
Report to: Green Economy Panel

Date: 17 April 2018

Subject: **Energy Strategy and Delivery Plan**

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1. Purpose of this report

- 1.1. To present an update on progress to develop the Energy Strategy and Delivery Plan for the Leeds City Region and the emerging findings of Work Package 4 for comment.

2. Information

Background

- 2.1. The Leeds City Region Strategic Economic Plan (SEP) sets out the ambition of becoming a 'resilient, zero carbon energy economy'.
- 2.2. To understand how the Leeds City Region could achieve the SEP energy ambition, the Energy Strategy and Delivery Plan was commissioned with support from the Department for Business, Energy and Industrial Strategy (DBEIS). The Energy Strategy and Delivery Plan is a named delivery plan of the SEP.
- 2.3. In addition to alignment with the existing SEP the Energy Strategy and Delivery Plan must contribute towards addressing the key challenges¹ identified for delivery by the emerging Local Inclusive Industrial Strategy and policy framework.
- 2.4. The environment and energy are identified in the emerging Leeds City Region Strategic Framework as a key policy area that will contribute to delivering

¹ The key challenges were identified as holding back the economy and constraining growth by the Leeds City Region Enterprise Partnership Board. The key challenges are: the productivity gap is increasing; innovation and research and development are very low; living standards have stalled; stubborn deprivation persists.

against the key challenges identified. The table below sets out how the Energy Strategy and Delivery Plan will contribute to achieving the key challenges.

Key challenges for the City Region	How can the Energy Strategy and Delivery Plan help to tackle these?
Productivity gap is increasing	<p>By providing opportunities for businesses to reduce costs, remain competitive and relocate to the City Region through the provision of lower cost energy.</p> <p>By providing opportunities for businesses to be better able to profit from the decentralisation of energy generation.</p>
Innovation and research and development are very low	<p>By providing and making businesses aware of the opportunities for innovation within the energy sector.</p> <p>By ensuring businesses have the opportunity to and are aware of developments in the energy sector that allow innovation and research and development to occur.</p>
Living standards have stalled	<p>By providing job opportunities for City Region residents in the energy sector.</p> <p>By ensuring all City Region residents have the opportunity to benefit from cleaner, cheaper energy.</p>
Stubborn deprivation exists	<p>By decreasing the number of City Region residents classed as in fuel poverty through lower energy bills and improved thermal comfort.</p> <p>By contributing to a reduction in respiratory related illnesses through the improvement of air quality.</p>

2.5. The Energy Strategy and Delivery Plan is split into four discrete work packages:

- Work Package 1: Energy state of the Leeds City Region
- Work Package 2: Technology options appraisal
- Work Package 3: Energy opportunity areas
- Work Package 4: Delivery plan

Consultation

- 2.6. The work to date has been shaped through consultation with a number of partners from across, and with an interest in, the energy sector. These include two of the big six energy companies, University of Leeds, Yorkshire Water and the Combined Authorities local authority partners.

Work Package 1

- 2.7. The purpose of Work Package 1 is to provide an understanding of the current and future energy demands, energy generation, and the jobs and skills associated with the sector.
- 2.8. Work to complete Work Package 1 is nearly complete and will be presented to a future meeting of the Panel.

Work Package 2

- 2.9. The purpose of Work Package 2 is to identify the technologies that are likely to make the most significant contribution to achieving the energy ambition set out in the SEP.
- 2.10. The energy technologies identified in Work Package 2 are: district heat networks; hydrogen for heat; renewable heat (heat pumps, waste heat, biomass, solar thermal); solar PV; onshore wind; offshore wind; biomass for electricity; hydropower; energy from waste; anaerobic digestion; gas CCGT; energy efficiency; energy storage; carbon capture, storage, and utilisation; demand side response; electric and plug-in hybrid vehicles; hydrogen for transport and efficiency of the transport network.
- 2.11. The final version of Work Package 2 was completed in December 2017.

Work Package 3

- 2.12. The purpose of Work Package 3 is to provide a high-level understanding of the geographical areas across the City Region which are most appropriate for the energy technologies identified in Work Package 2².
- 2.13. It is anticipated a draft version of Work Package 3 will be presented to a future meeting of the Panel.

Work Package 4

- 2.14. The purpose of Work Package 4 is to bring together the outputs of the three previous work packages and combine them to create an Energy Strategy and Delivery Plan for the City Region.
- 2.15. In addition to the outputs of the previous three work packages, Work Package 4 will:

²Please note offshore wind, demand side response and efficiency of the transport network are not part of the Work Package 3 analysis.

- Identify strategic energy priorities and action areas for the City Region.
 - Demonstrate energy pathways to achieving the City Region energy ambition.
 - Develop a Delivery Plan.
 - Identify organisational roles and delivery mechanisms for projects / actions / measures outlined in the Delivery Plan.
- 2.16. Noel Collings from the Economic Policy and Strategy Team will present the emerging findings of Work Package 4 and will take comments and questions from the Panel. A general update on progress will also be presented.
- 2.17. In addition to the above the Panel are also asked to review the draft, emerging strategic priorities and action areas (see Appendix 1) identified for the Energy Strategy and Delivery Plan and to provide comments.

Next steps

- 2.18. It is currently proposed that the final Energy Strategy and Delivery Plan will undergo consultation with Chief Executives, Leaders, Directors of Development, the LEP and Combined Authority Boards. It is anticipated that the Strategy and Delivery Plan will be adopted later in 2018.
- 2.19. On receiving comments from the above groups it is intended for the Energy Strategy and Delivery Plan to undergo a period of further consultation with a wider stakeholder group.

3. Financial Implications

- 3.1. There are no financial implications directly arising from this report.

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. The Panel are recommended to provide comments on the emerging outputs of Work Package 4 and to note progress to develop an Energy Strategy and Delivery Plan for the City Region.

8. Background Documents

8.1. None.

9. Appendices

9.1. Appendix 1 – Energy Strategy and Delivery Plan strategic priorities and action areas (draft)