



## **RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

### **CABINET**

**21 March 2022**

#### **UPDATE REPORT ON THE PROPOSED SOLAR FARM**

#### **REPORT OF THE DIRECTOR OF CORPORATE ESTATES IN DISCUSSION WITH THE CABINET MEMBER FOR CORPORATE SERVICES**

**Author(s): David Powell, Director of Corporate Estates and Anthony Roberts, Head of Energy & Carbon Reduction.**

#### **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of the report is to provide a further update to Members with regards to the work underway in the development of a 'Land Based Solar Farm', to be located on Council owned land that allows a South facing aspect. The facility will, when constructed, be an asset owned by Rhondda Cynon Taf County Borough Council.
- 1.2 For Cabinet to approve the contents and recommendations of the report.

#### **2. RECOMMENDATIONS**

It is recommended that:

- 2.1 Members note the contents of this report as part of the ongoing work in response to our climate change ambitions and agree to the further progress of the project proposals, in line with the contents of this report.
- 2.3 Receive further report(s) to provide updates on progress as/when deemed appropriate.

#### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 The contents of this report provide contextual information and a key update on this exclusive issue. It provides an update on the proposal where the Council has plans to build and finance a credible solar farm, that will make a vastly significant contribution to the Council's ability to offset its Carbon Footprint, and towards achieving its Net Zero Carbon target.

#### **4. BACKGROUND**

- 4.1 The Corporate Estates Energy team has previously reported on the ongoing work to investigate the potential of using RCT owned land for the development of major renewable energy projects for both wind and solar generation, with the assistance of the Welsh Government Energy Service (WGES). These are projects which would be primarily developed by the Council and as such would both contribute to the increase in the renewable energy provision and carbon reduction in the area, whilst also making a positive economic contribution to the financial situation of the Council, which could then be invested in further related improvements, or other services, for the benefit of citizens.
- 4.2 The name and location of the site has been anonymised at this stage for commercial reasons. Negotiations are in the crucial stages of the process to agree a Power Purchase Agreement / Offtake Contract with a potential partner. The Council has also signed a Non-Disclosure Agreement regarding this sensitive matter.

#### **5. UPDATE ON SOLAR FARM INSTALLATION**

##### **5.1 Project Principles:**

The project is described as a 6MW Solar Farm and has been given this title because of the combined output of the two 'export aspects' contained within the proposals. Firstly, the magnitude of the grid connection offer that the Council previously accepted from Western Power Distribution, which is set at a maximum of 5MW and to be exported at 33kV. Secondly, the capacity to increase the generation potential for the total size of the solar farm, which takes into account a further export capacity of up to 1MW at the lower voltage of 11Kv, to a potential partner in a local facility, via a private wire arrangement.

As things currently stand, the proposals have three alternative routes we can take, scenarios which can be summarised as follows:

**Option 1** is to build the solar farm to take advantage of our secured 5MW grid connection, as a stand-alone entity, that will feed directly into the grid at 33kV and trade the power generated via that sole route.

**Option 2** is to combine the setup described above with a private wire arrangement to a local partner, and export to trade at two levels, these being 33kV and 11kV.

**Option 3** is to combine both of the above scenarios with the exploration of other opportunities to provide green energy, at a low cost, to future commercial enterprises on a local industrial estate. We hope that this approach will incentivise traditional high energy consumers to relocate to the site, not only for the green energy but also the growth potential of

the site. As part of this process, we will also consider creating a sizeable Electric Vehicle Charging Station, powered partly by the solar farm but with battery storage facilities, initially for use by the council and wider public sector fleet, but also in the longer term for commercial HGVs and private vehicles.

**At the time of writing, our proposals and financial models are based on Option 2 above.**

## 5.2 **Looking Back:**

As previously reported in the previous update reports' on 'Key Energy Generation Projects' (presented in June and November), an outline timeline was compiled with the assistance of the WGES. A HV specialist was appointed to advise on the Private Wire and Grid connections, and a Geotechnical / Topographical Specialist to explore, examine, analyse, and report on the ground conditions at the site. Lawyers were also appointed to draft heads of terms for a typical private wire connection arrangement, and WPD have now concluded their report into grid capacity issues at Upper Boat, the result of which does not affect the original terms and conditions of our previously confirmed grid connection offer.

## 5.3 **Timing of Recommendation:**

The original timeline indicates that the project was due to be elevated to project status later in this financial year, however, with negotiations on the Power Purchase Agreement with a potential partner now reaching a critical stage, we feel that the time is now right to move our outline proposals to the status of a recognised project.

## 5.4 **Project Proposal Details:**

Considering the reasons given above, the decision to grant project status will then enable the necessary approved systems of governance to be put in place for the continued development of the project, and will enable the Council's appointed team to control, approve and execute spending decisions, both in the continuing development phases (identified within the overall programme) and regarding the collaborative opportunities identified in item 5.1 and 5.3 above.

At the time of writing this report, the headline estimated figures that need to be considered are identified in section 9, however it should also be noted that that the project, if realised, has the potential to 'offset' over 1,500 tonnes of carbon per-annum and approaching 54,000 tonnes over the expected lifecycle of the project.

The committed spend on the project thus far is in the region of £130,000 to maintain progress in line with the identified programme. These costs are an investment towards the feasibility and development stages of this potential project and are covered further in section 9.

Looking forward, the budget estimate for the full development and construction costs for this entire project stands in the region of £6.82million (including all fees).

Periodic updates will be afforded to Members during the progress of the project and further approval will be sought before the project is taken to the next stage of development.

## **6. EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY**

- 6.1 This supporting report is for the purpose of update and consequently an Equality Impact Assessment is not required in regard to this report.

## **7. WELSH LANGUAGE IMPLICATIONS**

- 7.1 This supporting report is for the purpose of update and consequently Welsh Language Impact Assessment is not required with regard to this report, however a copy can be made available in Welsh if requested.

## **8. CONSULTATION / INVOLVEMENT**

- 8.1 There are no consultation requirements at present with regards to this supporting report.

## **9. FINANCIAL IMPLICATION(S)**

- 9.1 The Council has already had a committed spend in the region of £130,000 to maintain progress in line with the identified programme. This expenditure is funded from existing resources already set aside to support the key energy generation projects.
- 9.2 Looking forward, the budget estimate for the full development and construction costs for this entire project stands in the region of £6.82million (including fees).
- 9.3 It is anticipated that it would be affordable to fund this by use of Prudential Borrowing, with the annual income from the energy generation being sufficient to cover the annual borrowing repayments and the ongoing annual costs and maintenance of the assets. This is subject to a full project report and business case being presented to Cabinet and, if approval is given, a further report to Council to obtain the Prudential Borrowing approval.

**10. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

10.1 There are no legal implications aligned to this report

**11. LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT.**

11.1 The purpose of the report is to provide an interim update to Members with regards to the work underway on the development a key renewable energy project and certain other related issues. Any actions that arise in the future, resulting from the recommendations of the report, will be considered by the Council's Cabinet, and with full regard to the seven national wellbeing goals.

**12. CONCLUSION**

12.1 This report provides contextual information to Members and provides an update on proposals, where the Council has plans to build and finance a credible solar farm and recommends that the proposals be recognised by allocation and approval of full 'Project Status'.

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