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# Response to the Local Electricity Bill motions

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<b>Committee considering report:</b>	Executive
<b>Date of Committee:</b>	17 December 2020
<b>Portfolio Member:</b>	Councillor Steve Ardagh-Walter
<b>Date Portfolio Member agreed report:</b>	21 October 2020
<b>Report Author:</b>	Adrian Slaughter
<b>Forward Plan Ref:</b>	EX3966

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## 1 Purpose of the Report

- 1.1 The purpose of the report is to address two motions submitted to Council seeking support of the Local Electricity Bill. The first motion was submitted by Councillor Adrian Abbs at the 3<sup>rd</sup> March Full Council meeting and the second was from Councillor Steve Ardagh-Walter submitted at the 10<sup>th</sup> September Full Council meeting.
- 1.2 This report seeks to address these motions and make recommendations as to whether they should be implemented.

## 2 Recommendations

2.1 It is recommended that

- The Council supports the Local Electricity Bill but that this support is contingent on the resolution of the issues identified in the APSE Energy report, attached as Appendix B.
- The issues identified within the existing draft of the Bill are brought to the attention of our local MPs, so that they can potentially be addressed as the Bill progresses through Parliament.

## 3 Implications and Impact Assessment

Implication	Commentary
Financial:	None

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<b>Human Resource:</b>	None			
<b>Legal:</b>	Hard to determine at this stage as the Bill has yet to go through its second reading in Parliament and may undergo significant change. There may be implications should the Bill be passed into law, how this is then administered by the enforcing authority and should the Council seek to benefit from the right to supply locally. It is envisaged that these implications would be dealt with as part of 'business as usual' input from Legal Services for associated projects.			
<b>Risk Management:</b>	None			
<b>Property:</b>	None			
<b>Policy:</b>	None			
	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>
<b>Equalities Impact:</b>				
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		None
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		None

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<b>Environmental Impact:</b>	X			The concept of the draft Bill is to simplify current regulations, reduce associated legislative costs and enable local generation of electricity to be supplied locally. Subject to addressing identified weaknesses in the Bill as currently drafted, this could have the potential impact of reducing district CO2 emissions.
<b>Health Impact:</b>		X		Hard to gauge the impact at this point. There may be positive implications should more locally generated, and in theory cheaper, electricity become available for local customers who are regarded as 'fuel poor'.
<b>ICT Impact:</b>		X		Not applicable
<b>Digital Services Impact:</b>		X		Not applicable
<b>Council Strategy Priorities:</b>	X			The proposal positively supports the objective of the Council's Environment Strategy to increase the uptake of renewable energy within West Berkshire by potentially reducing the regulatory burden, and associated legislative costs, for local community groups and organisations wanting to install their own solar energy systems.
<b>Core Business:</b>	X			Supporting the proposal and therefore the adoption of the Local Electricity Bill would support the 'Maintain a green district' priority for improvement.
<b>Data Impact:</b>		X		Not applicable
<b>Consultation and Engagement:</b>	This matter has been discussed at the Environment Advisory Group where it received unanimous support.			

## 4 Executive Summary

- 4.1 At the Full Council meeting held on 3rd March 2020 a motion was submitted by Councillor Adrian Abbs requesting that West Berkshire District Council “accordingly resolves to support the Local Electricity Bill, currently supported by a cross-party group of 115 MPs, and which, if made law, would make the setup and running costs of selling renewable electricity to local customers proportionate by establishing a Right to Local Supply”
- 4.2 At the Full Council meeting held on 10th September 2020 a motion was submitted by Councillor Steve Ardagh-Walter requesting that the West Berkshire District Council “resolves to support the Local Electricity Bill and to seek the support of our local MPs in ensuring the passage of the Bill through Parliament and into law”.
- 4.3 The purpose of this report is to address the two aforementioned motions and make recommendations as to whether they should be implemented.
- 4.4 West Berkshire Council is currently a member of the Association for Public Service Excellence (APSE) and its bespoke local authority energy collaboration, ‘APSE Energy’. This organisation has access to specialists and experts who have written a briefing note on the Local Electricity Bill for its members.
- 4.5 The briefing note analyses the Local Electricity Bill as presented to Parliament and highlights a number of issues. These issues are fully explained in Appendix B but can be summarised here as follows:
  - a) The Bill as currently drafted does not specifically link what it refers to as local energy generation and supply with ‘clean’ renewable energy sources.
  - b) The language and terminology used is open to interpretation and needs to be more tightly defined.
- 4.6 It is proposed that the motions resolving West Berkshire Council supports the Local Electricity Bill are taken forward but, in recognition that the Bill as currently drafted requires amendment, , this support is conditional based on the resolution of the issues raised by the APSE Energy briefing note.
- 4.7 It is proposed that in order to achieve this the full APSE Energy briefing note is made available to our MPs in advance of the Bill’s second reading in January 2021 so that a dialogue can be started with appropriate stakeholders. The MPs for Newbury and Wokingham (Laura Farris and John Redwood) have both expressed their support for the Bill. Alok Sharma MP for Reading West is restricted in this regard due to his role in Government.

