

To approve a request to enter into a 25-year lease agreement for the provision of a solar panel farm on the roof of the Parish of St Helier Municipal Services Depot - Recycle Centre Building

For consideration by the Parish Assembly
on 27 July 2022 at 7pm

PARISH OF ST HELIER

P.03/2022

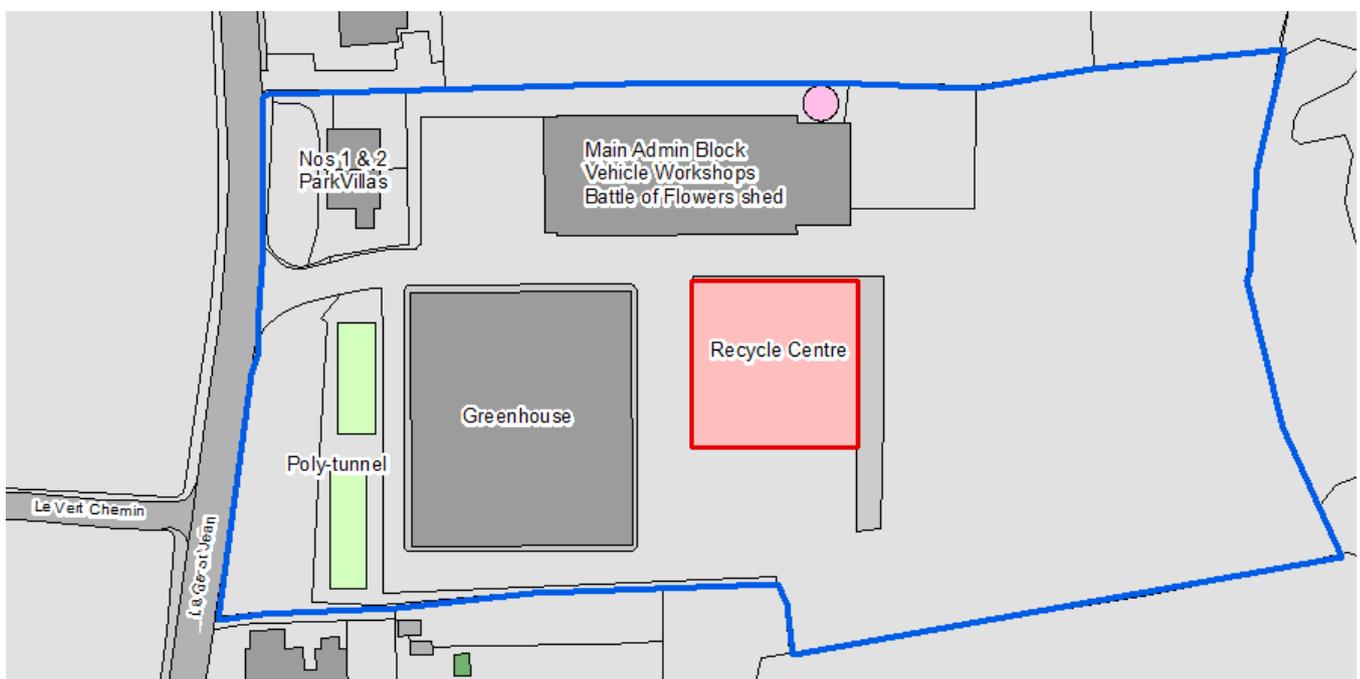


Fig 1. Site Plan shows in red the Recycle Centre Building

PROPOSITION

PARISHIONERS are asked to take into consideration and if deemed advisable:

To approve the recommendation of the Connétable and Procureurs du Bien Public to enter into a 25-year lease agreement contract with Jersey Electricity for leasing the Parish Municipal Services Depot - Recycle Centre roof and air space for **£ 2,100 per annum** increasing by RPI for the term of the lease. The Assembly to authorise the Connétable and at least one Procureur du Bien Public to pass the necessary contract in relation thereto.

