



APSE The Big Energy Summit

# Establishing Local Authority ESCOs: Legal Powers and Structures

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*“The time has come to disperse  
power more widely in Britain today.”*

The Prime Minister and the Deputy Prime Minister, Coalition  
Agreement, May 2010

# ESCO's – What Are They?

## ESCO – “Energy Services Company”

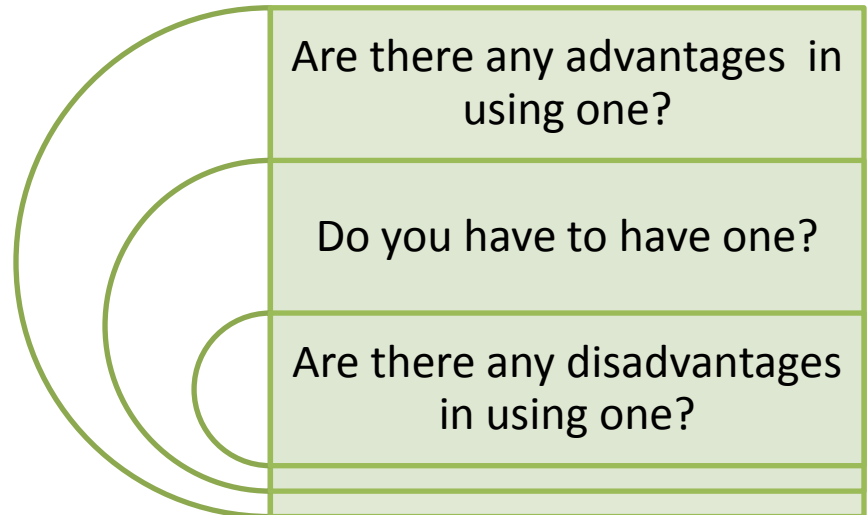
No clear definition of the term.

Generally used to describe an entity established to deliver:

- Energy efficiency
- Energy savings
- Carbon savings

*What's your objective?*

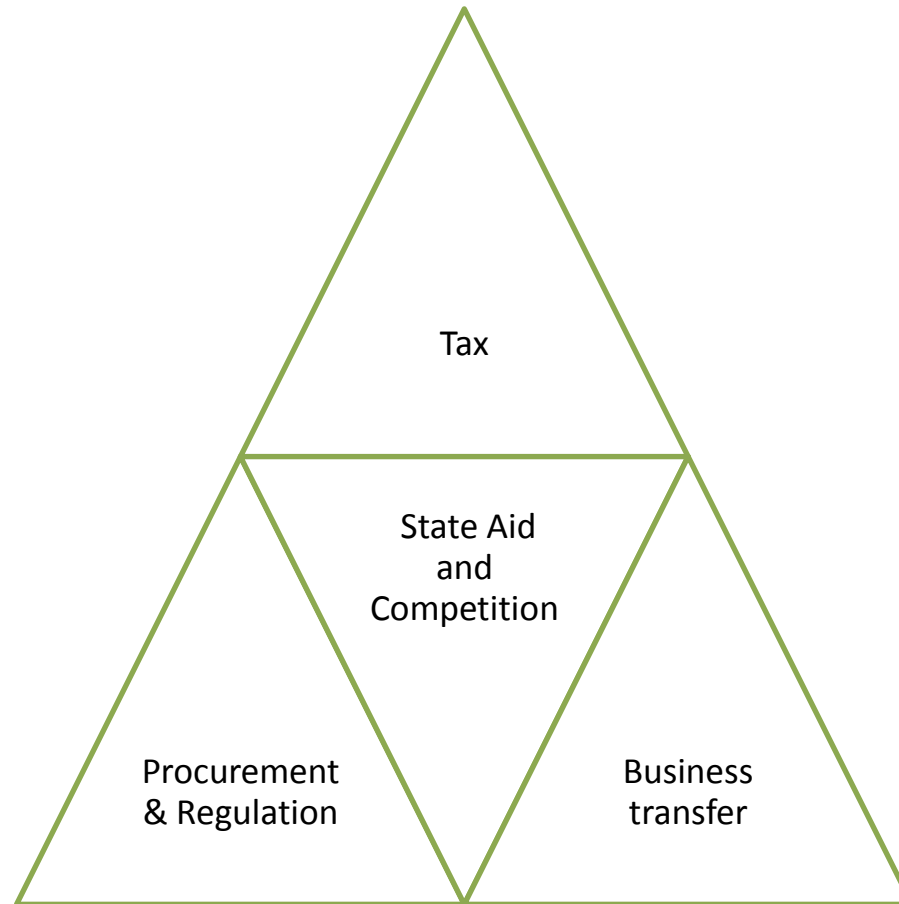
*Service delivery and  
creating a 'Brand'*



# Why bother?



# Possible Hazards



# Do you have to have an ESCO?



Regulatory Requirement?

