

REPORT TO CABINET MEMBER FOR DECISION

Open		Would any decisions proposed :		
Any especially affected Wards	Operational	(a) Be entirely within cabinet's powers to decide YES		
		(b) Need to be recommendations to Council	NO	
		(c) Be partly for recommendations to Council and partly within Cabinets powers –	NO	
Lead Member: Cllr Brian Long E-mail: cllr.brian.long@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Melvin Harrison E-mail: Melvin.harrison@west-norfolk.gov.uk		Other Officers consulted:		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications NO	Equal Impact Assessment NO	Risk Management Implications YES
Date meeting advertised: 6 th December 2011		Date of meeting decision to be taken: 13 th December 2011		
Deadline for Call-In: 20 th December 2011				

INSTALLATION OF SOLAR PHOTOVOLTAIC PANELS ON ROOFS AT KING'S COURT & LYNNSPORT

Summary

The Coalition Government incentivised the installation of renewable and low carbon technologies by the introduction of the Feed in Tariff (FIT). Two sites have been evaluated for BCKLWN to benefit from FIT payments for the next 25 years and tenders have been received for the installation of solar PV panels on roofs at King's Court and Lynnsport. Implementation costs and prospective revenues indicate the projects are worthy of consideration to provide long term financial and environmental benefit.

Recommendation

It is recommended that the financial, environmental and 'green leadership' potential of this proposal is noted and capital funding be made available. As this project is anticipated to be operational for 25 years the associated risks should also be noted.

Reason for Decision

BCKLWN will be providing leadership by example for the community, promoting environmental sustainability whilst generating a revenue income and reducing electricity costs at both establishments.

Introduction

The Feed in Tariff (FIT) was introduced in April 2010 to encourage investment in low carbon electricity generation in return for a guaranteed payment for the electricity generated. The opportunity has been taken for a detailed evaluation of solar PV installations within BCKLWN to address reducing the use of

expensive grid electricity, reduce carbon emissions and provide a long term satisfactory return on capital invested.

Proposal

To install a solar panel area of 161m² on the flat roof of King's Court and 168m² on 'The Barn' roof at Lynnsport. It is anticipated all the electricity generated by the PV panels will be consumed by each site, representing approximately 2.5% of all their electricity requirements.

Policy Implications

As part of the Councils Environmental Statement there is an ongoing commitment to reduce CO₂ emissions by 5% pa. Implementing this project will reduce CO₂ emissions by 22 tonnes pa, representing 0.33% of all Council CO₂ emissions reported in BCKLWN Greenhouse Gas Carbon Footprint Report 2010 - 2011.

Financial Implications

The total capital required to fund the installation of solar PV panels at King's Court and Lynnsport is £126,938.

The projected saving over 25 years totals £275,517 which includes £148,506 revenue from Feed in Tariff (FIT) payments plus £127,011 from reduced expenditure on purchased grid electricity. This will provide a return of 4.75% and a simple payback of 11 years.

FIT payments will be increased in line with the retail price index. The calculated savings on grid purchased electricity have assumed an average unit cost of 13p/kWh over 25 years (present cost is 10p per kWh). This saving will also increase if the assumed average cost of 13p per kWh is exceeded.

There is a need to make a commitment to this scheme in order to gain tariff benefits. The capital investment of £126,938 can be met from unsupported borrowing although it would be preferable to take the revenue savings into account in future financial plans. If at closing of the 2011-12 accounts the opportunity arises to finance the scheme spend from capital resources then this may be the chosen option. This would then produce ongoing annual revenue savings of £11000.

Staffing Implications

None

Statutory Considerations

The Planning Authority has confirmed neither site requires planning permission.

Equality Impact Assessments (EIA's)

None

Risk Management

The project must be operational and registered on the Central Feed in Tariff (FIT) Register by 31-3-12 to be eligible for the highest FIT Generation Payment as stated in the Government's 31-10-11 announcement. Delay for any reason after this date will adversely impact on the schemes financial benefits.

The Feed in Tariff payments are made for 25 years and consequently King's Court & Lynnsport will need to be operational buildings for this period to maximise the FIT income.

The output of each panel is guaranteed to be at least 80% of its original rating after 25 years and will be replaced by the manufacturer if output falls below 80% during this period.

There is a 5 year manufacturer guarantee against defective panels. If a panel fails after 5 years the cost of replacement will be the customers. The tender cost includes for a 25 year manufacturers warranty on all inverters.

Every opportunity needs to be taken to mitigate the accidental or intentional damage to panels once installed.

The removal of panels for roof maintenance etc will be at the customers cost. There are no known maintenance concerns for either roof.

Background Papers

There is FIT scheme information available on the Ofgem website :-
http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=fitfs_energy%20prices%20update%20FS.pdf&refer=Media/FactSheets

with more details available on the Department of Energy and Climate Change website :-
http://www.decc.gov.uk/en/content/cms/meeting_energy/renewable_ener/feed_in_tariff/implementation/implementation.aspx

Signed:

Cabinet Member for

Date