Investing in Local Energy
Survey: Greater South East

June 2019
UK100 is a highly ambitious network of local government leaders, which seeks to devise and implement plans for the transition to clean energy that are ambitious, cost effective and take the public and business with them.
It supports decision-makers in UK towns and cities in their transition to 100% clean energy by 2050. It is the only network for UK cities focused solely on climate and clean energy policy.
UK100 – Who is here?

- Local Authorities
- Investors
- BEIS
- LEPs
- Developers
- Technical consultants
- Researchers
- Local Energy Hubs
- Community energy
UK100 – Local Authorities

“Low carbon projects are a priority for our authority/LEP”
What is the investment potential of your pipeline of low carbon projects over the next 5 years?
At what stage are the majority of these projects? Choose the one which makes up the majority.

90% at conceptual or feasibility stage
“We are aware of the different low carbon opportunities there are (transport, heat storage, renewables)”
“We have worked with developers and third party funders on low carbon projects in the past.”
UK100 – Local Authorities

Priorities for assessing low-carbon projects

- 67% Return on investment
- 45% Satisfying broader political goals
- 36% Potential for income generation
“What challenges do you face when trying to develop projects?

- 46% Political uncertainty
- 45% We don’t have any money for engineering or commercial studies
- 36% We don’t have any real development expertise in-house
- 27% There are too many government departments
- 27% We lack the confidence to know what to do and how
UK100 – Local Authorities

“What kind of central government support would help you to develop projects?

- 64% Development capital
- 55% A more pro-active District Network Operator
- 55% ‘Critical Friend’ advice
- 55% A single gateway to all support
- 45% A more proactive regulator
- 45% Financial support for construction costs
UK100 – Investors

“Investors will always expect a degree of risk, whether its low/medium or high. Focus is needed on how to mitigate that risk.

Long term cash-flows with bench marking examples goes a long way to make investments attractive.”

“Deal size is too small”

“Projects are mostly conceptual or poorly formed.”

“Inexperienced in dealing with project investment appraisal”

“Projects are at conceptual phase and/or similar projects have failed before.”
UK100 – Investors

- 'Critical friend' advice to guide people through the development process
- Support in developing a business case for a project
- A proactive regulator service
Clean Energy Action Partnerships

CITIES:
- EXPRESS INTEREST
- IDENTIFY POTENTIAL
- BUILD PROJECT
- EXECUTE ROLL OUT

FINANCE

CRACK CENTRAL TEAM

LOCAL AUTHORITY LED PROJECTS

ASK

OFFER
Clean Energy Action Partnerships

CRACK CENTRAL TEAM + REGIONAL OUTREACH

Expertise
- Development
- Commercial
- Financing
- Energy networks
- Technical
- Regulation

Role
- Critical friend support
- Manage funding support
- Liaison with financing community
- Remove centrally driven barriers (e.g. regulatory changes)
- Policy development from experience

LOCAL AUTHORITY LED PROJECTS

Integrated Projects that can be scaled for national impact | Credible plan for gaining public consent & support | Local delivery team with necessary expertise

Potential Partners
- Industry
- [Systems integrators]
- Academic/research institutions/catapults
- Energy Companies
- Land developers
- Local Enterprise Partnerships
- DNOs
- House builders

Potential Outcomes
- Local energy resilience
- Robust income streams
- Affordable energy supply
- Local grid rebalancing
- New industries and global exports
- Renewable energy deployment
- City-scale transformation
- Clean transport
- Demand reduction

CITIES:

1. EXPRESS INTEREST
Expression of interest from cities (EoIs)

2. IDENTIFY POTENTIAL
EoIs selected that offer the greatest potential to accelerate Clean transition

3. BUILD PROJECT
Clean Energy Action Cities supported by a crack team of experts develop and deliver integrated projects

4. EXECUTE ROLL OUT
National roll out: successful approaches are applied at the national scale & supported into applicable export markets

ASK
Technical & Commercial Support
Access to finance

OFFER
Integrated projects
Scaleable Replicable Delivery
Feedback