

**LBEG Online Meeting
Thursday 8th October July 2020**

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Minutes

*All meeting presentations are available on the [LBEG website](#)
40 people joined the Zoom call*

1. Welcome and update

Chris Little, LBEG Chair, welcomed everyone to the meeting and thanked our sponsors, kWIQly.

Chris updated the group on a meeting he attended the previous day on UKPN's Distributed Future Energy Scenario (DFES). The DFES are UKPNs (and all DNOs) approach to forecast and understand their customers' changing electricity requirements. They support UKPN's planning on their distribution networks, essential to help meet their decarbonisation objectives. The DFES is intended to be a dynamic process (updated annually), and aims to consider a number of factors, including changes in consumer ambition, government/policy support, economic growth, technology development etc. The next 6 months is our best opportunity to ensure that electricity distribution company business plans adequately reflect London borough's and the Mayor's ambitions.

Chris then introduced Pete Schofield from GEP Environmental who gave an update on the local authority survey they recently conducted as part of the LEP Legacy Project. The purpose of the research was to understand how LAs have responded to the climate emergency and determine what support is required to enable a consistent and robust approach to net zero carbon across London.

The key findings were:

- There is a high level of ambition amongst LAs: most have a 2030 net zero Council target and a 2050 Borough target.
- 68% have carried out a carbon footprint.
- Action on Scopes 1 and 2 is commonly reported: Scope 3 is more variable
- Measures completed in the last five years have focused on LEDs, HVAC and BMS
- Plans for the next five years include low carbon heating, onsite renewables and staff engagement: these will require new funding models
- The support priorities identified are:
 - o Strategy: climate response strategies, decarbonisation pathway modelling, carbon emission reduction plans
 - o Data: scope 3 baselines and independent verification
 - o Technical: decarbonisation audits for buildings, renewables feasibility assessments, project management of large energy projects

The research concluded that "a central support forum would be beneficial and that this forum should be able to offer the strategic and technical support that Authorities require to achieve Net Zero Carbon targets in a cost effective, efficient and transparent manner."

Chris reflected that LBEG has a role as a facilitator / incubator.

2. Public Sector Decarbonisation Fund Jack Saunders and Nia Hodnett, Salix

- Salix's structure has recently been changed so it is now a non-departmental public body, wholly owned by Government. Please visit their [website](#) for more information.

Public Sector Decarbonisation Fund (PSDF)

- The £1bn Public Sector Decarbonisation Fund will be delivered by Salix. Its purpose is to galvanise the green recovery in the public sector and help deliver on public sector net zero ambitions.
- All public bodies are eligible, including central government. Applications can be submitted by individual bodies or by city/region wide collaborations.
- The main focus of the fund is 'category 1' projects: technologies that directly contribute to the heat decarbonisation of a building by installation of a low carbon heating technology.
- We use the [Green Book](#) to assess measures and there are tools on our website to help you with this. The cost to save a tonne of carbon (/tCO₂) over the lifetime of the project must be no more than £500.
- External consultancy fees and management costs can be included but schemes must meet the Salix additionality criteria. As this is a grant (rather than a loan) the payback criteria does not apply.
- The application process is similar to the Salix loan process: we strongly recommend you read the guidance notes on the [Salix website](#). There is also a support tool to help you through steps 2-4 (project introduction, savings/compliance, business case).
- Projects are assessed against technical, financial and governance criteria: they need to be deliverable in the tight timescales but also offer value for money for the public purse.
- The deadline for applications is 11th January 2021 (or 9th November for central government to tie in with budgets). Salix will assess applications on a rolling basis:

Applications submitted by:	Applications assessed by:
Monday 12 October 2020	Friday 30 October 2020
Monday 26 October 2020	Friday 13 November 2020
Monday 9 November 2020	Friday 27 November 2020
Monday 23 November 2020	Friday 11 December 2020
Monday 11 January 2021	Friday 29 January 2021

- Projects should aim to be completed by 31st March 2021 if possible. Projects that cannot be completed by 31 March 2021 should be completed by 30 September 2021. Salix will prioritise assessing and approving funding for projects that have an early completion date.
- Salix will support project applications: it won't be a straight pass/fail. Salix want to get the money committed and to support jobs and the green recovery.

Q1: Can you apply for part-grant and, for example, use regular Salix funding for the rest?

A1: Yes, you can apply for a part-grant, but you can't double count the savings (eg if you use other Salix funding to match fund)

Q2: Can housing associations apply? What about private schools?

A2: No – the beneficiaries of the measures installed must be public sector (eg not residents)

- Q3: Are there any plans on the horizon for similar funding schemes that will be made available to housing associations?
A3: There's the Social Housing Decarbonisation Fund and also the Green Homes Grant (although neither of these are run by Salix so we know fewer details)

Member Comment: the £50m Social Housing Decarbonisation Fund is aimed at LA consortia-led schemes: housing associations are excluded.

