



Subject:	Innovate UK Project – Belfast Net Zero Pathfinder
Date:	14 March 2024
Reporting Officer:	John Tully, Director Organisational and City Strategy
Contact Officer:	Debbie Caldwell, Belfast Climate Commissioner

Restricted Reports

Is this report restricted? Yes No

Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.

Insert number

1. Information relating to any individual
2. Information likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the council holding that information)
4. Information in connection with any labour relations matter
5. Information in relation to which a claim to legal professional privilege could be maintained
6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction
7. Information on any action in relation to the prevention, investigation or prosecution of crime

If Yes, when will the report become unrestricted?

After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Sometime in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in

Is the decision eligible for Call-in? Yes No

1.0	Purpose of Report/Summary of Main Issues
1.1	To provide members with an overview on the Belfast Net Zero Pathfinder project.

2.0	Recommendation
2.1	<p>The Committee is asked to note that:</p> <ol style="list-style-type: none"> I. funding (£150K) has been secured from the Innovate UK Net Zero Living Pathfinders competition to deliver the Belfast Net Zero Pathfinder project; II. the project will de-risk two of the priority projects identified by the city's Local Area Energy Plan (LAEP) and the Decarbonisation Plan for Queens Island (QIDP) area of Belfast; III. the project will enable Belfast to act immediately upon delivery of the LAEP and QIDP to progress two projects using a whole systems approach to decarbonise a local area while also delivering wider benefits to local communities; IV. the funding also allows BCC to intensify its collaboration with ESC to provide a pathway to delivery of the LAEP and the QIDP in partnership with other key stakeholders.
3.0	Main Report
3.1	<p>Background</p> <p>Belfast City Council (BCC) is in the process of finalising two strategic energy masterplans for the local area to achieve a cost effective and socially just net zero energy system whilst realising co-benefits for the local stakeholders:</p> <ol style="list-style-type: none"> 1. Belfast Local Area Energy Plan (LAEP); and 2. Queens Island Decarbonisation Plan (QIDB).
3.2	<p>These plans are innovative because they take a whole energy system approach and provide recommendations for decarbonisation pathway planning. The 'Belfast Net Zero pathfinder' project will focus on overcoming the non-technical barriers that impede the implementation of the LAEP and QIDP (see below). The objective is to accelerate and de-risk the delivery of two priority decarbonisation projects identified in the LAEP and QIDP, specifically: 1) a heat network, and 2) a solar PV renewable power project. The project will run for one year from 1st June.</p>
3.3	<p>The project builds on the outcomes of Belfast's phase 1 Pathfinder feasibility study which included provision to utilise Belfast's LAEP and the QIDP to support a whole systems approach to transition the city to net zero. These plans, due for completion in March 2024, provide detailed modelling and analysis of the city's energy system and identify priority decarbonisation projects for immediate implementation.</p>
3.4	<p>The project will focus on overcoming the following non-technical barriers to the delivery of the two decarbonisation projects identified in the LAEP and QIDP:</p> <ul style="list-style-type: none"> • Low maturity / readiness of market/supply chain to progress net zero innovation; • Insufficient capacity of the Council to progress decarbonisation projects; • Lack of business model clarity (e.g. off-taker arrangements) that enable an attractive value proposition to investors; • Limited understanding of the optimum legal and commercial arrangements for Council to engage with private sector to enable net zero projects; and • Public resistance to decarbonisation projects and their impact on the local area.
3.5	<p>Energy modelling and stakeholder engagement (from the LAEP and QIDP both due for completion by March 2024) has identified these two projects as cost effective and deliverable interventions that could deliver significant energy savings and emission reductions while also unlocking growth and job opportunities across the city.</p>

