

# APSE Energy

Practical Workshop on Latest  
Developments in the Energy Sector and  
Their Impact on Local Authorities

Fife

8 November 2016



# Investing in Electricity

Stephen Cirell





**LEEDS**  
CITY COUNCIL



Stephen Cirell Consultancy Ltd

# Introduction

- Background
- The APSE Energy publication
- A focus on electricity



# The Hierarchy of Electricity

- Use less electricity
- Improve energy efficiency
- Create Renewable Energy



# Renewable Energy Projects

- Solar PV as an example
- The Business Case has changed
- Two options now are:
  - Medium Term Strategy
  - Accelerated options



# The Medium Term Strategy

- Solar prices will fall, energy prices will rise
- Five steps:
  - Sites
  - Planning & grid
  - Procurement & Business case



# Accelerated Options

- Use power on site
- Private wire to a nearby user
- Sleeving
- ESCO
- Battery storage





# Energy Services Companies

- A new lease of life
- Robin Hood Energy and Bristol Energy
- Advantages of an ESCO
- Options for an ESCO



# Electricity Charges

- The system is complex!
- Its important to understand it
- Prices will go up over time



# What makes up your price of grid electricity

## 19%

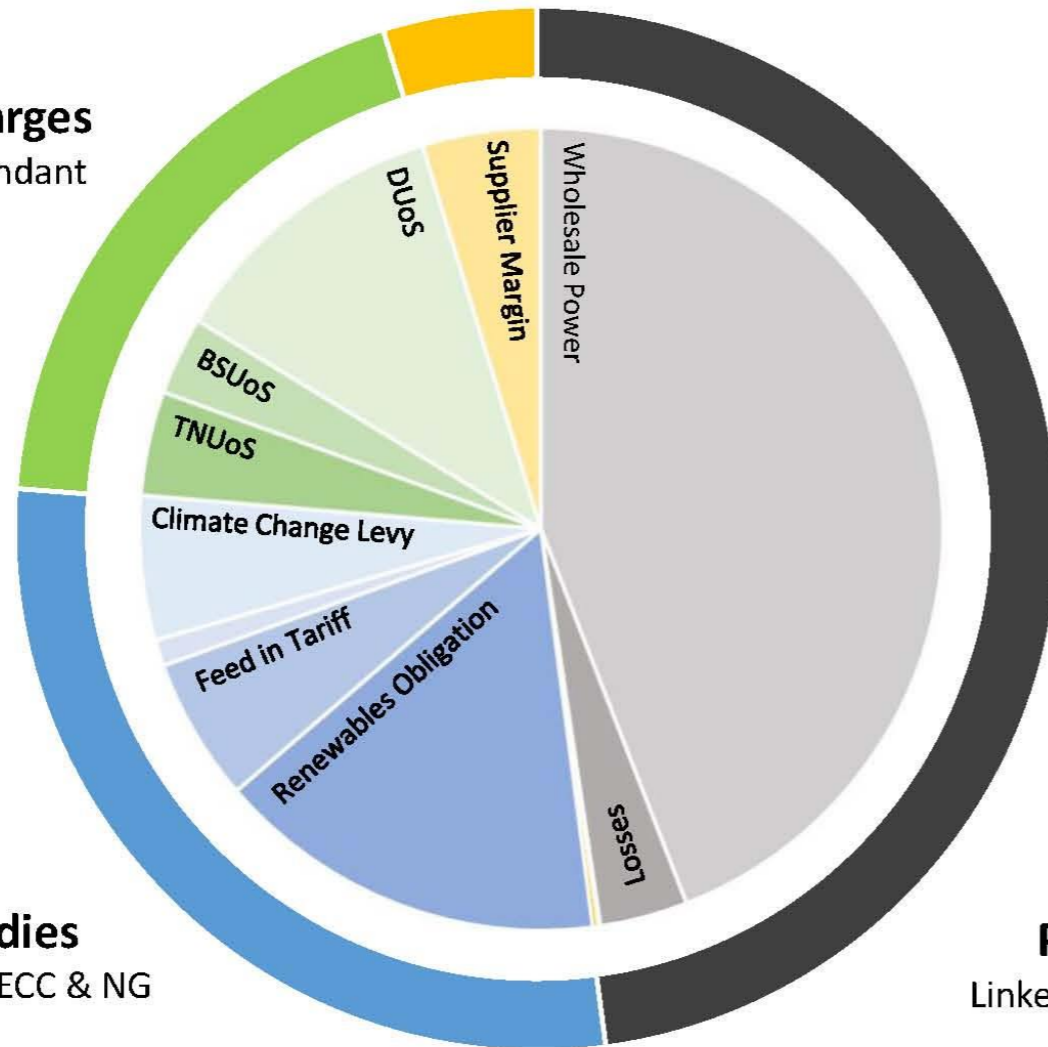
### Balancing Charges

Time of Use dependant

## 29%

### Taxes & Subsidies

Set by Treasury, DECC & NG



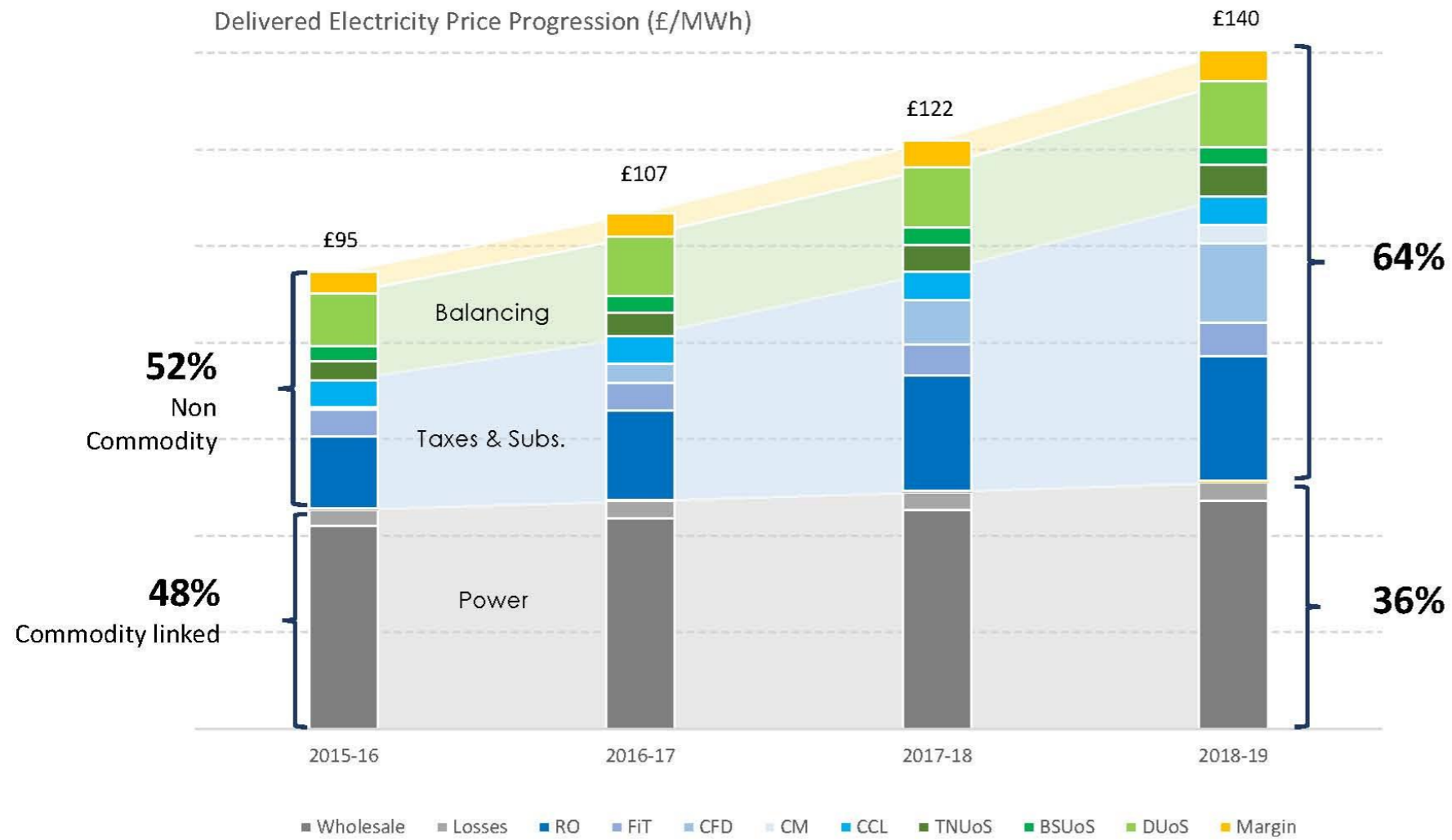
The price of electricity delivered through the National Grid is made up of a number of costs and charges. These charges relate not only to the generation of the power, but also a number of taxes and levies, as well as charges associated to the running and balancing of the grid.

## 48%

### Power & Losses

Linked to fossil fuel price

# Non Commodity Price Inflation



The wholesale power market will remain cheap in line with fossil fuels

But published rises in subsidy obligations and balancing charges will lead to a sharp increases in socket power prices

Reduced correlation with commodity prices will reduce consumers' ability to hedge / forward manage their cost of power

# Local Government Strategies

- Reduce electricity costs
- Target electricity generation
- Intervene in the electricity market



# Battery Storage

- Battery storage is on the up
- Costs of batteries are falling
- Battery storage opens new doors



# Sales of Electricity at Premium Rates

- How can premium rates be achieved?
- The Capacity Market
- National Grid contracts



# Conclusions

- The electricity market is changing
- Local authorities need to play their part
- There is much more to play for than renewable energy projects
- Do something





# Stephen Cirell

mobile: 07774 451 587

email: [stephencirell@me.com](mailto:stephencirell@me.com)

twitter: @stephencirell

web: [www.publicsectorenergy.co.uk](http://www.publicsectorenergy.co.uk)



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