Date: Wednesday 11th September 2019
Time: 10:30–13:00
Venue: Glasgow Caledonian University
Resources: Available here

MINUTES:
Energy & Water Management Topic Support Network Meeting

Attendees:

Aisling	Crowley	Salix Finance	AiC
Allan	Crooks	Zero Waste Scotland	AlC
Alan	Hughes	The University of Edinburgh	AH
Andy	Anderson	APUC	AA
Ben	Hartfield	Salix Finance	BH
Chris	Larkins	Heriot-Watt University	CL
Claire	Roxburgh	University of the West of Scotland	CR
Dean	Drobot	The University of Edinburgh	DD
Derek	Mitchell	University of Dundee	DM
Douglas	Little	Glasgow Caledonian University	DL
Heather	Jones	Salix Finance	HJ
Jill	Burnett	EAUC	JB
John	Major	University of Glasgow	JM
Keith	Thomason	University of St Andrews	KT
Kenny	Allen	Glasgow Caledonian University	KA
Neil	Thompson	Queen Margaret University	NT
Paulo	Cruz	Glasgow Caledonian University	PC
Robert	MacGregor	The University of Edinburgh	RM
Roddy	Yarr	University of Strathclyde	RY
Sally	Binnie	Abertay University	SB
Scott	Thomson	EAUC	ST
Stuart	Mitchell	Glasgow Caledonian University	SM

Apologies:

Gillian	Brown	University of Glasgow

	SUMMARY OF DISCUSSIONS	ACTIONS
1	**Welcome, Apologies and Introductions** *Dean Drobot, Co-Convener, University of Edinburgh* Everyone was welcomed to the event and asked to introduce themselves. Last time SFC brought up significant issues with FHE estate and we can now look at opportunities to address these. Relatively high carbon emissions per FTE and backlog maintenance issues. Today we will look at improving quality of applications. With the Universities for the Future Fund, Climate Emergency Collaboration Fund, Salix, Low Carbon Infrastructure Transition Programme (LCITP), Private finance & Non-Domestic Energy Efficiency (NDEE) Framework there is about £100 million on the table. So how do we make these applications successful?	
2	**Universities for the Future Fund Application Workshop** *Heather Jones, Ben Hartfield & Aisling Crowley, Salix Finance* Today we will specifically focus on the vision of what the fund entails and how the Scottish Funding Council (SFC) has set up this round. We will look at top-level criteria, what makes a good business case, set the scene, other supporting documents, examples & next steps. Vision to achieve net zero by 2045 and to help decarbonize the Scottish university estate. The fund will be split over 2 years so building capacity for funding next year to predict future projects as well as shifting to the decarbonisation of heat. In the last round 11 universities were supported - £16m total funding and achieved 2-3% reduction in emissions. A breakdown by projects is shown in the slides – majority LED and then solar (higher project cost). This time the SFC are looking for more innovative smaller projects – air handling units, lab upgrades, expanding and putting best practice into use. **Payback & Carbon Criteria** One of the more difficult areas is heat so the criteria have been amended to encourage low carbon heat projects. Payback is 10 years for standard projects and 15 years for fossil fuel saving projects. **SFC Criteria** Key areas they are interested in are: backlog maintenance (10), reducing carbon (10), improving student experience (10), collaboration (5), client contribution to the cost (5) & student engagement (5)	

Successful applicants will likely achieve 20/45 marks

What does a successful business case look like

- Really clear and high level of detail with lots of supporting information
- Evidence of costs
- Best practice calculations – Please ask if you have doubts about the methodology but as long as it is logical and clearly laid out it should be accepted
- Demonstrative institutional commitment to reducing carbon emissions
- Innovative projects – there is a section on the SFC criteria form on new technologies & innovation – for these types of projects please provide even more detailed information as SALIX may be unfamiliar with the tech (please note that specialist engineers will be consulted)

Business case assessments

Example project of a thermal store to use waste heat. High level of description, lots of contingency days so we knew they had allowed sufficient time for completion at each stage and there was a low risk of not meeting targets.

Heat decarbonisation

Very topical and we are keen to trial these types of projects now in order to support largescale projects in the 2030s. We have already seen a large amount of emissions reduction from the power sector. There is much less time to fully decarbonise heat so the pace of change will have to be much faster. It is likely there will be many policies in the future than means most estates will have to phase out fossil fuel heating.

Heat pumps have long paybacks so the extension to 15 years will be helpful. The thermal store from the last Strathclyde project is a good example as there are relatively few in the UK.

District Heating Networks (DHN) are planned for the long term in the Climate Change Strategy. There is huge potential in Scotland as lots of existing DHN – can universities link up to these?

Geothermal project in Edinburgh & project in Glasgow capturing waste heat in the river Clyde.

