

## COOPERATION AGREEMENT

This Cooperation Agreement is made on the \_\_\_\_\_ 2011

**BETWEEN:** Bath and North East Somerset Council of Lewis House, Manvers Street, Bath, BA1 1JG, United Kingdom (“**B&NES**”);

**AND:** Bath Community Energy Ltd (Registered IPS number IP 30960R) of 33, Apsley Road, Bath BA1 3LP United Kingdom (“**BCE**”)

Collectively referred to as the “**Parties**” and each a “**Party**”.

### **1. Introduction**

- 1.1 B&NES has a pivotal role in tackling climate change by reducing carbon emissions from its own estate and operations, encouraging and enabling its residents, businesses and visitors to reduce their carbon emissions and by achieving national priorities such as domestic energy efficiency and the deployment of renewable energy in a locally appropriate way.
- 1.2 Under Section 2 of the Local Government Act 2000 B&NES has the power to do anything which it considers is likely to achieve the promotion or improvement of the economic, social or environmental well-being of its area. The Council may properly consider that following the course of action proposed will assist in improving the environmental well-being of its area and is thus authorised by Section 2 of the Local Government Act 2000 bearing in mind the following provisions of its Sustainable Community Strategy to ‘provide the leadership to help our communities to help people reduce carbon emissions across the area by 45% by 2026’ and ‘enable the development of clean, local, sustainable energy sources and systems’.
- 1.3 BCE is a new community enterprise set up by local people to develop community-based renewable energy and energy efficiency projects (Projects) within the Bath area. It is an Industrial and Provident Society established for the benefit of the Community. Further details are contained in the Appendix to this Agreement.

### **2. Purpose**

- 2.1 The key purpose of this Agreement is to set out how the Parties will cooperate to help
  - 2.1.1 B&NES deliver its Sustainable Community Strategy’s aim of providing the leadership for a 45% cut in district wide CO<sub>2</sub> emissions
  - 2.1.2 maximise the proportion of the District’s 2020 renewable energy target in the B&NES draft Core Strategy that will be delivered using a strong community model. This will in turn, help achieve the Sustainable Community Strategy’s aim to enable the development of clean, local sustainable energy sources
  - 2.1.3 build community resilience, for example, by alleviating the impact

- of rising fossil-fuelled energy prices, and retain economic benefit locally
- 2.1.4 establish a significant fund for re-investing in local energy Projects in the B&NES area (the District)
- 2.1.5 BCE to become a financially self-sustainable Community Enterprise

### **3. Identification and Development of Energy Projects and Other Opportunities**

- 3.1 The Parties agree to work together to identify
  - 3.1.1 Projects within the District.
  - 3.1.2 opportunities for joint research that will help underpin and make the case for maximising the proportion of the District renewable energy target delivered as community-based Projects
  - 3.1.3 opportunities for people living and or working in the District to invest and secure a return from Projects within the District
  - 3.1.4 further opportunities for joint working
- 3.2 B&NES will provide BCE with a list of council-owned property and land for which BCE will make an assessment of Community Renewable Energy Project opportunities for consideration by the Parties.
- 3.3 BCE will decide whether it wishes to take Projects forward and at its own cost prepare a budget and work plan, the contents of which will be submitted for consideration at a later date by the Parties. If the Parties decide to implement a Project that Project will be the subject of a separate Project Agreement agreed by them.
- 3.4 The Parties will consider opportunities for working together to test the level of interest for Projects amongst different target groups, for example, schools.
- 3.5 This Agreement will not limit the scope of activities that could be considered and pursued in partnership to deliver B&NES long-term carbon reduction ambitions. Activities could include a broad range of energy services relating to energy efficiency and use, as well as energy generation.
- 3.6 Projects to be undertaken by BCE will be subject to the same planning and development management regime as all other planning applications and will not be given preferential treatment as a result of this Agreement.

### **4. Procurement and Exclusivity**

- 4.1 The Parties agree that they will be open and transparent on the procurement of services and goods for individual Projects.
- 4.2 The Parties will work together to identify any mechanisms under which BCE may become a preferred partner with B&NES for related services and goods in the District as opportunities arise and will, where feasible and appropriate, support the development of related local supply chains and support local businesses by using labour and materials from within the District

4.3 Where necessary or appropriate, a joint procurement process will be used to comply with EU procurement rules.

4.4 Both Parties reserve the right to work independently or with other organisations or partners on Projects within the District.

## **5. Investment**

5.1 The Parties may work together to investigate the potential for other funding mechanisms, to be determined.

## **6. Governance and accountability**

6.1 A Steering Group will be established comprising two (2) representatives from B&NES and two (2) from BCE with ad hoc attendance at Steering Group meetings as required.

6.2 The Steering Group will meet regularly to review progress on achieving the aims of this Agreement and work diligently to overcome barriers.

