**Cost evidence for the Consultation on support for community energy projects under the Feed-in Tariffs Scheme**

This template is for use in conjunction with the public consultation on proposals to provide support for community energy projects under the Feed-in Tariffs Scheme. It provides a common format to submit evidence (or further evidence, where applicable) on **full-life generation costs** of community energy projects.

|  |  |
| --- | --- |
| Your details | |
| **Your name:** |  | |
| **Company/Organisation name:** |  | |
| **Email address:** |  | |
| **Postal address:** |  | |
| **Telephone no.** |  | |
| **Would you like this response to remain confidential?** | Yes/No *(Delete as appropriate)* | |
| **If yes, please state your reasons:** |  | |

**The deadline for receipt of your response is Monday 7 July 2014**

Please email your response to [Communityfits@decc.gsi.gov.uk](mailto:Communityfits@decc.gsi.gov.uk)

Alternatively you can send it by post to:

Renewables Delivery Team

Department of Energy and Climate Change

Area 2C

3 Whitehall Place

London

SW1A 2AW

## Background information on the consultation

The consultation is made up of the following parts:

* **Part A** sets out the introduction and seeks views on current and future renewable electricity deployment by community groups;
* **Part B** seeks views on proposals for implementing the powers in the Energy Act 2013 to increase the maximum specified capacity ceiling for eligible community projects from 5MW to 10MW. It also includes consideration of the definition of “community organisation”; and
* **Part C** seeks views on proposals to change our policy to enable community groups to combine grants with FITs.

## Completing the template

At present, we have very little cost information, relating to large scale (i.e. greater than 5MW in capacity) community energy projects. So we are using **Part B** of this consultation to call for evidence on the pre-development costs, capital costs, operating costs and financial costs of large scale community renewable electricity projects so we can better understand how they differ from non-community projects. We are using **Part C** of this consultation to seek information on reasonable additional installation costs that community groups face that are significantly greater than the standardised costs on which FITs rates are calculated.

The template has been developed to assist respondents to provide this information in a consistent manner.

* Please complete a separate template for each project or renewable electricity technology you are providing information on.
* If you are unable to provide all cost items in the level of detail requested below, please still provide as much as you can.
* If you are responding on behalf of a community group and you do not know the detailed cost breakdown for the project, please give the name and contact details of the company who has installed, or will install, the technology on your behalf.
* If you have more than one project of broadly **similar size** (installed capacity), or there is significant uncertainty, feel free to provide ranges rather than point estimates for the cost and efficiency parameters.
* If you have two projects **of significantly different size** that you could provide distinct information on, this would be very useful, as we would like to gather information that gives an indication of scalability of generation costs.

## Confidentiality and data protection

The provisions relating to confidentiality and data protection outlined in the consultation document also apply to any information provided in and with this template.

|  |
| --- |
| General project questions for renewable electricity projects |

|  |  |
| --- | --- |
| **Name of project**  *(if aggregating several projects, list the names of each)* |  |
| **Type of technology**  *(i.e. solar PV, onshore wind, anaerobic digestion, hydro power)* |  |
| **Year when project started operation** |  |
| **Size of project (in MW of electrical output)**  *(if aggregating several projects, give the average and range of size)* |  |
| **How is the land structured?**  *(Lease, Freehold)* |  |
| **Is the project a new built asset or a retro-fit?** |  |
| **What procurement/ contracting strategy is in place**?  (*Full EPC wrap, individual sub-contracts)* |  |
| **What is the approximate distance to the grid?** *(in km)* |  |
| **Are there any substantial non-typical costs included in your cost estimates**  *(e.g. brown field remediation works)?  If so what % of the EPC cost is made up of these works?* |  |

|  |
| --- |
| If applicable, contact details of the company who has installed/will install the technology on behalf of the community group |

|  |  |
| --- | --- |
| **Name of lead contact** |  |
| **Company name:** |  |
| **Email address:** |  |
| **Postal address:** |  |
| **Telephone no.** |  |

|  |
| --- |
| Specific cost data for renewable electricity projects |

Please insert your answers on specific cost items in the table below.

* The specific items relate to pre-development, construction and operational costs of community energy projects.
* Please provide costs in £.
* To ensure comparability of costs in real terms, each cost section includes a question on the specific year the cost items relate to.

