
Report to: Green Economy Panel

Date: 9 April 2019

Subject: **Energy Strategy and Delivery Plan**

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1. Purpose of this report

- 1.1. To give the Panel an update on the delivery of the Energy Strategy and Delivery Plan, including progress on the top ten actions identified.
- 1.2. To note the intention to establish closer ways of working between the Panel and the West Yorkshire Transport Committee with a view to reinforcing Transport Committee's involvement in achieving a City Region carbon emission reduction target.

2. Information

- 2.1. The Leeds City Region Energy Strategy and Delivery Plan (ESDP) was adopted by the West Yorkshire Combined Authority in December 2018.
- 2.2. The ESDP sets out how the ambition of the Strategic Economic Plan (SEP) for the City Region to become a resilient, zero carbon economy underpinned by high-quality green and blue infrastructure could be achieved.
- 2.3. This report gives an update on the work which has taken place since the ESDP was adopted and is split into four different elements:
 - Carbon reduction target, budgets and pathways
 - Energy Summit;
 - Energy Accelerator projects; and
 - North East, Yorkshire and Humber (NEYH) Energy Hub projects.
- 2.4. An update on each element is set out below.
- 2.5. A summary of the ESDP is set out at **Appendix 1** for reference.

Carbon reduction target and pathways

- 2.6. Stakeholders expressed an interest during the consultation on the ESDP to explore in detail the setting of a carbon reduction target for the City Region. This work responds to that request and builds on the carbon reduction work outlined in the ESDP.
- 2.7. The aims of this work are to:
- Identify a carbon reduction target and date for carbon neutrality¹ for the City Region.
 - Breakdown the carbon reduction target into five yearly carbon targets for the City Region.
 - Identify, taking into account the actions set out in the ESDP, potential carbon reduction pathways to achieving the carbon reduction target.
- 2.8. The Tyndall Centre will identify an overall and five yearly carbon targets for the City Region. The Tyndall Centre work is being funded through the University of Manchester at no cost to the Combined Authority.
- 2.9. The outputs of this work are to feed into the Towards a Zero Carbon City Region – Workshops and Event due to take place in June and July 2019.
- 2.10. In addition, the Combined Authority will commission a further piece of work to identify different potential ways in which the region could achieve the target identified by the Tyndall Centre. The benefits of each pathway will be defined e.g. GVA, jobs, cost, as part of the work.

Towards a Zero Carbon City Region – Workshops and Event

- 2.11. During consultation on the ESDP, Council Leaders and Chief Executives requested that a high profile event be held to raise awareness of the ESDP and gain commitment from regional stakeholders for its delivery. The LEP and Combined Authority agreed to this and plan to deliver the Towards a Zero Carbon City Region – Workshops and Event in June and July 2019.
- 2.12. The aims of the workshops and event are:
- Make Leeds City Region one of the first UK City Regions to publicly pledge its commitment to meeting the Paris Climate Change Agreement² targets.
 - Achieve national media coverage of the Towards a Zero Carbon City Region event in order to position the City Region nationally as a leading, innovative region on tackling climate change.
 - Raise awareness of the outputs of the ESDP with stakeholders.

¹ For the purposes of this piece of work carbon neutrality is defined as the point at which less than 5 percent of the total carbon budget for the City Region remains as residual emissions.

² The Paris Climate Change Agreement is the global agreement that brings all nations into a common cause to undertake ambitious efforts to combat climate change and adapt to its effects. The Agreement aims to keep global temperature rise this century to well below 2°C above pre-industrial levels

