



Apse Energy

Risk and Legal Vehicles

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London Borough of Hammersmith and Fulham
Town Hall

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ESCO's – What Are They?

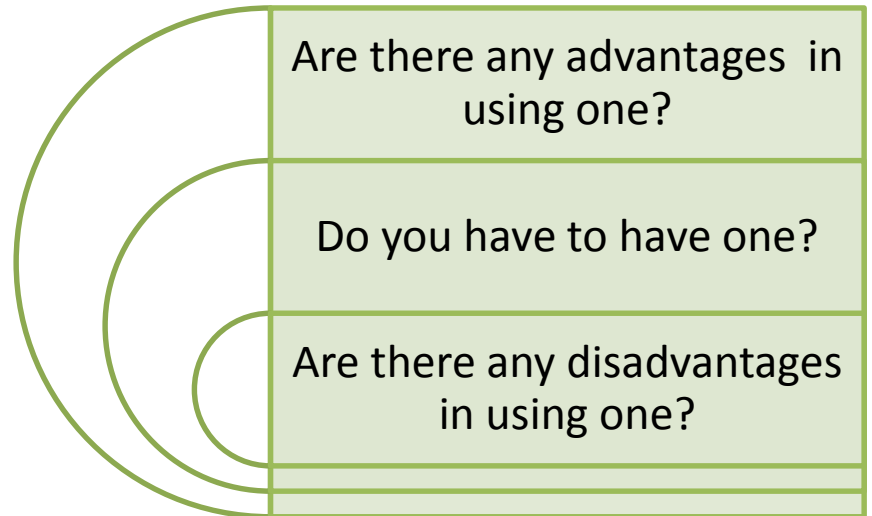
ESCO – “Energy Services Company”

No clear definition of the term.

Generally used to describe an entity established to deliver:

- Energy efficiency
- Energy savings
- Carbon savings

The real purpose is the delivery



Do you have to have an ESCO?



Regulatory Requirement?

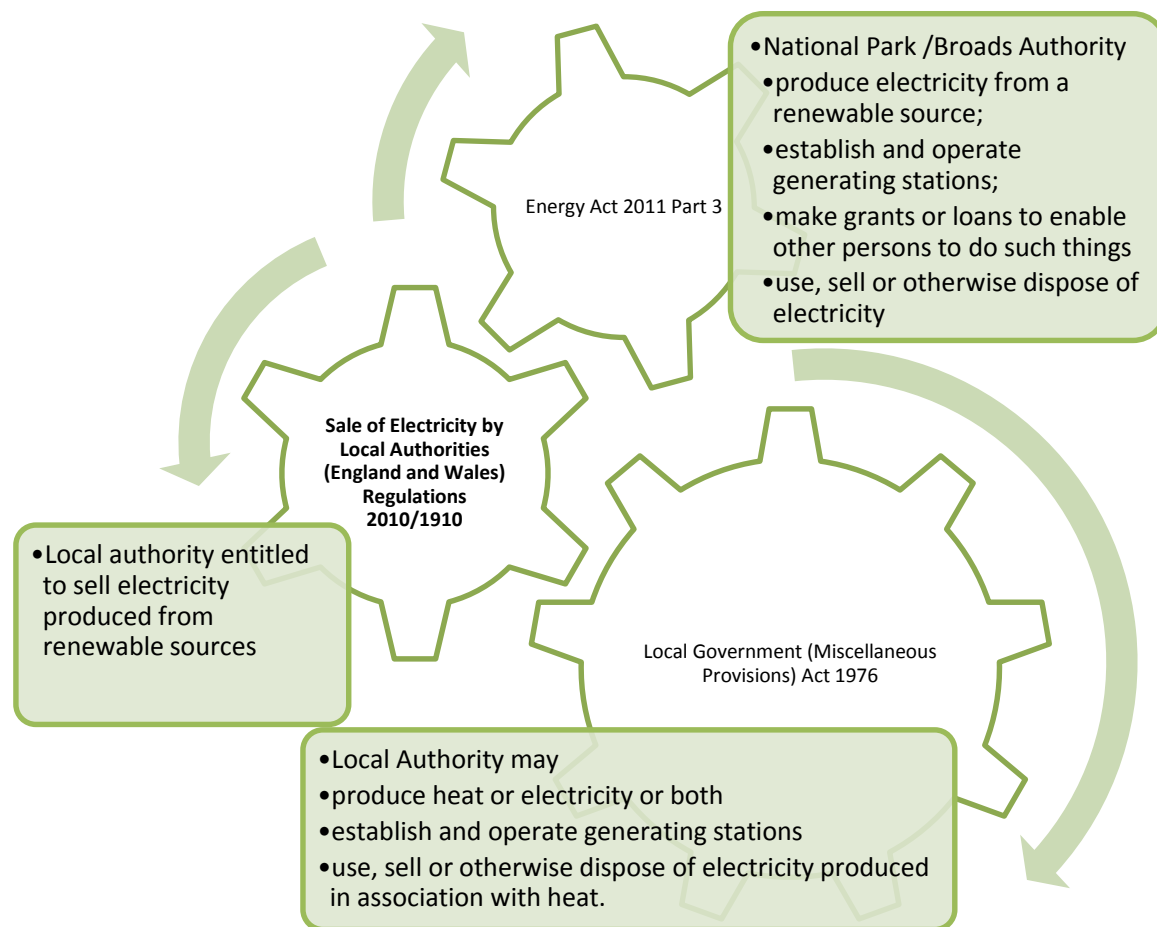
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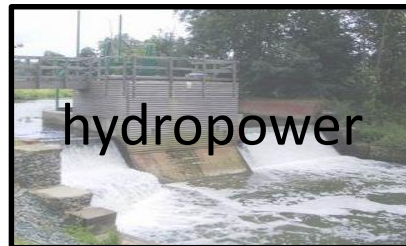
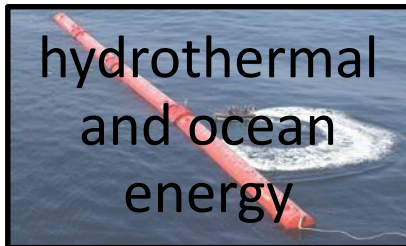
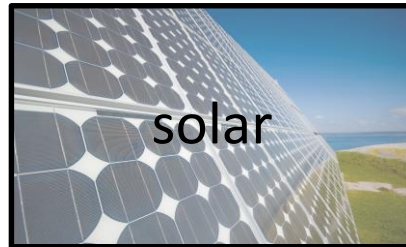
Local Authority Trading Company Powers

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

Vires to produce and sell electricity



Renewable Sources



Why bother with an ESCO?

Risk Management

Limited Liability

Enters own contracts

Can employ own staff

Reputational Risk?

Governance

More Flexible

More Commercial

Ability to involve non local authority partners

Finance

Understood platform for investment and lending

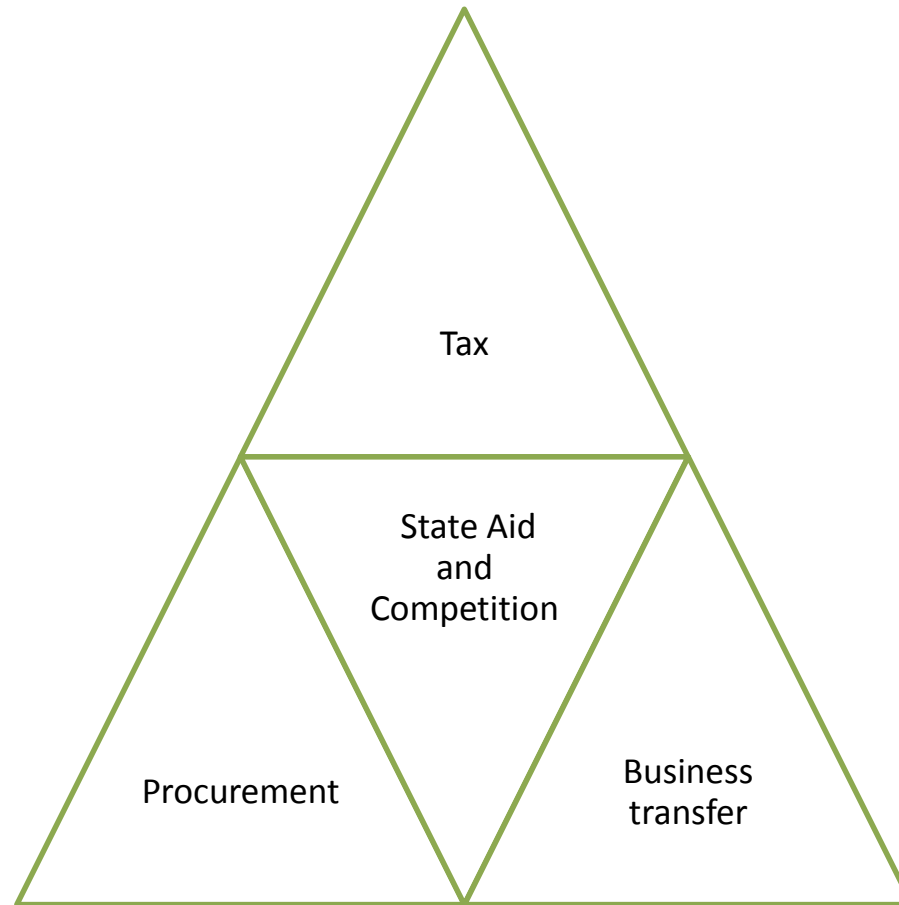
Community Electricity Right under Infrastructure Act 2015

Branding

Centre of Excellence

Separate from the Council

Possible Hazards



Procurement

Can you contract directly with the Company?

