

Cabinet



Date of meeting:	09 March 2023
Title of Report:	Chelson Meadow Community Solar - Virtual Power Purchase Agreement
Lead Member:	Councillor James Stoneman (Cabinet Member for Climate Change and Governance)
Lead Strategic Director:	Anthony Payne (Strategic Director for Place)
Author:	Paul Elliott
Contact Email:	Paul.elliott@plymouth.gov.uk
Your Reference:	
Key Decision:	Yes
Confidentiality:	Part I - Official

Purpose of Report

This business case seeks a commitment from the Council to enter into a Virtual Power Purchase Agreement with Chelson Meadow Community Solar (CCS).

Recommendations and Reason

It is recommended that Cabinet:

1. Approves the business case, including the requirement for quarterly monitoring and annual review of the Virtual Power Purchase Agreement;
2. Agrees to enter into a Virtual Power Purchase Agreement with Chelson Community Solar on the basis set out in the report;
3. Delegates authority for negotiation of the terms within the Virtual Power Purchase Agreement to the S151 officer in consultation the monitoring officer;
4. Note that the S151 will sign the agreement subject to it not being signed as a deed. Where it is a deed it will be signed by the Monitoring Officer or other authorised signatory.

Alternative options considered and rejected

Entering into a VPPA with Chelson Community Solar is an essential factor in enabling the solar farm to be built. Without it the business case and financial models are not viable. Although CCS may be able to find another organisation interested in entering the VPPA, this would require more time and delay construction of the solar farm by at least 12 months.

Relevance to the Corporate Plan and/or the Plymouth Plan

Directly feeds into the priority 'A green sustainable city that cares about the environment'.

Implications for the Medium Term Financial Plan and Resource Implications:

The solar farm as a whole provides the opportunity to generate an income over the lifetime of the asset (30 years). Over the 30 years the project is forecast to generate an income of £480K. The VPPA will deliver short term financial benefits and be reviewed on annual basis. The benefits to the Council go beyond the income as it will also help us smooth out financial pressures from volatile energy markets.

Financial Risks

The key risk is that energy prices fall below forecast amounts, resulting in increased payments to Chelson Meadow Community Solar based on required strike price. To mitigate against this we have commissioned Ernst & Young to provide their market forecasts in order to give us the most informed intelligence available. As well as this annual monitoring of the VPPA to understand performance, coupled with periodic requests for market predictions from E&Y or similar, will help us to understand changes to predicted market trends and mitigate accordingly

The business case within the appendix contains more detail on risks and mitigation.

Carbon Footprint (Environmental) Implications:

Hugely beneficial and positive impact in reducing the Council's carbon emissions predicted to be 60% of carbon emissions and providing 75% of the Council's electricity needs.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

H & S risks will be dealt with as part of the construction process. The conditional planning approval ensured that due regard was given to the impact of the solar farm on the city.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	BC Chelson VPPA							

Background papers:

**Add rows as required to box below*

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>

	1	2	3	4	5	6	7

Sign off:

Fin	DJN. 22.23. 391	Leg	MS/4/ 0000 1233/ 07.03. 23	Mon Off		HR		Assets		Strat Proc	
Originating Senior Leadership Team member: Anthony Payne (Strategic Director for Place)											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 14/02/2023											
Cabinet Member approval: Councillor James Stoneman (Cabinet Member for Climate Change and Governance) Date approved: 20/02/2023											