

Bretherton Energy Partnership

Fifth Update – September 2023

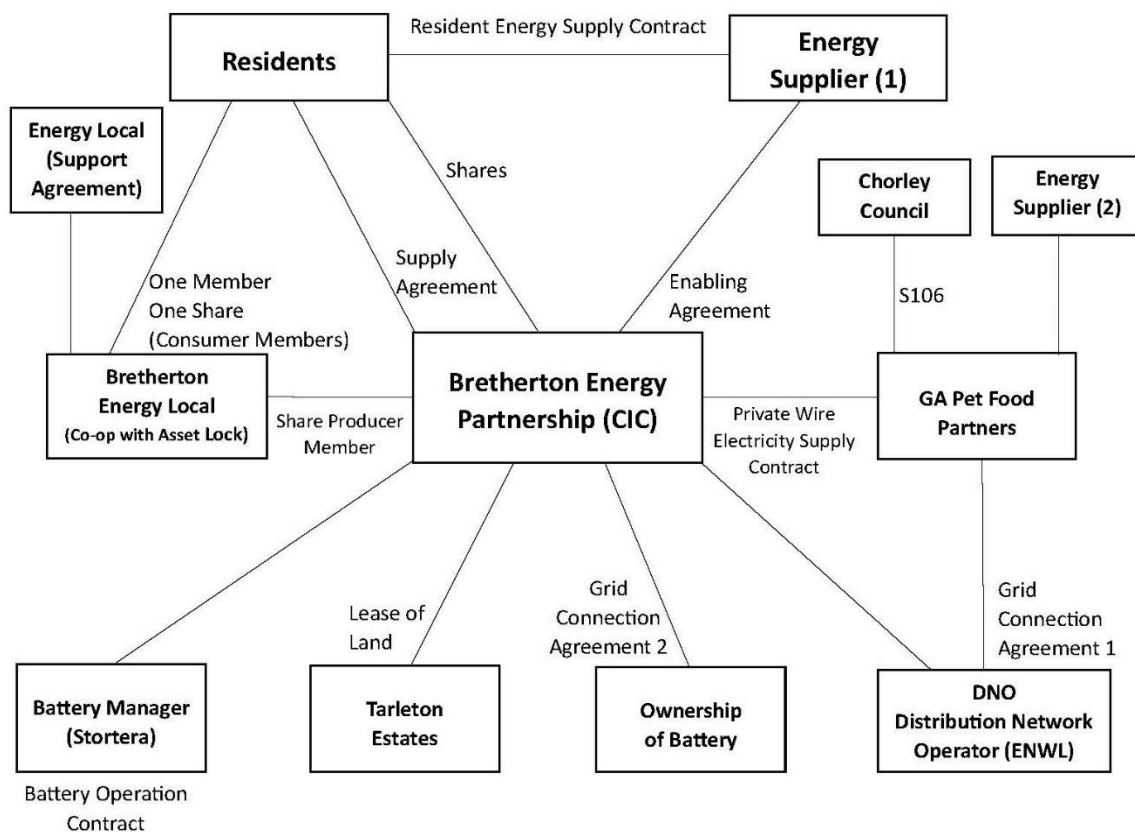
INTRODUCTION

GA Pet Food Partners (GA) are circulating this fifth update. This update is being sent out ahead of the Bretherton Fete, on Saturday 16th September 2023 at the Recreational Ground (behind the Blue Anthon) between 1.30pm and 4.30pm, and confirm that Dr Mary Gillie of Energy Local will be available on the Bretherton Energy Partnership stand to answer your questions. Please do please come along, as there is lots for children to see and do. Entry is free.

BRETHERTON ENERGY PARTNERSHIP – HOW WILL IT ALL WORK?

To enable you to prepare your questions for Mary Gillie at the Bretherton Fete, duplicated below is an article that will appear in the Bretherton Parish Magazine circulated in September, explaining the structure and governance of the Community Interest Company, Bretherton Energy Partnership.

Structure & Governance



The above Matrix Chart identifies the individual component parts and how they relate to one another. On first review, it is not easy to fully understand, but it is important to appreciate the structure that ensures that residents have total control as to how the 5% of the electrical energy generated is distributed to residents, or sold.

Bretherton Energy Partnership (CIC)

The Bretherton Energy Partnership is a Community Interest Company (CIC), with an asset lock, being at the centre of the structure. It will be owned by the residents (being those residents that wish to be part of the scheme). The Company will own the assets and control how the electricity is distributed, together with the price charged.

Residents who join the scheme, will own Bretherton Energy Partnership (CIC) and will be granted shares in the Company, when they sign up. This Community Interest Company, will hold all the valuable assets in terms of the proposed battery or batteries, and have the right to receive 5% of the electricity generated from the Asland Walks Energy Park at no cost. The Shareholders will elect the Board of Directors, and the Articles and Memorandum of Association will determine as to how the Company is operated.

