

OxFutures

UK – Oxfordshire County

OWNERSHIP	PUBLIC
Program authority	Oxford City Council Oxfordshire County Council
Program Delivery unit	Low Carbon Hub
Implementation Model	Separate Contractor based
Operating Services	Marketing Facilitation Financial advice Financing Assessment
Type of projects	Renewable energy
Ambition/targets	20 million £ (26 M€) investment in renewable energy projects in public buildings and community infrastructure by the end of 2015.
Beneficiaries	Public sector Schools Commercial buildings Community (renewables)
Funding Vehicle	Financial Institutions Investment funds Citizens
Financial Instruments	Loans Grants

Summary

The OxFutures initiative is mobilising large-scale investment to develop renewable energy and energy efficiency projects across the city of Oxford and Oxfordshire county.

The aim is to position Oxfordshire at the forefront of low carbon innovation and lead on the UK's transition to a sustainable energy future. OxFutures has been kick-started by a grant from Intelligent Energy Europe to leverage investment of £20 million into local energy projects by 2016. It covers 75% of the costs towards a £1.3m programme to mobilise local energy infrastructure. The funded period started on 28th November 2012 and lasts for three years and has the following key targets:

- Leveraging investment in energy projects: 20 M€ (26 M€)
- Renewable generation capacity: 8,4 MW
- Demand reduction energy savings: 13.330.000 kWh
- Carbon emissions reductions: 7.900 tCO₂/year

The vision is for the River Thames and the rooftops of Oxfordshire to be the power stations of the future. Communities, businesses and the public sector will “power up” by developing renewable energy schemes and “power down” by reducing energy use. This is supposed deliver many economic, social and environmental benefits for Oxfordshire.

Local community interest social company “Low Carbon Hub” is the major partner to the two councils in delivering the four programme strands:

- The OxFutures Fund
- Investment on the public estate
- Community energy: powering up
- Domestic retrofit: community powering down (this has been limited to one pilot and will not be covered further)

The aim is to make low carbon economic development mainstream and to bring £400 million of investment into Oxfordshire by 2020. OxFutures will secure the City of Oxford’s target to reduce its carbon emissions by 40% by 2020, and to reach the Oxfordshire County Council target of a 50% reduction in carbon emissions by 2030, based on 2008 levels.

How does it work?

The OxFutures initiative works as an umbrella programme, mainly for renewable energy projects. The Local Energy Hub acts as program delivery unit (PDU) to identify, accompany and kick-start renewable energy projects.

The main focus is mid-sized micro-hydro projects on the River Thames and urban PV solar projects on roofs of public buildings (mainly schools), community infrastructure and businesses.

The programme consists of two main axes:

- Developing an OxFutures Community revolving fund, using community share offers
- Providing technical assistance to community energy and retrofit projects

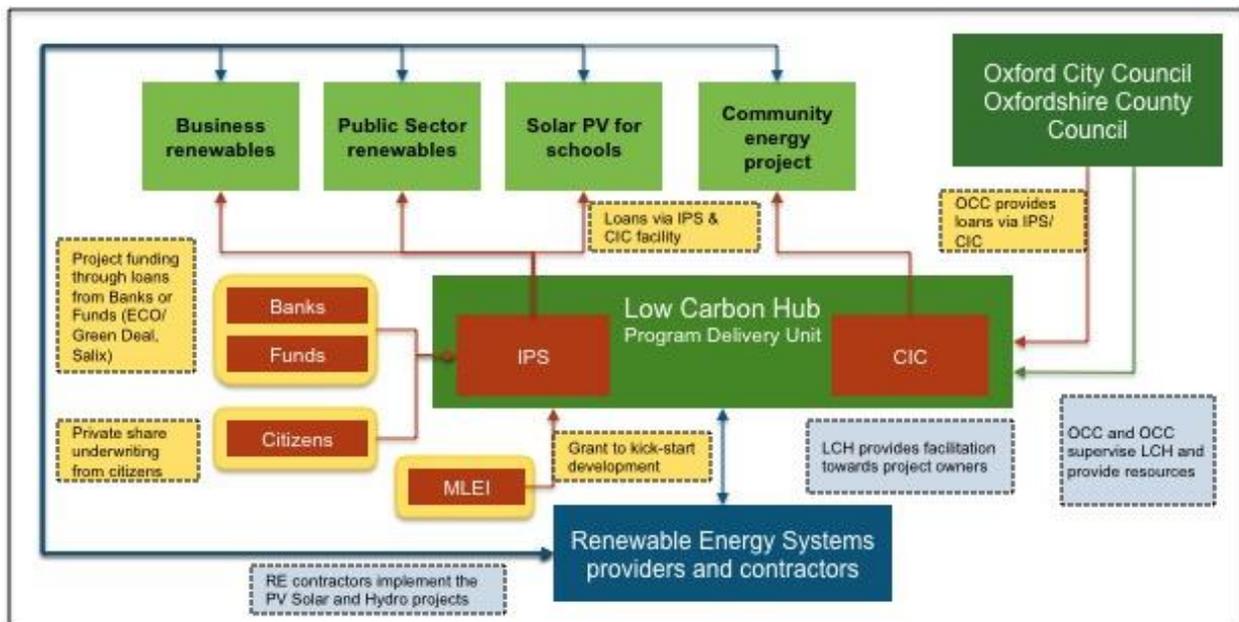
The Low Carbon Hub works with businesses, the public sector and communities to scale up renewable energy generation across Oxfordshire. It works like this:

