Hosted by Kensington and Chelsea Council
Kensington Town Hall
Hornton Street, London, N5 1PH

LONDON BOROUGHS ENERGY GROUP

LBEG Autumn Meeting
Tuesday 8th October 2019

Kindly sponsored by

PCMG | professional cost management group

Minutes

Attendees

Neil Luscombe	Brent
Zak Ajia	Bromley
Clare Jamieson	GLA
Rebecca Newsom	Greenpeace
Maria Yashchanka	Greenwich
Shaun Spencer	Hackney
Kal Saini	Hammersmith & Fulham
Sebastian Mazurczak	Hammersmith & Fulham
Saeed Atlas	Harrow (Chair)
Priti Vagadia	Harrow
Reena Govind	Harrow
Graeme Low	Islington
Gonzalo Jimenez	Kensington & Chelsea
Andy Morgan	Kent County Council (LASER)
Yulia Treskova	Lewisham
Owain Mortimer	London Councils
James Paine	PCMG
Adam Tuck	PCMG
Jacob Adekunle	Redbridge
Ian Almeida	Richmond & Wandsworth
Martin Keane	Royal Hospital for Neuro-Disability
Rachael Mills	SE^2 (Secretariat)
John Mitchinson	Southern Housing Group
Dion D'Silva	Surrey County Council
David Esdaile	Tower Hamlets
Beata King	Transport for London
Chris Little	Westminster
Anis Robinson	

Apologies

Malcolm Bell	Croydon
Incoming Energy Manager	Ealing
Richard Coomber	Hillingdon
Charles Pipe	Hounslow
Richard Neal	Merton
Ian Watts	Sutton

All the presentations from the meeting are available to download at:
https://www.lbeg.org.uk/meetings/our-last-meeting-8th-october-2019/

Climate Emergency: what it means for London and how Boroughs are responding

1. The Zero Carbon Vision

Rebecca Newsom, Head of Politics, Greenpeace

1.1 Climate change is happening. There's more extreme weather (leading to loss of life) and our summers are getting warmer: we had the hottest day ever this summer and the 5 years up to 2018 were the hottest on record. But there's an opportunity for us to seize: 85% of British people are worried about climate change (52% are very worried) and 33% think climate change is likely to lead to the extinction of the human race: the depth of concern creates a space for action.

1.2 The transition to a low carbon economy also creates an economic opportunity. We need to upskill people. The Stern Report said it's cheaper to act early: investing and acting faster now will bring co-benefits and a better society for everyone.

1.3 The UK is the first (and only) major economy in the world to legislate for a net zero target (passed into law in June 2019). This means that, by 2050, the greenhouse gas we add to the atmosphere will be no more than we take out, across all sectors of the economy. The target isn't flawless, but it does set a new direction of travel and pace.

1.4 The UK is hosing COP26 in Glasgow at the end of 2020. This will frame UK politics between now and then. Domestic action has to be fit for purpose to enable us to stand on the international stage: the UK needs to be a leader at the international, national and local level.

- Internationally, we need to make sure that Claire Perry, the COP President, is ambitious enough, for example by building a Net Zero Alliance, by stopping the global financing of deforestation and through the post-Brexit trade agenda.
- Nationally, we need major commitments from Government through policy support and investment. A recent Climate Coalition report costed the UK net zero carbon commitment at 5% of Government spend per year: the same as is currently spent on defence. £42bn/year is needed for the climate and nature emergency – that's £25bn/year more than is already committed. Private sector must be leveraged too. Other commitments are required too, such as banning fracking, increasing energy efficiency and renewables, and speeding up the electrification of transport.