The Appointed Directors of the Company will make the operational decisions on a day-to-day basis. The Company will effectively receive the electrical power, and it will then be sold to meet its costs. Any surplus “profit” is then distributed to Bretherton residents, on a project-by-project basis, to assist them in the transition to electricity-based energy, as well as improving the efficiency and effectiveness of the 5% of electricity available. As to how this will operate, is being considered by the Working Group, and will be a part of further consultation.

The Company’s income arises from selling the electrical energy where it can, be it to the Bretherton residents, to GA Pet Food Partners, to the Energy Supplier (2) who feeds it into the Grid, or potentially via electrical car chargers.

The expenses, which are offset against the income, are the costs of financing and maintaining the battery, the Battery Manager’s cost, Energy Local’s charges, and any management costs incurred in organising and running the Company.

There are considerable sums involved. Communities for Renewable (CIC) report suggested an annual revenue of £350,000, with a need for professional management. It is important that the structure, and governance is effective, to enable the whole of Bretherton, not just the members, to benefit from the opportunity this presents.

Bretherton Energy Local (Co-op with Asset Lock)

Bretherton Energy Local would be a Co-operative, owned by the residents who join the “Club”. The management is assisted by Energy Local, who is also a Community Interest Company, having 9 similar co-operative schemes operational throughout the UK. It is recommended that Bretherton Energy Local (Co-op) and Bretherton Energy Partnership (CIC) are different entities.

Bretherton Energy Local Co-operative is set up so that the members can have a say in how the energy is generated, distributed and priced, and to share the benefits of local renewable energy.

Members of the Bretherton Energy Local (Co-op) will be those benefiting from the match tariff once the club is set up. As Bretherton Energy Partnership (CIC) is a community wide organisation, it will work for the benefit of the residents of Bretherton as a whole, and not just for the benefit of members in Bretherton Energy (Co-Op). Bretherton Energy Partnership (CIC) will decide whether to have an Energy Local Club, and once set up will decide how to spend the “profit” generated, which can be paid to all residents, not just members of the Bretherton Energy Local (Co-op).

Bretherton Energy Partnership (CIC) and the Energy Supplier (1)

In order to supply electrical energy to the electrical wires, it is a requirement to have an Electricity Supply Licence, and charge the statutory rates. However, there is an exemption that provided the energy consumed by the residents is no more than 2.5MW and certain criteria are met, then it can be supplied without an Electricity Supply Licence and the obligations to pay some of the electrical charges and levies.

This requires an Enabling Agreement to be established between the Electricity Supplier (1) (who will be any supplier chosen by the Community Company, for example Octopus Energy). The Enabling Agreement allows the supply of power from the battery onto the Grid, as “Exempt Supply Services” under the provisions of the Electricity Act 1989 and meets the supply obligations to each resident. The Agreement must be clear and unambiguous that relevant electricity supplies are made by the generator (in this case the battery) to the demand customer (Bretherton Resident), and that the Electrical Suppliers (1) role is solely as a Service Provider.

The Enabling Agreement will specify: -

1. The fixed fee to be charged for the ‘pass through’ service from the battery to the resident.
2. The amount the Energy Supplier (1) will charge residents to cover the cost of the battery, and operational costs incurred by Bretherton Energy Partnership (CIC).

Energy Supplier (1) and Residents

Energy Supplier (1) will enter into a Supply Agreement with each of the Bretherton Residents that wish to join the scheme.

The Supply Agreement will specify: -

- i) The cost of electrical power, when available from the battery, and the cost when this is not. The price charged from the battery is set by Bretherton Energy Partnership (CIC). When power is not available from the battery, then it reverts to the current market level, set by Energy Supplier (1).
- ii) Energy Supplier (1) is merely an enabling supplier to facilitate the “pass through”, but administer their supply in order to comply with the required rules.
- iii) Invoices are issued monthly and paid in a similar way to any other utility supplier.

Bretherton Energy Partnership (CIC) and the Battery Manager (Stortera)

Bretherton Energy Partnership (CIC) requires a contract with a Battery Manager to manage and maintain the needed batteries, to store and release the electrical energy when required.

The Battery Manager releases the needed electrical energy from the battery, to match the forecasted electrical energy being consumed by the residents. This is continuously updated based on each members half hour consumption data. Any over or under forecast of energy is adjusted through the Enabling Agreement.

The residents can access the operational conditions of the battery, via a website, which details when electrical power from Asland Walks Energy Park and the battery is available, and when it is not, allowing residents to make consumption decisions.

