

Meeting:	Executive	
Meeting date:	20/02/2024	
Report of:	Claire Foale, Assistant Director Policy & Strategy	
Portfolio of:	Cllr Jenny Kent, Joint Executive Member for	
	Environment and Climate Emergency	
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Decision Report: Harewood Whin Green Energy Park (GEP) – Project Initiation

Subject of Report

- The former landfill site at Harewood Whin, owned by the council (but currently leased to Yorwaste Limited (Yorwaste)), has been identified as a potentially suitable site for the development of a Green Energy Park (GEP). This report provides an outline of the proposed GEP project at Harewood Whin and requests approval to initiate a project business case.
- 2. There are a range of technical solutions that could be deployed at Harewood Whin as part of the GEP development. At this stage, the council has not committed to any specific technical solution(s) or delivery arrangements for the project. The next stage of the project will assess the feasibility, viability, and desirability of the various technical solutions and delivery arrangements to develop a Strategic Outline Case (business case) for a preferred way forward.
- The council has recently secured £243,500 of revenue funding from the York and North Yorkshire Net Zero Fund¹. The funding will enable the council to appoint a dedicated Project Manager and proceed to the next stage of project development.

¹ <u>https://edemocracy.northyorks.gov.uk/ieListDocuments.aspx?CId=1471&MId=7782&Ver=4</u>

4. A decision is required to initiate the project and proceed to the first stage of project development. Development of the Full Business Case could take several years to complete, with any implementation of the GEP on site unlikely to commence until the early 2030s.

Benefits and Challenges

- 5. The Harewood Whin GEP scheme aims to make use of a combination of low-carbon technologies and solutions to maximise and optimise the renewable energy generation, carbon savings, cost savings, and revenue generation potential of the site.
- 6. The York Local Area Energy Plan (LAEP) has identified that York will require around 1GW of local renewable energy generation in order to become self-sustaining and decarbonise the city's energy system. The GEP at Harewood Whin will significantly contribute towards achieving this target. The site has the potential to deliver up to 32MW of large-scale renewable generation through ground-mounted solar PV and/or onshore wind. This could generate up to 39GWh of electricity per annum equivalent to the average annual total aggregate electricity consumption of 10,060 households and create a secure supply of cheap renewable electricity in York. It could also contribute towards annual carbon savings of up to 8,125 tCO₂e. Other technologies such as EV charging, hydrogen production, and battery storage could provide additional carbon savings and revenue generation opportunities if developed on site.
- 7. Developing the Harewood Whin GEP project could serve as an "invest-to-earn" or "invest-to-save" scheme for the council depending on the commercial model adopted. Any revenues or savings derived from the scheme could be used to support key frontline services, making the city more affordable, and support a good quality of life for residents. There are also a range of potential community benefits that this project could provide including the provision of a community benefit fund and/or part community ownership of the asset.
- 8. The key challenge of the project relates to its scale and complexity. Significant capital funding will be required to deliver the Harewood Whin GEP and the council will need to ensure the proposed project is both affordable and commercially viable. The project development stage will assess strategic, financial, and

commercial risks and determine appropriate commercial and financial structures for the scheme.

- 9. A one-time coincident installation of all technical solutions at the Harewood Whin site may not be logistically achievable due to the expected timescales for technology and market readiness of hydrogen production and utilisation from potential end-user clients; the inherent planning timescales and challenges for onshore wind and hydrogen build-out; and the complexity of implementing all technical solutions at the same time. A phased approach to delivery of the GEP scheme may need to be considered if a combination of technical solutions is identified as the preferred way forward within the Strategic Outline Case (SOC). The appraisal of implementation options will be driven by the council's strategic objectives, deadlines, milestones, dependencies (between outputs), economies of scale, benefit realisation and risk management.
- 10. During the project development process there are several potential project risks that the council may face. The key project risks include failing to secure a viable grid connection and being refused planning permission. The project risks are recorded within a risk register (see Annex 2). Risks will be managed proactively throughout the project in order to minimise threats and maximise opportunities.

Policy Basis for Decision

Council Plan 2023-2027

- 11. The Council Plan adopted in September 2023 identifies "Cutting carbon, enhancing the environment for future generations" as one of the council's key priorities. Increasing sources of renewable energy is central to achieving this priority (see objectives 5.1 5.5).
- 12. The Council Plan identifies "A fair, thriving, green economy for all" as another of the council's key priorities. The design, development, planning, and construction services required to deliver a GEP will provide an opportunity to return benefits to the local economy and develop the local supply chain capabilities.

York Climate Change Strategy 2022-2032

- 13. City of York Council (CYC) declared a climate emergency in March 2019 and set the ambition for York to be net zero carbon by 2030. To achieve this ambition, the council's net zero pathway requires a significant reduction in emissions across our heating, transport, and energy systems. In order to decarbonise the local electricity system in York, additional renewable generation capacity will be required.
- 14. Increasing local renewable generation capacity across York is a key priority within the council's Climate Change Strategy (in support of objective 7.1). Battery energy storage could also be delivered on site as part of the project supporting the council to improve energy flexibility and storage (in support of objective 7.2). Finally, there are a range of potential community benefits that this project could support including the provision of a community benefit fund and/or part community ownership of the asset (in support of objective 7.3).
- 15. To enhance any carbon savings, opportunities to generate additional carbon sequestration will be considered in the project development stage (in support of objectives 6.1 and 6.2). Carbon sequestration could, for example, be achieved through the planting of trees and hedgerows on the site.

York Local Area Energy Plan (LAEP)

- 16. The York Local Area Energy Plan (LAEP) estimates that 1GW of local renewable generation will be required to decarbonise the city's energy system. Currently, the City of York has a local renewable energy generation capacity of 23.5MW². To meet York's growing electricity demand and transition towards net zero, a drive towards increasing local renewable energy generation capacity is urgently required.
- 17. The former landfill site at Harewood Whin was identified within the LAEP as a suitable site for large-scale renewable energy generation. The proposed GEP could provide an additional 32MW of renewable capacity in York, and support York's transition to a low-carbon energy system.

Minerals and Waste Joint Plan

² DESNZ (2023). Renewable electricity by local authority, 2014 to 2022. Available from: <u>https://www.gov.uk/government/statistics/regional-renewable-statistics</u>

18. The adopted Minerals and Waste Joint Plan contains planning policies to support North Yorkshire County Council, City of York Council, and the North York Moors National Park Authority to take decisions about matters such as where, when, and how minerals and waste developments should be planned and controlled up to 31 December 2030. The Harewood Whin site is listed as an allocated site for ongoing waste management over the plan period within the Joint Plan. The Green Energy Park proposal will not change the current functionality of the Harewood Whin site; it will continue to operate as a capped landfill and the proposed technology options discussed in the report are considered a complementary use.

Financial Strategy Implications

- 19. The council has secured £243,500 of revenue funding from the York and North Yorkshire Net Zero Fund, which will be issued/released when the New Mayoral Combined Authority for York and North Yorkshire has been established. The purpose of the funding is to enable the council to develop the business case for the scheme. The business case will be developed in three stages, in accordance with the Green Book approach issued by the HM Treasury, as recommended for major projects of this scale (see "Project Development Approach" section).
- 20. For the first stage of project development (Stage 1 Scoping the scheme and preparing the Strategic Outline Case), the council will undertake techno-economic feasibility and develop a Strategic Outline Case (SOC) for the project. A dedicated Project Manager will also be appointed to manage and deliver the project. The work required in Stage 1 will be completed within the available budget of £243,500.
- 21. At the conclusion of Stage 1, the Project Team will return to Executive to report on outcomes, expenditure, and risk management with the intention to seek guidance and ongoing support for the project through the remaining stages. Further funding may be required to enable the project to proceed to the Full Business Case decision gateway.
- 22. The level of capital investment required to deliver the project will ultimately depend on the specific technical solution(s) and delivery model selected for the project. The project development stages will

identify and assess the implications of different financing options and delivery models for the delivery of the project. Guidance will be sought from the council's Finance team to assess the available options and determine the most appropriate financing and commercial structure.

Recommendation and Reasons

Executive are asked to:

23. Agree to initiate the Harewood Whin GEP project and the development of a Strategic Outline Case for a preferred way forward.

Reason: To assess the viability and feasibility of the proposed project, reaffirm the strategic context, and determine a preferred way forward for the project that is financially viable.

24. Agree that a Strategic Outline Case will be prepared for the project and presented to the Executive at the conclusion of the first stage of project development (Gateway Review 1).

Reason: To enable the Executive to review the Strategic Outline Case (business case) and determine whether to authorise the project to proceed to the next stage of project development.

25. To initiate governance to assure the project and delegate financial authority for this stage to the Corporate Director of Place to allow the project to proceed to the next Executive decision.

Reason: To progress the project to this next stage, operating within the £243,500 budget allocated by the MCA.

Background

26. The York Local Area Energy Plan (LAEP) estimates that 1GW of local renewable generation will be required to decarbonise the city's energy system. To meet York's growing electricity demand and transition towards net zero, a drive towards increasing local renewable energy generation capacity and increasing energy security is required.

- 27. The LAEP identified the former landfill site at Harewood Whin as a potentially suitable site for the installation of a Green Energy Park (GEP). A GEP is a site that has the potential for large-scale on-site renewable generation which can be used for one or more of the following purposes:
 - a) To supply generation for on-site consumption;
 - b) To supply generation for adjacent sites via Private Wire Arrangements;
 - c) To create "new" energy loads on site for the owner and/or third party operations; this could include EV charging; hydrogen production and utilisation etc.;
 - d) To provide energy storage opportunities to take excess generation for later on-site/adjacent site consumption; and/or participate in grid services opportunities for revenue generation;
 - e) To supply generation, exported via the grid to other owner or third party sites;
 - f) To create biodiversity and carbon sequestration opportunities as part of any development.
- 28. The capped landfill site, located within the Rural West York Ward, remains in the council's ownership as an ongoing waste management liability. The 100ha site is leased to Yorwaste and operated by Yorwaste as a materials recovery facility (MRF) and waste transfer station. It encompasses a range of waste management operations including landfill methane recovery, green waste composting, commercial and industrial recycling, liquid waste treatment and general household waste recycling. However, the majority of the capped landfill area on site is currently unused.
- 29. Converting the site into a GEP provides the council with an opportunity to maximise value from the site and contribute towards achieving its net zero target. Policy CC1 of the emerging Local Plan provides support to renewable and low-carbon generation developments, with particular support given to development on brownfield sites. The Harewood Whin site is located on brownfield land and would not remove any agricultural land from production. As such a GEP development would present a viable and appropriate use of the land.
- 30. Yorwaste, the current leaseholders of the Harewood Whin site, have assessed the site's potential to host a GEP. On behalf of its shareholders, CYC and North Yorkshire Council, Yorwaste

commissioned a specialist technical adviser to undertake a feasibility study for a GEP at Harewood Whin.

31. The feasibility study identified that with high solar irradiance, wind speeds, and access to the electricity distribution network, the site is suitable for installing large-scale renewable energy generation including ground-mounted solar PV and onshore wind turbines. In total, the site has the potential to accommodate up to 28MW of ground-mounted solar PV and an additional 4MW of onshore wind turbines.

Measure	Solar	Wind	Total
Installed Capacity (MW)	28	4	32
Load Factor (%)	11.7	30.0	N/A
Electricity Generated (MWhs) ³	28,717	10,519	39,237
GHG Conversion Factor ⁴	0.207074	0.207074	N/A
Annual Carbon Saving (tCO2e)5	5,947	2,178	8,125
Equivalent number of households ⁶	7,363	2,697	10,060

- 32. In addition, the site could provide opportunities to support the creation of new products/services that utilise the electricity output from the renewable generation. The development of EV charging infrastructure, battery storage, and/or green hydrogen production and utilisation at Harewood Whin, for example, could enable the council to access additional revenue streams and potentially enhance the business case for investment.
- 33. Guaranteed long-term energy off take could bolster the business case for the Green Energy Park. Therefore, the SOC will consider the potential to develop a new council depot at Harewood Whin to replace the existing depot at Hazel Court. A new council depot could utilise the renewable electricity output from the site and enable benefits in terms of carbon emission reductions and electricity cost savings. However, further work will be required as part of the next stage of the project to identify and assess any risks

³ Installed Capacity x Load Factor x 8766 hours in a year

⁴ Derived from the Greenhouse gas reporting conversion factors 2023:

https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023 ⁵ Electricity Generated (MWh) x GHG Conversion Factor

⁶ Based on an Ofgem average household energy consumption of 3.9MWh per household per annum.

and determine the overall feasibility, viability, and value for money of this option.

- 34. Renewable electricity generated at the GEP could alternatively be used to meet existing demand at Harewood Whin; supply properties adjacent to the GEP via a private wire power purchase agreement (PPA) to generate revenue; export via the grid to other council sites through a sleeved PPA to stabilise electricity prices and maximise carbon reduction; sold to third parties via the grid through a corporate PPA; or exported directly to the grid at wholesale price.
- 35. Whilst the feasibility study identified a long list of potential technical solutions, further work will be required to determine the 'best-fit' technical solution(s) for the GEP project. Understanding the different business models and revenue streams will also be essential for building a successful business case for the GEP that confirms the most financially viable arrangement. This will be explored in detail during the next stage of the project's development and set out within a Strategic Outline Case (SOC).
- 36. The long list of technical solutions that will be considered in the next stage of project development include:
 - Ground-mounted solar PV
 - Onshore wind
 - Green hydrogen production and utilisation
 - Battery energy storage
 - EV charging infrastructure
 - Council depot
- 37. At this stage, the council has not committed to any specific solution(s) and delivery arrangements for the project and there are multiple ways that the council could proceed. The next stage of the project will assess the feasibility, viability, and desirability of the long list of technical solutions in order to inform a decision on the preferred scope and solution of the GEP development (the "what" and "how"). The potential delivery options (the "who") and implementation options (i.e., the "when" in terms of delivery of the solution) will also be appraised as part of the next stage. The

outputs of this work will be used to develop a Strategic Outline Case (SOC) for a 'preferred way forward'⁷ (see Annex 1).

Project Development Approach

- 38. The business case will be developed in accordance with the Green Book guidance⁸, as issued by the HM Treasury, and the "Five Cases" recommended structure⁹. The project development will be undertaken in three stages with the business case approved by the Executive at key decision gateways between each of the stages:
 - Stage 1: Scoping the scheme and preparing the Strategic Outline Case (SOC)
 - Stage 2: Planning the scheme and preparing the Outline Business Case (OBC)
 - Stage 3: Procuring the solution and preparing the Full Business Case (FBC)
- 39. The council has received confirmation that its application for £243,500 of revenue funding from the York and North Yorkshire Net Zero Fund has been successful. The funding will be issued by the new Combined Authority for York and North Yorkshire. The revenue funding will enable the council to proceed with the next stage of project development. Further details of the project development stages, proposed scope of work, and scheduling are set out in Annex 1.

Project Governance & Resources

40. Given the high costs, complexity, and strategic importance of the Harewood Whin GEP project, it is proposed that a dedicated Project Board is appointed to develop and deliver the project once it has been formally approved to initiate. A Project Sponsor will be appointed to chair the Project Board meetings and take responsibility for decisions relating to the project within delegated spending authority.