1.5 Action also needs to be taken locally, for example:

- Set measurable targets to achieve net zero and meet nature restoration goals
- Ensure that voices of the most vulnerable communities are represented in council decision-making – including exploring the use of representative Citizen Assemblies/Citizen's Juries
- Use legal and planning mechanisms such as Section 106 agreements to fund climate actions and nature restoration projects
- Retrofit council-owned properties with high levels of insulation & enforce building standards
- Install Electric Vehicle (EV) charging points
- Prioritise transport investment into cycling, walking, trams and public transport, such as electric buses
- Identify areas suitable for renewable energy in the local plan
- Switch street lighting to well-designed and well directed LED lights

- Adopt circular economy waste policies in relevant plans and contracts
- Double tree cover on council-owned land

1.6 Local authorities can also put pressure on national government, for example:

- Call for at least 5% public spending per year on the climate and nature emergency - and talk about the public health and social benefits of acting now
- Push for genuinely transformative leadership at COP26
- Call for new cars and vans with petrol and diesel engines to be banned by 2030
- Start talking about the need for a shift in diets & call for a boost in support for public procurement in schools, hospitals and prisons across the UK to increase access to locally-sourced, plant based food
- Call for a Frequent Flier Levy
- Work with unions and other local stakeholders to increase protection for workers in new low carbon sectors, and to push for a national just transition strategy that has sufficient funds and powers

Q1: Are there also targets for carbon concentration particulates in the air?
A1: I can find out… The IPCC has said for a 1.5° containment (which is still problematic), we need to make sure the global economy is zero carbon by 2050. There's a debate around how quickly the UK should be acting and if 2050 will be too late: should we be setting an example and moving quicker?

2. Pathways to Carbon Neutrality

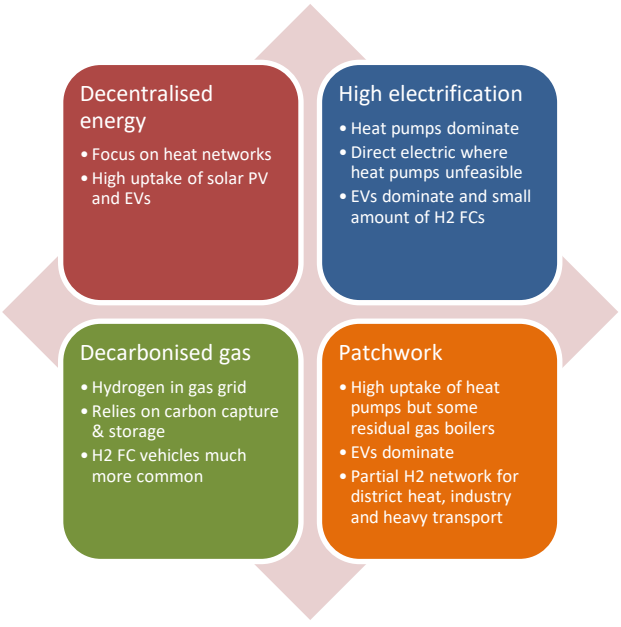
Claire Jamieson, Zero Carbon Policy Team, GLA

2.1 The GLA has taken a carbon budget approach to the 2050 zero carbon target, during which time the population of London is expected to grow by over 11m – and of course all the 33 Boroughs have their own plans too!

2.2 Energy consumption in London has decreased by 20% since 2000 and emissions have decreased 32% since 1990. These are mainly due to the reduced carbon intensity of the grid: heat and transport are still really big issues.

2.3 We developed the London pathway to zero carbon through a number of steps: transport modelling, building efficiency modelling, energy systems scenarios and measures to meet 2050. The final step was three five-year carbon budgets: these help to identify no-regret options and show when key decisions needs to be made.

2.4 The four energy scenarios are shown the diagram below. All four get to about a 90% emissions reduction by 2050, leaving 10% to be offset (about 5mt, eg for aviation, heritage buildings, etc).