Bretherton Energy Partnership (CIC) and GA Pet Food Partners

The Bretherton Energy Partnership (CIC) will enter into a legally binding Supply Agreement with GA Pet Food Partners to supply 5% of the electrical energy generated from the Asland Walks Energy Park at no cost. This agreement will require: -

- i) An obligation to supply electrical energy generated to the batteries, which will be situated adjacent to the sub-stations on North Road and South Road, Bretherton.
- ii) An obligation to install and maintain a private wire cable from the Asland Walks Energy Park to the batteries.
- iii) An obligation that if the 5% of electricity generated is not used by the batteries, it would be sold, or used by GA Pet Food Partners, for the price paid for electrical energy entering the Grid.
- iv) An obligation for full metering and access to confirm the metering systems and processes, managing the power generation and distribution.

Distribution Network Operator (DNO)

The Distribution Network Operator (DNO) in the Bretherton area is Electricity North West Limited (ENWL), who are the owners of the wires and electrical equipment. It is necessary to apply and seek their consent for GA Pet Food Partners to link to the electrical network and for Bretherton Energy Partnership (CIC) to have a connection at the two battery locations. It will be necessary for Electricity North West Limited to provide extra monitoring equipment, at an additional charge, to prevent any impact on the electrical network. An application has been made and we are awaiting the quotations.

GA Pet Food Partners and Energy Supplier (2)

GA needs to enter into a Supplier Agreement with Energy Supplier (2) (This may have to be the same entity as Energy Supplier (1)) to sell and receive electrical energy, from and to the Grid, at the existing point of connection at Plocks Farm. An application has been made to ENWL for a point of supply, and a decision is awaited on what is possible, and what the costs might be.

Chorley Council & GA Pet Food Partners

To obtain planning permission, Chorley Council will, prior to granting planning permission, require GA Pet Food Partners as owners of Asland Walks Energy Park to enter into a legally binding agreement, known as a Section 106 Agreement. This agreement binds the land and its use to the obligations and conditions of the planning permission.

The Section 106 Agreement will require the following: -

- i) To secure the 5% of the electrical energy output for the benefits of the residents.
- ii) To secure a detailed framework for the distribution of the electrical energy, based on the above structure.
- iii) To secure the person responsible for setting and managing the legal framework.

Tarleton Estates

It will be necessary for Tarleton Estates to enter into an Occupational Lease Agreement with Bretherton Energy Partnership (CIC), to enable the battery and any other associated equipment to be positioned adjacent to the Bretherton North and South Sub-Stations.

In Conclusion

The Matrix illustrates the agreements that need to be put in place, in accordance with the regulations contained within the Electricity Act 1989. This structure will ensure that those residents that wish to be part of the scheme, are equal Shareholders and Members, able to control the sale of the electrical power.

Bretherton Energy Partnership (CIC) will supply the electrical energy to Energy Supplier (1) plus any additional costs needed to cover the battery and other expenses, with any surplus energy being sold to the Grid or GA Pet Food Partners. Any “profit” will be used to assist the residents to transition to green electricity-based energy, and other agreed schemes in the Bretherton Village.

This whole project allows residents of Bretherton to play their full part in the climate emergency, by working collectively together and utilising all of the opportunities available, in order to transition from just “burning things” to a renewable, sustainable and resilient form of electrical energy, while reducing their overall energy costs.

ASSESSMENTS UPDATE – ASLAND WALKS ENERGY PARK

GA wish to update you below on the current position with the ongoing impact assessments being undertaken:-

i) Archaeological Assessment

Durham University Archaeological Unit will be undertaking a non-intrusive archaeological survey of the Asland Walks site between 18th and 22nd September 2023. This is a geophysical survey, and requires the use of a quad bike to transport electronic equipment to assess what is below the surface using magnetic and gravitational fields. The results will be published on the Resources Hub of the Bretherton Energy website.

An initial desktop Archaeological Assessment can currently be viewed on the Bretherton Energy website, within the Resource Hub tab.

ii) Culture and Heritage Assessment

The 10 identified sensitive sites within a 10 kilometre radius of Asland Walks have been selected, and the formal GI's compliant photomontage are being prepared, and will be published on the Resource Hub, as soon as these are available, within the next few months.

Artist impressions of views from Red Bridge, Bank Bridge and Strand Bridge (Resource Hub – Artist Impression) are currently available showing views of the existing site, at 5 years and at 15 years.

iii) Aviation Risk Assessment

BAE Systems who operate Warton Airfield, and the Ministry of Defence are considering if they are willing to enter into dialogue prior to a planning application being formally submitted. Discussions are continuing.

iv) Ecological Assessment

The second year of the Ecological Assessment has commenced. A preliminary report on the first year's findings will be available on the Resource Hub, hopefully within the next few weeks.

CONCLUSION

The objective over the next months is to continue to communicate to local residents how it is intended the Bretherton Energy Partnership would function, and to complete the assessments needed to identify the potential Environmental Impacts. As information becomes available, it will be presented on the Energy Partnership website.

Please do attend the Bretherton Fete, on Saturday 16th September 2023 between 1.30pm and 4.30pm. There is lots of fun for all the family and it is free entry.

**GA Pet Food Partners
September 2023**