



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CLIMATE CHANGE CABINET SUB COMMITTEE

3 October 2022

UPDATE REPORT ON THE PROPOSED SOLAR FARM

REPORT OF THE DIRECTOR OF CORPORATE ESTATES IN DISCUSSION WITH THE CABINET MEMBER FOR CLIMATE CHANGE & 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 located at Coed Ely, on an 84-acre 'terraced' former colliery site, near Tonyrefail. The facility will, when constructed, be an asset owned by Rhondda Cynon Taf County Borough Council.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 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.
- 2.2 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 key information updates 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 Previous reports have described 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, including proposals developed with the assistance of the Welsh Government Energy Service (WGES). This particular project will be primarily developed by the Council and as such would both contribute to the increase in the renewable energy provision and carbon reduction/offsetting in the area, whilst also making a positive economic contribution to the financial situation of the Council, for the benefit of citizens.
- 4.2 The name and location of the site had been anonymised in previous reports, for the reasons stated therein, however negotiations in the process of agreeing a Power Purchase Agreement / Offtake Contract with a potential partner are now drawing to a close, and we are now able to provide further details, including the geographical location of the proposed site (please refer to Appendices).

5. UPDATE ON SOLAR FARM INSTALLATION

5.1 Project Principles:

The project is described as a 6MW Solar Farm, a title given 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 considers a further export capacity of up to 1MW at the lower voltage of 11Kv, taken to our potential 'public sector' partner, via a private wire arrangement.

The proposals have three alternative routes forward, and these scenarios were summarised in the previous report, which was brought to Cabinet in early March this year.

5.2 Updated Information:

Consent was granted by Cabinet, following the March presentation, to proceed with the proposals and permission was given to move plans forward to project status.

Good progress has been achieved in the period and our lawyers are in the final stages of finalising the heads of terms for the private wire connection arrangement and Power Purchase Agreement (or Offtake Contract) with a potential 'public sector' partner. The Council has signed

a Non-Disclosure Agreement regarding this sensitive matter and so no further details regarding this aspect of the project can be made public, at this stage.

Good progress has also been achieved with Western Power Distribution (WPD) at their Headquarters in Cardiff, and the location of the 33Kv connection point to the grid was revealed in detail, and then discussed between the two parties. WPD confirmed that the National Grid had now also agreed to accept the proposals and it was agreed that further meetings between both parties will take place at appropriate junctures within the project programme.

Following the WPD approval, several meetings were then held with representatives of the Welsh Government Energy Service (WGES) and it has been agreed that we can use the WGES 'Helioscope' design, (utilised for the project thus far) to seek to procure the services of industry design specialists. The purpose of this would be to produce a more detailed design that will be used to inform the Project Brief and it is planned to commence discussions will start with our planning colleagues during the third quarter of 2022, with a view to submitting a planning application at the appropriate time.

Discussions are ongoing with the local Farmer who has access to the land (with grazing rights) regarding the future management of the land on which the solar farm is to be built. Negotiations are progressing well and it is anticipated that a mutually beneficial agreement will be reached before commencement of the planning stage.

The Council has now appointed a Project Manager, to take the project forward to the 'Planning Stage', to update the project timeline and to periodically review the budget, a process that is planned for the third quarter of 2022/23.

5.3 Project Proposal Details:

At the time of writing this report, the headline estimated figures remain as reported to Cabinet in March 2022 and are identified in section 9. However, it should also be noted that the current economic situation with rising inflation and energy costs means that at the six-month review, due to be undertaken during Qtr 3 (of this f/y), it is likely that the previous figures for capital investment and the payback period will need to be adjusted accordingly. This process will be initiated following the involvement of the appointed Project Manager.

As previously reported, the project has the potential to 'offset' over 1,500 tonnes of carbon per-annum and approaching 54,000 tonnes over the expected 35yr 'minimum' lifecycle of the project. Also, the project is still highly likely to generate an income for the Council, over and above the annual cost of financing/operating the scheme, and then provide a substantial financial benefit once the payback period has passed.

Periodic updates will be afforded to Members during the progress of the project and further approval will be sought at each notable 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 regard to this supporting report.

9. FINANCIAL IMPLICATION(S)

- 9.1 As previously reported, the budget estimate for the full development and construction costs for this entire project stands in the region of £6.82million (including fees), which as stated in item 5.3, will be subject to a six-monthly review in the third quarter of f/y 2022/23.
- 9.2 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 more than 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 then given, a further report to Council to obtain the Prudential Borrowing approval.
- 9.3 In view of the above, it should be noted that the cost of borrowing has now risen above the level used in the financial model at the time of the previous assessment (was 3%pa to 4.17% now). Despite this situation, it is felt that due to the wholesale market rises in energy costs (both known current and predicted future rises) the project model will still show a payback period of considerably under 25yrs, when the next budget/income review is assessed.

10. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

10.1 There are no legal implications aligned to this report, at this stage.

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 report relating to the work of the Climate Change Cabinet Sub Committee with regards to the work underway on the development of key renewable energy projects and certain other related issues. Any future actions that arise as a result of the recommendations of the Climate Change Cabinet Sub Committee report will be considered by the Council's Cabinet and it will take full regard to the seven national wellbeing goals.

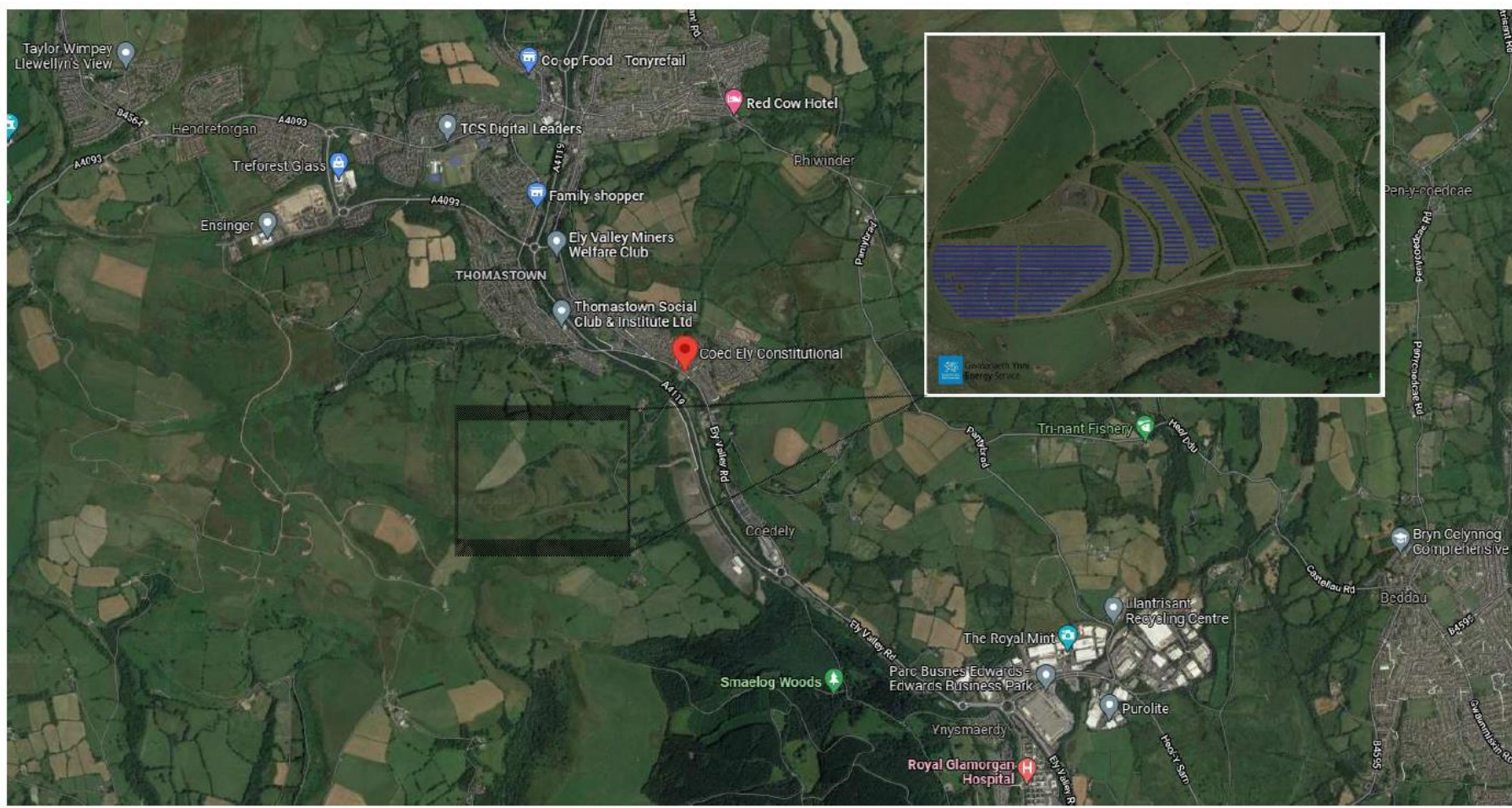
12. CONCLUSION

12.1 This report provides contextual information and a key update on the exclusive issue of the proposals for a Solar Farm, which is one of the areas of work covered by the Climate Change Cabinet Sub Committee. It provides an update on the proposal where the Council has plans to build and finance a credible solar farm, as previously reported to Cabinet in March 2022.

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Appendix A

Site Location Plan



Appendix B

Site Layout Plan

Coed Ely - Site LAYOUT (Feasibility)

17 August 2021 15:40

