

Economic Strategy Board Report to Joint Committee on Homes as Power Stations

Background

This report contains specific Economic Strategy Board (ESB) feedback on the Homes as Power Stations project business case.

The ESB attended a tour of an energy-efficiency housing project in Neath acting as a pathfinder to the regional HAPS project on November 26, 2019. This was followed by a discussion with the project's Local Authority Lead on the HAPS business case.

A number of workshops have also been held, with the project's Local Authority Lead feeding back to the ESB. The combination of these activities has enabled the ESB to engage in focused discussions with the project's Local Authority Lead around the opportunities and concerns that the ESB has identified in relation to the project.

The ESB, in their advisory capacity to the Joint Committee, is dedicated to offering further support and assistance in addressing these opportunities and concerns, drawing on their specialist knowledge and expertise to ensure maximum impact of the City Deal is realised.

The ESB will monitor the progress and impact of the project and report as required to the Joint Committee.

In the ESB's discussions with the Local Authority Lead, matters including project governance, private sector funding and monitoring/data gathering were addressed. The project's Local Authority Lead confirmed that governance would be a regional approach with regional decision-making, and that private sector involvement is being mapped out, with major progression planned once a HAPS project team is in place. Opportunities to work with universities on monitoring/data evaluation were discussed, with the project's Local Authority Lead stating that the Welsh Government is keen to work with the HAPS programme. Models of best practice will also be explored.

Conclusion

<p>The ESB formally recommend the Homes as Power Stations regional project and have recommended a number of areas be focused on, moving forward.</p>
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Areas of focus

- The importance of the private sector to the HAPS project needs to be stressed
- The development of a Centre of Excellence for the new technologies and the supply chains within the area
- To focus on developing the supply chain and not so much focus on the financial incentive 'gap' funding

- Joint Committee should investigate the input of additional funding into the program
- Joint Committee needs to consider how to make this a truly regional project if that is the aspiration

SWOT analysis of the Homes as Power Stations project

<p>Strengths</p> <p>Programme based on need to create energy-efficient homes, tackle fuel poverty and reduce CO2 emissions</p> <p>Programme has number of well-being benefits – affordable warmth, improved air quality</p> <p>Building on sectoral strengths in energy</p> <p>Aligned to and delivers objectives of national, regional and local strategies and policies including WBFGB Act</p>	<p>Weaknesses</p> <p>Uncoordinated approach to other energy efficiency programmes</p> <p>Short-term nature of WG funding streams</p> <p>Lack of coordinated monitoring and evaluation of previous energy efficiency programmes</p>
<p>Opportunities</p> <p>Opportunity to create an industry/sustainable indigenous supply chain for the renewables sector</p> <p>Clustering opportunities - energy and renewables</p> <p>Strong partnership working with regional Local Authorities and RSLs</p> <p>Positive NPV</p> <p>Development of a viable cost model through delivery at scale</p> <p>Programme replicability across the region</p> <p>Behavioural change</p> <p>Skills development related to renewables</p> <p>Diversification of the regional economy</p> <p>Development of a flexible technology standard</p> <p>Potential to coordinate all public and private energy efficient activity in the region with potential replicability at a national/UK level</p>	<p>Threats</p> <p>Need to engage with private sector house builders</p> <p>Technological advancements</p> <p>Need to ensure appropriate skilled workforce</p> <p>Viability of energy efficiency measures in new build and retrofit</p>