

ESCO Ownership and Management Focus Group

2nd October 8pm – 9pm
Parish Rooms, West End.

Notes from the meeting. These should be read together with the presentation given at the meeting, to which many of the points raised refer.

Those attending:

Project Team: Roy Alexander (RA), Mary Gillie (MG), Jen Carter (JC), Tamara Hunt (TH).

Focus Group: George Garner (GG), Andrew Yarwood (AY), Andrew Cross (AC), Garry Charnock (GC).

Also attending: Laura Chellis (LC), Matt Taylor (MT), representing Carbon Connections

RA welcomed everyone to the focus group.

JC introduced the proposals for owning and managing an Energy Services Company (ESCO). Participants were asked to take additional copies of the presentation to distribute to family, friends and neighbours.

Legal Forms for an ESCO

JC highlighted the options available for an ESCO. Discussions considered the differences and benefits of charitable and not for profit status.

Not for profit doesn't mean that you cannot make any profits, but that any profits made are directed back into the project.

A charity would need to have an aim, objective and subsidiary actions.

It would be easier to apply and receive funding if organised as a community company rather than individual houses buying and selling. (Current regulations state that you can only have 1 licensed and 1 unlicensed supplier)

Would there be any tax benefits through the ESCO? Charitable status enables you to generate a certain amount of profit and submit applications for funding streams.

Another form the ESCO could adopt would be a subscription model (Co-operative) whereby people buy in for a nominal fee to be a member. Concerns were raised as to whether this would make being a part of the ESCO an elite opportunity?

The membership would be affordable and in return they would have a say in what they do with the excess money/profit. Effectively it would be a share based system

A hybrid? Another possibility is to develop one umbrella organisation that oversees a number of projects in the village and operates within the structure, for example a community shop and energy generation.

Charitable option is probably more favourable and would be good for community cohesion, empowering people to take control of all aspects of their life. However it is potentially a big commitment and should not be undertaken lightly.

Management and day-to-day operations of an ESCO

Most ESCOs in operation at the moment deal with the generation of heat. It is often confined to a focussed area of similar type properties. In contrast, the suggestion for Ashton Hayes will be to generate power and supply to a variety of property types.

ESCO structure – have a key person who acts as a facilitator and liaises with other partners, key groups etc. The whole structure is required to report back to the community, possibly via a committee.

Perhaps the terminology for ESCO should be renamed to 'Environmental Sustainable Community Organisation' or something similar. ESCO term may change to something more fitting to define what the 'company' is, at this stage it is just a way of referring to the body responsible for the managing and running of the payment and day to day business. JC recommended moving to a new term specific to this type of project, to prevent any confusion with existing groups. Ideas welcome!

The potential interaction between other community projects such as the shop should be considered to maximise the benefits for the community as a whole.

Metering & Billing

JC mentioned that it is hoped that the metering and billing functions of the ESCO will be as automated as possible, however properties may need to use their existing meter with the possibility of using an 'add on' to meter the energy use from each of the different sources (ESCO & licensed supplier).

The question of whether energy suppliers are under obligation to replace old meters with new models was raised. The Energy companies do have a rolling program for replacing old meters, however not aware if customers are able to request a certain type of meter as the replacement. It doesn't cost the companies much to change them and if it were for the whole street could do it in one go.

Couldn't householders just keep their existing meters? Yes, but currently meters keep a cumulative record of energy use from one reading to the next. In order to match generation and demand the ESCO would need finer detail of readings e.g. half hourly. This would also help to match power use for example if there were small intervals of power use at night, in the short term 75% of the maximum load could be purchased from the licensed supplier and top up on renewable generated electricity from the ESCO.

Some agreed that costings to feed into the equation would be beneficial rather than potential power generation. Rough figures would be useful, e.g. £s per kW of electricity generated. Unfortunately this is very difficult to do at this early stage due to the number of unknowns. Hopefully this should become clearer as the feasibility study progresses.

Isn't there a chance that if you buy into one supplier that is willing to work with the ESCO that the customer is then tied to that supplier – limiting choice and tariffs?

The ESCO would have a licensed supplier but ongoing negotiations would aim to always ensure the best deal for the customers. Each consumer would retain the option to switch supplier under any recommendations put forward in line with the existing industry rules.

A village consensus for the go-ahead of the project would be vital.

Hosting a generator

JC suggested that hosting a piece of generation equipment would be like having a telegraph pole on the land. There would be a contract between the two parties and liaison with the ESCO would enable access for maintenance. The details of these contracts will be looked into further.

The suggested wind turbine for consideration in the potential possibilities states that it is low maintenance – however need to check what they mean by low maintenance.

Aerial photographs could be used to identify initially suitable roofs that are south facing for the installation of solar panels.

The possibility of properties who already own generation equipment being able to sell power to the ESCO will be looked into. There may be some complications due to the rules regarding the number of suppliers that anyone can buy from.

If a farmer was willing to change land use of a field from crop to energy production could they sell this to the ESCO? This may be considered a private enterprise and not a community venture – this needs further investigation.

Would having a PV panel generating electricity on your roof affect your insurance policy? The panel would be a community owned item and not personal. This needs further investigation.

Would it be possible to negotiate with the council a council tax reduction if you host a generator on your property/land?

If people are moving house – what happens to the PV panel? The generating equipment would need to be written into the property deeds. Garry's friend (property lawyer) may be able to advise on legalities.

What happens to the electricity?

The use of energy from the ESCO should improve the quality of supply, they won't guarantee that the lights will not go out, during the short power trips, however should smooth it out to some degree.

Having said that if there was a power cut, and the wind turbine is going, doesn't necessarily mean that you will have an electricity supply as they too are designed to trip out for safety reasons.

Would it be possible to come to an arrangement with the licensed supplier whereby they take any excess energy for free and then provide the balance during peak demand if there is a shortfall of energy from renewable sources, again for free?

How many suppliers are there in operation in the village? In relation to being tied in with one energy supplier as discussed above.

GC questioned whether a traffic calming measure could help generate electricity, referring to the nightclub in London that uses the movement of people on the dance floor to generate electricity, would there be a possibility in something that would encourage people to slow down and generate electricity?

Date of Next Meeting

Next focus group meeting to take place in 6 – 8 weeks time. Questions to think about at the next meeting will be circulated in advance. Copies of the presentations and questions will be put on the Going Carbon Neutral Website and raised/ report on progress at the Parish Council meeting. Suggested dates - 13th, **20th** or 27th November.

The next meeting will take place on Thursday 20th November from 8pm to 9pm in the Parish Rooms, West End.