## 5 Supporting Information

### Introduction

- 5.1 At the Full Council meeting held on 3rd March 2020 a motion was submitted by Councillor Adrian Abbs requesting that West Berkshire District Council “accordingly resolves to support the Local Electricity Bill, currently supported by a cross-party group of 115 MPs, and which, if made law, would make the setup and running costs of selling renewable electricity to local customers proportionate by establishing a Right to Local Supply”
- 5.2 At the Full Council meeting held on 10th September 2020 a motion was submitted by Councillor Steve Ardagh-Walter requesting that the West Berkshire District Council “resolves to support the Local Electricity Bill and to seek the support of our local MPs in ensuring the passage of the Bill through Parliament and into law”.
- 5.3 Full text of these two motions can be found in Appendix A of this report.
- 5.4 The purpose of this report is to address the two aforementioned motions and make recommendations as to whether they should be implemented.

### Background

- 5.5 At the beginning of 2020 a group called ‘Power for People’ approached MP’s and Local Authorities promoting a Private Members Bill for Parliament seeking to empower local communities to sell locally generated clean energy to local customers by establishing a statutory right to local supply.
- 5.6 This campaign has gained cross party support and at the latest count has formal support from 222 MPs, including the local MPs for Newbury and for Wokingham.
- 5.7 According to the Parliament website, the first reading of the Bill in the House of Commons occurred on 10<sup>th</sup> June 2020 and it is currently scheduled for its second reading on 29<sup>th</sup> January 2021.
- 5.8 West Berkshire Council is currently a member of the Association for Public Service Excellence (APSE) and its bespoke local authority energy collaboration, ‘APSE Energy’. This organisation has access to specialists and experts who have written a briefing note on the Local Electricity Bill for its members. This note is attached to this report as Appendix B.
- 5.9 The briefing note analyses the Bill as presented to Parliament and highlights a number of issues. These issues are fully explained in Appendix B but can be summarised here as follows:
  - (a) The Bill as currently drafted does not specifically link what it refers to as local energy generation and supply with ‘clean’ renewable energy sources. The language and terminology used is open to interpretation and needs to be more tightly defined.
- 5.10 The APSE briefing note also points out that under the Electricity Act 1989 there are already exemptions for smaller capacities of generation, distribution and supply of

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electricity that avoids the higher levels of regulation and associated licensing costs that would otherwise discourage community groups and interested organisations.

5.11 With all this taken into account the briefing note concludes that the concept of the Bill is good and the solution is definitely required.

### Proposals

5.12 It is proposed that the motions resolving West Berkshire Council supports the Local Electricity Bill are taken forward but, in recognition that the Bill as currently drafted requires amendment, this support is conditional based on the resolution of the issues raised by the APSE Energy briefing note.

5.13 It is proposed that in order to achieve this the full APSE Energy briefing note is made available to our MPs in advance of the Bill's second reading in January 2021 so that a dialogue can be started with appropriate stakeholders.

## 6 Other options considered

6.1 The motions could be rejected but this would be at significant odds with the Council's Climate Emergency Declaration, the associated target of achieving carbon neutrality for both the council and the district by 2030, the Council's 'maintain a green district' priority for improvement and the recently adopted Environment Strategy which specifically targets the increased adoption of energy from renewable sources.

## 7 Conclusion

7.1 West Berkshire Council already recognises 'green' issues as a continuing priority thread through a number of its key strategies such as the identification of the 'Maintain a green district' priority for improvement in the current Council Strategy, the adoption of a Climate Emergency Declaration in July 2019 and its associated target to achieve carbon neutrality for both the council and the district by 2030, and the creation of the Environment Strategy outlining key themes of which 'energy' is one.

