

# MEMORANDUM OF UNDERSTANDING (MOU) FOR EXETER ENERGY NETWORK

May 2013

## 1. The Partners

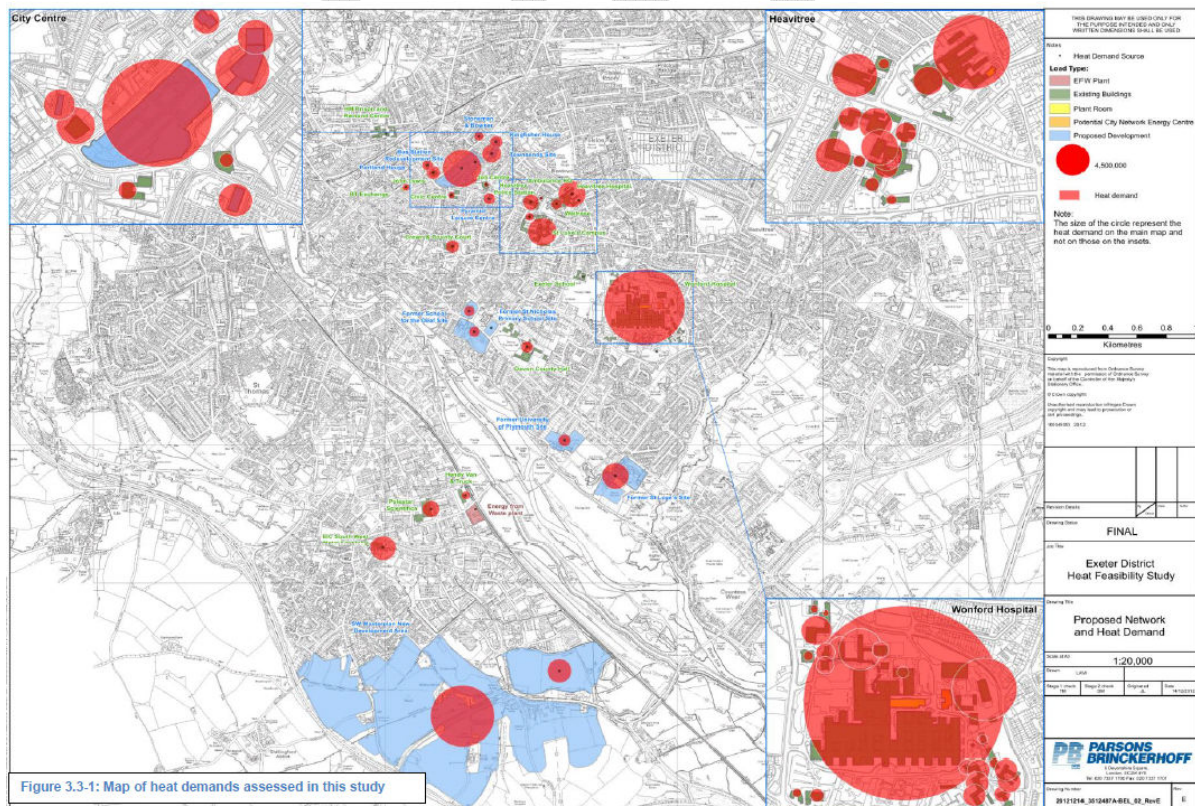
The signatories of this MOU are as follows:

Devon County Council (DCC)  
Exeter City Council (ECC)  
Teignbridge District Council (TDC)  
Royal Devon and Exeter NHS Foundation Trust (RD&E)  
University of Exeter (UoE)

and shall be together known as “the Partners”.

## 2. Background

In 2012 Devon County Council, Exeter City Council, the Royal Devon and Exeter NHS Foundation Trust and the University of Exeter came together to commission the Exeter Energy Network feasibility study. This set out to assess the economic and emission reduction performance of potential energy networks to serve major areas of heat demand in the study area below and provide onsite electricity at energy centre locations;



The study completed in May 2013. It demonstrates the following;

- the retrofitting of district heating networks to serve the area is both feasible and potentially viable, depending on the options to be pursued
- that there are substantial potential carbon savings (up to 11,000 tonnes of CO<sub>2</sub>p.a.) that can be secured – more if the South West Exeter urban extension to the south west of the City and in Teignbridge District is also served
- the potential to stimulate industrial and business activity in a range of sectors and create jobs and multiplier effects from the potential total incremental capital spend of up to £40m (including the South West Exeter urban extension)
- the ability to secure a more resilient and efficient energy network – for example to help meet the Hospital's electricity requirement through on site generation and to raise the overall efficiency of the Marsh Barton Energy from Waste plant from 20% potentially up to 50%.

