

# OxFutures

**APSE Energy**

**Jan 2016**

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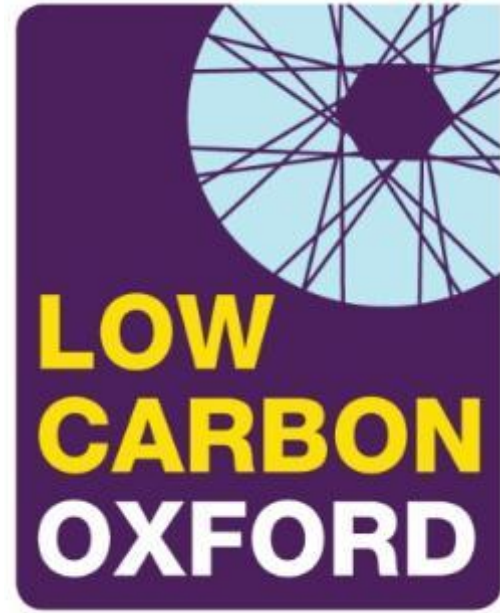
**OXFORDSHIRE  
COUNTY COUNCIL**



Co-funded by the Intelligent Energy Europe  
Programme of the European Union



# The City of Oxford

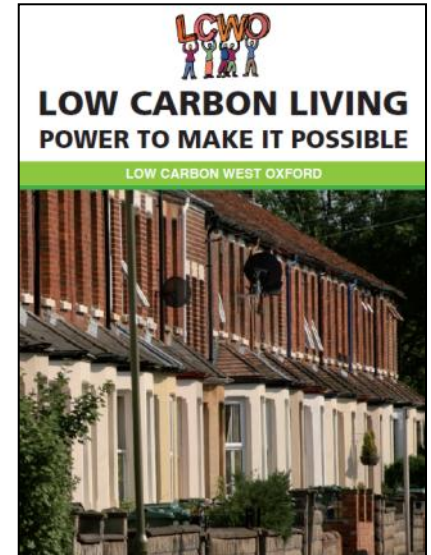
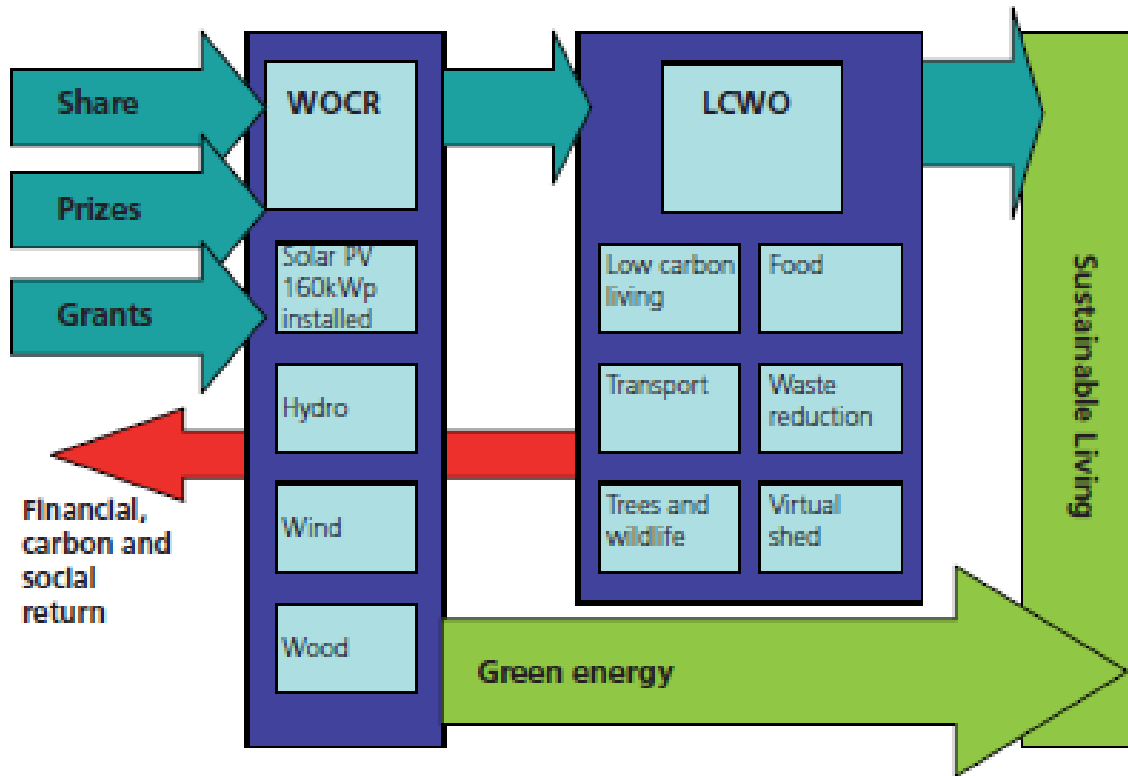