- Raise awareness of City Region overall and five-yearly carbon reduction targets.
 - Identify actions, which could enable a carbon reduction target.
 - Establish coalitions and collaborations between stakeholders to deliver transformational actions to achieve a regional carbon reduction target.
 - Gain commitment from key stakeholders to work with the Combined Authority and other partners to support the delivery of the City Region carbon reduction target.
- 2.13. The Towards a Zero Carbon City Region – Workshops and Event will be made up of four workshops and a stakeholder event. The workshops will be held in early June 2019, with the stakeholder event following in early July 2019.
- 2.14. To ensure the views and opinions of a wide cross-section of stakeholders are taken into consideration a stakeholder mapping exercise will take place. The mapping will be used as the basis for inviting stakeholders to the workshops and event. It is important that a balanced breadth of opinion is represented to ensure the outcomes of the workshops and event are inclusive to a wide range of stakeholders. The transition to a zero carbon City Region needs to be a ‘just transition’ limiting the impact on a wide range of stakeholders and groups.
- 2.15. Given the above we would hope to attract input from the energy sector, local, regional and national government, academia, industry, civic society, lobbying organisations, residents groups and the unions.
- 2.16. The stakeholder mapping will build on a similar exercise that was carried out for the Local Industrial Strategy, which identified stakeholders from across the City Region for engaging with on this important piece of work.
- 2.17. Stakeholders invited to the workshops will fall into two categories: those that are topic area experts and those who are local delivery experts. Topic area experts will be drawn from across the UK and must have expert knowledge on a specific subject area e.g. hydrogen, freight, solar PV. Local delivery experts will be drawn from the City Region and be experts in their ability to deliver projects and to make decisions on behalf of their organisation.
- 2.18. The workshops will be focussed around the key themes of power, buildings, industry and transport, with attendance by invite only to ensure key stakeholders are present at each.
- 2.19. The stakeholder event will take place after the workshops and is the opportunity for senior stakeholders to come together to discuss the proposed carbon reduction target for the City Region and pledge to work together to deliver it. The event will target local politicians and chief executives of City Region organisations e.g. local authorities, public sector organisations, large employers, universities and industry. Invites will be sent out by mid-April 2019.
- 2.20. A summary of the Towards a Zero Carbon City Region – Workshops and Event is set out in **Appendix 2**.

Energy Accelerator projects

- 2.21. A number of projects were identified in the ESDP which are suitable for development through the City Region Energy Accelerator³. These include district heat networks, street lighting and public sector energy efficiency retrofit schemes.
- 2.22. To date three district heat network projects highlighted in the ESDP are being progressed through the Energy Accelerator⁴. See agenda Item 12 for more information on these district heat network projects.

North East, Yorkshire and Humber Energy Hub projects

- 2.23. There are a number of projects identified in the ESDP which are suitable for development through the Hub⁵.
- 2.24. Three ESDP projects are currently being explored⁶ with Partners. They are:
- Leeds City Region low carbon transport policy review;
 - Financing mechanisms for upscaling domestic energy efficiency measures across the region; and
 - Leeds City Region green bonds and other financial instruments.

Low carbon transport policy review

- 2.25. This is a proposed project to help support current and future policy development when it comes to decarbonising surface transport (excluding aviation and shipping). The exact details of this proposed work are being developed with Partners.
- 2.26. The newly established joint West Yorkshire Transport Committee and Green Economy Panel working group (see 2.31 below) will oversee the development of this project.

Financing for domestic energy efficiency measures

- 2.27. There is currently a lack of funding available for domestic energy efficiency measures. Scaling up the Better Homes Yorkshire scheme was identified in the Energy Strategy and Delivery Plan as a key action to increase the levels of energy efficiency across the domestic stock in the City Region.
- 2.28. This proposed project will investigate the financial and business models that could be established to help the Better Homes Yorkshire scheme to be scaled

³ The Energy Accelerator is a team of expert advisors that support the development of low carbon projects. The Accelerator offers free support to the commercial and public sector in energy efficiency, district heat networks and street lighting.

⁴ All projects are subject to the approval by the Energy Accelerator Board

⁵ The Hub provides capacity to LEPs and local authorities to undertake the initial stages of development for priority local and regional energy projects and programmes up to a point where investment can be secured. A collaborative and coordinated approach across multiple LEP areas is encouraged through the Hub.

⁶ All projects are subject to approval by the Energy Hub Board.

up and deliver increased deployment of energy efficiency measures. The exact details of this proposed work will be developed with Better Homes Yorkshire Partners.

Green bonds and other financial instruments

- 2.29. Green bonds were identified in the Energy Strategy and Delivery Plan as a key mechanism in the financing of low carbon energy projects. This project would establish a green bond or other financial instrument model for the Leeds City Region which could be used to fund low carbon energy projects, e.g. those that have been supported through the Energy Accelerator.

ESDP top ten actions – progress update

- 2.30. The table below sets out current progress to deliver against the top ten actions identified in the ESDP.

Action	Description	Progress
Hydrogen vehicles	Hydrogen buses and refuelling stations on a key City Region bus route.	To be investigated as part of the low carbon transport review set out at 2.23 above.
Electric vehicle charging and infrastructure	Implementation of infrastructure allowing the roll-out of electric vehicles across the City Region, focussing on rapid charge technology.	Low carbon buses are being investigated as part of the Zero Carbon Bus Roadmap.
Industrial energy efficiency	Targeting the high-emission industrial sector with energy efficiency measures.	Clean Growth Audit (CGA) commissioned. The CGA will identify the location of high-emission industrial facilities, including those where CCUS may be of interest and waste heat is available.
Carbon Capture, Utilisation and Storage (CCUS)	Implementation of CCUS installations, building on the bioenergy CCUS project at Drax Power Station.	
Industrial waste heat recovery	Utilising the waste heat from energy from waste	

Action	Description	Progress
	facilities and energy intensive industries.	
Carbon budgets and carbon management plans	Support for businesses and public sector bodies in limiting their emissions.	Combined Authority has initiated a Corporate Clean Growth Programme. As part of this programme a baseline for resources including carbon will be calculated and ways in which use can be reduced will be investigated.
H21	Continued support for the development of this Northern Gas Networks led project to convert the existing natural gas network to 100 percent hydrogen.	Ongoing
Street lighting programmes	Improving the energy efficiency of street lighting through the use of LEDs and smart technologies.	Being explored through the Energy Accelerator.
Public estate renewables programme	Installation of renewable energy generation on and in public sector buildings.	Being progressed through the Energy Accelerator.
District Heat Networks	Continued development of 11 district heat network projects across the City Region.	Being progressed by individual local authorities or through the Energy Accelerator. See Item 12 for more information.

West Yorkshire Transport Committee

- 2.31. At their 15 March meeting Transport Committee requested that a working group be established, working with the Green Economy Panel, to consider the contribution of transport to achieving the regional low carbon ambitions. This was in light of the forecasted rise in transport related emissions over the next 20 years set out in the ESDP.
- 2.32. A joint Green Economy Panel and Transport Committee working group is currently being established in response to the request. The working group will explore how transport can contribute to the regional emission reduction target and oversee the development of specific actions relating to transport and emissions reduction e.g. the Low Carbon Transport Policy Review set out at 2.24 above.
- 2.33. In addition to the working group a member of Transport Committee will be invited to attend meetings of the Energy Steering Group. The group, made up of representatives of Northern Powergrid, the University of Leeds, and BEIS, oversee the delivery of the ESDP and act as a critical friend to the LEP and Combined Authority in delivering against this agenda.

3. Financial implications

- 3.1. There are no financial implications directly arising from this report. Any financial implications associated with the above will be the subject of separate reports.

4. Legal implications

- 4.1. There are no legal implications directly arising from this report.

5. Staffing implications

- 5.1. There are no staffing implications directly arising from this report.

6. External consultees

- 6.1. No external consultations have been undertaken.

7. Recommendations

- 7.1. That the Panel note the contents of the report.

8. Background documents

- 8.1. None

9. Appendices

- 9.1. Appendix 1 – ESDP Summary
- 9.2. Appendix 2 – Regional Summit Summary