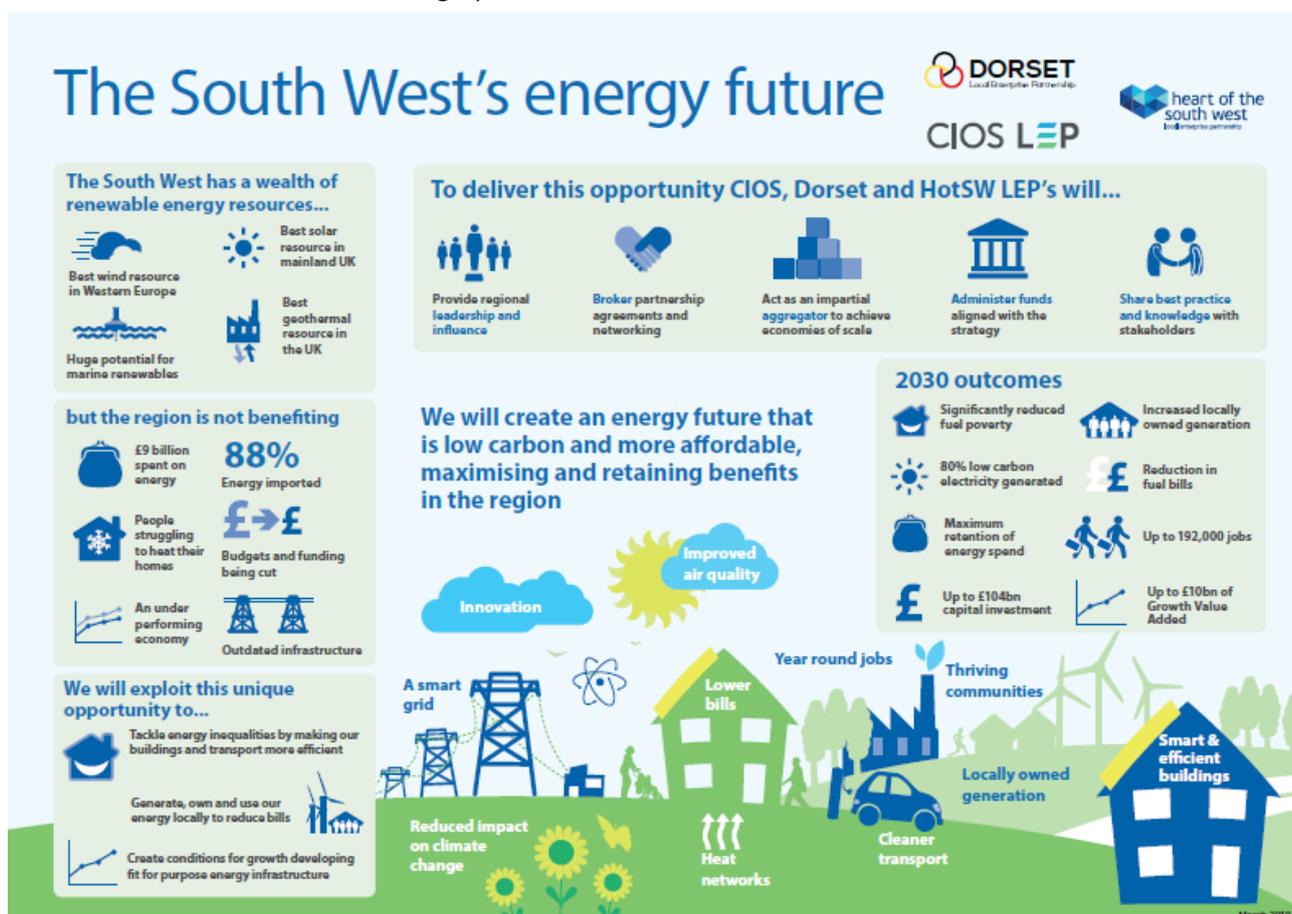


## Vision

The Cornwall and Isles of Scilly, Dorset, and Heart of the South West LEPs have developed a common vision for the South West's energy future:

**We will create an energy future that is low carbon and more affordable, maximising and retaining benefits in the region.**

This vision is outlined in the infographic below:



## Key Findings

**Some of the best renewable energy resources** in the UK are located within the South West. The region is home to the best wind resource in Western Europe, the best solar and geothermal resource in mainland the UK and has huge resource potential for marine renewables.

**However, currently the region is not benefiting** from these resources. The region imports almost all (88%) of its energy, spending £9 billion in the process. These costs come in the context of an underperforming economy, public-sector budget cuts, outdated infrastructure, and people struggling to heat their homes.

**The energy system needs to transform.** The UK is committed to reduce its greenhouse gas emissions by at least 80% by 2050. This is enshrined in law. It is also committed to tackling fuel poverty and ensuring the security of the energy supply. This “energy trilemma” implies transforming our aging energy infrastructure over the next decade.

