

**CLIMATE CHANGE COMMISSION**  
**16 June 2009**

**LONGBRIDGE WEIR HYDRO PROGRESS UPDATE**

**Summary**

- 1.1 The project has been delayed against its original programme, which would have seen it on site by now, because of objections raised by the Environment Agency covering fisheries, flooding and weir pool ecology.

These concerns have stalled the planning application progression and caused the EA transfer licence determination deadline to be extended on three occasions.

Significant work has been carried out with the EA to discuss and find mutually acceptable solutions to their concerns and two further specialist reports have recently been commissioned – one on flood modelling and the other on weirpool ecology.

The flood model study has shown that the proposed project will not adversely affect the river in flood and the ecological report is expected from the consultant within the next few days.

The EA have undertaken to complete their necessary in-house reviews of the project and make their decision by mid July 2009.

It is expected the EA will grant the transfer licence and withdraw their objections to the planning application at this time but with a number of caveats which will have to be complied with by the project.

The project is expected to recommence in mid July leading to anticipated planning consent, tender action, a start on site early in 2010 and completion around autumn 2010.

The Riverlights developer has not yet decided whether he can allow the hydro to link to his development so accessing the Public Realm funding made available to enhance the superstructure of the hydro building. If he decides against, the scheme remains feasible in its own right but will revert to the original basic structure proposed as part of the self funded project budget.

It is considered that the recent changes in the exchange rates, commodity prices and tender returns are to an extent balancing each other so the project cost forecast presently remains unchanged.

The project remains fully self funding and owing to large rises in the prices of both renewables obligation certificates and renewably generated electricity the present forecast for when the project cashflow becomes positive is now 11 years in place of the original 18. This forecast acknowledges that Council electricity purchase prices are soon to drop back to their 2007 levels which are the levels that the original forecast used. At these increased income levels the project cost would

have to rise by £400k (almost 30%) before it would again match the conditions upon which the approval to proceed was based.

A legal agreement is in place with the Riverlights developer to permit hydro construction access across his site. Should this not prove possible for some reason, alternative access is possible via the Council House car park.

Presently there is a legal bar preventing the Council from selling any surplus power generation. The income from this generation is an essential component of the project funding stream. The Government is aware of this issue and has recently consulted on proposals to change the law. A positive outcome is anticipated. Alternative provisions exist and would be exercised if the law did not change.

Building this project will save some 800 tonnes of CO<sub>2</sub> from being emitted each year. The present financial forecast for the project suggests that over the 25 year borrowing term it will generate a surplus of £1.7M.