 ⁷ HM Treasury (2018). Guide to Developing the Project Business Case. Available from: <u>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/74</u>
<u>9086/Project_Business_Case_2018.pdf</u>

⁸ <u>https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-governent/the-green-book-2020</u>

⁹ HM Treasury (2018). Guide to Developing the Project Business Case. Available from: <u>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/74</u> 9086/Project_Business_Case_2018.pdf

- 41. At an operational level, it is proposed that an internal Project Manager post is established to manage the development and delivery of the project. The project will be managed in line with the council's Project Management Framework ("All About Projects") with progress reported through Verto, the council's Project Management System. The Project Manager will be responsible for preparing the SOC for Executive approval at the next decision gateway and will report to the Project Board on a regular basis.
- 42. The council will also require the support of suitably qualified technical consultant(s) to undertake specialist project development activities. This could include, for example:
 - Advisory support with business case preparation;
 - Specialist legal support to draft and negotiate power purchase agreements (PPAs);
 - Specialist support with conducting financial/economic appraisals and modelling;
 - Specialist design and engineering support to develop technical designs and secure grid connection;
 - Specialist support with preparing a detailed planning application and conducting community engagement;
 - Specialist procurement and legal support to determine a commercial structure and develop a technical specification and bespoke contract for the procurement of a contractor(s).
- 43. The £243,500 revenue funding from the York and North Yorkshire Net Zero Fund will support the council to complete the initial stages of project development. It will also enable the council to appoint a full-time internal Project Manager to manage the development of the project. It is likely that further funding will be required to progress the project through to the final investment decision stage.

Consultation Analysis

44. At a strategic level, an Interim Project Steering Group has been set up to guide the current pre-initiation stage of the project. The Steering Group have been consulted throughout the pre-initiation stage of the project, have provided guidance on the future direction of the project, and support the initiation of the project.

- 45. The York & North Yorkshire Local Enterprise Partnership (LEP) have been involved in stakeholder discussions throughout the early stages of the project. The LEP are supportive of the GEP project and its alignment with the key strategic priorities as set out in the York & North Yorkshire Routemap to Carbon Negative (see Background Papers). The LEP were supportive of the council's bid for funding from the York & North Yorkshire Net Zero Fund to progress the project through further project development.
- 46. Northern Powergrid (NPG), the local Distribution Network Operator (DNO), have been involved in discussions about grid connection options and constraints as part of the LAEP project. NPG were invited to provide input into developing the GEP proposal and are supportive of the opportunity it presents to increase large-scale distributed generation in York.

Options Analysis and Evidential Basis

- 47. **Option 1** To accept the recommendations in the report and enable the project to proceed to the next stage of project development.
- 48. **Option 2** To reject the recommendations in the report and not proceed with the next stage of project development.

<u>Analysis</u>

- 49. **Option 1** proceeding with the next stage of project development will enable the council to assess the feasibility and viability of a long-list of technical solutions that could be delivered on site. It will also enable the council to develop a Strategic Outline Case for investment in a 'preferred way forward'. Developing a GEP at Harewood Whin would support the council to maximise local energy generation, carbon savings, cost savings, and revenue generation potential of the site, and consider future operational depot arrangements. If delivered, the project, which is closely aligned with the council's strategic priorities, will serve as an essential step in the transition towards a local low-carbon energy network and achieving York's net zero target.
- 50. **Option 2** not proceeding with the next stage of project development will mean that the council would need to return the £243,500 of revenue funding to the York & North Yorkshire

Mayoral Combined Authority. The former landfill site will remain in the council's ownership as an ongoing waste management liability. The council would need to identify an alternative location for largescale renewable generation and projected growth of its operational depot arrangements. This will be a challenge as there are few locations as desirable as Harewood Whin for the development of large-scale renewables (i.e., close proximity to a grid connection, suitable profile for solar PV and onshore wind installation, under council ownership, and a brownfield site).

