

<b>Report to:</b>	<b>BOARD</b>
<b>Date:</b>	6 March 2019
<b>Executive Member/Reporting Officer:</b>	Councillor Allison Gwynne – Executive Member (Neighbourhoods) Ian Saxon, Director – Operations & Neighbourhoods
<b>Subject:</b>	<b>PROVISION OF ‘GREEN’ ELECTRICITY ACROSS THE COUNCIL’S PORTFOLIO</b>
<b>Report Summary:</b>	The current electricity supply contract for TMBC ends on 31 March 2019. STAR procurement is assisting us with the procurement of a new provider. Under the existing contract only a proportion of the energy (approximately 20%) comes from renewable sources. 100% green energy options are available in the new framework but these do come at a premium. A request for an indicative figure was made to our current framework provider, Yorkshire Purchasing Organisation (YPO). Using the volumes they currently supply to Tameside MBC and based on an approximate Green Premium of £0.40 per MWh (slightly increased this for worst case scenario), the additional cost across the whole of the portfolio is estimated to be: £ 10,850 Per Annum
<b>Recommendations:</b>	That the Council procures a green energy tariff when renewing the contract from April 2019.
<b>Corporate Plan:</b>	Links to Place
<b>Policy Implications:</b>	<p>Tameside Council has recently held a Green Summit to show our commitment as a Council to the green agenda. In addition a number of commitments are being requested of all Councils across Greater Manchester prior to the Mayor’s Green Summit in March 2019. One of the proposed environmental commitments being asked of Council’s via GMCA is – ‘when procuring contracts for our electricity supply in the future, we will procure renewable energy tariffs.’</p> <p>A recommendation is therefore being made to procure a renewable energy tariff for the corporate portfolio going forward.</p>
<b>Financial Implications: (Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	Using the volumes currently supplied to Tameside MBC and based on an approximate Green Premium of £0.40 per MWh, the additional cost will be £10,850. The value of the contract is circa £2.8 million per annum, this additional cost to purchase green energy would be 0.39%.
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	Provided that advice is sought and acted on through STAR Procurement, who in turn receive advice from STAR Legal Services hosted by Trafford Council, this proposal is in line with the Council’s objectives and to be commended.
<b>Risk Management:</b>	In line with the purchase of all utilities there is a risk connected to the fluctuating energy prices within a volatile market.
<b>Access to Information:</b>	

**Background Information:** The background papers relating to this report can be inspected by contacting Alison Lloyd-Walsh



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## **1. BACKGROUND**

- 1.1 Following election, the Mayor of Greater Manchester, Andy Burnham, announced his ambitions for making Greater Manchester, one of the leading green cities in Europe. A Green Summit was held on 21 March 2018 and brought together environmental experts, interest groups, partner agencies, academics and local people together to accelerate Greater Manchester's green ambitions.
- 1.2 The main purpose of the summit was to open the debate for Greater Manchester to accelerate its activities to reduce carbon emissions, to tackle climate change and to speed up the process of making Greater Manchester carbon neutral by at least a decade to 2038.
- 1.3 Following the Greater Manchester Green Summit (of which the Leader, Councillor Brenda Warrington attended) it was announced that Tameside Council was to hold a local Tameside Green Summit to compliment the ambitions of the Greater Manchester summit and to pave out a path for Tameside to become a leading Authority around the Green Agenda – this was held in Dukinfield Town Hall on Tuesday 6 November 2018 and culminated in delegates making environmental pledges for themselves and their organisations, which will have a positive impact on the environment and climate change. A number of pledges were made by Tameside Council. These were:
  - 1) We will reduce the energy demand from heating, cooling, hot water and appliances across our corporate estate through better management and installation of appropriate retrofit measures.
  - 2) We will continue our programme of tree planting in Tameside by planting 3500 trees across our greenspaces in 2018/19. We will continue our partnership with City of Trees and will encourage all new developments to include high quality tree planting.
- 1.4 The procurement of green energy across the corporate portfolio aligns well with pledge 1. This commitment, alongside a wider review of energy usage across our corporate estate and assets – for example the rollout of LED across our street lighting portfolio demonstrates a commitment to the agenda and leading by example.
- 1.5 A further GM Green Summit is to be held in Manchester on Monday 25 March 2019 to follow up on actions from the previous Greater Manchester Green Summit and to set a plan for the City Region going forward.
- 1.6 A number of commitments are being requested of all Councils across Greater Manchester prior to the Mayors Green Summit in March 2019. One of the proposed environmental commitments being asked of Council's via GMCA is – 'when procuring contracts for our electricity supply in the future, we will procure renewable energy tariffs.' It is therefore important that we explore the options in relation to green energy prior to the start of signing a new electricity contract from 1 April 2019.

## **2. INTRODUCTION**

- 2.1 The procurement of electricity for the Council's portfolio is currently provided by NPower via the YPO contract. The existing electricity supply contract for TMBC ends on 31 March 2019. STAR procurement are assisting us with procurement of a new supplier.
- 2.2 Under the existing contract arrangements only a proportion of the energy has a renewable element as standard. It is expected that the level of renewable energy will increase in the future as more energy is generated by technologies such as wind farms but at present the amount of electricity coming from renewable sources through the standard contract is only approximately 20%.

### **3. GREEN ENERGY OPTION**

- 3.1 We have been advised by YPO that 100% green energy options are available in the new framework but these will come at a premium.
- 3.2 A request for an indicative figure was made to our current framework provider, YPO. Using the volumes they currently supply to Tameside MBC and based on an approximate Green Premium of £0.40 per MWh (slightly increased this for worst case scenario), the additional cost across the portfolio is estimated to be: £10,850, however this figure includes schools and other sites utilising the beneficial rates of the contract. This figure would be closer to £7000 uplift across the corporate estate if not including schools and colleges in the figures. The total value of the contract is circa £2.8 million per annum so the additional cost to purchase green energy represents 0.4% uplift across the whole contract.

### **4. RECOMMENDATION**

- 4.1 A recommendation is therefore being made to procure a renewable energy tariff for the corporate portfolio when renewing the contract from April 2019.