7.2 The Local Electricity Bill identified by the submitted motions seeks to address issues in the existing electricity supply and generation regulatory framework that inhibits the promotion and uptake of small scale local energy generation and supply.

7.3 Whilst the Bill as currently drafted has its flaws, the solution, at a national and in particular in West Berkshire where it would positively influence the ability to achieve the demanding carbon neutrality target, is required. The Council should therefore work with relevant stakeholders wherever it can to support and influence the adoption of the Bill into law.

## 8 Appendices

8.1 Appendix A – Text of the two motions to Council in the name of Cllr Adrian Abbs and Cllr Steve Ardagh-Walter

8.2 Appendix B – APSE Energy Briefing Note on the Local Electricity Bill

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## Background Papers:

Council Strategy 2019 to 2023

Environment Strategy

## Subject to Call-In:

Yes:  No:

The item is due to be referred to Council for final approval

Delays in implementation could have serious financial implications for the Council

Delays in implementation could compromise the Council's position

Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months

Item is Urgent Key Decision

Report is to note only

**Wards affected:** n/a

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## Document Control

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<b>Author:</b>	Adrian Slaughter		
<b>Owning Department</b>	Environment		

## Change History

Version	Date	Description	Change ID
1	16/11/2020	Changes made to original report at the request of Corporate Board	AS
2			

### Full text of the two motions to Council in the name of Cllr Adrian Abbs and Cllr Steve Ardagh-Walter

#### **From 3<sup>rd</sup> March 2020 Council meeting:**

The following Motion has been submitted in the name of Councillor Adrian Abbs:

#### **“Power for Communities Motion**

West Berkshire District Council

- (i) acknowledges that this Council has made some effort to reduce greenhouse gas emissions and promote renewable energy;
- (ii) recognises that councils can play a central role in creating sustainable communities, particularly through the provision of locally generated renewable electricity;
- (iii) further recognises
  - that the very large financial setup and running costs involved in selling locally generated renewable electricity to local customers results in it being impossible for local renewable electricity generators to do so,
  - that making these financial costs proportionate to the scale of a renewable electricity supplier’s operation would create significant opportunities for councils to be providers of locally generated renewable electricity directly to local people, businesses and organisations, and
  - that revenues received by councils that became local renewable electricity providers could be used to help fund local greenhouse gas emission reduction measures and to help improve local services and facilities;
- (iv) accordingly resolves to support the Local Electricity Bill, currently supported by a cross-party group of 115 MPs, and which, if made law, would make the setup and running costs of selling renewable electricity to local customers proportionate by establishing a Right to Local Supply; and
- (v) further resolves to
  - inform the local media of this decision,
  - write to local MPs, asking them to support the Bill, and
  - write to the organisers of the campaign for the Bill, Power for People, (at 8 Delancey Passage, Camden, London NW1 7NN or [info@powerforpeople.org.uk](mailto:info@powerforpeople.org.uk)) expressing its support.”

**Motion from Cllr Steve Ardagh-Walter – 10<sup>th</sup> September 2020**

In our commitment to working towards being a Carbon Net Zero District by 2030 this Council has made a substantial investment in photovoltaic technology, reducing greenhouse gas emissions and promoting renewable energy. In delivering this significant element of our Environment Strategy, we not only supply the Council with clean energy, we also reduce the cost of running our buildings.

However, the very large financial setup and running costs involved in selling locally generated renewable electricity to local customers result in it being very difficult, if not impossible, for local suppliers to do so. We recognise that making these costs proportionate to the scale of the renewable electricity supplier's operation would enable and empower new local businesses, or Councils such as West Berkshire, to be such providers of locally generated renewable electricity, and that the revenues received could be used to help improve the local economy, local services and facilities, and to reduce local greenhouse gas emissions.

The cross-party Local Electricity Bill, reintroduced into Parliament on 10 June and currently supported by 187 MPs, would, if made into law, establish a *Right to Local Supply* which would promote local renewable electricity supply companies and co-operatives by making the setup and running costs of selling renewable electricity to local customers proportionate to the size of the supply operation.

This Council would therefore welcome the opportunity to benefit further from the creation of a Right to Local Supply and **RESOLVES to support the Local Electricity Bill and to seek the support of our local MPs in ensuring the passage of the Bill through Parliament and into law.**