3.6	Tackling these non-technical barriers will enable Belfast to progress two priority projects using a whole systems approach to decarbonise the local area while also delivering wider benefits to local communities.
3.7	By accelerating and de-risking the delivery of two priority decarbonisation projects identified in the LAEP and QIDP, the project will support ongoing efforts by the Council and its partners to reduce emissions from the city's built environment which is the largest source of emissions in the City.
3.8	The project is also resourced to support knowledge exchange through online workshops and participation in the Thriving Places cohort which acts as an enabler for validation and replication of solutions at scale across the UK.
3.9	<p>Project activities include:</p> <ol style="list-style-type: none"> 1. Project Assessment <ol style="list-style-type: none"> a. Determine objectives for two priority decarbonisation projects (heat network and solar PV) from the LAEP / QIDP b. Analysis of non-technical barriers to delivery (above) 2. Assess the maturity / readiness of market actors (potential off-takers, investors etc) to engage and deliver low-carbon projects 3. Develop capacity of key stakeholders including Council to take forward LAEP / QIDP outputs 4. Commercial viability and routes to finance <ol style="list-style-type: none"> a. Business model analysis (value and finance flows) b. Define optimum legal and commercial arrangements for Belfast City Council (BCC) to catalyse investment - this will enhance the capacity of BCC to engage the private sector in developing and delivering complex clean energy projects. 5. Identify opportunities for downstream investments to upskill and empower excluded groups and communities through consultation and engagement 6. Assess economic, environmental and social impacts of the interventions
3.10	The funding also provides a unique opportunity to better understand the opportunities for excluded groups to engage with and benefit from Net Zero projects. WP5 will specifically identify opportunities for communities to benefit so that project delivery supports shared outcomes across a range of stakeholders.
3.11	<p>Key metrics to be tracked on a bi-monthly basis will include:</p> <ul style="list-style-type: none"> • Project assessment report • Market readiness report • Business model analysis report • Report on legal / commercial arrangements • Number of staff expressing increased competency in progressing projects • Opportunities assessment report • Impact assessment report
3.12	Insights / recommendations will be delivered through reports and outputs shared via a series of roundtables and workshops.
3.13	Funding for this project will enable BCC to act immediately upon delivery of its energy masterplans removing any inertia and uncertainty that could suppress progress. Effective delivery of these projects will bring long-term benefit to local communities through new economic opportunities and jobs. ESC and other providers will also replicate the insights and

<p>3.14</p> <p>3.15</p> <p>3.16</p> <p>3.17</p> <p>3.18</p> <p>3.20</p>	<p>across ongoing decarbonisation planning activities with an immediate benefit to stakeholders in the applicable local areas.</p> <p>This funding allows BCC to intensify its collaboration with ESC to provide a pathway to delivery of the LAEP and the QIDP in partnership with other key stakeholders. The project will arm key stakeholders with the knowledge, analysis and tools to move beyond BAU to translate the plans into concrete projects and achieve the city's net zero ambitions.</p> <p>Economic, environmental and social impacts from this funding are expected to be positive due to the displacement of fossil fuels from the energy system and the growth of indigenous renewable energy generation and associated supply chains.</p> <p>The project will be delivered by the Climate team in partnership with the Energy Systems Catapult (ESC). ESC and BCC already have a strong working relationship with ESC currently delivering the LAEP and QIDP in collaboration with BCC. ESC also developed the Belfast feasibility study as Phase 1 of the Net Zero Pathfinder project in 2023.</p> <p>Next steps</p> <p>The project team will be mobilised during May ahead of the project start date on 1st June. An update will be brought back to Committee in due course.</p> <p><u>Financial and Resource Implications</u></p> <p>None</p> <p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>Under WP4 the question of 'who benefits?' from each business model will be addressed enabling Equality, Diversity and Inclusion aspects to be incorporated into downstream investments. Intelligence around diversity, inclusion, fairness and equality in the projects impact on the transition to net zero will also be integrated into the project under WP6.</p>
<p>4.0</p>	<p>Appendices - Documents Attached</p>
	<p>None</p>