51. Option 1 is the officer recommended option. Proceeding with this option will enable the council to use the funding secured through the York & North Yorkshire Net Zero Fund to ascertain the viability and feasibility of a Green Energy Park at Harewood Whin. In accordance with the HM Treasury's guidance for developing the project business case, it is beneficial at this stage to consider a wide range of possible options so that options that may represent value for money are not inadvertently disregarded or rejected. The completed Strategic Outline Case (SOC), to be considered at the next decision gateway, will provide an appraisal of the long list of options, and recommend a preferred way forward. The project has the potential to generate significant carbon savings, cost savings, and revenue generation and contribute towards achieving the council's Net Zero target.

Organisational Impact and Implications

Financial

The project is fully funded from a £243,500 Net Zero Fund revenue grant from the York and North Yorkshire Combined Authority. The indicative project breakdown is shown below:

Cost Item	Spend
Project Management Resource	£60,000
(Grade 10)	
Feasibility & Design	£80,000
Business Case Development	£50,000
(SOC / OBC)	
Grid Connection	£20,000
Community Engagement	£15,000
Other Resource (e.g., Legal,	£18,500
Commercial, Financial)	

The report outlines potential opportunities that may come from the development of this project. These will be considered once this project is completed.

Human Resources (HR)

A new Project Manager post will be created to manage the development and delivery of the project. The new Project Manager post will be on a fixed-term contract and will be funded through the York & North Yorkshire Net Zero Fund revenue grant. The new position will be job evaluated and the council's HR policies and procedures will be followed throughout the recruitment process.

Furthermore, should there be a plan and funding to relocate the Council's depot from its current location, staff should be made aware accordingly.

Legal

Under Section 1 of the Localism Act 2011, a local authority has the power to do anything an individual can do provided it is not prohibited by other legislation.

Most Council services are mandatory. This means that the Council must do them because they are under a duty to do so by law. Given the nature of this project, which could ultimately lead to the generation and onward sale of energy and utilities, this would be classed as a discretionary function.

As this decision will likely impact more than one ward within the city it should be classed as a Key Decision per Article 7.3 of the CYC Constitution. The Executive are therefore the appropriate body to take any decision related to the matters discussed in this report.

In addition, the Executive must be consulted at each Gateway Review/Approval point outlined in Annex 1.

If the Executive approve that the council proceeds to Stage 1 of project development, to enable the council to assess the feasibility and viability of the various technical solutions that could be delivered on site and determine a preferred way forward for the project, any contracts required for initial feasibility and/or design work, and any consultancy support in relation to compiling the Strategic Outline Case ("SOC") will require advice and input from Legal Services. There are no subsidy control/competition law implications if the council proceeds to Stage 1 of project development. Following receipt of an analysis and assessment report from its external legal advisers, Legal Services is satisfied that the revenue funding awarded to the council under the York and North Yorkshire Net Zero Fund will not be classed as a controlled subsidy under the Subsidy Control Act 2022 for the following reasons:

- as between the YNYLEP and the council, as no economic advantage will be given to the council because the funding will be passed through directly to end recipients, with no retention by the council; and
- as between the council and the consultants it procures, as no economic advantage will be given so long as all contracts are procured using processes compliant with the Public Contracts Regulations 2015 and the Council's internal Contract Procedure Rules and will be entered into at market prices and on market terms.

In the event that any contract is entered into where market terms cannot be demonstrated, it has been confirmed by both the council's external legal advisers and Legal Service that the Subsidy Control Principles under section 12 and Schedule 1 of the 2022 Act will be complied with.

At the time of writing this report, the council is yet to receive the formal Net Zero funding agreement from YNYLEP. Such a document is likely to contain provisions relating to (*inter-alia*) specific governance arrangements (which may or may not conflict with those set out elsewhere in this report), specific reporting and/or disclosure requirements, and clawback arrangements. The draft agreement is expected to be received early in 2024 and will then need to be reviewed by the council's Legal Services department to consider whether any amendments will be required or, where amendments are not possible, whether any risks contained in the provisions of the agreement can be satisfactorily mitigated.

