

## Further information

### Background information on City Leap

Bristol City Council is leading by example in the action against climate change and has committed to Bristol becoming a carbon neutral city by the year 2050. The council has invested over £50m in low-carbon technologies over the last decade and delivering a number of pioneering energy infrastructure projects including:

- Being the only local authority in the country to own large-scale wind turbines having invested £7m in the installation of two 2.5MW wind turbines in 2015.
- Investing £5m in the installation and/or facilitation of 8MW of solar PV on council-owned buildings and land.
- Investing over £2m in biomass boilers with a generating capacity of 5.2MW.
- Investing £5m in low-carbon heat networks to date, connecting over 1,000 social housing properties to the network.
- Setting up Bristol Energy, one of the only two municipally-owned energy companies in the UK, which now has over 150,000 customer meter points and is rapidly developing its energy services proposition and capability.

Building on all that the council has achieved, there is a need to significantly up the pace of delivery to help meet the city's social, environmental and economic objectives. Partnership has been identified as a key mechanism for achieving this and this is why the council launched the City Leap initiative in 2018.

The aim of City Leap is to take advantage of the transition to a decentralised energy system to build an interconnected, low carbon, smart energy system that delivers social, environmental and economic benefits for the people of Bristol, building on the innovative leadership the council has shown in energy and sustainability over almost three decades.

The council has a compelling value proposition; the council itself, with its assets and influence, the council's award-winning Energy Service, with its expertise in delivering low carbon energy infrastructure and pipeline of investment opportunities, and the council's wholly-owned energy supply company, Bristol Energy, which will have a key role to play in this transition by harnessing its energy supply expertise and smart energy innovation capabilities to put the company on a sustainable footing for the future.

City Leap will leverage this value proposition to drive city-wide action, strategically co-ordinating and delivering energy infrastructure projects at significantly increased scale and pace over and above what the council could achieve on its own.

This transformation will require significant levels of investment; levels that the council cannot deliver alone. Therefore, one of City Leap's aims is to attract, facilitate and deliver at least £1bn of low carbon and smart energy infrastructure investment in Bristol's energy system.

To that end, in May 2018, the council published the City Leap Prospectus, which set out our past successes, current programme of work and future investment opportunities in relation to energy. The Prospectus invited engagement from any organisation with an interest in Bristol's future energy vision and the range of investment opportunities set out in the document. The response to the City Leap Prospectus exceeded the

## City Leap Energy Partnership

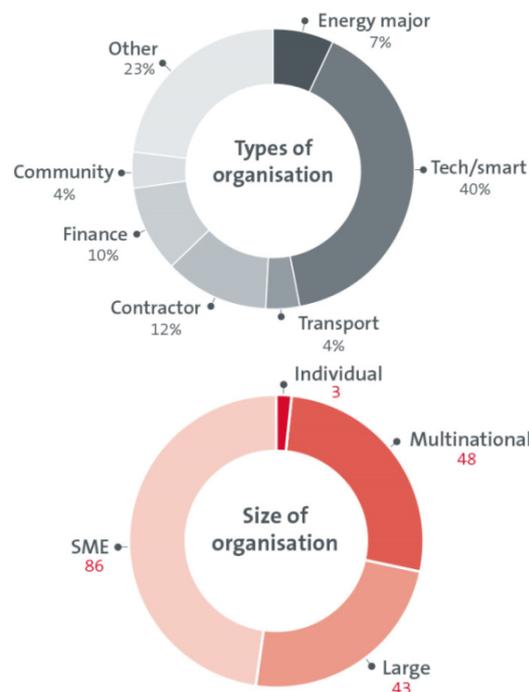
council’s expectations with 180 Expressions of Interest being submitted containing a wide range of proposals.

The council subsequently undertook an extensive soft market testing phase with organisations that submitted Expressions of Interest, as well as completing its own comprehensive options appraisal. The outcome of these exercises is that the council’s preferred model to deliver City Leap is to set-up a joint venture with a strategic partner.

### The response to City Leap

The response to the City Leap Prospectus greatly exceeded the council’s expectations with 180 expressions of interest (EOIs) being received from a broad range of local, national and international organisations.

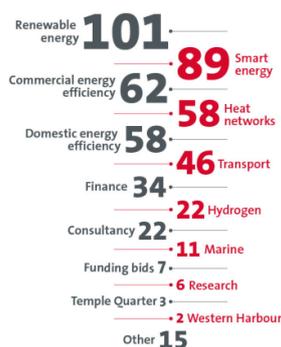
The chart on the right shows a breakdown of the organisations that responded by type.



Of the 180 organisations that expressed an interest, we have broken these down by organisation size in the chart on the right.

### Areas of interest

We have also analysed the areas of interest for each organisation and these can be seen in the table below. Understandably, the majority of organisations identified interest in multiple areas, so the figures greatly exceed 180 due to this crossover.



