

NET ZERO UPDATE

1. ISSUE

1.1 Providing the Cumberland Scrutiny and Overview Committee with an update on CLEP's activities related to net zero through the twin priorities of clean energy generation and business decarbonisation.

2. RECOMMENDATION

2.1 That the Cumberland Scrutiny and Overview Committee note:

a) this report and the ongoing activities in support of moving towards Net Zero; and

b) CLEP's relationship with Project Colette. .

3. BACKGROUND

Introduction

3.1 At the last Cumberland Scrutiny and Overview Committee members were advised that Cumbria LEP (CLEP) had twin priorities to support Net Zero – clean energy generation and business decarbonisation. The remainder of this report provides an update on CLEP's activities in relation to this.

Partnership Engagement

North West Net Zero Hub

3.2 Grant Funding Agreements are in place for a £590,000 programme of activity in Cumbria, as part of the wider DESNZ funded North-West Net Zero Hub, which runs through until September 2025.

3.3 Tom Webb has recently joined the LEP as a Net Zero Policy Officer. He recently graduated with a master's degree in environmental economics and is part of the NW hub funded scheme to develop capacity and capability in the sector.

3.4 The programme activity currently being delivered includes:

- Ernst & Young has completed a Distributed Energy Strategy study that assesses Cumbria's potential for localised clean energy opportunities spanning a range of renewables including solar, hydro, onshore wind, bio energy and heat networks. This builds on the opportunities identified in the Clean Energy Strategy issued in 2022. It is hoped that it will stimulate clean energy schemes and promote bids to either the Borderlands Energy Investment Plan or the NW Hub Community Energy Fund. The draft document is provided at Annex A.
- Installation work is proceeding at Base Camp North to create a demonstration facility for a range of solar technologies at their visitor attraction, west of

Penrith. It will be available for visitor access by the end of March and be open access for two years to showcase the value of different types of solar in Cumbria.

- CLEP has engaged with Cumbria's Further Education Colleges to develop a Hub funded package of work to develop retrofit skills. This needs to be completed by the end of March 2024. Further details are provided under the Skills Bootcamp and Green Skills Update.
- Support has been provided to community groups to develop 4 feasibility study bids for submission to the NW Net Zero Hub Community Energy Fund scheme. Decisions are expected in March 2024.

Borderlands Energy Masterplan

3.5 CLEP has continued to support the Borderland Energy Programme Board with the meeting on 22 January focused on implementing the Energy Investment Strategy. There was an agreement that further work needed to be undertaken on this, prior to approval and launch.

Business Decarbonisation

Business Decarbonisation Strategy Group

3.6 The LEP Business Decarbonisation Strategy Group held its third meeting on 1 February to review progress towards the implementation of the 10 Point Action Plan (Annex B), alongside presentations from James Walker and Revolutionary Concepts, the latter of which was funded via CLEP's Innovating for Success programme.

Energy Intensive Industry Decarbonisation

3.7 A briefing session was held in December 2023, building on the October Workshop, in order to consider the upcoming round of the Industrial Energy Fund that DESNZ is about to open. In support of this a number of targeted sessions have been held with innovation technology providers in partnership with the Henry Royce Institute. These have included heat recovery and energy storage schemes.

Hydrogen Business Decarbonisation

3.8 The Final Investment Decision was approved by DESNZ to provide approval for the Barrow Green Hydrogen Project. CLEP has supported Carlton Power as a partner since the inception of the scheme. The project will deliver hydrogen to the adjacent Kimberly-Clark site by the end of 2025 and will have the potential to grow to supply other users. CLEP continues to engage with businesses in Cumbria, which have the potential to develop other green hydrogen schemes that could be funded through future DESNZ Hydrogen Allocation Rounds (HAR).

3.9 Cadent has commissioned Arup to produce a North West Hydrogen Vision that brings together all of the hydrogen initiatives in the region. CLEP has been asked to participate in an advisory board. The first meeting was held on 19 January

2024 and CLEP will ensure that Cumbria's initiatives are incorporated into the regional vision.