Although council is the freehold owner of the Harewood Whin site, the site was leased to, and is currently occupied by, Yorwaste on 5th May 2004. The lease was varied by a deed of surrender of part and variation on 2nd June 2020 ("Yorwaste Lease"). The Yorwaste Lease comprises approximately 229 acres consisting of the following 4 distinct separate areas which are held on various terms:

- 'Main Site' and 'MRF Site' 15 years from 5th May 2004 until 5th May 2019 with an option to require the council to grant a further lease of the Main Site and/or the MRF Site for a further 5 years from 5th May 2019 to 5th May 2024 by serving written notice on the council at any time between 5th May 2018 to 5th November 2018. No such notice was served by Yorwaste on the council during that period, so Yorwaste are no longer entitled to exercise that option. It is however understood that Yorwaste are still currently occupying and using both the Main Site and the MRF Site.
- 'Generating Site' and 'Leachate Treatment Site' 25 years from 5th May 2004 until 5th May 2029 with an option to require the council to grant Yorwaste a further lease of the Generating Site (but not of the Leachate Treatment Site) for a further 5 years from 5th May 2029 to 5th May 2034 by serving written notice on the council between 5th May 2028 to 5th November 2028. Should this option be exercised, Yorwaste would then have the right to be granted an additional four leases of 5 years each for the period up to 5th May 2054.

Therefore, any implementation of the proposed GEP project at Harewood Whin will require negotiations with Yorwaste and may necessitate agreed variations to the Yorwaste Lease, including potentially Yorwaste surrendering or handing back possession of part(s) of the site to the council.

Procurement

Any proposed works or services will need to be commissioned via a compliant procurement route under the Council's Contract Procedure Rules and where applicable, the Public Contract Regulations 2015. All tenders will need to be conducted in an open, fair, and transparent way to capture the key principles of procurement. Further advice regarding the procurement routes, strategies and markets must be sought from the Commercial Procurement team.

Health and Wellbeing

We support this proposal. Fossil fuel-based power plants contribute to air pollution, resulting in various health issues. Green energy helps reduce air pollution, leading to improved air quality and decreased healthcare costs. Green energy also plays a crucial role in mitigating climate change, reducing the impact of extreme weather events and preventing the spread of diseases, both of which can be detrimental to health. Furthermore, access to green, reliable, and affordable energy can contribute to better overall outcomes for individuals and communities.

Environment and Climate action

A potential Green Energy Park at Harewood Whin has the potential to make a significant contribution towards the ambition of the York Climate Change Strategy for the city to be net zero carbon by 2030.

The broad assessment of technology options at SOC should include a direct comparison of carbon savings, as well as considering emissions associated with delivery and maintenance of each solution.

The wider environmental implications are contained within the body of the report. Environmental implications will be incorporated into the SOC to inform the preferred way forward. As the business case develops, the environmental implications, expectations and benefits will need to be kept under review.

Affordability

Low cost, affordable energy could benefit residents by reducing costs of providing energy for homes and transportation, as well as providing green skills and jobs. There are also a range of potential community benefits that this project could provide including the provision of a community benefit fund which could directly link into the York Community Fund to provide funding for community-based projects and initiatives contributing to climate change priorities in the city. Where low-income groups are unable to access and participate in in-person or online engagement events, the Equalities Impact Assessment (see Annex 3) has identified that a project engagement and communications plan will be developed that is inclusive and accessible to low-income groups.

Equalities and Human Rights

The Council recognises, and needs to take into account its Public Sector Equality Duty under Section 149 of the Equality Act 2010 (to have due regard to the need to eliminate discrimination, harassment, victimisation and any other prohibited conduct; advance equality of opportunity between persons who share a protected characteristic and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it in the exercise of a public authority's functions). An Equalities Impact Assessment has been carried out and is annexed to this report at Annex 3. In summary, the result of the assessment are that a small number of low impact negative and positive impacts have been identified as a result of the proposal. Effective mitigations have been identified for all negative impacts, and opportunities to enhance positive impacts have also been identified. Therefore, it is recommended that the council 'Continue with the proposal' and ensure that the project team takes steps to implement the mitigation actions identified within Section 5.1 of the EIA.