Finally we have broken organisations down by geography as shown by the infographic below – Bristol and the Southwest (47), rest of the United Kingdom (107) and International (52).



## The vision for City Leap

The aim of City Leap is to strategically develop, co-ordinate, deliver and facilitate a smart, interconnected energy system for Bristol; One that leverages the assets within the city to deliver clean, affordable energy to its people, communities and companies. City Leap will make it possible for Bristolians to take ownership of their energy system, using it to build better lives for themselves and their children.

For the citizens of Bristol, this means:

- **Better quality of life:** by improving the warmth and comfort of their homes; through better air quality and environment; by creating better health outcomes.
- **Delivering simple, affordable energy:** by delivering simple, attractive and cheaper energy tariffs and services; by helping to insulate people from future price rises.
- **Greater prosperity:** by creating local jobs in energy and related supply chains, by creating economic growth through affordable energy.
- **Increased ownership:** people can see and own the assets which generate and deliver their energy and influence their energy system, through the local political process and having a say in City Leap.

For the city, it means:

- **Better environment:** addressing targets for climate change, air quality and the environment in the shortest possible timeframe.
- **Generating economic development:** investment in local facilities; local jobs in the energy supply chain; affordable energy for local industry.
- **Improved health, wellbeing and social welfare:** warmer, healthier homes and cleaner air lead to improved health; jobs and affordable energy reduce fuel poverty and improve social welfare.
- **Building our reputation:** City Leap builds from and further develops Bristol's reputation as a forward thinker and innovator.

For investors and partners, it means:

- **Generating an appropriate return on assets:** opportunities to invest in new energy assets with a well-defined route to monetise these assets to deliver an appropriate return on investment.
- **Creating new, service-based revenue streams:** participation in advanced service-based energy propositions.
- **Developing new business models:** an early opportunity to trial and develop the new business models that are emerging from the transition to a smart energy system.

For the wider energy system, it means:

- **Gaining better insight into energy usage and flows:** by using real time data from smart metering and other technology, to understand patterns of generation and consumption in order to reduce demand.
- **Creating access to demand side flexibility:** by enabling investment in energy storage and smart devices, and by linking these devices to digital platforms that enable better monitoring and control of these assets.
- **Increasing low carbon generation:** supporting increased investment in low carbon generation by enabling generation and storage to access additional revenue streams and higher value service-based revenue models.
- **Creating new models for system operation and governance:** by demonstrating new models of local operation and governance, better suited to a world of smart decentralised energy.

City Leap will achieve this vision by using smart, digital technologies to aggregate Bristol’s future portfolio of “energy assets” — buildings and housing, low carbon heat and power generation, heat networks, public and private wire network infrastructure, battery and thermal storage systems, energy efficiency, public transport and low/no emission vehicle infrastructure — into an integrated whole. It will use real-time data on local patterns of energy consumption and generation to optimise the match between supply and demand, thereby maximising the value derived from these local assets and the benefits they deliver to local people.

This will enable us to better align the way we generate, transport, store and use energy with people’s needs for warmth, light, mobility and health, and with the wider energy system’s needs for cleaner energy and greater flexibility to reduce demand. The end result will be to substantially reduce both the cost and the environmental impact of Bristol’s and the UK’s future energy system.

## The objectives for City Leap

The council has set six Strategic Objectives for City Leap, which are outlined below:

1	<b>Establishment of a long-term, flexible City Leap Energy Partnership</b> to strategically develop, co-ordinate, deliver and facilitate a programme of work that supports the creation of a resilient energy system for Bristol on its pathway to carbon neutrality by 2050.
2	<b>Optimise Bristol City Council’s assets and services</b> to attract additional investment and generate revenue to support a sustainable business model for the City Leap Energy Partnership.
3	Ensure that the <b>residents, communities and businesses of Bristol are fully engaged</b> by the City Leap Energy Partnership and are able to influence and participate in the programme of work.
4	<b>Maximise the economic, social and environmental benefits</b> arising from the programme of work carried out by the City Leap Energy Partnership, including job creation and the alleviation of fuel poverty in Bristol.
5	<b>Ensure that the City Leap Energy Partnership supports and enables innovation</b> , ensuring Bristol prospers from the energy revolution and enhancing its reputation as a leading global ‘smart city’.
6	<b>Further enhance Bristol’s reputation as a leading energy city</b> through monitoring, evaluating and disseminating the lessons learned from City Leap and working towards replicating City Leap across the UK and beyond.

## Our current position

In April 2019, Bristol’s Mayor and Cabinet approved our recommendation and supported our approach to commence a procurement exercise to find our future strategic partner. This procurement will commence in Q4 2019 and will result in Bristol City Council forming a Joint Venture with a private sector partner (or partners through consortium).

This strategic partnership will merely be the start of the City Leap journey, which will need to be flexible and inclusive in its approach, bringing in new projects, innovation and partners over time as Bristol progresses towards carbon neutrality and a more decentralised, democratised energy system.