

EX102. GRANGEMOUTH ENERGY PROJECT: NEXT STEPS

The Executive considered a report by the Director of Development Services seeking authority to progress the Grangemouth Energy Project.

The Executive agreed on 13 January 2015 (ref EX109) to progress an energy project for the Grangemouth area which could utilise renewable technologies to deliver sustainable energy cost savings to the industrial complex and potentially the wider area through the development of a district heating scheme.

A business case for the Energy Project was presented as an appendix to the report. The business case set out the work to date and identified a range of energy generating options for the area. This included a cost benefit analysis which identified a district heating network covering the Grangemouth area as the preferred option. This would comprise three distinct heating networks, each based around an assessed demand profile and underpinned by a variety of balanced supply options, with a particular focus on the re-use of waste heat and low carbon solutions. An analysis of each proposed network – Eastern, Northern and Western indicated that the proposed Northern network was not viable at the current time. The Eastern network was the strongest proposition and although the Western network was not currently viable, the planned introduction of a masterplan for the Falkirk Gateway sites indicated that it could be economically viable as energy demand increased.

The report set out proposed next steps to develop the project. Further bids for funding to Scotland's Energy Efficiency Programme and the Scottish Government/EU Low Carbon Infrastructure Transition Programme had been made. It was proposed that the Council participate in the EU supported 'INTERREG' programme, which supports the development of transitional economic development activities which focus on the creation of business support programmes to improve the development of sustainable economic clusters and in identifying international partners.

Councillor D Goldie, seconded by Councillor Dr C R Martin, moved that the Executive:-

- (1) *notes the terms of the report on the progress of the energy project and the delivery of the Grangemouth Energy Project;*
- (2) *agrees the next steps in developing the project including the preparation of a business case for the Eastern and Western networks through seeking financial support from the Scottish Low Carbon Infrastructure Transition Programme;*
- (3) *agrees to participate in the EU funded INTERREG initiative for the promotion of local energy networks; and*
- (4) *requests officers to report back in due course, with the results of the business case and recommending the next steps.*

As an amendment, Councillor Coleman, seconded by Councillor Alexander, moved the terms of the motion with clause (2) replaced by the following:

- (2) *agrees the next steps in developing the project, including fast tracking the preparation of a business case for the Eastern network through seeking financial support from the Scottish Low Carbon infrastructure Transition programme but not to proceed with a business case for the Western network at this time.*

On a division 7 members voted for the motion and 3 voted for the amendment, with voting as follows:-

For the motion (7) – Councillors Blackwood, D Goldie, Gow, C Martin, C R Martin, Nicol and Nimmo.

For the amendment (3) – Councillors Alexander, Coleman and Spears.

Decision

The Executive agreed the motion.