**The County of Oxfordshire**



**Our power station is closing down:  
what is our energy future?**



‘Mobilising Local Energy Infrastructure’ funding (now ‘project development assistance’)

Work packages:

- Financial infrastructure
- Investment in the public estate
- Community Energy
- Domestic retrofit

Targets:

- Renewable energy capacity: 6.1 MW
- Energy savings: 19,600 MWh p.a.
- Carbon avoided: 16,400 tCO<sub>2</sub> p.a.
- Investment leveraged: € 30m ambition, 15:1 minimum leverage



## What we aimed to do:

- Pilot community engagement with owner-occupiers
- Delivery funded energy assessments
- Identify and aggregate households into ECO funded projects
- Implement energy efficiency measures
- Secondary programme of ECO investment on city council social housing

## What we did:

- Successful community engagement in pilot-200 energy assessments delivered
- 16 owner-occupied houses improved with external wall insulation and 1,500 tCO<sub>2</sub> saved
- Social housing: £608k installations, 151k tCO<sub>2</sub> saved

## Changes to programme:

- Agreed early shut down of work package with EU
- Continued with social housing projects





## What we aimed to do:

- ECO investments in social housing – see previous slide
- Energy performance contracting pipeline and management process established
- Establish special purpose vehicle to channel third party investments into EPCs

## What happened:

- EPC pipeline depended on county council estate (scale)
- National policy context meant that ~~long term~~ contracts were difficult to enter into given need for flexible asset management
- In parallel: community benefit funding model is proven

## Changes to programme:

- Agreed with EU to refocus access to finance efforts on developing the community benefit model
- Establish a pipeline of solar schools projects
- Piloted support for schools to access funding for LED installations



## The Hub and community financing

The Low Carbon Hub is: a social enterprise set up to work with 300 Oxfordshire communities on:

- powering up
- powering down
- new energy infrastructure

It generates the revenue to do this by developing collectively financed renewable energy projects with:

- local businesses
- public sector
- Oxfordshire schools and
- communities

Low Carbon Hub vision: your investment; your power; your future



# Your investment



**WORKING TOGETHER FOR A LOW CARBON OXFORDSHIRE**



# Your power



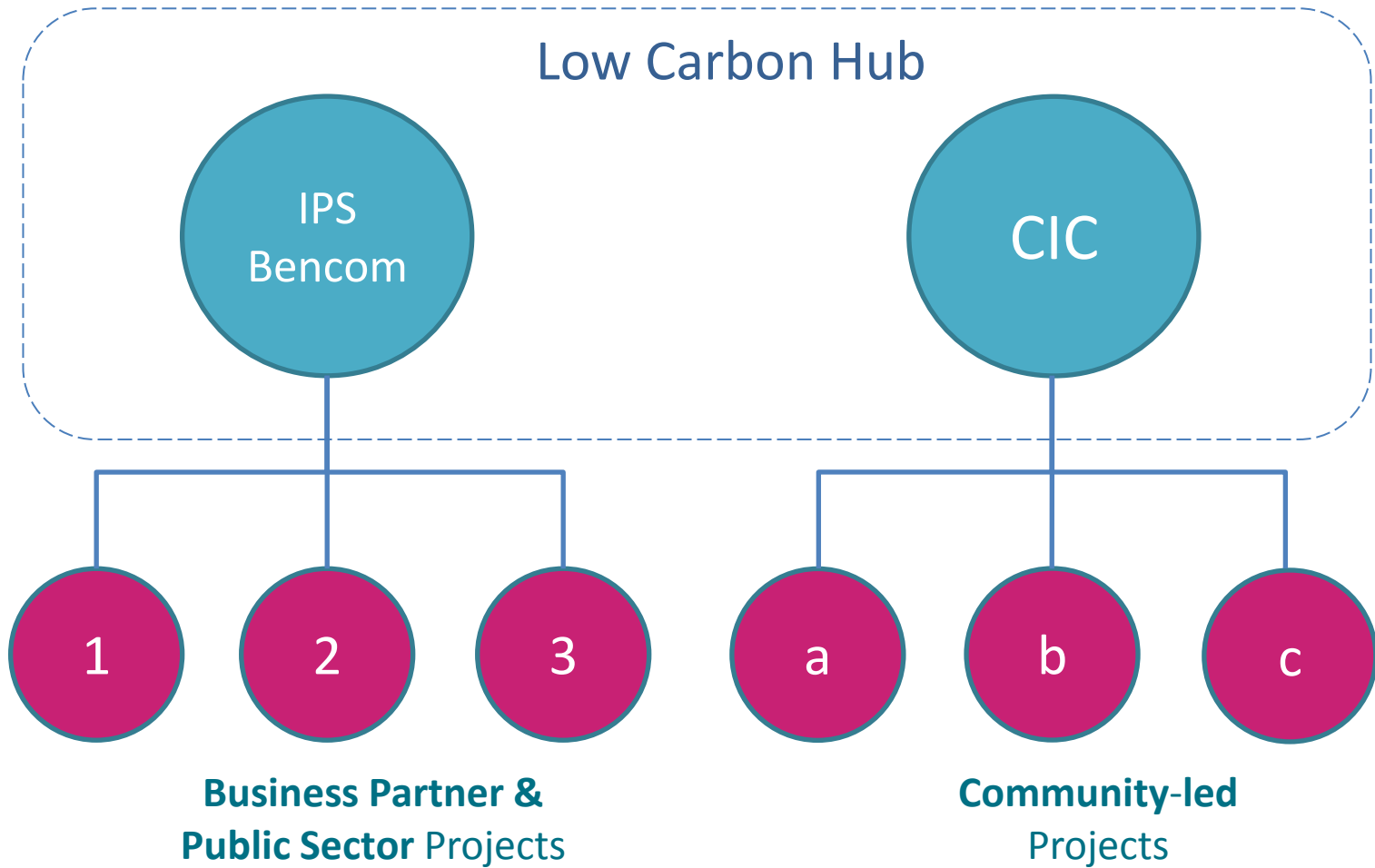
**WORKING TOGETHER FOR A LOW CARBON OXFORDSHIRE**

