation of renewable energy.

4.3 Mitigate development risk

Public sector intervention is required to bring investment in CHP and district heating infrastructure to enable biomass heat and power delivery. This is an area where Cambridge City Council and Huntingdonshire District Council have already carried out a lot of work. The long term, complex nature of the task requires sustained efforts and commitment over the short, medium and long term.

4.4 Create demand

The public sector has an important role to play in creating demand for renewable energy and in particular using public sector assets to help establish a market for renewable energy. Examples of good practice include the South Cambridgeshire Sustainable Energy Partnership and Huntingdonshire District Council's Greenhouse Project, a national exemplar of how to cost effectively retrofit existing private housing as a precursor to Green Deal.

4.5 Develop finance mechanisms

It is important to develop a range of financial products and mechanisms that can support renewable energy deployment across all the sectors. This might include pre-development funding for communities, a Community Energy Fund for Allowable Solutions and a public sector investment mechanism to support delivery of public sector projects using private investment. It could also include financial structures for capturing community benefit from commercial renewable energy development.

4.6 Develop the draft delivery frameworks

The draft delivery frameworks have been started to guide the various stakeholders over the coming years. These need stakeholders to continue to develop them to make them useful and relevant.

5.0 Recommendations - As per front cover.