

# councils to be given freedom to sell electricity

HBJ Gateley Wareing

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Legislation from 1976 has restricted councils from being able to sell electricity. The Secretary of State Chris Huhne has said that he wants to see the legislative provisions repealed so that councils can benefit from being able to sell electricity from renewable sources. This could include wind farms, photo voltaic systems, anaerobic digestion etc.

Renewable energy is the future. The government has signed up to the European Directive to achieve 20 per cent reduction in carbon emissions by 2020. In addition, it has introduced a form of carbon tax which will have a financial impact on local authorities. To help overcome that, councils everywhere will need to review what energy they use, how they can reduce it and how they can generate energy for use and sale. The opportunities have never been better with the ROCs and feed in tariff income for councils to do that. Councils also need to ensure that they have independent audits of their energy usage in order to protect them from legal challenges about use. It will be a criminal offence to provide misleading information or wrong information. Independent audit of the data will provide comfort to the council officers who otherwise may be liable to prosecution if the data is proven to be wrong.

The costs of changing heating systems, installing renewable energy sources, carrying out independent audits and paying the carbon taxes could be offset by the positive actions to generate electricity and be able to get the income from the generation and also to use it free, thereby reducing the amount of electricity taken from the grid. This double opportunity to benefit is one which is too good to miss.

If you would like to discuss any of the issues raised in this update, please contact:



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