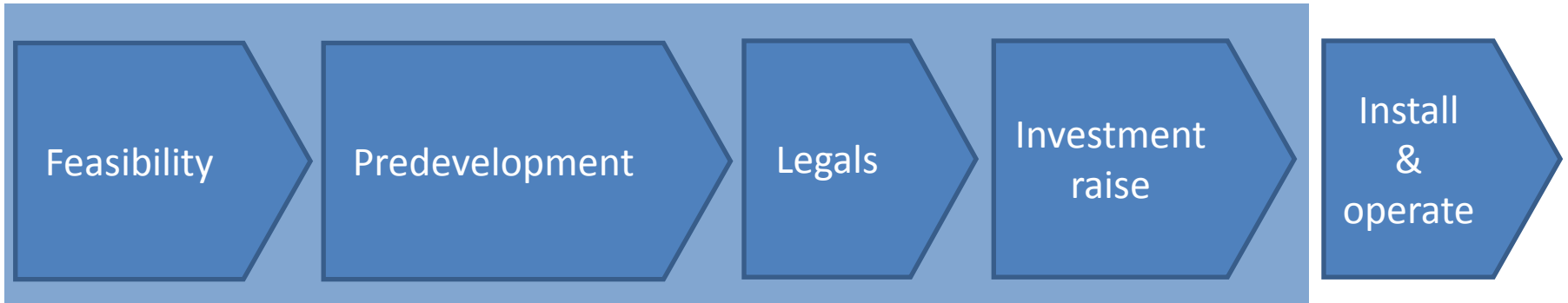


# Your future



**WORKING TOGETHER FOR A LOW CARBON OXFORDSHIRE**





**Enabling:**

- **£2.3 loan facility from OCC**
- **£1.7m raised in 2014 share offer**
- **Offers for underwriting and debt finance**



# Osney Lock Hydro

Micro-hydro

Operational 2015

Size: 49kW

Generation: 186,000kWh per annum

Carbon reduction: 100 tonnes CO<sub>2</sub> per year

Cost: £670,000

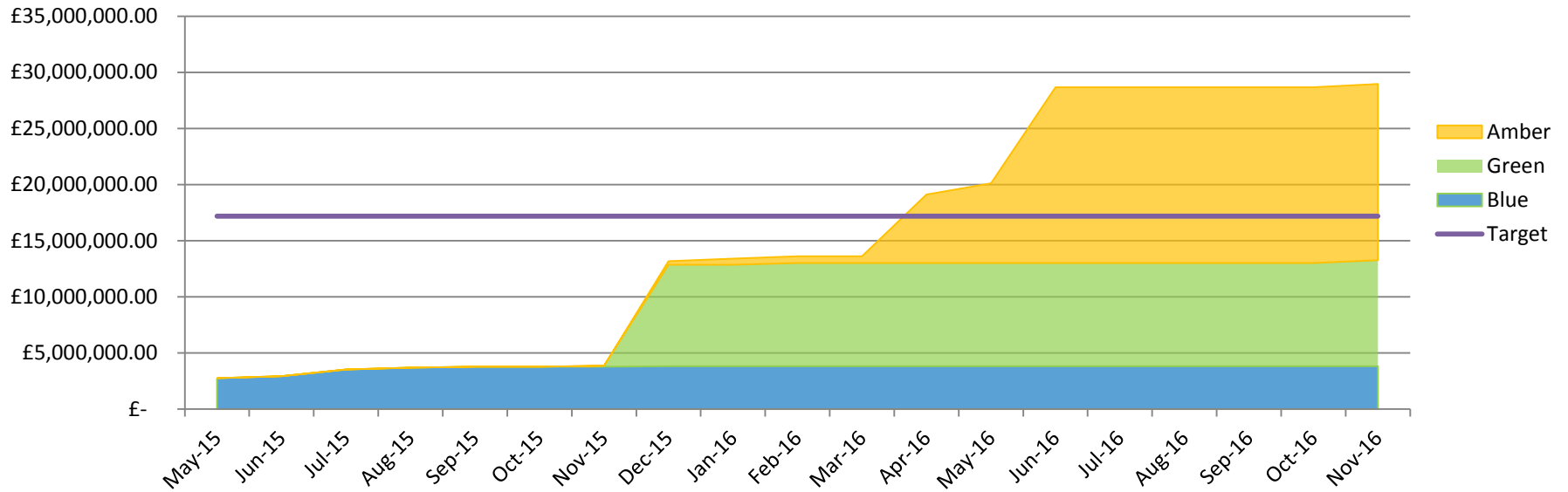
200 investors; 60% within 1 mile of project



# OxFutures Solar schools



# OxFutures Where are we now



Changes to programme agreed with EU result in variation to targets

Original target	New target	Progress
£20m - £25m	£18m	£4m
16,400 tCO <sub>2</sub> p.a.	7984 tCO <sub>2</sub> p.a.	850 tCO <sub>2</sub> p.a.
6.1 MW	12.7 MW	1.5 MW
19,600 MWh p.a.	151 MWh p.a.	116 MWh p.a.