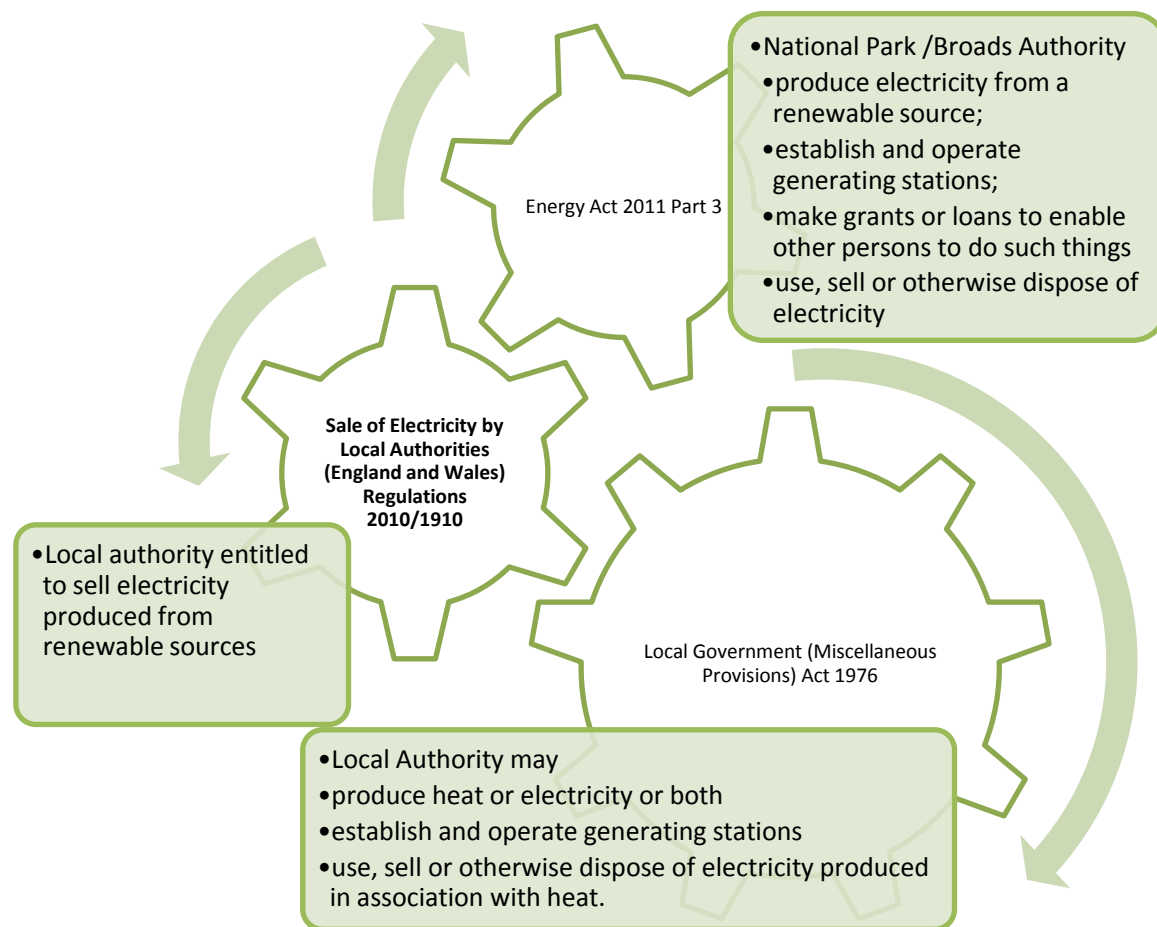
- None



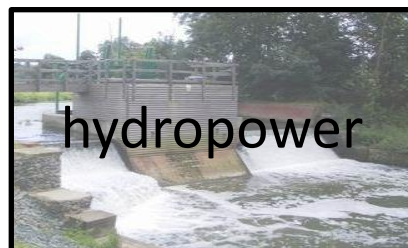
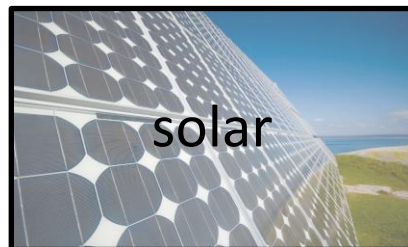
## Local Authority Trading Company Powers

- Localism Act 2011
- Local Government Act 2003
- Relationship with existing powers

# Vires to produce and sell electricity



# Renewable Sources





# Procurement

Can you contract directly with the Company?

## Teckal

- exercises control similar to that over departments
- At least 80% of its activities are carried out for the authority
- No direct participation of private capital in the entity

Does the Company have to procure under the 2015 Regulations?

Which Regulations

- Public or Utilities?

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