2.5 No regrets actions include:

- Energy efficiency measures to bring at least 70% buildings to EPC C by 2030
- Roll-out of heat networks: 70,000 homes by 2025
- Increase in heat pump deployment: 300,000 buildings by 2025
- All new buildings supplied by individual heat pumps or district heating by 2020
- Co-ordinate roll-out of EV charge points supporting 10% of passenger vehicles by 2025
- Quality assurance programmes, information campaigns and investment in supply chains and infrastructure
- Trials of hydrogen for heating and CCS development outside London

2.6 The tools we have at our disposal at the GLA are:

Policy

- Collect and spend carbon offset funds
- Minimum Energy Efficiency Standards – enforce, join calls to strengthen
- Fossil fuel divestment / clean investment
- London Plan – zero carbon new developments

Programmes & funds

- Solar Together London – 624 homes, ~35% cost reduction, 15 boroughs, Ph 3
- Warmer Homes Fund – energy efficiency measures in 1,100 fuel poor homes
- RE:FIT – public sector energy efficiency savings over 2700 ktonnes CO2/yr
- RE:NEW – 26,800 homes retrofitted/in contract
- DEEP – 28 projects, plan/build low and zero C district heating and solar PV
- £400k London Community Energy Fund – 31 projects so far. Ph 3 in progress.
- 6 Smart and flexible demonstration projects – e.g. FlexLondon, Home Response, E-flex: how to store/use/integrate flexible energy systems to decarbonise quicker, cheaper and with less disruption
- Mayor's Energy Efficiency Fund – low carbon finance available to public sector

Tools & Reports

- Zero Carbon Pathway Tool – borough level pathways for net zero by 2050
- New London Heat map
- London Building Stock Model - forthcoming
- London Solar Opportunity Map - forthcoming
- Heat pump retrofit report – going out to tender this week
- Quick wins – simple building checklist

Our carbon offsetting report will be coming out soon, showing how much has been collected and spent by the Boroughs

Q1: What consideration are you giving to bought goods?
A1: We're only looking at Scope 1 & 2 at the moment. We've commissioned work to model Scope 3: it will be interesting to understand its impact.

Q2: Is there an action plan for GLA buildings?
A2: The Functional Bodies (The Met, LFB, TfL) have a 60% target by 2025 and are putting plans in place. The big one will the decarbonisation of travel.

Q3: What about hiring out electric scooters?
A3: That's a good idea! Not sure there's an official line but I'll take it back with me

Q4: This all needs resource – is there sufficient resource to deliver? If not, does it mean the 2050 aspirations may not be fulfilled?
A4: The Mayor doesn't have all the powers to get to 2050: he can only deliver less than 50%. We can't put national policies in place (eg to regulate on existing buildings) so lobbying is a big part of what we do. Everyone needs to play their part.

Q5: Should DECs be extended to all buildings? What's City Hall's DEC rating and has it improved?
A5: Ultimately yes, DECs for all buildings need to happen as they drive down emissions, but this Government doesn't want to regulate. Mayors in other cities can do this (eg New York, Sydney). I'll find out about City Hall!

Q6: What's the GLA views on the 10% unavoidable emissions?
A6: The CCC gives advice on off-setting. It's likely to be expensive so we should be investing now, eg in biomass with CCS or direct air capture. We should also be offsetting locally, rather than planting trees overseas for example.

Q7: Only small amounts of funding are available through the GLA programmes, which will only have a small impact. Have you ever reviewed why schemes don't work? You should consult with experienced people on the ground: we need to work together on this
A7: I agree that this is important, and it does happen.

3. Member Case Study: what's happening in Harrow?
Saeed Atlas, LB Harrow

3.1 Harrow's current target is to reduce carbon by 4% year on year: emissions have fallen from 26,446tC in 2012/13 to 18,17 in 2018/19. We have calculated that carbon will have to fall 63% year on year to meet our new 2030 target, costing £27m in the first year (and then decreasing): support from the top will be essential: without Cabinet approval nothing can be delivered.

3.2 Our gas and electricity spend is £6m/year (including street lighting), equivalent to 12mtC. We rolled out a smart meter programme in 2011, which was risky but strategically important.

