

**From:** [Gavin Barrie](#)  
**To:** [Frank Ross](#); [Jim Orr](#)  
**Cc:** [Steve Cardownie](#); [Alasdair Rankin](#); [Richard Lewis](#)  
**Subject:** RE: Short note on the Edinburgh Community Solar Coop  
**Date:** 03 December 2013 13:16:45  
**Attachments:** [image001.png](#)

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Jim,

We talked about this yesterday and I highlighted specific issues to you that I and others found problematic. In fact some of us think this is a pretty lousy deal for the Council if it were to become a reality as outlined in the paper. I very much doubt this would have gone as far as it appears it has if others had the opportunity to see what was being proposed. How it reached this stage without any member of the SNP being aware of what was being proposed is beyond me.

At a time when we are seeking to make up shortfalls in budgets across the Council, giving rent free access to Council property for income generation for shareholders who can afford to purchase shares at a minimum of £250 per share appears a money making scheme for those who already have disposable income to spare. In addition to this we appear to be willing to pay the cooperative money if we have to repair the roofs of our property that their money making solar panels are on. Would you enter in to such a deal if it was your personal property? This appears to be a material financial impact to me. From the paper it appears that if the cooperative put the power in to the National Grid they will get less money than they will charge us for the same power if we take it even at the 'discounted rate.' Where is the logic in this? All this from power that is being generated on our buildings.

Additionally, why are we not leasing these sites so that the Council gets an income from them or if this is such a good investment for shareholders why are we not investing in it ourselves as a organisation?

These are a few of many flaws in the proposals and although there are some plusses in the proposals as far as I can see there are many minuses that haven't been properly thought through.

I am happy to support cooperatives but this should not be done at a loss to the Council and clearly there is money to be generated here if their shareholders are to get a 5% return (better than you can get at a bank currently) and why this should go to people who already have disposable income to invest as against being used for the common good is in my opinion just not good business for the Council. Would any other organisation give away for nothing something that could generate an income, particularly when the organisation is facing severe financial problems?

Have the cooperative sought permission to from any other organisation to put panels on their buildings? Has any other organisation been gullible enough to offer free of charge and under certain circumstances give the cooperative money so that they can pay their shareholders a 5% dividend.

This organisation is not a community cooperative as I would understand it. If they were generating electricity for their community building (as described on the Community Energy

website) to heat it or keep costs down I would support it but this organisation is to be run at a profit for the shareholders and they will not even necessarily even have the generating equipment in their own location.

I also note from the Changeworks Report under '**Council's role in developing co-operative energy initiatives**' there is nothing about giving free use of buildings to cooperatives.

I would be surprised if any proposed projects will get through Transport & Environment Committee when a cost benefit analysis and best value review of the proposal is carried out.

Regards,

Gavin

*Gavin Barrie,  
SNP Councillor,  
Inverleith,  
Edinburgh,  
Convenor of the Regulatory Committee.*

*Surgery Times here: [http://www.edinburgh.gov.uk/councillors/74/gavin\\_barrie](http://www.edinburgh.gov.uk/councillors/74/gavin_barrie)*

*Or by appointment, contact 0131 529 4978*



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**From:** Frank Ross  
**Sent:** 03 December 2013 08:52  
**To:** Jim Orr  
**Cc:** Steve Cardownie; Alasdair Rankin; Gavin Barrie; Richard Lewis  
**Subject:** Re: Short note on the Edinburgh Community Solar Coop

Jim

Thanks for the analysis.

Given the need for a quick decision is gone, co op registration, I think we should pull the paper and ask for more time to consider the detail.

There were some specie issues discussed at the Group meeting yesterday

Frank

Sent from my iPhone

On 3 Dec 2013, at 08:45, "Jim Orr" <[Jim.Orr@edinburgh.gov.uk](mailto:Jim.Orr@edinburgh.gov.uk)> wrote:

Hello all

I was intending to provide a full update to the group when the final proposal and sites were finalised but, for obvious reasons, the managers of the schools and other sites had to be notified first. The process has been done with haste as there was a desire to register the co-op before the year end to get the best subsidies. I'm told that it's now too late to do this by the year end.

More immediately I understand that there are moves to amend this report. Prior to the discussion, I have quickly collated a few facts should you need them (done at short notice but pretty sure it is 100% correct).

1. Encouraging microgeneration, like renewables, is a Scottish Government priority. See here: "283 community microgeneration installations have been support by the Scottish Government's [Community and Renewable Energy Scheme \(CARES\)](#) managed by [Community Energy Scotland](#)." (Harlaw Hydro was particularly commended at their recent conference).

2. Our proposals are very similar to the ones presented to us at a multi-stakeholder conference as exemplars last December (including the Bath model (<http://www.bwce.coop/>) which officers are recommending we should copy). A number of SNP councillors were in attendance. As chair of the community energy project, I've been comfortable that the spin off community solar group was steering towards these examples of best practice. See here for the event summary:

[http://www.changeworks.org.uk/uploads/Co-operative\\_Energy\\_Report\\_SH\\_24-12-12.pdf](http://www.changeworks.org.uk/uploads/Co-operative_Energy_Report_SH_24-12-12.pdf)

3. Harlaw Hydro has been supported by CEC (with generous lease terms) and celebrated nationally. The proposed Edinburgh Community Solar Coop (ECSC) and Harlaw Hydro (HH) are very similar so we should really treat them similarly.

- Both have generous lease conditions or access to sites. ECSC is on CEC roofs and the HH generation machinery has a 6 year rent free lease during start up and then a cheap lease based not on a fixed payment but a small proportion of profits (and so very low risk).
- Both have £250 minimum share offers.
- ECSC has a 5% return, HH is variable but is capped at 5% and the income lasts for much longer (50 compared to 20 years). [There may be other nuances to these arrangements than are obvious to me at first glance.] The Bath version of ECSC has a 7% return.
- Same structure - Community Benefit Society (Ben Con).
- Both have all the benefits of micro generation schemes outlined in the Changeworks document: reduce carbon emissions, empower local communities, raise money for local projects (potentially fuel poverty or carbon cutting projects), create energy independence, optimise available

subsidies (FITs), and help us meet our agreed pledges.

- Both schemes have structures which mean they can explore, and invest in, other community energy beyond their initial projects. This is desirable if micro-generation is to thrive.  
In both schemes, the council pays nothing towards the capital cost. And so there is no CEC debt increase or material financial impact.
- Both stem from the popular policy of moving energy generation away from big business in to local control.

Regards

Jim Orr

Councillor for Southside Newington (SNP) | phone: 0131 529 3290 | @CllrJimOrr

Surgery dates: [http://www.edinburgh.gov.uk/councillors/90/jim\\_orr](http://www.edinburgh.gov.uk/councillors/90/jim_orr)

Feel free to copy my assistant [melanie.ryan@edinburgh.gov.uk](mailto:melanie.ryan@edinburgh.gov.uk) into any emails. She helps me keep on top of correspondence and also does my diary.

<image001.png>

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