



SUSTAINABLE DEVELOPMENT ADVISORY PANEL

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN,
ON WEDNESDAY, 26TH SEPTEMBER 2012 AT 3.30 P.M.**

PRESENT:

Councillor K. James - Chairman

Councillors:

M. Adams, C. Elsbury, D. Havard, C.P. Mann and J.A. Pritchard.

Together with:

C. Jones (Head of Performance & Property), P. Cooke (Team Leader, Sustainable Development & Living Environment), M. Williams (Building Consultancy Manager), P. Rossiter (Energy & Water Officer), S. Martin (Energy Officer), M. Phillips & K. Silcox (RDP Sustainable Energy Officers), S.M. Kauczok (Committee Services Officer).

APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillors Mrs A. Blackman, Mrs P. Cook, K. Dawson, Mrs D. Ellis and S. Kent; Mr A. O'Sullivan (Chief Executive) and Mr N. Liversuch (Manager Countryside and Landscape Services).

1. DECLARATIONS OF INTEREST

There were no declarations of interest made at the beginning or during the course of the meeting.

2. MINUTES

The minutes of the Sustainable Development Advisory Panel meeting held on 25th July 2012 (minute nos. 1-4; page nos. 1-3) were approved and signed as a correct record.

3. PRESENTATION BY SCOTTISH AND SOUTHERN ENERGY (SSE)

The Chairman welcomed Jo Horrigan, National Development Executive SSE and Gareth Moss, Regional Director for Wales and the South West, SSE Contracting, to the meeting.

The Panel received a presentation, including a short DVD, on the background to SSE and how the company has evolved. SSE is the UK's broadest based energy company, employing 20,250 employees. In Wales the company operates in the energy supply field under the SWALEC brand and supplies 1.12 million customers. It owns Uskmouth power plant and is

building a new gas fired power station in Baglan and a proposed wind farm in Mid Wales. It has recently launched a new Smart Energy Centre in Treforest and is committed to generating 260 sustainable 'blue collar' jobs. It is the largest energy supplier in the Caerphilly area and is currently investing £4.5m in energy efficient measures to 1,100 Council properties as part of the Community Energy Saving Programme (CESP), supporting those in fuel poverty. The Company has also been involved in the provision of renewable technologies at the Maes yr Onn off grid living project near Manmoel.

In terms of fuel poverty and Eco measures, the Panel were advised that SSE intends to spend £49m on vulnerable customers in 2012/13, including £130 off energy bills. It has an affordable warmth obligation (free heating and hot water saving measures/insulation), a carbon saving obligation (External Wall Insulation and hard to treat cavity walls in conjunction with Green Deal) and a carbon saving communities obligation (free insulation in the UK's 15% poorest areas).

The presentation concluded with an outline of what a partnership with SSE would look like i.e. a long term commitment; an open book approach with value visibility; a "one stop shop" i.e. SSE take responsibility for delivery of various technology streams and solutions; joint decision making through construction and operation; executive visibility and commitment; each party focused on "core business"; funding flexibility and innovation exposure and learning.

The Chairman thanked Ms Horrigan and Mr Moss for their informative presentation and discussion took place on the issues raised. In particular, Members sought further information on the number of jobs and apprenticeships that SSE has created in Wales, the kind of partnerships they were hoping to develop and the ways in which they engage with their customers.

Members were informed that over the last 4 years SSE had generated 1000 jobs in Wales, a high proportion of these being at the Call Centre in Cardiff. In terms of succession, the organisation likes to 'grow its own' and encourages employees to develop their skills and to progress within the Company. The Company has created 180 apprenticeships across the UK and is keen to work with local businesses to drive jobs into the local community. A training academy, which will service Wales and the South West, has been established with investment from SSE and Welsh Government. The Company outlined how it engages with its customers and how it is trying to identify those who are in fuel poverty.

Members queried the percentage of electricity sold by the Company that is generated by renewable sources and the proposals for advanced battery storage for householders in the future. The Company responded that battery storage will be paramount in the future. Steel fabric technology that can generate electricity is also currently being piloted. The Company agreed to send an information pack to Paul Cooke who would circulate to Panel Members.

The Chairman once again thanked Jo Horrigan and Gareth Moss for attending the meeting and for their very interesting presentation. He proposed that officers make arrangements for Panel Members to visit the Maes yr Onn project near Manmoel to view the green energy measures that are being implemented. Paul Cooke agreed to undertake this task.

4. BIOMASS

At the last meeting of the Panel a presentation was received from Mr Mike Pitcher of the Forestry Commission entitled "Sustainable Development and the Forestry Commission". The presentation included a discussion on the use of biomass and wood chips as a source of fuel. At the meeting a request was made for information on the performance of wood chips as an alternative source of fuel with particular reference to Pontllanfraith Comprehensive School, which uses this fuel source for heating.

The Panel was advised that whilst there was no doubt that an increase in the use of biomass boilers across the Authority would have a positive impact on the Council's carbon reduction strategy, there would also be drawbacks, i.e:

- On a like for like scheme wood fuel costs are significantly higher than gas, particularly when you factor in haulage costs and the increased carbon use of delivery lorries.
- Application is best suited to new builds where access and increased fuel storage needs can be designed in, although this inevitably adds to increased (one off) construction costs.
- Biomass boilers are more expensive than traditional gas boilers.
- Maintenance is higher on biomass because of the additional mechanical parts. This was an initial problem at Pontllanfraith Comprehensive School.
- Biomass material quality needs to be consistent to prevent fouling of boiler components.
- Security of fuel supply can be an issue.

It was noted that on new installations the RHI (Renewable Heat Incentive) would provide a significant annual contribution (currently over a fixed period of 20 years), which could be in the region of £40k/yr plus, based on the data tabled in the report, where three comprehensive schools of similar size had been used for comparison purposes.

A Member suggested that officers contact the ABHB to find out how well the biomass heating system is performing at Ysbyty Ystrad Fawr.

The Panel noted the report, which advised that on the face of the limited data, the case for expanding the use of biomass as an alternative fuel, particularly in new build, was convincing. The RHI "tips the balance" financially but even without this contribution it is suggested that the additional cost of biomass is minimal compared to the reduction in CO2 emissions.

The meeting closed at 5.15 p.m.

Approved as a correct record and signed by the Chairman of the Sustainable Development Advisory Panel subject to any amendments being recorded in the minutes of the meeting held on 7th November 2012.

CHAIRMAN