

Background briefing: ReEnergise Manor Royal Local Energy Community

19 January 2022

The Manor Royal Business District near Gatwick Airport is working to create a local energy community (LEC). The LEC will enable companies to invest in clean energy technology together and share the benefits by trading the electricity and heat they generate locally. This will help businesses to reduce their carbon footprint, lower their operating costs and improve the district's reputation as a sustainable place to do business. Delivery of that vision will be led by the Re-Energise Manor Royal Steering Group comprising representatives from the BID, Manor Royal Business and local authorities.

Manor Royal is one of the largest industrial business parks in England and home to more than 500 companies of varying sizes and from different sectors, including manufacturing, retail and administration.

ReEnergise Manor Royal have been working together since 2016 on energy issues. Analysis and modelling carried out during the EU-funded BISEPS¹ project showed the clear potential for companies to cooperate and increase the benefit they get from generating and sharing renewable electricity and heat energy.

This work developed into a subsequent EU-funded project called LECSea² which is working with West Sussex County Council, the Manor Royal BID and Crawley Borough Council to set up a LEC for the business district and make the vision a reality. The LECSea project is also establishing similar communities in Belgium, France and the Netherlands with the aim of replicating this approach in other locations, including other West Sussex business districts.

What is a LEC?

A Local Energy Community (LEC) is a group of local energy generators, users and other stakeholders who work together to take greater control of their energy supply and management - making it cheaper, cleaner and more resilient.

The Manor Royal LEC will be set up as a not-for-profit organisation. It will aim to support the installation of increasing amounts of renewable energy technology and energy storage at Manor Royal, including the integration of electric vehicle (EV) charging infrastructure, and maximise the benefits to Manor Royal business. Although it will not distribute profits, the LEC will be run as a business to support its operation, secure investment and develop new energy projects that benefit the business district.

¹ The Business clusters Integrated Sustainable Energy PackageS project was funded by the EU Interreg 2 Seas programme, concluding in 2020.

² The Local Energy Communities in the 2 Seas area project is funded by the EU Interreg 2 Seas programme and is informed by the Renewable Energy Directive (2018/2001/EU) which promotes local renewable energy communities in member states www.lecsea.eu

What will the LEC do?

Creation of the LEC is part of the long-term strategy by the BID to help Manor Royal businesses progress to net zero operation. The LEC will:

- Invest in renewable energy, initially solar PV, to secure a long-term income for its continued operation
- Support member businesses to invest in renewable energy, for example, by providing specialist advice and resources (e.g. attracting inward investment for projects, providing model contracts and leases etc.)
- Provide services to LEC members with their own solar or other energy assets, for example, by:
 - ~ aggregating exported solar power and obtaining a higher price than if sold individually
 - ~ procuring services collectively and delivering economies of scale (e.g. shared operation and maintenance arrangements for renewable energy systems)

Once established, the LEC may develop a broader service to members including:

- Trading energy between members (peer to peer), enabling Manor Royal businesses without renewable energy systems to benefit from local generation
- Providing flexibility services such as demand side response (DSR) and dynamic containment to the wider network to manage increasing demands on it, and
- Developing low carbon heating based on renewable energy, potentially through a district heat network.

A key outcome of this work will be a low carbon, resilient, locally based energy system for Manor Royal that delivers savings to its members.

The role of the steering group

The Re-Energise Manor Royal Steering Group will guide the development of the LEC's business plan and operational strategy. Members will provide strategic direction akin to a company board, ensuring that the LEC plans are robust, viable and achievable. The steering group will represent the views of the Manor Royal business community and ensure that the LEC's operations align with the needs of businesses.

The development of the LEC up to its launch will be supported by West Sussex County Council and EU funding available through the LECSea project. The LEC will seek funding to support its activities post-launch until it is self-sustaining.

Timeline

Establishing the LEC depends on the support and involvement of Manor Royal businesses through the Re-Energise Steering Group. Input from businesses of all sizes and from different sectors will ensure that the LEC is set up to support the whole community in the transition to zero carbon energy.

Target dates for the creation of the LEC:

- **31 July 2022** – The Re-Energise Steering group approve the business plan.
- **October 2022** – The LEC 'soft launched' to promote the opportunity to the business community.
- **March 2023** – Installation of the first LEC renewable energy projects.

Ethos

To be an exemplar of good practice in the onsite generation, storage and sharing of energy generated on site from renewables, across a multi owned and tenanted business park.

To reduce CO₂ emissions across the business park

Aims and objectives

- ❖ To facilitate the transition of the Manor Royal Business District towards a sustainable future
- ❖ To promote sustainable practices
- ❖ To invest in green infrastructure assets
- ❖ To provide services to support energy efficiency measures
- ❖ To allow all businesses on Manor Royal, regardless of size or operations, to participate
- ❖ To make it easy for businesses, especially SMEs, to access local renewable energy

Activities

Establishment of LEC:

- ❖ the legal entity for the LEC and its associated operational parameters
- ❖ the founding partners, stakeholders, and investors in the LEC
- ❖ the governance structure for the LEC
- ❖ financial structure for the LEC

LEC activity

- ❖ Identify an appropriate “exemplar” project to serve as an early adopter and to kick-start future projects
- ❖ Identify projects for future investment
- ❖ Installation of renewable energy assets on building roofs
- ❖ Investigate a partnership agreement with a licensed supplier or alternative arrangements to facilitate energy sharing / distribution
- ❖ A set of template contracts for Renewable Energy projects e.g. roof rental, PPAs
- ❖ Identify services for energy efficiency support
- ❖ O&M of energy assets

Recommended form of LEC

- ❖ Not-for-profit
- ❖ Asset lock
- ❖ CLS or CIC with possibility to transform into a Cooperative
- ❖ Potential to work with third party

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Visit www.manorroyal.org/energy