Supporting information for applications

General projects require: technical specifications, evidence of costs, risk assessment, evidence of savings, project delivery plan and how this fits in with long term plan to reduce emissions

	Solar PV: Technical specifications for panels & invertors, profile of demand, kWh data to show demand will be met, description of site including planning permission application. **Glazing:** Calculations with U-values, internal temperature, heating season. **Air-Handling Units:** Technical specifications, commentary as expectation of operational hours. Please contact Salix with any specific questions. **Exemplar Project – Glasgow School of Art** Refurbishment of Stowe College - Salix Funding Scheme project but relevant to SFC criteria 10 inefficient technologies over 10 years old that needed upgrading to improve the thermal efficiency of the building (boilers, heat recovery, insulation & hand dryers), High scoring as collaboration with Glasgow City Council to include cycling provision as part of the work. It also improved the student experience by improving the thermal performance of the buildings. **Times scales and next steps** • Submission deadline is 1st Nov 2019 • Initial project queries from technical team will be sent out on 13th Nov • Ideally all queries will be resolved by 22nd Nov - quite short window so please provide as much detail as possible • Salix will meet with SFC to discuss during Dec • The allocations of funding will be received by 31st Dec **Project delivery** • First allocation March 2020 • Projects start from March 2020 • Must complete by July 2021 The Carbon Trust and Salix have relaunched the Public Sector Network. It is a good informal discussion panel for queries and sharing ideas. Our Technical Team will check in regularly	

	Questions **RY:** Phasing everything has to be done by 2021? **BH:** Yes, this is the ring-fenced part of the fund but some applications can be split between the funds. **HJ:** SFC have advised which fund to apply for – some institutions have been sent a tailored application form. **AA:** At the last meeting David said they would consider 2 year projects – will they still be considered? **BH:** Yes we would like to support people with longer delivery projects and try to ear mark which part happens over each stage. **AA:** Where are the case studies shared? Can we see how projects are progressing? **HJ:** Salix has a section on website with lots of example of previous projects – you need to set up an account as it is only for public sector. **RY:** What comes after 2022? 2 years is great but for that scale of change to get to net zero we need to know what comes beyond. **BH:** There hasn't been formal discussion but SFC acknowledge that ring fenced funding for energy efficiency is very important and reducing carbon is very high on the agenda. **HJ:** Building that capacity going forward and including how that fits into long term plans is important to add to the application. **DD:** There has been a focus on PV projects – is there a view that we need to look at less shiny type maintenance projects? **BH:** SFC are more interested in carbon reductions. Good to include a PV to balance out the other things with longer paybacks. Try to make wholesale changes in one building. Many future projects will be linked together so we need to move to a more holistic approach. **HJ:** Looking at renewables has been a sticking point with funders but need to make sure that EE isn't forgotten **DM:** Low grade heat pumps – is anyone saying anything around the refurbishment of buildings? You can't do one without the other. You have to refurbish the building to such a degree that they can accept lower level heat.	

	BH: We are still at the very early stages of this development. That is what we are trying to encourage but may be further down the line once we have case studies from easier sites and can roll out. **AiC:** For that type of building it would be better to look to source waste heat first. **DM:** All our waste heat is quite small. 50% of our estate is newer so we could upgrade above regulations. With the estate we can't update can we use offsets to tackle that? In the past everything had to be onsite. **BH:** A few councils have looked at sleeving contracts with offsite energy generation but this is not as profitable as the provider charges a fee. This is fairly new but we are open to those types of proposals **RY:** That opens a bigger question about how the sector offsets. City centre campuses will need to consider this. **DD:** I think we need to look at master plan and look at 10 year plan for key buildings and get our own house on order first. We could continue discussion on offsetting at a future meeting if there is interest?	
3	**Application Guidance for the Low Carbon Infrastructure Transition Programme (LCITP)** *Allan Crooks, Programme Manager – Energy and Low Carbon Heat, ZWS* European funded project but is secure to 2022. Core team in Glasgow looking at project delivery. **Eligibility criteria in general:** Identified technology, identified project site location (play up the building element in application), identified energy end user. Lots of applications identify the tech and potential sites but are weak in the site and user area Low temp networks are possible – Stirling Council's waste water heat recovery project has integrated with boilers to address building demand **What is not supported:** Established generation tech, developing tech (must be beyond readiness level 1-6), R&D, statutory requirements, projects not pre-capital costs **Programme for government priorities** Net Zero priority – minimum £30m investment to accelerate the delivery of largescale projects. Priority themes are renewable heat for rural off gas grid, heat & industry, renewable heat for urban areas.	

Mandatory Eligible Criteria (must meet all these)

- Must deliver significant carbon reduction
- Demonstrate you have 50% of funding available (either internally or externally)
- Potential to have positive social and economic impact on Scotland (i.e. Social Housing)
- Sets out clearly the requirement for and value added from LCITP
- Can be fully commissioned by 31st March 2022

Scale and ambition of these projects means that the timescale is tight. Many of these heat projects are chasing RHI, which closes in March 2021. After this you will not be able to add additional load to your RHI application

Desirable criteria

Do not ignore the Local Authority. They are developing local heat strategies for their area and can link your individual project into the wider strategy. Please speak to them if you are thinking of submitting an application.

Community involvement. As a minimum, you need to demonstrate that you have engaged.

Scottish Low Carbon Heating Fund (SLCHF)

50% of total eligible capital costs up to a maximum of £10 million per project.

