



ELENA Completed Project Factsheet

Decentralised Energy London

Location	London, The United Kingdom
Beneficiary	Greater London Authority (GLA)
CoM signatory	Yes
Sector	Energy Efficiency
Total PDS costs	EUR 3 227 493
ELENA contribution	EUR 2 904 744
Project development services financed by ELENA	<p>The ELENA facility supported the set-up of a Decentralised Energy Program Delivery Unit (DEPDU) to deliver its “market making “ role in charge of:</p> <ul style="list-style-type: none"> • Establishing common replicable documentation, processes and procedures, etc. to standardise the route to market • Extending the GLA’s current activities of DE development within the public sector and extend this to the development of medium-scale private and private/public decentralised energy (DE) projects creating and sustaining a viable pipeline of DE projects in London
Description of ELENA operation	The DE Program Delivery Unit (DEPDU) was established in autumn 2011, composed both of 4 GLA core staff and with staff belonging to an external consulting company in the fields of engineering, finance, commercial and project management.
Timeframe	August 2011– July 2015
Basis for investment identification	<p>The GLA/DE Team worked on a wide range of types of DE projects and concepts. This included three case studies:</p> <ul style="list-style-type: none"> • £160 million London Thames Gateway Heat Network (LTGHN) • Westminster District Heating Interconnector • Victoria Area District Energy Strategy
Investment programme description	<p>The project helped to bring 13 DH/CHP projects to market in the Greater London Area with the total following characteristics:</p> <ul style="list-style-type: none"> • CHP electrical capacity:47.5MWe • Scheme thermal capacity:105.3MWth • Network length: 19 930m
Investment in implementation phase	EUR 142.6m
Expected results	CO ₂ reduction: 43 904t/y
Leverage factor	49

Lessons learnt	<p>In order to facilitate the delivery of DE projects, the DEPDU assisted the project promoter to overcome various barriers:</p> <ul style="list-style-type: none">• Funding Gap: For some project promoters, the chief barrier was project capital cost. The DEPDU successfully facilitated solutions including the leveraging of larger developer contributions through connection charges. This was done by the clear derivation of avoided costs to developers.• Risk Appetite: Others project promoters saw the risk profiles involved with large-scale DE projects as a barrier. The DEPDU found solutions to perceived demand risk and the need for demand guarantees by providing exclusivity within development areas.• Knowledge Gap: A further common barrier was inexperience and lack of understanding of DE projects. This knowledge gap was tackled through project promoter workshops, the development of standardised procurement and production of clear technical and commercial documentation.
Further information sources	Not available
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