3.3 Schools account for 60% of annual energy use but it can be difficult to engage with and motivate them to act. Last year we picked 5 or 6 schools for an LED retrofit which we manage in-house to save on management costs (we didn't have capacity to do more). Some schools are nervous about Salix, others think the LA should pay. We need to build trust and be there to help them: we take time to do surveys and explain the process to them. We also provide scheduled rates which avoids having to quote each time. We've also installed solar at schools: we've previously installed 10kWp and now have a new co-operative project to install 30kWp at 11 schools, with schools paying a capped electricity price for 25 years. We hoping to install a 50kWp scheme at other schools.

3.4 We're also investing in our 300 vehicle fleet. We now have 14 vans and 1 car that are fully electric. The entire fleet will need to be replaced again within 10 years with the intention to move to fully electric zero emission vehicles where possible. We've also secured £180k funding from TfL through the Go Ultra Low City Scheme (GULCS) to implement one of nine Neighbourhoods of the Future (NoF) schemes in London, to include the installation of fast and slow EV charge points, a 12-month EV trial for local businesses, free EV maintenance training for local mechanics and the implementation of an Ultra-Low Emission Zone only street in Harrow town centre.

3.5 Improving street lighting is popular with Councillors and we've invested £3m/year for the last four years to support upgrades. Approximately 9200 streetlights have already been converted to LED by 2019 with annual saving of 11 to 20% in electricity consumption.

3.6 Energy awareness training is also important: we work with schools to run sessions for both their students, head teachers and site managers.

Q1: Can you give more details about the 50kWp solar scheme?
A1: It is predicted to produce 44,630kWh/year, based on a conservative 8 hours active use/day: we will monitor its performance.

Q2: What else are you doing on transport except electric vehicles?
A2: We encourage active travel and walking to school, alongside bus regulation.

4. Tracking down lost income: cost recovery in utility management
James Paine, PCMG

4.1 We look to optimise the money spent on energy. We undertake a forensic audit and revenue recovery process by looking at your bills and identifying errors, mainly in non-commodity charges.

4.2 There are typically three outcomes to our process:

1. Financial reward 74% of clients
2. Clean bill of health 22% of clients
3. Undercharged risks identified 4% of clients

This last category means that you owe money, but it's still important as part of your due diligence – and our service for this would be free as we only get paid as a % of net recovery.

4.3 We've worked with 218 public sector organisations over the last 7-8 years: 45% of these already have their own bill validation and other safety net processes in place. We've recovered £42m in savings and recoveries, and we estimate there's probably still another £150m out there to be recovered.

4.4 What we need from you is: up to three letters of authority, a list of MPANs and MPRs, a recent water invoice / SPID number and access to your online supplier billing – all of which takes you about 20 minutes. Our process is non-intrusive and takes about 4 months. The financial recovery itself then takes 4-6 months: in 70% of cases the whole process is wrapped up in 10-12 months.

4.5 Recent projects include:

- £250k refunds and savings for Southend-on-Sea Borough Council (£3.5m spend): one property was incorrectly classified for CCL leading to a £14.5k refund
- £343k recovery for Swansea City Council, including telecoms and water recovery (eg ceased lines)
- £600k refunds and savings for Leeds City Council: an error was found on an EPC relating to CHP at their largest sports centre dating back 4 years (gas recorded vs gas used impacts on CCL)

Q1: Do you give meter exchange advice (eg size of meters)?
A1: No, although we will check if they've been updated when they should have. We also watch out for defunct meters. Our specialism is drilling down into the rates.
Q2: We're investigating our meters before upgrading to AMR due to concerns about meter clocking: will we still have the right data?
A2: We look at trends and wobbles in settled invoices in a 6 year window, so yes – you should still have data we can use.
Q3: How much does your service cost?
A3: Our fees are 19.5% (although this is a sliding scale so it can go downwards). We're part of OJEU compliant frameworks so you can direct award or run a mini competition.