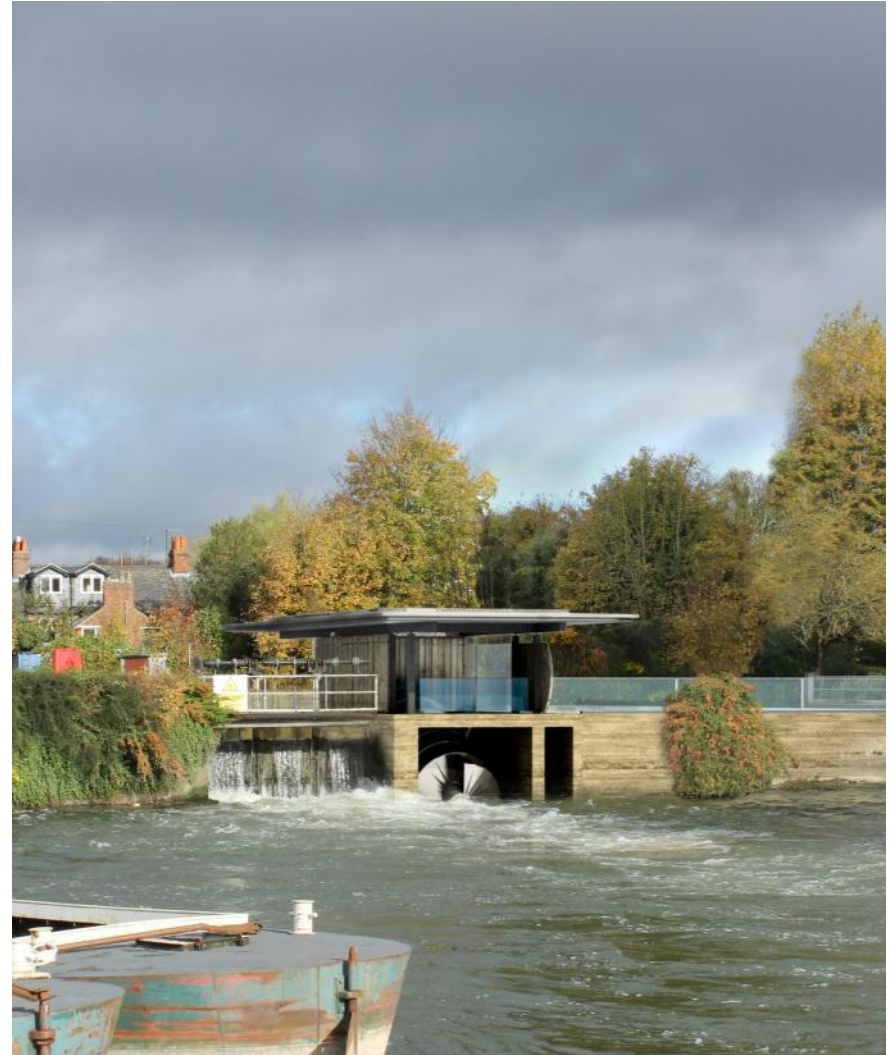
Project ends November 2016

### Policy changes:

- ECO
- FIT tariffs
- Eligibility for EIS tax relief

### Challenges:

- Finance is available for good projects
- Difficulty is keeping ahead of changing context for investors
- Gaining project approvals from landlords
- Grid capacity
- Overheads
- Large pipeline of small projects





## Lessons learned:

- Being flexible has been essential
- A major barrier to investments is not technical, nor access to finance, but enabling decision makers to take investment decisions
- Promoting energy efficiency projects in a changing national policy framework is challenging
- Our success has come from building on the strength of our communities
- Strong programme governance has enabled challenges to be met



- Public report on the project to be published early Summer
- Details of the investments and template contracts will be shared
- Low Carbon Hub on sustainable footing for the medium term
- Responding to changing solar market
- Looking at ways to finance solar pv roll out on social housing
- Developing a sustainable energy action plan to inform strategic priorities for meeting 2020 targets and beyond
- Completing feasibility studies for heat networks in the city
- Go Ultra Low Oxford