Carbon Capture

3.10 CLEP has continued its engagement with Spirit Energy on the Morecambe Bay Net Zero Carbon Storage initiative. Although, the project was not selected for the Government's "Track 2 Cluster Sequencing Process", progress is being made with the potential for a privately funded trial scheme to store CO2 emissions from Spirit's own gas terminal. A Memorandum of Understanding has also been signed with Peak District Cluster for Carbon Capture/Storage from cement manufacturing in that area to directly pipe to Morecambe Bay. This work is expected to accelerate through 2024.

Clean Energy Generation

Nuclear Road Map and Associated Consultation Documents.

3.11 DESNZ issued the Roadmap document and associated consultations for Siting Selection and Alternative Routes to Market on 11 January 2024. The roadmap sets out Government's intent to both the supply chain and potential investors.

3.12 It highlights the potential for the Moorside site for either Gigawatt or SMR facilities. Importantly, for Cumbria the Nuclear Decommissioning Authority (NDA) will produce and then regularly update a prospectus for each of their sites suitable for new nuclear development, including Moorside. This should help provide clarity on the way forward for Moorside and the interaction with the NDA Decommissioning and Waste Management mission. The Clean Energy Sector Panel reviewed the documents in detail and CLEP is preparing its response to the consultations.

Grid Connectivity

Electricity North West Limited

3.13 CLEP has worked with Electricity North West Limited to assess grid capacity and reliability and resilience.

Increasing Capacity

- The Cumbria ring project - Phase 1 confirmed (ED2) - £14m to re-conductor 145km of 132kV of overhead line to create over 230MW of new capacity across Cumbria for the uptake of low carbon technologies. Total programme value estimated £40m to 2033.
- Harker upgrade - £40m upgrade to allow access to capacity created by National Grid upgrading at the Harker substation. Complete 2029.
- Motorway service areas - £13m to expand capacity at Tebay and Southwaite.
- Windermere area reinforcement.
- Adaptive regulation – use of "uncertainty mechanisms" to secure additional funding.
- Bespoke to West Coast of Cumbria – uncertain costs associated with the potential for new nuclear generation in Cumbria

Reliability and Resilience

Numerous programmes to replace assets across Cumbria to improve reliability including:

- Worst-served customers programme - £20m to improve reliability for customers receiving poorest service.
- Storm resilience programme - £35m submitted for additional funding to improve network resilience to storms including Alston and Coniston areas.
- Borrowdale transformers - £9m programme to replace over 200 small rural substations.
- Undergrounding - £5m to replace most visually intrusive overhead lines with underground cables.
- Investment in key substations – e.g. £5m upgrade to Egremont.
- Tree cutting and maintenance.
- Adaptive regulation – use of “reopeners” to secure additional funding – Storm Arwen.

3.14 CLEP is also working with National Grid to understand its grid plans and this information is still awaited. Once this information is available CLEP will prepare a comprehensive report summarising Cumbria’s total grid capacity.

4. PROJECT COLLETTE

4.1 The LEP Scrutiny Board specifically asked for an update on Project Collette, which is not a project that is directly led by the LEP. The update is therefore focused on CLEP’s relationship with the project and our engagement to date.

4.2 The CLEP Team productively engage with any potential developers on projects, which could deliver economic benefit in Cumbria and as such have engaged with Ciara Shannon of the Green Investment Group over a number of years. This has been in relation to both Project Colette and its wider Green Investment Plan for Cumbria.

4.3 The development of offshore wind fits with CLEP’s Clean Energy Strategy as well as potentially providing the opportunity to stimulate new supply chain opportunities.

4.4 CLEP’s Head of Sectors has provided advice on taking forward the project, which is the approach taken with all such developments. This has focused on developing an outline feasibility study to cover:

- Availability of seabed location from Crown Estates
- Offshore wind project delivery capability
- Infrastructure requirements for grid connection
- Assessment of potential off-takers

- Finance model and role of community ownership for a £multi-billion development.

4.5 These issues will need to be addressed in order to progress the project. The CLEP team has offered advice and support as to potential sources of funding to fund such a feasibility study.

4.6 The LEP has no financial or contractual relationship with this development and our role has been to provide advice and support, in line with that provided to all project developers.