



PURPOSE: Non- Key decision

MEETING: Cabinet

DATE: 04 February 2020

TITLE	Battery storage investment at City Hall		
Ward(s)	Central Ward		
Author: Freddie Collins	Job title: Investment Project Manager		
Cabinet lead: Cllr Kye Dudd	Executive Director lead: Stephen Peacock		
Proposal origin: <i>BCC Staff</i>			
Decision maker: Mayor			
Decision forum: <i>Cabinet</i>			
Purpose of Report:			
<ol style="list-style-type: none"> 1. To approve the allocation of £356k from the Energy capital budget for an investment in the City Hall Battery Storage Project. 2. To accept that the City Hall battery storage project is an innovation project and a key first step in the smart decentralised energy transition, as such the business case is based on a range of forecast assumptions (with input from industry specialists), and that some of the future revenues are uncertain. 3. To approve the tender of the City Hall Battery Storage and authorise the Executive Director for Growth and Regeneration in consultation with the Director Finance and the Cabinet Member for Transport, Energy and the Green New Deal to procure and award the contract. 			
Evidence Base:			
<ol style="list-style-type: none"> 1. Battery storage is recognised as a vital component in the transition to clean energy: as more renewable energy generators such as solar panels and wind turbines come on line, there is a need to include battery storage in order to balance the grid and maximise the local use of clean energy. 2. The existing capital allocation for the solar programme is under-spent due to the changing business case for such investments, following the end to the government’s Feed-in tariff scheme in March 2019. 3. Full Council have set a target to decarbonise the Council’s operations by 2025 and the City by 2030. The cross party working group recognises the role that battery storage can play in BCC buildings and social housing properties. The City Hall Battery project is therefore a key pilot for the wider city decarbonisation strategy through City Leap. 4. The City Hall Battery Project will benefit the council through two key mechanisms: <ol style="list-style-type: none"> a. Savings - the Council pays high unit pricing at peak hours of the day, and pays less overnight when general demand is lower. A large battery can shift consumption away from these peak hours, saving the council £16k/year on electricity bills. These peak hours are also the most carbon intensive as fossil fuel power plants come online to meet demand across the network b. Revenue –The battery is an important project for City Leap as it is can be used to gain revenue through working with our electricity supplier, currently Bristol Energy. When trading on the wholesale electricity market, the Council’s energy supplier can use the battery to gain an income through purchasing electricity when it is cheap and discharging when it is expensive. This is a key new area of commercialisation for the Council and future opportunities for City Leap. 			
Cabinet Member / Officer Recommendations:			
That Cabinet			

1. Authorise the re-allocation of £356k from the Solar Energy Capital Budget for investment in the City Hall Battery Storage Project;
2. Authorise the Director of Finance and Executive Director for Growth & Regeneration to approve investment in the City Hall Battery Project to the value of £356k to enter into all contracts required to give effect of the project in consultation with the Cabinet Member Transport and Energy, the Green New Deal.
3. Note that the original Solar Energy capital Budget was approved at Cabinet in October 2013.

Corporate Strategy alignment: WB2: Keep Bristol on course to run entirely on clean energy by 2050 whilst improving our environment to ensure people enjoy cleaner air, cleaner streets and access to parks and green spaces.

City Benefits:

1. Sustainability benefits: CO₂ savings - by switching from electricity consumption at peak hours when the grid deploys fossil-fuel plant, to night-time units making use of low carbon generation such as wind.

Consultation Details:

1. CLB – 2nd Aug 2018. City Leap briefing in advance of November Cabinet – Phase 2 – Options Appraisal for setting up a new company and description of a pipeline of investments including City Hall battery as an innovation project.
2. EDM – 9th Oct, 20th Nov 2019
3. Capital and Investment Board – 17th Sept. **Decision:** CLB happy in principle but challenged that they need to seek fresh permission rather than do it as change request but noted there was appetite for this given current climate situation.
4. Capital and Investment Board – 17th Dec
5. Corporate H&S – see Appendix A

Background Documents:

Western Power Distribution – [Statement of Charges](#)
 National Grid – [Transmission Network Use of System charges](#)
 National Grid – [Firm Frequency Response](#)

Revenue Cost	£0.00	Source of Revenue Funding	n/a
Capital Cost	£356,000	Source of Capital Funding	Existing capital allocation P13585
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

Finance Advice: Please see Appendix G for comment

Finance Business Partner:

Kayode Olagundoye, Interim Finance Business Partner, and Kevin Kay, Principle Accountant. 13th November 2019

Legal Advice:

When the Council is purchasing the battery, legal advice will need to be sought as to whether the contract is classified as a goods or works contract. The classification and value of the contract will determine whether the battery will need to be procured in accordance with the Council’s procurement rules or the Public Contract Regulations 2015.

Legal advice will be needed in relation to potential State aid issues at an early stage in relation to the Council’s current supplier, Bristol Energy.

Legal Team Leader:

Sinead Willis, Commercial and Governance Team Leader, 21 Nov 2019

Implications on ICT:

The creation of a battery storage facility within City hall doesn't present IT Services with any issues per se. The location of the battery should not be adjacent to the datacentre and nor should there be any increased hazard/fire risk to the datacentre. (I believe that the planned location was at the other end of the building in the basement, and if this is still the case then this is fine).

Any interruptions to City Hall power for the implementation of the battery will need to be managed in conjunction with IT Services in order to maintain IT Services.

We should like the current City Hall Datacentre UPS and power requirements taken into account in order to see if this new facility could offer benefit in reducing running costs and or replacing existing resilience through the envisaged life of the datacentre.

ICT Team Leader:

Tim Farrance, Service Manager Infrastructure. 11th December 2019

HR Advice: The workforce could be affected by an electrical outage at City Hall. The tender specification will required that the battery can be commissioned without the need to close City Hall which will mitigate disruption to the business.

HR Partner: Celia Williams, HR Business Partner, Growth & Regeneration. 9th January 2020

EDM Sign-off	Stephen Peacock	20 th November 2019
Cabinet Member sign-off	ClIr Kye Dudd	6 th January 2020
For Key Decisions - Mayor's Office sign-off	Mayor's Office	13 th January 2020

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	YES
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Financial Advice	YES
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO