

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting30th November 2006

1. Title of Item/Report

Stillington Community Energy Scheme Business Case

2. Record of the Decision

Members noted that in January 2005 Stillington Parish Council invited Stockton Council to their meeting to discuss issues around wind turbines, as there had been a site identified within Stillington that was felt to be suitable for a community wind farm and was on land owned by Stockton Council.

Following that meeting it emerged that the North East Iron Refining Company (NEIR) were also considering the feasibility of installing a wind turbine on their land to offset the considerable electricity requirements of their operation.

Subsequent meetings with NEIR, officers of Stockton Council, TNEI took place to look more closely at the potential of the site for wind farm development. The original idea of placing the wind turbines on the land owned by the Council and originally intended for business unit development were revised and moved to a more suitable position within the Stillington Forest Park.

Late in 2005 contact was made with a consultancy company who were actively involved in the design and installation of wind farm developments on behalf of clients in the energy field. This then led to meetings with Gaz de France, the leading gas supply company in France and the fourth largest natural gas buyer in the world, with net sales in 2005 of €22.4 billion.

Gaz de France indicated that they were keen to expand their renewable energy generation portfolio in the UK considerably over the next few years and were interested in looking at the potential for the Stillington site. Furthermore they were in a position to fund feasibility studies and the other on site investigations needed.

Gaz de France commissioned a feasibility study with consultants Garrard Hassan & Partners that commenced on the Stillington Forest Park at the

end of August 2006.

The outcome of the feasibility study was that this site presented an opportunity to site up to two wind turbines. The hub height for a single turbine would be 80 metres and for two turbines it would be slightly smaller at 60 metres.

The study did highlight the need to carry out further investigations into the background noise levels prevailing in areas that would be sensitive to the development. It also recommended that wind speed measurements would need to be collected over a period of several months using an anemometer located on site and at a height equivalent to the proposed turbine hub.

There were other site investigations required in relation to ground conditions and stability, which was particularly important, as part of the park was a former waste site where slag and other waste from the foundries were deposited. The whole site was subject to a remediation scheme in 1996/97 to enable it to be used for a public open space but there was a lack of detailed information on what lay beneath the capping clay.

In developing this project extensive discussions had taken place with the Parish Council and local business representatives to ensure that the interest of the community had been considered and taken on board. Further consultation took place through a public meeting on 31st October 2006 and would continue through briefings for the Parish Council, information within the Parish Council newsletter, through residents comments forms, and the provision of a web site with links from the Stockton Council site.

The Parish Council was anxious to ensure that the community would derive a positive benefit from the proposal. The proposal from Gaz de France was that the Parish Council would receive annual funding to deliver projects that would benefit the community.

Gaz de France indicated that it would fund a "community warden" who would have a multiple role, both in terms of being a presence to protect what is likely to be an investment of around £2.5m as well as supporting the management of the park and linking into wider community activities.

Stockton Borough Council would receive a "lease payment" which reflected the lease value and the value of the renewable electricity being generated. Details of the financial benefits being proposed, which were still subjective and needed validating following further investigations and information on wind data, land liabilities etc were provided in an exempt

appendix to the report .

Whilst local businesses were not able to have a direct connection to the electricity generated from this facility it would contribute to the overall availability of renewable energy on the market. Furthermore NEIR and another local business had expressed an interest in having a share in the development, which would help them to meet their climate change obligation through investment in renewable energy technology.

This proposal clearly offered a mechanism through which local businesses that were being affected by the climate change levy could buy into this scheme and reduce their taxation bill. This was particularly important when energy costs for NEIR have risen by 36% in the last twelve months.

The output from this proposal was likely to be in the order of 7 GWh / annum which will provide the electricity needs for approximately 1,500 households and displace approximately 7,000 tonnes CO2 per annum. This was the first significant development of this sort in the Borough; other wind turbines had only been of the order of 132 KW for example at Bishopsgarth School.

There had been a lot of publicity on domestic wind turbines, which are fixed to the side of the house and can produce a maximum of 1KW electricity in the right wind conditions. This proposal was the equivalent of fitting around 7,000 houses with that type of turbine.

In terms of the wider environment issue there was no doubt that this proposal, the first of its kind in the borough, could make a significant contribution not only in output but also as a way of leading by example and opening the door to other potential projects.

RESOLVED that

1. the Stillington Community Energy Scheme be approved in principle.
2. the Corporate Director for Development and Neighbourhood Services be authorised to progress negotiations with Gaz de France and enter into an exclusivity agreement.
3. the Corporate Director for Development and Neighbourhood Services in consultation with Cabinet Member for Environment and the Director of Law and Democracy be authorised to enter into the required agreements to give effect to the Scheme should the Scheme be viable

and planning permission be obtained.

3. Reasons for the Decision

The Government has a set target of 10% renewable energy generation by 2010 and the position at 2005 (latest data available) indicates that just over 4% was being generated through renewable means.

Businesses and the wider community are being affected by rising energy costs and the impact of the climate change levy. This proposal offers a way to support business through additional generation of renewable energy and a mechanism to invest in this development. The local community will derive direct and indirect benefits through the Gaz de France proposal in terms of funding for local projects and Stockton Council will receive a lease contribution.

The contribution that this would make to the regional and national targets should also be considered.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

Councillor Cunningham declared a personal interest in this item as he was employed as an energy consultant.

6. Details of any Dispensations

Not Applicable

7. Date and Time by which Call In must be executed

By no later than midnight on Friday 8th December 2006.

Proper Officer
05 June 2006