The impact of the proposals on protected characteristics has been considered as follows:

- Age No impacts identified.
- Disability Some negative and positive impacts have been identified including:
 - Inability to access physical venues for stakeholder engagement due to disability.
 - Inability to access digital engagement materials and/or participate in online consultations/engagement events due to disability.
 - Initial site designs may exclude / fail to cater for the needs of disabled employees and visitors.
 - Provide community benefits such as the provision of a community benefit fund; part community ownership of the asset; and/or targeted support for disabled households.
- Gender No impacts identified.
- Gender reassignment No impacts identified.
- Marriage and civil partnership No impacts identified.
- Pregnancy and maternity No impacts identified.
- Race No impacts identified.
- Religion and belief No impacts identified.
- Sexual orientation No impacts identified
- Other socio-economic groups including:
 - Carer No impacts identified.
 - Low-income groups Some negative and positive impacts have been identified including:
 - Inability to access and participate in in-person or online engagement events.
 - Provide community benefits such as the provision of a community benefit fund; part community ownership of the asset; and/or targeted support for low-income households.

• Veterans, Armed Forces Community – No impacts identified.

Data Protection and Privacy

As there is no personal data, special categories of personal data or criminal offence data being processed for this decision, there is no requirement to complete a DPIA. This is evidence by completion of DPIA screening questions – reference AD-02034.

Communications

Communications Service support will be restricted to managing any media enquiries which arise as a result of this initial report.

Economy

The Council Plan identifies "A fair, thriving, green economy for all" as one of the council's key priorities and the York Economic Strategy identifies "A greener economy" as one of its five priority themes for the City. York is planning for significant economic growth (homes and jobs) in the city through the delivery of the draft York Local Plan, which makes the development of local renewable energy generation even more important for the future. As the report identifies, there is also the potential that the delivery of this project could provide an opportunity to return benefits to the local economy and develop the local supply chain capabilities.

Risks and Mitigations

52. The key project risks are recorded within the project risk register (see Annex 2). Risks will be managed proactively throughout the project in order to minimise threats and maximise opportunities:

Grid connection

- 53. Capacity constraints on both the distribution and transmission networks could result in extensive costs for any grid reinforcement or improvement works; potential delays to connection of the GEP to the grid (up to 10+ years); and project cessation if the project no longer remains viable.
- 54. In the case of Harewood Whin, it is likely that extensive grid infrastructure upgrades will be required in order to unlock sufficient capacity to meet the project's electricity import and export

requirements. With estimated costs of £7.5m for a grid connection to the Poppleton sub-station, this may affect the financial viability of the project.

55. It is recommended that the council applies for a grid connection at the earliest possible point within project development Stage 2 to reduce the risk of failing to secure a suitable grid connection offer. If the council is unable to secure an acceptable grid connection agreement, it may need to revise the project scope and consider alternative "behind-the-meter" solutions that do not require a grid connection.

Wards Impacted

56. The decisions taken in relation to this report will have a significant impact on two or more electoral wards in York, not just Rural West York Ward, as well as beyond the City of York. It will result in significant social, economic, or environmental risk or benefits and is also likely to result in or attract substantial public interest.

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Background papers

- Minerals and Waste Joint Plan -<u>https://www.york.gov.uk/MineralsAndWaste</u>
- One City, for all: City of York's Council Plan 2023-2027 https://www.york.gov.uk/CouncilPlan
- York and North Yorkshire's Routemap to Carbon Negative <u>https://www.ynylep.com/routemap</u>
- York Climate Change Strategy -<u>https://www.york.gov.uk/downloads/file/8948/york-climate-change-</u> <u>strategy-2022-to-2032</u>
- York Local Area Energy Plan <u>https://democracy.york.gov.uk/documents/s164228/Annex%20B_L</u> <u>AEP%20York%20Chapter.pdf</u>

Annexes

- Annex 1 Technical Annex
- Annex 2 Project Risk Register
- Annex 3 Equalities Impact Assessment (EIA)