- Projects must be innovative and demonstration
- If you have had previous support, a lower rate may be applied
- Must have investment ready business case
- Must demonstrate additionality of LCIPT support
- Project must be commissioned by 31st March 2022

Eligible

- Physical assets
- Costs of build
- Staff costs if 100% dedicated

Not eligible

- External consultancy costs
- External project management costs
- Existing staff

State Aid

Responsibility of the applicant so important that you clear off legally that you are in compliance – lots of guidance on this.

	Repayable assistance Calculated for projects financial model. No interest is charged but if a project achieves more than 10% of projected revenues then a partial repayment may be required. This is a safety mechanism that is built into the grant award but has not been applied yet. Can't see this happening for academic institutions more applicable for commercial projects. **General questions** FAQ will be updated as questions come in. LCIPT cannot write, proof read or comment on any sections of the application as have to be impartial. We can't be directive in terms of tech or investors or do anything that might lead to an conflict of interest **Timeline** • Lots of workshop – good idea to come along 18-26th Sept • Deadline is really tight 25th October • Appraisal appeals 4th Nov • End Nov notification of initial outcome • Dec independent due diligence • Unsuccessful applications will get really detailed feedback and may be pointed to other sources of funding • Jan 2020 conclusion of due diligence • Feb final grant funding offers • March 2020-22 there will be 4 formal review panels **Supporting evidence** Need a detailed business case, risk register, detailed project programme, community engagement strategy, financial model very important as it sets trigger point for repayment, match funding. Dissemination strategy should be easy for academics as sharing your project. Procurement strategy can be tricky; your timeline must be realistic. If you are importing energy, you must detail your energy off take agreements. Plans for community engagement are probably not that important for FHE. Summary of project delivery, if you have the right people in place to deliver the project it will go a long way to success.	

	LCITP Assessment Panel If you are successful, you will be invited to present your project to the panel. **Renewable Heat Incentive (RHI)** The RHI closes on 31st March 2021 so you should be aiming for that. Tariff Guarantees have been extended to Jan 2021 but this will not guarantee acceptance on the scheme. You can pre-accredit any time up to 31st March. **Application Form Guidance** Final project outline should not contain anything sensitive as it will be made public. Skills to deliver the project was a weakness in the last round. Play up your capabilities in this area, even if you are buying in that resource. For low carbon impact a diagram is a good idea and the guidance states how to do the calculation. Replicability – As academics you show be able to play up well here. Student halls may help with social impact? Don't leave it to the last minute to get a senior signature on the application as this has caused problems for previous applicants. **Questions** **RY:** Timescale is too tight. **AlC:** Yes, we are only expecting a small number of applicants. **DJ:** It is really just for projects that have failed on costs so far. **AlC:** We know of some projects that will be eligible in FHE, Local Authorities and industry. The £30m is a minimum. **CR:** Is this likely to be the last call? **AlC:** Yes but there will be something that follows on from these funding mechanisms. Tax breaks may follow the Renewable Heat Incentive (RHI). **CR:** It would be useful to have more advance notice to tie in with Salix funding as could be used as match funding. For Salix usual loans you can still have FIT and RHI just not with the SFC loan. **RY:** Why is biomass excluded?	

	AC: Not innovative enough to be considered a demonstrator but it could be part of a bigger system.	
4	**EAUC Update** *Jill Burnett, Carbon & Estates Project Officer, EAUC-Scotland* • Risk & Resilience in a Changing Climate Adaptation event in partnership with Historic Environment Scotland on the 7th Oct at the Engine Shed in Stirling. Join us to hear how climate change is impacting estate management, how to identify key risks, methods for developing plans and examples of partnership approaches. • Scotland Conference 2019 will be held on the 26th November in the Lighthouse, Glasgow. We will be looking at some of the more controversial and challenging issues facing sustainability professionals within Further and Higher Education today: setting meaningful carbon reduction targets, addressing academic travel, getting a handle on procurement emissions, making plastic-free pledges and carbon offsetting. • Green Gown Awards are coming to Scotland for the first time that evening in the Glasgow Science Centre and 25% of the finalists are from Scottish Institutions.	
5	**AOCB** **AA:** Concerned that a college used consultancy to do something you can get for free – the energy contract included energy audits & free surveys and APUC will help with applications Electrical sundries framework you can get free lighting survey The NDEE Framework is being renewed as the Carbon Reduction Framework and will be available from July next year – there is also funding available to scope projects for this. What barriers are we facing? One of the purposes of this group could be to take that back to SFC & Salix What do you need? Is there anything that APUC could look at to assist you to get your projects to market quicker? Please send any comments to jburnett@eauc.org.uk	All: E-mail comments to JB
6	**Next meeting ideas** Please e-mail any suggestions for topics or speakers at our next meeting to jburnett@eauc.org.uk.	All: E-mail suggestions to JB

	For example, how does offsetting fit into your strategies? How do you engage leadership in the institution? Are there any experts you would like to hear from?	
7	**Thanks and close**	

Minutes prepared by Jill Burnett, EAUC-Scotland Carbon & Estates Project Officer, 11/9/19