



www.north-herts.gov.uk

Solar for Business pilot scheme Frequently Asked Questions for businesses

1. Why should my business take part?

Taking part in this Solar for Business pilot scheme will allow you to benefit from cheap, clean electricity without having to invest in installing solar panels as a business.

Once North Herts Council (NHC) installs solar panels on the roof of your business, you will enter into an agreement with NHC for use of the electricity generated at a rate which will be lower than the amount you currently pay for electricity from the grid – saving you money on your bills and providing you with certainty and resilience to future changes in energy costs.

Through using electricity generated by the solar panels, you will also reduce your greenhouse gas emissions contributing towards your own climate targets and the district's 2040 net zero target.

2. How does the scheme work?

NHC will: plan and design, finance, install and maintain the solar installation.

Once you confirm your interest in the scheme, we will assess the suitability of your business premises for solar panels and estimate the possible size of solar array that could be installed. We will also review your latest annual electricity bill to ensure you use sufficient electricity to meet the maximum output from the solar panels.

Next, we will contact your landlord and / or the building owners to enter negotiations for leasing roof space to install the solar panels. We will also liaise with you on a formal agreement for use of the electricity generated at a discounted rate.

We will then arrange for an on-site survey to take place to ensure the roof is suitable and engage with the Distribution Network Operator (UK Power Networks) about the connection and arrange planning requirements.

Subject to those checks, we will arrange for the installation to take place and ensure your premises is connected for using the electricity generated. The installation includes the panels along with an inverter, a smart generation meter and a smart export meter to allow for accurate billing and monitoring. The installation is relatively quick and easy to minimise the disruption to your business.

After six months, you will receive your first bill for the electricity generated that you have used and this will continue going forwards for the duration of the agreement (known as a Power Purchase Agreement).

3. Am I eligible?

To be eligible for the scheme you need:

- A building located within North Herts district, and
- Use enough electricity to meet the peak solar panel output from a possible solar array on your roof during the summer months. This is why we request a copy of your latest annual electricity bill.
- And you need to get in touch by 26th July 2024 to confirm your place in the first group of businesses for this scheme.

We are also required to consider the Subsidy Control Act when reviewing possible installations. As the Council will be providing you with electricity at a rate lower than what you would pay your normal electricity supplier, this will be a subsidy. The value of the subsidy will be assessed as part of the application process, but it is very likely that it will be under the limits allowed by the Subsidy Control Act. However, this may not be the case if you were in receipt of other subsidies from UK public authorities (including other subsidies from the Council). As part of the application process, you will need to tell us if you are in receipt of any other subsidies and provide any details. You will also need to keep us informed of any other subsidies that you receive during the period of the Power Purchase Agreement.

4. As a business what do I pay for?

Through your participation in the scheme, you will primarily only pay every six months to use electricity generated by the solar panels.

You will also continue to receive an electricity bill from your energy supplier for the periods, such as over winter or at night, when the panels aren't generating sufficient electricity to meet your needs.

You may decide to get legal support on reaching the agreement with NHC on use of the electricity generated by the solar panels (the Power Purchase Agreement). This would be at the business' expense. However, please do let NHC know if this is a barrier to your participation in the scheme.

5. I don't own my business premises, can I take part?

Yes, we fully anticipate that you, like most businesses, don't own your premises. We will arrange with the landlord and / or building owner for permission to install solar panels on your roof.

6. Am I tied into a contract?

There are two possible contracts.

For you as the electricity user, you will enter into a long-term Power Purchase Agreement (PPA) to use the electricity generated by the solar panels. If you leave the building premises, this agreement can be passed to the next occupier.

If you also own your own building, we will enter into a long-term lease agreement where the solar panels become a 'tenant' on the building roof. The building owner maintains ownership and control of the roof. Otherwise, this agreement will be reached with your landlord.

The standard length for both contracts is 25 years, reflecting the life of the solar panels.

7. My building has multiple tenants, can they take part as well?

Yes, it would be possible for multiple tenants to take part. In this scenario, each tenant would enter into a separate agreement with NHC on use of the electricity generated.

8. I already have some solar panels, can I take part?

Yes, provided there is sufficient roof space for additional installations and your electricity use is sufficient to use the electricity generated by the solar panels installed by NHC.

9. What happens if we leave the building premises or I sell my business?

If you sell your business, the purchaser of the business would have the opportunity to take over the lease and therefore benefit from the cheap electricity from the panels. If you leave your building premises, then NHC would liaise with the new tenant about taking over the lease.

10. Do I still need to buy grid electricity?

Your business will still need to purchase electricity from a grid supplier. Seasonal variation means you will receive more grid electricity in the winter than in the summer. In effect, you will have two electricity suppliers with the council selling you solar electricity and the grid supplier maintaining a constant supply of electricity throughout the year.

11. How much money will I save?

This will vary depending on the size of installation on your roof but you will save money compared to using electricity from the grid without having to invest yourself.

12. What criteria will you use to select buildings?

We will select sites across the district for this pilot based on:

- Potential size of solar array
- Electricity use by the business
- Complexity of building ownership structure

13. How do solar panels work?

Solar panels produce electricity through the following steps:

- Solar panels transform sunlight into DC (direct current) power
- DC current is transported to an inverter
- The inverter converts the DC current into AC (alternating current) current to be used in your building
- All AC current generated is available for your business to consume.
- Any electricity not consumed by the business is exported to the national grid.

If you have further questions or to express interest in taking part, please contact:
solarforbusiness@north-herts.gov.uk.

This Programme is partially funded by the UK Government through the UK Shared Prosperity Fund. North Herts Council will receive £1.5m from this fund over the next 3 years. The UK Shared Prosperity Fund is a central pillar of the UK Government's Levelling Up agenda and provides £2.6bn of funding for local investment by March 2025. The Fund aims to improve pride in place and increase life chances across the UK investing in communities and place, supporting local business, and people and skills. For more information, visit <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus>