



PROJECT

FEED-IN TARIFF CONTRACT FOR FREE SOLAR PV INSTALLATIONS ACROSS ISLINGTON
ISLINGTON COUNCIL
£9M

CLIENT VALUE



ISLINGTON

BACKGROUND

The Feed-in Tariffs (FITs) scheme was introduced on 1 April 2010, under powers in the Energy Act 2008. Through FITS the Department of Energy and Climate Change has created incentives for the installation of small and medium scale systems generating renewable electricity, such as solar photovoltaic panels (PV).

This will allow many people, particularly organisations, communities and individuals who have not traditionally engaged in the electricity market, to invest in small scale low carbon electricity, in return for a guaranteed payment for the electricity they generate and export.

FITs work alongside the Renewables Obligation (RO), which is currently the primary mechanism to support deployment of large-scale renewable electricity generation.

Islington Council is one of the first London boroughs to take advantage of the new initiative, which coincides with the borough's DE (Decentralised Energy) programme.

ISLINGTON'S DECENTRALISED ENERGY PROGRAMME

DE is local power generation on a significantly smaller scale than that of the UK's centralised power stations and national grid distribution.

It refers to a range of low carbon and renewable generating technologies, such as PV systems, which harness solar power from the sun and convert it to electricity. The generated electricity is either used in the connected building or exported to the grid where it is used locally in other surrounding buildings.

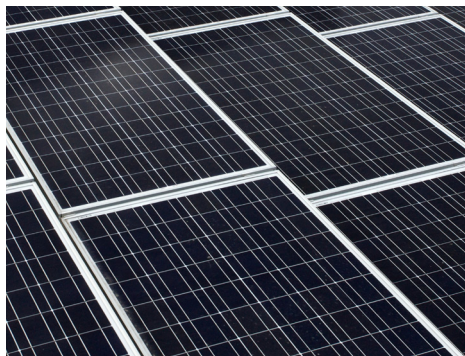
Unlike central power production DE is generated close to the end user, significantly reducing transmission losses, resulting in potential cost savings for users and greater energy efficiency.

This contract is one of a number of PV installation programmes that Islington Council is developing across the borough, as part of its DE Programme. The programme will yield both financial and environmental benefits for the council, borough residents and the council's partners.

FUNDING FOR THE PROGRAMME

The investment in this programme is valued at £9million. Lakehouse has in place funding for 100% of the capital outlay costs and 100% of the operation and maintenance costs over the 25 year contract period, so the programme will not cost Islington Council or its residents a penny.





THE SERVICE

Lakehouse is one of only two contractors to be appointed by Islington Council to carry out surveys, finance, install, manage and maintain any installations, to benefit from the FiT, under a service concession contract. Lakehouse has been allocated work in the East of the borough, around 3,400 suitable properties in total.

Lakehouse is one of the top three solar PV installers in Greater London, and was considered eligible for the contract as a result of its accreditation under the Microgeneration Certification Scheme (MCS), where it is registered as an approved installer of solar PVs.

The MCS is an internationally recognised quality assurance scheme which demonstrates a commitment to meeting rigorous and tested standards. It provides a mark of competency and peace of mind for clients and end users who want assurance that Lakehouse can install PV systems to the highest quality every time.

The FiT installations will be installed to Islington Council's schools, corporate buildings and social housing over an eight month period.

The contract has an option to extend for 12 months after the FIT digression period, with 25 years maintenance post installation. The tender submission can also be used by boroughs such as Hackney to use as a framework for their own PV installation programmes.

Desk top surveying commenced in September 2011, with the first PV installations scheduled for early October 2011.

BENEFITS

There are numerous benefits for Islington Council, the local community and the environment. Perhaps the largest benefit is that the contract is being undertaken at no cost to Islington Council or its residents, thanks to funding that Lakehouse has in place for the actual installations together with the servicing for the next 25 years.

Small scale power production is cheaper, more efficient and produces lower carbon emissions than centralised generation. It will also help future proof against volatile fuel supply prices, providing a low cost or free ongoing source of energy and will result in income for Islington Council from the sale of excess energy exported to the grid or through Feed-in Tariffs (FITs).

Other benefits include:

- The provision of training and employment opportunities, including apprenticeships, for local people via Lakehouse's local labour initiative
- Reduced electricity bills for residents, through the use of the renewable energy generated by their own PV systems.
- Reduction in carbon dioxide (CO₂) emissions
- The PV systems will showcase renewable technology to others in the local community