

ABERDEEN CITY COUNCIL

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| COMMITTEE | Enterprise, Planning & Infrastructure |
| DATE | 24 th May 2011 |
| DIRECTOR | Gordon McIntosh |
| TITLE OF REPORT | Alternative Energy Strategy for Council Owned Public Buildings |
| REPORT NUMBER: | EPI/11/120 |

1. PURPOSE OF REPORT

The UK Government has placed an emphasis on local authorities setting a leading example on Climate Change. Action by local authorities will be critical to achieving the Government's climate change objectives, such as the legally binding target of 15% of total energy from renewables by 2020.

The alternative energy strategy for Council owned public buildings (appendix 1) has been developed to support the installation of low / zero carbon technologies on Council owned public buildings and assets. This will not only contribute to the UK Governments legally binding renewables target but will also help to:

- **Reduce the Council's carbon dioxide emissions**
In 2008/09 the Council emitted over 118,530 tonnes CO₂ to the atmosphere. This is not only damaging to the environment but under the Carbon Reduction Commitment could potentially cost the Council over £500,000 per year.
- **Future proof the Council from rising energy prices**
In 20010/11 Aberdeen City Council spent over £8 million on energy (electricity, gas and heating oil) to heat and power the City's public buildings. This is set to rise in future as demand for fossil fuel exceeds supply. Installing renewable technologies in public buildings will reduce the Council's dependence on fossil fuels and decrease the Council's exposure to rising energy prices.

2. RECOMMENDATION(S)

It is recommended that the Committee:

1. Note the potential environmental and financial benefits of reducing the Council's energy demand and developing alternative energy projects in the City;
2. Agrees to the adoption of the Council's Alternative Energy Strategy for Council owned Public Buildings;
3. Agrees to refer the Strategy to the Corporate Policy and Performance Committee for ratification.

3. FINANCIAL IMPLICATIONS

The Council has recently completed a priority based budget exercise which requires savings of £127m over the next five years. Reducing energy demand in Council buildings and installing renewable energy technologies will create financial savings for the Council as well as reducing the Council's carbon footprint.

The Council's capital programme is set to be reduced from £40 million in 2011/12 to £17 million in 2013/14. Therefore there is very limited capital money available to implement this strategy.

In order to achieve this strategy, alternative methods of financing will be developed on a case by case basis ensuring that any available funding is fully utilised.

For each proposed alternative energy project, a feasibility study will be undertaken and a fully costed business case produced.

4. OTHER IMPLICATIONS

This strategy will only take into account Council owned buildings and assets including buildings under the management of arms length organisations such as Sport Aberdeen and Aberdeen Performing Arts. Council housing and leased assets are excluded from this strategy due to the differing policy background. However, it is an aspiration of the Council to include housing and leased properties in to this strategy in the future.

5. BACKGROUND / MAIN ISSUES

There are numerous external influences supporting the development of an Alternative Energy Strategy, most of which are either politically or financially driven. One of the main political drivers for the Council is the Climate Change (Scotland) Act 2009 which introduced ambitious, world-leading legislation to Scotland to reduce emissions by at least 80 per cent by 2050.

At a time of economic down turn, the Scottish Government has recognised the important role that renewable energy can play and has set ambitious targets, one of which is for 20 per cent of Scotland's total energy use to come from renewables by 2020.

Aberdeen City Council has also recognised the potential value of installing renewable technologies in the City not only to meet carbon reduction targets but also as a potential source of revenue generation due to current Government incentive schemes.

There are risks associated with the use of alternative energy technologies. However these risks will differ according to several factors for example, the type of technologies used, site selection and financing mechanism. For each proposed alternative energy project, a feasibility study will be undertaken including fully costed business case and full risk analysis.

6. IMPACT

The Administrations statement, Vibrant, Dynamic and Forward Looking (VDFL) pledges to support the use of small scale renewables and make appropriate use of small scale renewables in all new council developments. VDFL also aims to minimise the impact of council activities on the environment, including a target of being carbon neutral overall by 2020 and a commitment that all new council developments will be carbon neutral.

The Single Outcome Agreement National Outcome 14 aims to reduce the local and global environmental impact of our consumption and production.

A strategic priority of the 5 year Corporate Business Plan is to protect and enhance our high quality natural and built environment through support of initiatives including carbon management.

7. BACKGROUND PAPERS

Appendix 1 - Alternative Energy Strategy for Council owned Public Buildings

8. REPORT AUTHOR DETAILS

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