Teckal

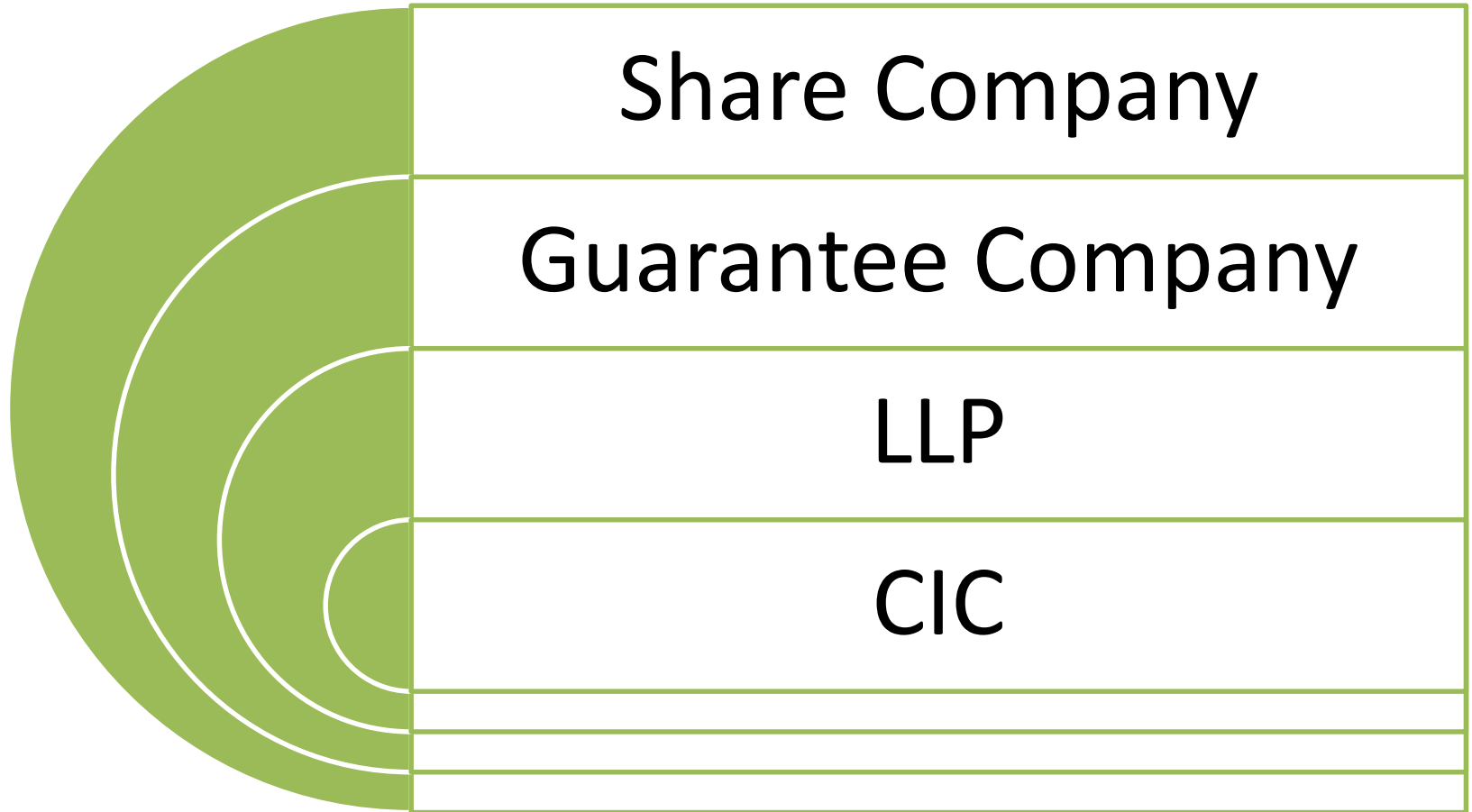
- exercises control similar to that over departments
- At least 80% of its activities are carried out for the authority
- No direct participation of private capital in the entity

Does the Company have to procure under the 2015 Regulations?

Which Regulations

- Public or Utilities?

Possible Models



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