The report states that *'the challenge in taking forward the findings of this study will be to identify a long term vision and strategy and to create flexible structures which have the potential to play a role in achieving such a vision while not overcomplicating the first steps or being distracted from getting this initial network delivered'*.

An extension to the study by the University has shown that the South West Exeter urban extension utilising heat from the Marsh Barton EfW plant is also viable and has the potential to save up to 3,700 tonnes of CO<sub>2</sub> p.a.

### **3. Purpose**

The purpose of this MOU is to set out the commitment of the partners to moving forward the outcomes of the study towards the delivery of the Exeter Energy Network. As such the partners agree to work collaboratively to secure common objectives in terms of the achievement of sustainable development, energy security, carbon savings, local economic growth and consumer protection.

Specifically this MOU sets out the intention of the partners to work collaboratively towards:

- 1 the establishment of an outline business case including an assessment of the need for public sector involvement and investment;
- 2 providing Partner Project Funding totalling some £150k (a significant proportion of which has already been accrued including in-kind support). The detail of the Partner Project Funding is set out in the Work Programme Flowchart at Section 5;
- 3 seeking External Funding of up to £500k for external advisors. The breakdown of the External Funding is set out in the Work Programme Flowchart at Section 5;
- 4 subject to obtaining external funding, seeking a private sector energy partner; and,
- 5 subject to securing a private sector energy partner delivering the Exeter Energy Network.

Partners undertake to ensure that, at the relevant stages, the development of the Exeter Energy Network is considered at Board/Executive/Cabinet level of the relevant Partner to determine how best to proceed.

