

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting12th June 2014

1. Title of Item/Report

NORTH TEES DISTRICT HEATING SCHEME

2. Record of the Decision

Consideration was given to a report on the North Tees District Heating Scheme. The Council had reviewed the long term energy supply for both Council and Borough to develop a route to price stable, sustainable energy sources contributing to reduction in carbon emissions for business, residents and Council. District heating was an important element in the future energy mix to reduce dependency on fossil fuels although it was recognised that efficient burning of natural gas would form a major part of this energy supply for a number of years supplemented by surplus process heat from local chemical industries.

Within the Borough a number of energy intensive process industries shared a common inheritance from ICI that had resulted in several unique features including:-

1. Existing heat, steam, gas and other chemical distribution infrastructure
2. Close proximity of energy intensive industries to commercial, residential and public sector properties
3. Strong interest from the process industry to increase efficiency by utilising heat currently lost to atmosphere.

Initial scoping work had been carried out in collaboration with GrowHow UK Ltd who manufactured 45% of the UK nitrate fertilizer market and consume 1% of the entire UK natural gas supply at their Billingham site.

This work had established that there was a realistic prospect of developing a district heat network to serve parts of the Borough near the GrowHow site with potential extension to that network in the future. On this basis a programme of work to develop the heat network design, determined the business case, establish an appropriate governance model and generate tender specifications had been included in the Tees Valley City Deal bid resulting in an award of £850,900 over 4 years requiring match funding of £419,100 to cover the estimated total cost of

required work of £1,270,000.

RESOLVED that the work to explore the feasibility of developing a district heating network utilising surplus industrial process heat to benefit businesses, residents and the public sector be supported.

3. Reasons for the Decision

1. The development of district heating networks supports improvements to energy efficiency and reduction in carbon emissions in line with the Stockton-on-Tees Borough Council Green Vision.

2. The effective use of surplus industrial heat enhances the efficiency and therefore the sustainability of the commercial enterprises supplying and using the heat thus contributing to security of employment.

3. The use of City Deal financial support enables a thorough programme of work to be undertaken that otherwise would not have been possible.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

N/A

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

Midnight on Friday, 20th June 2014

Proper Officer
16 June 2014