| **Cost items** | | | **Response/ Comments** | **Cost in £** | **Time**  **(**Years/ months) | **%** |
| --- | --- | --- | --- | --- | --- | --- |
| **PROJECT COSTS** | | | | | | |
|  | | **Pre-licensing** |  |  |  | 1222 |
|  | | **Technical development cost**  *(including design selection)* |  |  |  |  |
|  | | **Legal costs** |  |  |  |  |
|  | | **Planning**  *(including regulatory costs, licensing, public enquiry, ‘local community engagement’ costs)* |  |  |  |  |
|  | | **Do the above project costs differ for community relative to commercial projects?**  *If so, why?* |  |  |  |  |
|  | | **Are there any additional project costs that apply only to community projects?**  *If so, please give details* |  |  |  |  |
|  | | **Timescale for pre-development**  *(total pre-development period including pre-licensing, licensing, public enquiry)* |  |  |  |  |
|  | | **To what year do the above costs apply?**  *(e.g. 2010)* |  |  |  |  |
|  | | **Distribution of the costs over the pre-development period**  *(e.g. 50% cost upfront and rest straight line, straight line for full pre-development period or straight line with 50% of cost back-ended)* |  |  |  |  |
|  | | **What do you consider to be the key drivers behind Pre-development cost?**  *(e.g. planning hurdles, licensing, technology, environmental, etc)* |  |  |  |  |
|  | | **How are project costs split between the community and commercial components of the community project?** |  |  |  |  |
| **CONSTRUCTION COSTS***(these include procurement and project management costs but exclude other costs listed separately here)* | | | | | | |
|  | | **Grid connection costs** |  |  |  |  |
|  | | **Other infrastructure costs** *(e.g. water, roads, waste disposal, land costs, etc)* |  |  |  |  |
|  | | **Do the above construction costs differ for community relative to commercial projects?**  *If so, why?* |  |  |  |  |
|  | | **Are there any additional construction costs that apply only to community projects?**  *If so, please give details* |  |  |  |  |
|  | | **Total capital cost or capital cost per kW installed**  (*full capital cost excluding interest during construction)* |  |  |  |  |
|  | | **Construction time period** |  |  |  |  |
|  | | **Distribution of the costs over the construction period**  *(e.g. 50% costs upfront and rest straight line, straight line for full construction period or straight line with 50% of costs back-ended)* |  |  |  |  |
|  | | **To what year do the above costs apply?** *(e.g. 2010)* |  |  |  |  |
|  | | **What do you consider to be the key cost drivers behind capital/ construction costs?**  *(e.g. steel, exchange rates, energy costs, labour costs, other)* |  |  |  |  |
|  | | **How do you think capital costs are likely to change over the next 5, 10, 15 years?** |  |  |  |  |
|  | | **How are capital costs split between the community and commercial components of the community project?** |  |  |  |  |
| **OPERATIONAL COSTS** (please provide the following operating cost data on a unit cost basis – i.e. per kW/ MW or kWh/ MWh as appropriate) | | | | | | |
|  | | **Total operation and maintenance (O&M) cost / kW** |  |  |  |  |
|  | | **Fixed O&M cost / MW per year**  *(Includes operating labour costs, planned and unplanned maintenance, lifecycle capital renewable cost, and on-going property taxes/ rates)* |  |  |  |  |
|  | | **Variable O&M costs / MWh** |  |  |  |  |
|  | | **Insurance cost / MW** |  |  |  |  |
|  | | **Connection and use of system (UoS) charges – per MW per year** |  |  |  |  |
|  | | **Do the above operational costs differ for community relative to commercial projects?** If so, why? |  |  |  |  |
|  | | **Are there any additional operational costs that apply only to community projects?** If so, please give details |  |  |  |  |
|  | | **To what year do the above costs apply?** (e.g. 2010) |  |  |  |  |
|  | | **What do you consider to be the key cost drivers behind operational costs?**  *(e.g. exchange rates, fuel costs, labour costs, other)* |  |  |  |  |
|  | **How do you think operational costs are likely to change over the next 5, 10, 15 years?** | |  |  |  |  |
|  | **How are operational costs split between the community and commercial components of the community project?** | |  |  |  |  |
| **TECHNICAL ASSUMPTIONS** | | | | | | |
|  | **Plant capacity in MW (as above)** | |  |  |  |  |
|  | **Plant availability during full operation** | |  |  |  |  |
|  | **Average annual reduction in plant availability (if applicable)** | |  |  |  |  |
|  | **Average annual load factor** | |  |  |  |  |
|  | **Average annual reduction in load factor (if applicable)** | |  |  |  |  |
|  | **Plant operational life** | |  |  |  |  |
| **FINANCE COSTS** | | | | | | |
|  | **Expected investment period (years)** | |  |  |  |  |
|  | **Expected level of debt finance (%)** | |  |  |  |  |
|  | **Price received for electricity generated through Power Purchase Agreement**  *(if relevant)* | |  |  |  |  |
|  | **Return on Investment** | |  |  |  |  |
|  | **Project hurdle rate**  *(please specify if pre-tax real or nominal)* | |  |  |  |  |
|  | **Do the above finance costs differ for community relative to commercial projects?**  *If so, why?* | |  |  |  |  |
|  | **Are there any additional finance costs that apply only to community projects?**  *If so, please give details* | |  |  |  |  |
|  | **How are finance costs split between the community and commercial components of the community project?** | |  |  |  |  |

|  |
| --- |
| **Please insert or attach any other relevant cost evidence relative to community projects that you wish to submit as part of your response** |
|  |