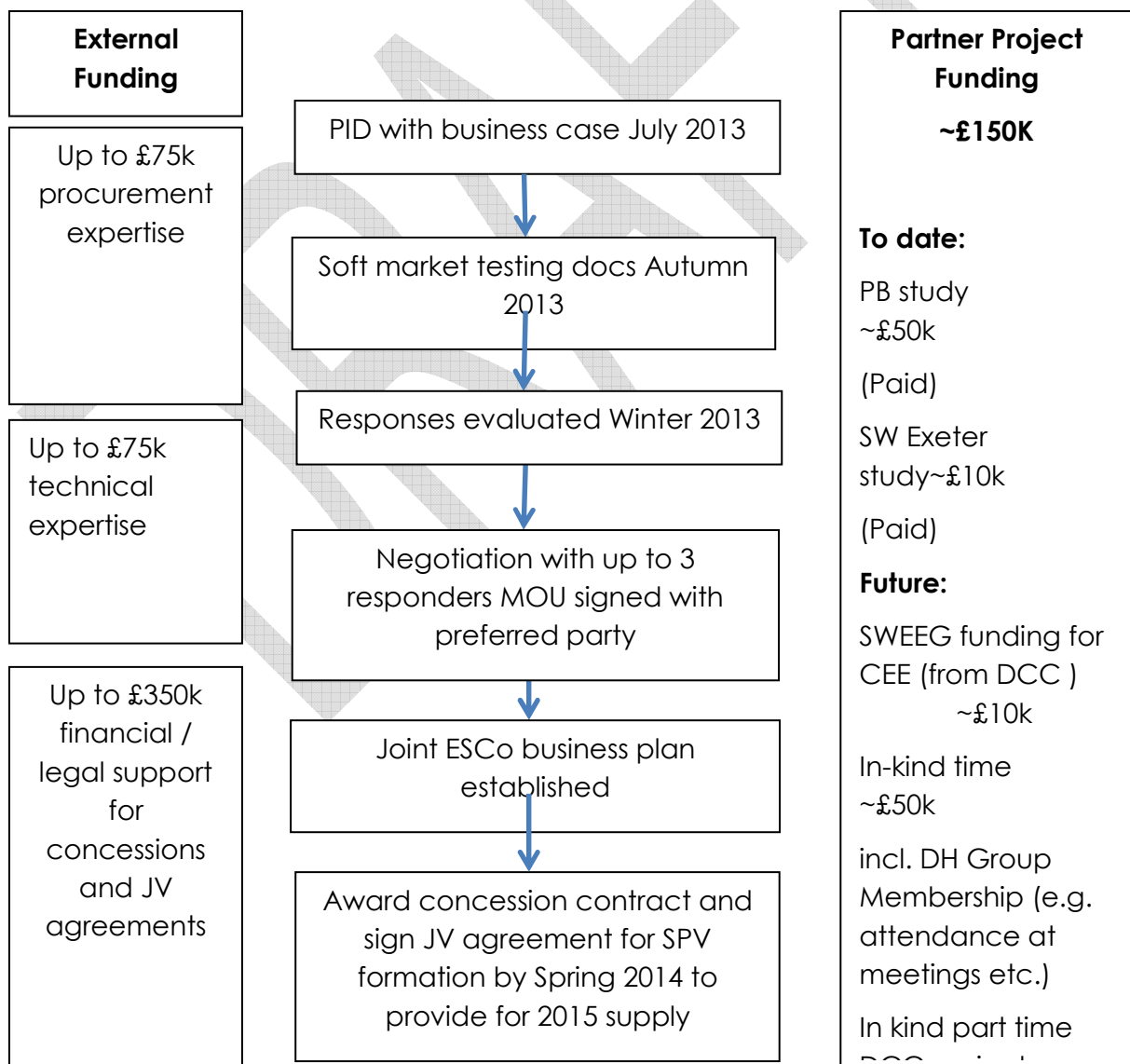
#### 4. Governance

Decision making will remain with the Executive/Cabinet/Boards of the relevant Partner.

A District Heating Project Group has been formed to allow key work streams to be progressed collaboratively. This group includes representation from the Partners together with representatives from the Centre for Energy and Environment, Heart of the South West Local Enterprise Partnership, Exeter and East Devon Growth Point Team and the Low Carbon Task Force and drawing in relevant expertise as required.

#### 5. Work Programme

The work programme and estimated costs for establishing a public / private ESCo is illustrated below.



The business case will be considered at Cabinet/Executive/Board level of the Partner by the end of July 2013. This MOU does not commit the Partners to proceeding beyond this stage, or to any additional funding as this is dependent upon successful consideration of the outline business case by each of the Partners. Subject to this being achieved the MOU does then enable the Work Programme to proceed. For the avoidance of any doubt, this MOU and the agreement to the outline business case places no obligation on any Partner to proceed with the Work Programme or to commit any additional funds to the Work Programme.

## **6. Resources**

Each Partner commits to resourcing the District Heating Project Group as the main working group charged with progressing the Work Programme.

The Partners will work together to bid for external resources that will help to secure investment in to the work programme, the Network and, for example, the opportunity for the ESCo to act as an Allowable Solutions pilot.

It is anticipated that a Project Manager will be appointed on a part-time basis to progress the Work Programme and to co-ordinate input from the Partners. The current intention is that this Project Manager will be appointed from and resourced by DCC.

## **7. Timescales**

The District Heating Project Group will meet monthly over the course of 2013/14 to oversee, develop and undertake the Work Programme.

A detailed Project Plan will be developed setting out key dates and milestones for the work programme. This will be signed off by each Partner.

## **8. Communications**

The Partners agree to coordinate their work with each other and with third parties to maximise the prospects of successful delivery.

The Partners commit to transparency and a spirit of open communications where that does not breach confidentiality protocols.

The Partners will aim to achieve a coordinated and consistent approach to matters relating to marketing, PR and media including the content and timing of events and press material.

## **9. Terms**

No partner shall be liable to pay any contribution or commit any resources without the prior written agreement of the duly authorised representative specifying the extent of such contributions or resources.

Noting in this MoU fetters the statutory liabilities, duties, responsibilities, or roles of the undersigned Partners.

The MoU will be operative until 31 August 2014 whereupon it will be reviewed.

Signed

Devon County Council

Exeter City Council

Teignbridge District Council

Royal Devon and Exeter NHS Foundation Trust

University of Exeter