This transformation represents a unique opportunity for the South West due to the region's abundant renewable energy resources and can broadly be summarized by the four points below:

- **Electricity: the South West has the potential to be self-sufficient or even a net exporter of electricity by 2030.**
- **Transport: a rapid increase in electric vehicles over the next two decades with the potential for a longer-term transition to a hydrogen economy.**
- **Heat: an opportunity to tackle energy inequalities with more efficient buildings; deployment of heat pumps and heat networks.**
- **Infrastructure: investment into bigger and smarter transmission and distribution grids to unlock the above.**

**Massive capital investment would flow into the region.** Realising the transformation outlined above could leverage capital investment of over £100bn by 2030 and over £275bn by 2050. This could generate a maximum potential Gross Value Added (GVA) of over £10bn by 2030 and over £25bn by 2050, supporting up to 175,000 jobs by 2030, and up to 450,000 jobs by 2050.

**Industry is primed to realise this vision.** Through the development of the strategy and consultation, a number of pipeline projects were identified for example: the two Distribution Network Operators (DNOs) planning their transition to Distribution System Operators (DSOs) and planned investment in generation and storage capacity, EV charging points and heat networks.

## Recommendations

### The LEP's Role

**The LEPs have six critical roles to play.** We have identified six roles in which the LEPs can provide critical support to businesses and the broader communities; these will help address the barriers to realising the low carbon economy as illustrated in Table 1 below. The barriers are further discussed in the main body of the strategy report.

Table 1 Mapping of Common Energy Sector Barriers to the Proposed LEP Roles

Barriers	Leadership & influence	Brokerage	Aggregation	Fund administration	Knowledge sharing	Pipeline monitoring & signposting
Insufficient returns		x		x		
Capital intensity				x		
Fragmentation	x		x			x
Lack of information					x	x
Resistance to change	x				x	
Policy, regulation & planning	x				x	
Skills	x			x	x	

**Leadership & influence:** the LEPs should set out and help realise the vision in this strategy, leveraging their unique position as a nexus across key stakeholder groups.

**Brokerage:** as impartial bodies, the LEPs can play the “honest broker” role in bringing together different stakeholder groups.

**Aggregation:** the LEPs are uniquely placed to act as an impartial regional aggregator in order to achieve economies of scale and maximise bargaining power.

**Fund administration:** the LEPs should administer regional funds, including the UK Shared Prosperity Fund, which is due to replace the European Structural Investment Fund.

**Knowledge sharing:** the LEPs or the SW Energy Hub can provide a regional nucleus around which knowledge can be built and shared.

**Pipeline monitoring & signposting:** the LEPs can play a useful role in building a pipeline database of local energy projects, sharing it with the SW Energy Hub for aggregation across the region and signposting individual projects to LEP and Local Authority support.

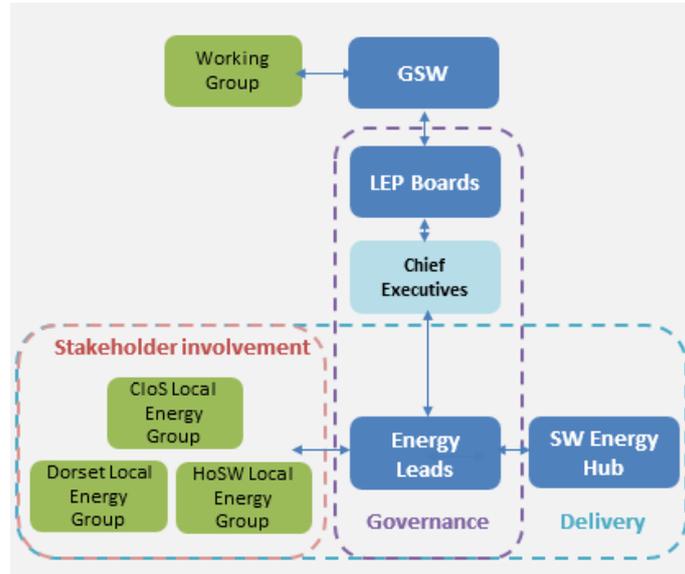
## Governance

**The LEPs should make energy a strategic priority.** Local Enterprise Partnerships play a vital role in supporting businesses and innovation across England, developing skills, delivering infrastructure, and securing investment. LEPs are already focused on housing and transport, each of which are critical elements of the energy system.

**Each LEP Board should have an energy champion.** This mirrors existing champions for transport and buildings. This will create a sense of ownership at all levels of hierarchy and provide senior leadership on energy matters.

**New governance structures are required.** Figure 1 outlines the proposed governance structure to realise the strategy above.

Figure 1 Proposed New LEP Governance Structure for the Energy Strategy



## Delivery Plan and Funding

**Delivery Plan – develop and implement the five step plan.** The strategy outlines a five step Delivery Plan for the LEPs to realise the strategy:



The Delivery plan is a separate, living document further developed collaboratively by the LEPs to reflect the dynamic, changing environment of the energy sector in the region and establishment of the SW Energy Hub.

**Funding Strategy - develop and implement funding solutions.** A database of the funding sources and financing options will be made available and kept up to date on the LEP websites.

**Secure dedicated Energy Resource in each LEP.** The LEPs should provide a dedicated energy lead in each LEP. At the moment, resource is spread across multiple areas and does not necessary have a background/expertise in energy.

**Local Energy Groups:** each LEP should set up new Local Energy Groups. They should initially be focused on the local electricity system and in particular on engaging with the two DNOs and championing local investment. They can provide particular value by incorporating engagement with the local businesses, community and experts.

**Work closely with the SW Energy Hub and Bristol ELENA funded Project Development Unit** to identify delivery support.

**Develop energy project portals on each LEP website** to learn about local energy projects requiring support from the LEPs.