- Q4: With the price per kWh for gas and electricity so far apart, it is difficult to argue for projects that won't provide immediate cost-savings (even with a Coefficient of Performance up to 4). How can we convince others to move to heat pumps?
A4: You could combine measures to reduce demand. The grant funding is for capex: we recognise that some measures may increase revenue costs but the fund can't cover this. You could also link measures with onsite renewables.
- Q5: Do we need to complete one application per site, or can we bundle sites together into one application?
A5: We don't want multiple applications so encourage sites to be bundled together. You should submit a separate supporting document to list all the sites and give details / show how they meet the criteria.
- Q6: Is there a template for the heat decarbonisation plan?
A6: Yes – it's just being finalised
- Q7: Are heat decarbonisation plans for sites or buildings?
A7: A site wide plan would be sufficient, but we need detail – not just headlines. The detail you give will depend on the complexity of the site and your ambitions.
- Q8: If a site was difficult to decarbonise the heat source due to constraints, will we still be able to apply for category 2 or 3 measures?
A8: Yes, you would still be able to apply for category 2 projects and category 3 as long as you are able to evidence the projects they are enabling, and how those are contributing to overall decarbonisation
- Q9: Can one LA submit more than one application?
A9: Yes, but the funds are allocated on a needs basis.
- Q10: Why is the fund stacked against LED and PV?
A10: We use the Green Book factors, which in turn take into account decarbonisation of the grid. This means LEDs and PV stack up less well than in the SEELS process.
- Q11: If a building is heated by electric, can the grant be used to upgrade the heaters?
A11: If you're moving towards a more energy efficient option it would be fundable. However, electricity saving projects are not as fundable through the PSDF. It may be worth modelling the project in both the PSDF and SEELS tools to give an idea of the best approach on that particular model.

Public Sector Low Carbon Skills Fund

- The purpose of the Low Carbon Skills Fund is to help all eligible public sector bodies to engage specialist and expert advice to develop their projects and funding applications for PSDF. Allocations will be based on need, with eligible public sector bodies that do not have the capabilities and resources required prioritised. This fund sits outside the £1bn PSDF.
- Applications should be made through the form on the [Salix website](#): this has been streamlined as much as possible. There's no minimum/maximum grant, but it must be tied to your Public Sector Decarbonisation Fund bid and be proportionate.
- Application deadline for project development support is 4th December. Application deadline for project delivery support is 11th January.

- Assessments will be made on a weekly basis, with successful applicants informed in 5 working days. We're looking to work with you to get the grant applications over the line.

Q12: Is there a central register of suppliers?

A12: No, you can select your own suppliers based on your own guidelines.

Q13: Must the 'specialist' funded by the LCSF be different to a potential supplier?

A13: No. They can be the same person/organisation

Q14: Energy prices are historically low so will this lengthen the payback times for the loan fund?

A14: You can incorporate forecast costs into your project (eg inflation, expected future rises in energy costs) – you just need to provide a commentary. It's fine to use 3-5year average data.

Q15: What does future funding look like? Will there be phase 2 or 3 of PDSF?

A15: We don't know – we're just focusing on spending this £1bn first

Member comment: the speed of delivery required is a problem. LA approval processes can be very slow and many will miss out.

Response: We want to support people into jobs (eg at the end of furlough) and support the economy ASAP. The skills fund can help you with capacity. The fact this is a grant fund rather than a loan fund may also help quicken approvals.

Q16: Can you still apply if the final capital is not released (eg if the capital approval process won't be until after January)?

A16: Yes, you will still be eligible. Actually, additionality has to show that funding hasn't been approved from an alternative source so this may actually be in your favour (eg you've done the research but don't have the funding yet)

3. Artificial Intelligence for Energy Managers

George Catto, kWIQly

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- We've all got meters that have been logging data for years, but that data is not fully assessed. You may have a viewing portal, but kWIQly offers an analytics portal: we point you to the problems to enable you to fix them. We work with LB Merton and in just one 15-minute session identified £25k of waste that was hidden given their current limited staff resources (often a common problem) and tools available.
- Big data can't be interpreted by humans. Our software hunts for patterns that correspond to real-life issues. There are 3 ways we analyse data:
 - **Past performance:** we look how the building has performed in the past and see if it is deviating from its usual performance
 - **Peer performance:** Is the building doing as well as other similar buildings?
 - **Improved performance:** Can the buildings control technique be improved?
- Our dashboard highlights what's of interest and puts it into a workflow: identified, under investigation, verified, rejected (this helps AI learn about exceptions and deviations), completed and report.
- The approach makes best use of the existing asset, save staff time and reduces energy overheads.
- We're currently offering 3-month free trials for LAs – do get in touch!

Q1: Is the raw data from MOP?

A1: Yes – we have a number of partners we work with to access this data

Q2: Do you provide granularity, for example at a circuit level?

A2: Not at the moment, but we will in the future

Q3: Do you use kW from the whole portfolio or time of use?

A3: It's power kW, so time of use (all value in the system are a result of models or direct calculations based on real meter readings)

Q4: Does the system work on whole housing estate blocks?

A4: We've not done it yet, but it could work if the homes are all individually metered. However, domestic usage can be a bit too random for AI (in the case of district heating we can compare the performance of plant rooms, for gas this commonly means a single meter)

Q5: Can you use AMR data?

A5: Yes

Q6: How much does it cost?

A6: £1500/month for up to 500 meters, but we could maybe come to an arrangement for a cluster of LBEG members.