- The Hub develops, installs and manages business and public sector projects;
- The Hub raises the finances through a community share offer so that local power is owned by local people;
- Local businesses and schools get discounted, green electricity and precious CO2 savings;
- Local investors get a fair financial return as well as a stake in local renewable energy generation;
- The Hub gets a sustainable income from the feed-in tariff and electricity sales;
- Community partners get support to deliver their own energy projects;
- Community schemes generate further income to support local carbon reduction schemes.

When financing projects, often the initial financing comes from a classical source (e.g. bank loan in the case of the Osney Hydro Lock project or a revolving facility from the Oxford City Council in the case of the Norbar Torque Tools PV project) and is than (partially) replaced by a community share offer underwriting.

In other cases projects are financed through ECO/Green Deal or Salix funds.

Fig 1. Operational and financial model



The program delivery unit

The Low Carbon Hub is a social enterprise that employs 12 people, set-up to work with 300 communities. It acts as marketer, facilitator, financial advisor and financier of the renewable energy projects.

The Low Carbon Hub comprises two organisations working in cooperation: the Low Carbon Hub Industrial and Provident Society (Low Carbon Hub IPS) and the Low Carbon Hub Community Interest Company (Low Carbon Hub CIC). Surpluses from the Hub IPS are passed to the Hub CIC to fund its work on community energy projects.

Low carbon hub IPS

The purpose of the Low Carbon Hub IPS is to develop a decentralised, locally-owned renewable energy infrastructure for Oxfordshire to put local power in the hands of local people. They do this by developing their own portfolio of renewable energy projects with businesses, schools and public sector partners. No capital investment is required from their partners. Projects include roof-top, ground-mounted and canopy solar photovoltaic installations (solar PV), micro-hydro schemes, and biomass. The Low Carbon Hub IPS raises the investment and is the owner of these energy generation assets. Surpluses from the Hub IPS are passed to the Hub CIC to fund its community benefit projects and supporting activities. An example of a Low Carbon Hub IPS project is the solar PV installation on Oxford Bus Company's depot in Cowley.

Low carbon hub CIC

The purpose of the Low Carbon Hub CIC is to deliver community benefit and provide practical support to communities to develop their own renewable energy projects on community assets. The projects provide cheaper electricity, an income for the local community and opportunities for local people to invest. The Hub team supports community volunteers through the complex process of setting up a social enterprise, developing their project, getting the project to investment-readiness and raising necessary finance. The process normally results in a local share-offer in which citizens can invest. Surpluses from community-owned enterprises are reinvested into further locally-managed carbon reduction projects. An example of a Low Carbon Hub CIC-supported project is Osney Lock Hydro in West Oxford.

In addition, the CIC is developing innovative low-carbon energy services and business models for communities to improve our renewable energy infrastructure. A part of the work of the CIC is influencing key stakeholders to create a supportive operating environment for community energy.

23 community group partners have a shareholding in the CIC to ensure their operation is totally transparent and is guided by those it is set up to serve. One community member is on their board of directors.

The Low Carbon Hub raised over 1.6 million £ (over an initial target of 1,5 million £) through a community share offer in autumn 2014 to develop 1MW of solar PV on local schools and businesses. This attracted 345 investors.

Legal structure	Social enterprise
Shareholder description	Public entity
Equity	1,2 M£ (1,6 M€)
Shareholders	Oxfordshire County Council Oxford City Council
Program dedicated staff	10
Program operational costs	unknown

Organization and partnerships

RE:FIT program:

Beneficiaries

Beneficiaries	Public sector Schools Commercial buildings Community (renewables)
Type of projects	Renewable energy
Operational support	Projects facilitation through the project delivery unit
Financial support	Loans through the Oxford City Council and share offering (loans) to the public

Funding mechanism

Program delivery unit funding	Low Carbon Hub received a 1,2 M€ grant from the IEE MLEI program
Projects Funding	Projects are funded through the Low Carbon Hub's IPS and CIC facility
Funding Vehicle	Financial Institutions Investment funds Citizens
Fund size	Unknown
Fund type	Public fund
Fund sources	Various
Financial Instruments	Loans Grants

Results

- €3.2m/£2.6m of investment has been secured for community renewable energy projects
- A further £3.6m of construction finance has been committed in principle for community-owned energy projects
- The Osney Lock 49 kWe microhydro project is in commissioning.
- 393kWp of solar PV have been installed or have signed contracts for community benefit projects on business roof spaces.
- A further 3MW of business community solar projects are expected to sign contracts by Nov 2015.
- 11 schools have installed a total of 529 kWp of solar pv panels with a further 40 schools engaged in the programme.
- 421 tCO₂/year savings are expected from projects that have secured investment so far

The following table provides an overview of the various projects in the pipeline:

Type of project	Project owner	MW installed	MWh generation	Investment (M€)	Timing
Solar	Schools	1,0	860	1,5	2014
Solar	Schools	2,0	1.720	2,5	2015
Solar	Southill Solar	5,0	4.300	5,45	2015
Solar	Businesses	0,4	351	0,4	2013-2014
Solar	Businesses	4,0	3.440	5,0	2014-2015
Hydro	Osney Lock	0,05	186	1,2	2013
Hydro	Abingdon	0,12	320	1,2	2015
Hydro	Goring	0,27	864	1,4	2015

Hydro	Sandford	0,43	1.300	2,7	2015
TOTAL		13	13.341	21,4	

Contact details

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Factsheet

General Info

Country	UK
Model Name	OxFutures
Date of creation	2012

Model Description

Ownership	Public
Program authority	Oxford City Council Oxfordshire County Council
Program delivery unit	Low Carbon Hub
Operating services	Marketing Facilitation Financial advice Financing Assessment
Implementation model	Separate Contractor based
Type of projects	Renewable energy
Beneficiaries	Public sector Schools Commercial buildings Community (renewables)
Geographical coverage	Provincial/Departmental

Financial Mode Description

Project funding	Public Private
Project funding vehicle	Investment funds
Financial instruments	Loans Grants
Repayment model	Not applicable

Project risk Profile

Performance risk	Property owner
Recourse	Not applicable
Financial risk	Investment funds

Model Requirements

Staff Requirements	High More than 10 FTE
Equity or funding requirements	Moderate Less than 10 million €

Model Key indicators

Investment volume since creation	21,4 M€ (28 M€)
Size of project (or project portfolio)	0,4 – 5,45 M€ (0,5 – 7 M€)
Level of average energy savings	Not applicable

Development maturity

Development/implementation stage	Growth
Operational development maturity	Growth
Financial development maturity	Growth

Model Qualification

Level of establishment	Few examples
Growth of potential	Large
Scalability of the model	Moderate
Replicability of the model	Moderate
Impact on public balance sheet	High

Sources

<http://www.oxfutures.org>

OxFutures, background and projects

Barbara Hammond, OxFutures, Action on Energy, Low Carbon Hub, Citizen Financing, Brussels, 8 October 2014 & 28 April 2015

OxFutures update for OEP, 17 January 2014

OxFutures, Action on Energy, Agenda, 24 January 2014

