

Committee: Corporate Asset Sub-Committee (CASC)	Dated: 23 rd January 2018
Subject: CDP Targets post March 2018 & Energy Procurement	Public
Report of: The City Surveyor	For Information
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SUMMARY

This report recommends an approach to the long-term Carbon Descent Plan (CDP) targets post March 2018. It also provides a summary on present energy procurement activity.

CDP - The Carbon Descent Plan expires in March 2018 and requires review. This report recommends a continuation of the present trajectory of 40% reduction by 2025 relative to a 2008 base year

Procurement – The Energy Working Group was set up in August 2017 to review new options for energy procurement post Sept 2018. The working group agreed to progress with proceeding a full OJEU Compliant tender and this report provides an update on that process.

RECOMMENDATIONS

- Approve the proposed bottom up approach in order to confirm cost plans
- Members are asked to note the update on procurement.

MAIN REPORT

Carbon Descent Plan

The present trajectory of energy reduction is projected to deliver a 17% reduction against a 25% reduction 2018 target. We propose the extension of this trajectory to a 40% target reduction by 2025. This represents a 27% reduction on 2016/17 consumption.

Following broad consultation, we recommend a ‘bottom-up approach’ based on identifying individual initiatives in each departmental plan. This approach provides the following benefits:

Realistic: *‘bottom up approach’ provides an informed target and resource requirement*

Material: *focussed effort on major consumers such as GHC and BAC*

Current: *considered in context with broader estate development such as:*

- *Strategic Market Review*
- *Police Accommodation review*

Approach

We will achieve our target through three main routes:

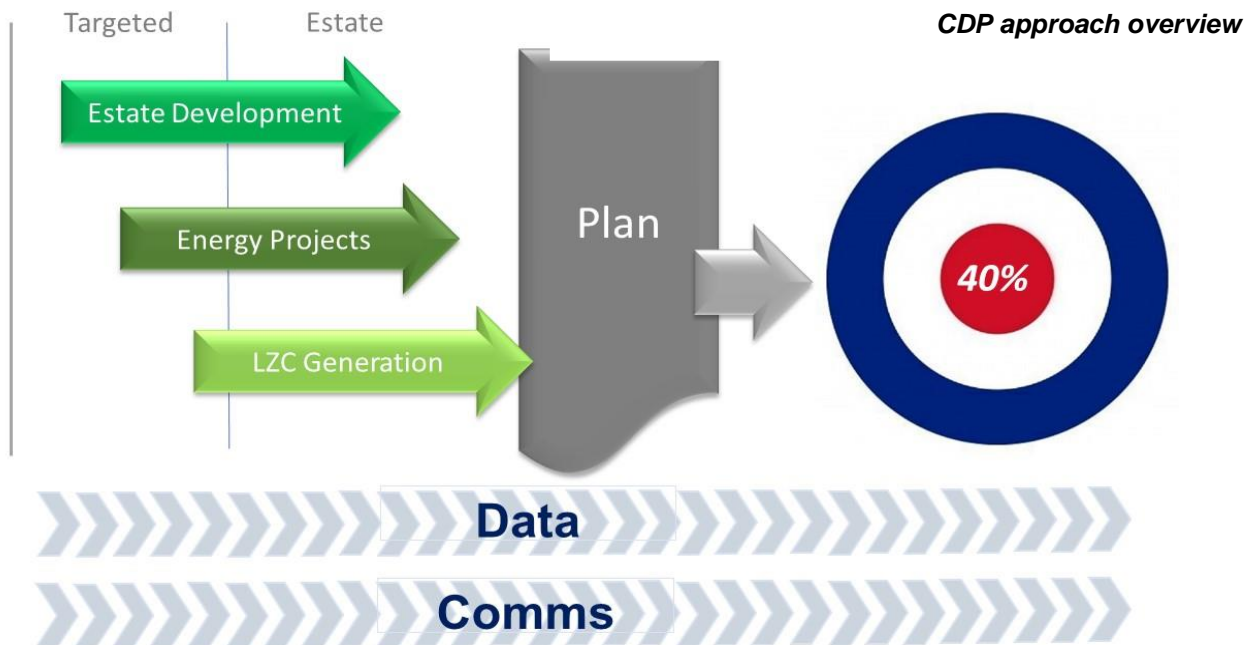
1. **Estate Development** – actively managed enhancement to cyclical works
2. **Energy Projects** – Opportunity driven programme outside of cyclical works
3. **Low & zero carbon energy** – Renewable and low carbon energy

As discussed above, we propose the development of the plan be progressed in two phases:

Targeted: focuses on BAC and GHC

Estate: Using the learning from the targeted phase to support department plans across the wider operational estate.

These approaches will be underpinned and driven by a data management and communications plan.



To mobilise this process we have developed a high-level scoping plan with indicative savings figures for both Guildhall and Barbican Arts Centre summarised below

Guild Hall Complex and BAC scoping potential

Category	Description	GHC potential savings	BAC potential savings
PLANT	Replacement of central plant, including optimising the system design and control	4.7%	2.2%
DISTRIBUTION	Replacement/modification of HVAC distribution systems	4.7%	3.4%
LIGHTING	Bulk upgrade of the lighting, including LED and controls	2.0%	2.5%
MANAGEMENT & CONTROL	Optimised HVAC controls supported by maintenance, M&T actions, sub-metering, temperature policy implementation and occupant behaviour	2.4%	12.1%
FABRIC	Improvements planned to glazing and roofs	12.4%	0.5%
Estate Development	Decanting of the servers from Old Justice Rooms	0.3%	
Total		26.6%	20.6%

Next Steps

This initial analysis indicates that the additional 27% target is within achievable limits and will form the basis of a template brief for other departments.

The next phase - Other service departments

The Energy Team met energy representatives in December 2017 and it was agreed that departments such as Markets, Open Spaces will continue focussing on improvement projects and come up with 'departmental action plans' in Q1 2018 with possible opportunities and assessments similar to GHC's and BAC's.

The Energy team proposes to come back to CASC in June 2018 with a mobilisation plan with a task plan and phase one resource requirements. This will also allow the Corporation the opportunity to engage third party support in the interim to develop the programme if required.

Desired Outcome:

- Savings potential scoping
- Capital and resource plan to support delivery of the savings

ENERGY BROKER PROCUREMENT

The Energy broker procurement exercise concluded on 20th Dec 2017. A total of 11 tenders were received. An evaluation panel was set up which comprised of officers from the working group (which included representations from across DBE (Street lighting), Markets, Guildhall, Barbican, Open Spaces, Investment Portfolio, Comptrollers, Finance, Accounts Payable and City Procurement). The panel also included Mr Randall Anderson, representing Member participation.

Utiy Energy obtained the highest overall score in the price / quality assessment, but are yet to be awarded the contract pending housing section 20 consultation contract. Top suppliers of the 11 returns scored as below:

Quality (60%)

1. LASER
2. The Energy Brokers
3. Utiy

Pricing (40%)

1. Utiy
2. LASER
3. Alfa Energy

Next steps

Draft KPI/SLA Doc; sign contract by March 2018 and Risk Workshop on 5th March

In summary

CDP - We propose a bottom up approach as more robust platform to define targets. The first phase of this is complete for BAC & GHC. A return to the policy in June 2018 CASC will provide a wider view of potential across the estate following submission of plans.

Procurement – phase one complete. Priority: keep to timetable to mobilise new broker

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