

COMMITTEE	Communities Housing and Infrastructure
DATE	16 th January 2018
REPORT TITLE	Developing an Energy Plan for Aberdeen
REPORT NUMBER	CHI/17/299
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Terri Vogt

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to set out proposals to develop an Energy Plan for the city of Aberdeen.

2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:

- (a) Approve procurement of a consultant to develop an Energy Plan for Aberdeen city and instruct the Interim Head of Planning and Sustainable Development following consultation with the Head of Commercial and Procurement to undertake the necessary procurement procedures;
- (b) Approve the total estimated expenditure for the procurement as detailed in this report; and
- (c) Instruct the Interim Director of Communities, Housing and Infrastructure to report back to CH&I Committee when the plan is complete.

3. BACKGROUND

- 3.1 Powering Aberdeen - Aberdeen's Sustainable Energy Action Plan (SEAP) was approved by Full Council in October 2016. It sets out ambitious plans to drive the energy transformation necessary for Aberdeen to become a smart low carbon city.
- 3.2 This transition will not only reduce emissions but improve wellbeing and quality of life, provide opportunity for diversification of the economy and support smarter, lower cost and more energy efficient living. Powering Aberdeen is driven by a vision to realise these benefits for Aberdeen citizens and businesses supported by the need to reduce carbon emissions.

- 3.3 As part of developing Powering Aberdeen baseline emissions for the city have been established and modelled to establish estimates for emission reduction targets. The following targets have been established from a 2005 baseline.
- 31% reduction by 2020
 - 50% reduction by 2030
- 3.4 The original SEAP presented to Full Council in October 2016 focuses on the range of projects that Aberdeen City Council is already undertaking that support reductions in carbon emissions. These include energy efficiency programmes, development of the district heating network, the hydrogen strategy and development of new energy sources including the energy centre at the new AECC and the Energy from Waste plant.
- 3.5 The proposed Energy Plan will be the next iteration of the SEAP. It will be forward looking setting out what the future energy landscape of Aberdeen could look like and where the main opportunities lie building on the existing infrastructure and projects in place. It will also consider the role of future technology/digital and business opportunities associated with wider changes taking place in the energy market place such as the role of smart technology and energy storage.
- 3.6 To date, alternative energy projects have been developed opportunistically (in part linked to funding opportunities) and largely independently with no reference to a wider energy plan or strategy showing how they can potentially interrelate or attract wider investment and engagement from third parties. The proposed Energy Plan will provide a reference point for Aberdeen City Council and its partners and stakeholders to develop future projects and target future investment and funding bids.
- 3.7 The Energy Plan will be action orientated and set out activity and projects to be delivered over the short to medium term that will have a significant impact on reducing carbon emissions framed around the key emission reduction dates in Powering Aberdeen of 2020 and 2030.
- 3.8 It will identify the opportunity for innovation to ensure that Aberdeen City Council has the potential to be at the forefront of future energy development which may also provide the opportunity to diversify and stimulate the research and business community and develop new skills within the economy.
- 3.9 The Energy Plan will be developed with reference to the draft Scottish Energy Strategy which advocates a whole systems approach covering heat, power and transport. The Scottish Energy Strategy sets as one of its core ambitions the development of smart local energy systems through the development of Local Energy Plans.
- 3.10 The Energy Plan will consider:
- The potential for additional renewable energy generation in the city, how could this be encouraged. Consider both domestic, large scale and community schemes.

- Reference the city hydrogen strategy including its potential role in energy storage and the opportunity to generate green hydrogen.
- How the development of the city-wide smart infrastructure can be linked to the heat and power network and what would be the benefits or otherwise of doing this?
- What role storage could play in helping to balance the network based on the existing and potential future infrastructure.
- Proposed approaches to energy efficiency in tackling fuel poverty and further reducing carbon emissions. How the council can accelerate uptake of demand management measures by households and businesses including retrofit and building upgrade.
- The potential for low carbon opportunities in the delivery of transport options and infrastructure in Aberdeen and the role transport infrastructure could play in wider energy management.
- How Aberdeen can leverage interdependencies and synergies between different projects, technologies and developments
- Potential delivery partners including the proposed ESCo and Community Groups.