6.3 The Steering Group will be sponsored by a Strategic Director of B&NES, and chaired by a Divisional Director who may appoint an authorised representative.

6.4 Each Party will, appoint a representative to oversee the administration and day-to-day running of the matters falling within the scope of this Agreement and bring any issues that arise to the attention of the Steering Group. Meetings of the Steering Group will be convened by the B&NES representative.

6.5 An annual report will be jointly produced by the Parties by the end of August in each year. The report will set out the achievements of the Parties as well as any areas of concern and any proposal to update or amend this Agreement. This report will include an audited financial statement from BCE to show how revenue has been allocated between the priorities listed in 6.6. a-d.

6.6 The Agreement is entered into on the understanding that BCE will re-invest revenues it generates from Projects into a Community Fund which it establishes. The purpose of the Community Fund shall be to reinvest in further local projects that contribute to carbon reduction in the area. Such investment into the Community Fund, in terms of amount and regularity, will be dependent on the availability of revenues once other higher priority commitments have first been satisfied by BCE, and will be subject to review by the Steering Group. The priority of revenue allocation will be as follows:

- a. Loan repayment
- b. Payment of interest to BCE members
- c. Funding of continuation and development of BCE
- d. Payment into community fund

**7. Publicity and Communications**

- 7.1 The Parties will develop a joint communications plan and publicise the cooperation outlined in this Agreement and the wider importance, principles and benefits of Projects, in such a manner as agreed in writing by them
- 7.2 All publicity material relating to this Agreement or any of the joint work referred to within it will be agreed in writing by both Parties.

**8. Term and Variation of this Agreement**

- 8.1 This Agreement will remain in force for a period of 3 years from the date on which it is signed by both Parties. The Parties may agree in writing to extend the term of this Agreement on an annual basis for up to a maximum of two additional years.
- 8.2 The Parties may vary this Agreement at any time upon their joint written agreement.

**9. Costs**

- 9.1 Any costs incurred in respect of the drafting of this Agreement will be for the account of the Party incurring those costs.

**10. Freedom of Information**

- 10.1 BCE acknowledges that B&NES is subject to the requirements of the Freedom Of Information Act and the Environmental Information Regulations and will assist and cooperate with B&NES (at BCE's expense) to enable B&NES to comply with these Information disclosure requirements.

**11. Status of Agreement**

- 11.1 This Agreement is a statement of intent and does not create legal obligations between the Parties.

**Signed**

On behalf of B&NES:

Signature \_\_\_\_\_

Name \_\_\_\_\_

Position \_\_\_\_\_

On behalf of BCE:

Signature \_\_\_\_\_

Name \_\_\_\_\_

Position \_\_\_\_\_

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**APPENDIX 1: BACKGROUND TO BATH COMMUNITY ENERGY:**

Bath Community Energy (BCE) is a new community enterprise set up by local people to develop renewable energy and energy efficiency projects in the Bath area. It is an Industrial and Provident Society established for the benefit of the community and registered with the FSA.

Its founder directors bring a wealth of renewable energy, energy efficiency, community, legal and engineering experience and expertise.

Initially BCE is looking to develop 1.5 MW of hydro, wind and solar PV. This is however just the first step, sufficient to establish BCE as a financially viable community enterprise and offer opportunities for ethical investment with reasonable returns to local people, who as members will have an important say in the running of the organisation.

BCE will identify suitable locations, develop the projects and (with its local investors) own and operate the renewable energy technologies

In addition, this initial development phase will aim to establish an annual £200,000 plus community fund to re-invest in further local low carbon projects

Every further MW developed in this way will increase the community fund available for local investment.

Please note that due to Projects being established in the area surrounding the District, the name “BCE” is likely to change to “Bath & West Community Energy”. For further information on Bath Community Energy, please see:

<http://www.bathcommunityenergy.co.uk/>

**POSSIBLE TECHNOLOGIES FOR COMMUNITY RENEWABLE ENERGY PROJECTS**

**Hydro Power:** Electricity generated by running water via a turbine inserted into a river or stream. The faster the water flows and the more water there is the more electricity can be generated. For more information, see:

<http://www.energysavingtrust.org.uk/Generate-your-own-energy/Hydroelectricity>

**Solar Photovoltaic:** Solar electricity systems capture the sun's energy using photovoltaic (PV) cells. The cells convert the sunlight into electricity. For more information, see:

<http://www.energysavingtrust.org.uk/Generate-your-own-energy/Solar-electricity>

**Wind power:** Wind turbines use large blades to catch the wind. When the wind blows the blades are forced round, driving a turbine which generates electricity. The stronger the wind, the more electricity produced. For more information on community-scale wind, as proposed by BCE, see: [http://en.wikipedia.org/wiki/Community\\_Wind](http://en.wikipedia.org/wiki/Community_Wind)

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