3.11 Desired outputs

- A vision for the energy landscape for Aberdeen by 2020 and 2030 showing key energy development opportunities and how these could be integrated to work together and achieve the combined objectives of reducing carbon, fuel poverty and offering greater energy security.
- A plan setting out key projects or activity that could be delivered over the next five years to realise the vision. For each project or action the following should be identified where appropriate – opportunities/challenges, ease or otherwise of delivery, potential delivery partners, potential funding options and estimated carbon reductions they could deliver.
- Potential future projects or actions that could be delivered from early 2020 onwards and what action is required in the short –term to determine the future viability of these projects.
- Potential future economic development opportunities associated with the low carbon agenda

We have discussed with other local authorities the option to work together on a wider regional plan. Although they have not considered it appropriate to participate at this stage we will continue to liaise with them through the procurement process should their position change and share the outcomes and findings.

A stakeholder group consisting of both public and private sector partners will be established to input and help shape the Plan as it develops.

4. FINANCIAL IMPLICATIONS

- 4.1 The project is being funded from the non-housing capital programme, project NHCP810K-Energy from Waste Construction and Torry Heat Network due to

the need to align these projects with the Energy Plan. The cost is estimated to be £50,000.

5. LEGAL IMPLICATIONS

There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

Financial

- 6.1 There is the risk of poor quality output from the project through the selection of the wrong consultants. The risk of this is low as it will be mitigated against by following correct procurement and contract management procedures and following a competitive process.

Employee

- 6.2 There are no significant risks

Customer / citizen

- 6.3 There are no significant risks

Environmental

- 6.4 There are no significant risks

Technological

- 6.5 There are no significant risks

Legal

- 6.6 There are no significant risks

Reputational

- 6.7 There are no significant risks

7. IMPACT SECTION

- 7.1 Powering Aberdeen seeks to drive the energy transition necessary for Aberdeen to become a smart, low emission city building on the significant activity that has been undertaken to date and drawing this together to the maximum benefit of Aberdeen citizens. The Energy plan will provide the next iteration of the SEAP looking to the future and the actions that Aberdeen City and city stakeholders need to take now to meet the ambitions of Powering Aberdeen as well as the wider Scottish Energy strategy. The Energy Plan will help identify ways in which the outcomes from the Local Outcome Improvement Plan (LOIP) can be addressed which include tackling inequality, reducing per capita local carbon emissions and increasing energy production from other renewable technologies. It will also fulfil the administration policy commitment to develop an Energy Plan for the city.

Economy

- 7.2 The plan will provide a framework for promoting economic opportunities around energy management within the city.

People

- 7.3 An Equality and Human Rights Impact Assessment is not required as the proposal does not disproportionately impact on persons with protected characteristics compared to persons without such characteristics.

Place

- 7.4 The Energy plan will seek to position Aberdeen city at the forefront of the transition to alternative energy sources and become a leader in reducing carbon emissions. The role of community groups as delivery partners will be considered as part of the Plan.

Technology

- 7.5 The plan will identify how technology in relation to energy management is expected to move in the next few years and how Aberdeen City Council needs to position itself to take advantage of this.

8. BACKGROUND PAPERS

- 8.1 Powering Aberdeen – Aberdeen’s Sustainable Energy Action Plan can be found at <https://www.aberdeencity.gov.uk/services/environment/powering-aberdeen>

9. APPENDICES (if applicable)

There are no appendices for this report

10. REPORT AUTHOR DETAILS

Terri Vogt
Powering Aberdeen Programme Manager
Tevogt@aberdeencity.gov.uk
01224 522 677

HEAD OF SERVICE DETAILS

Eric Owens
Interim Head of Planning and Sustainable Development
eowens@aberdeencity.gov.uk
01224 523 133