REPORT

Background:

At a Parish Assembly on 27th March 2019, Deputy Ward presented Projet 02/2019 'Climate Change Emergency'. The Assembly amended the Projet and approved the amended version in which the Parish of St Helier should declare a climate change emergency and aim to be carbon neutral by 2025-2030.

The Parish is looking at ways that it can reduce and offset the carbon usage that the Parish generates, as there are some areas where the technology is still not advanced enough for the Parish to go completely carbon neutral. Projects such as increasing tree planting and sustainable energy generation will help to offset the residual Parish carbon usage.

As part of this work Jersey Electricity, working with the Parish, has explored the option of introducing a solar farm at the Parish of St Helier Municipal Services Depot, La Grande Route de St Jean, specifically looking at placing a solar farm on the Parish Recycle Centre Building as the main administration building is not currently able to take the weight of the solar panels on the existing roof.

The proposed new solar farm will generate 86 kWp which is an equivalent to supplying electricity to approximately 11 average homes.

The electricity generated from the solar farm will be connected back to the Jersey Electricity grid. It is proposed that there will be 222 solar panels fitted to the roof which is 832 sq.m.

Proposal:

There will be a significant investment required by Jersey Electricity, and therefore the Parish would need to enter into a formal contract for a duration of 25 years based on the below terms:

- An annual rental lump sum of **£ 2,100** per annum increasing by RPI for the 25-year term of the lease. Based on a discounted cash flow the total income at 25 years based on a steady 2.5% RPI will result in an overall rental income of £70,255. Noting that RPI currently is 6% which will result in achieving a higher total.

This will also allow Jersey Electricity, for the term of the contract, the right to retain ownership of all the plant and equipment that they install, rights to attach the solar equipment to the roof (and contain any related equipment within the building as needed), and to rent the airspace above the Building.

Although the proposal generates a relatively modest level of income, the Parish obviously does not currently generate any income from the roof space at present.

- Jersey Electricity will pay the Parish legal fees as the lease will have to be registered with the Royal Court for the airspace immediately above the roof of the building but excluding any part of the roof or the building.
- The solar facility is to be the sole responsibility of Jersey Electricity, who is to keep the installation in good repair and condition, properly cleaned, safe and in good working order at Jersey Electricity’s sole cost.
- The Parish will have a right to terminate the lease early on the understanding that an early Termination Payment will be due by the Parish to Jersey Electricity which will be defined in the contract – as an example:

Year	Termination Sum
5	£82k
10	£59k
15	£38k
20	£20k

- Jersey Electricity will seek to secure the necessary Planning and Building Control permissions as necessary to obtain permission for the solar farm.

- There will be no costs to the Parish associated with the supply and installation of the solar photovoltaic generation equipment, including photovoltaic panels, means of attaching/securing panels, switchgear, inverters, cabling, related communications equipment and any other ancillary equipment needed to be established on and within the Building and the Site.
- Maintenance access will be permitted by the Parish operatives and contractors to the roof. Where reasonably required by the Landlord, the Tenant shall take such steps as are necessary (including temporarily suspending the operation of or removing or relocating some or all of the plant and equipment) in order to permit the Landlord to exercise its rights.

If equipment is removed and the solar panels are not generating for a period of more than 2 weeks, the contract provides for Jersey Electricity to be able to recover lost income (based on the average level of metered output for that period).

- There will be an obligation on Jersey Electricity to maintain the waterproof integrity of the roof.

Parish Assembly approval request:

The Assembly is asked to consider approving the Parish to pass a contract with Jersey Electricity to enter into a 25-year agreement to lease the Recycle Centre roof and air space for an annual rental sum of £ 2,100 increasing by RPI for the term of the lease.

Jersey Electricity is to fund all necessary Planning and Building Bye-Law permissions, the Parish's reasonable legal fees, and all costs associated with the supply, installation, and maintenance of the solar farm equipment.

Use of the funding:

The funding generated over 25 years will be used for the upkeep and maintenance of the Recycle Centre Building and towards climate emergency initiatives, such as electric vehicle charging points and running costs.

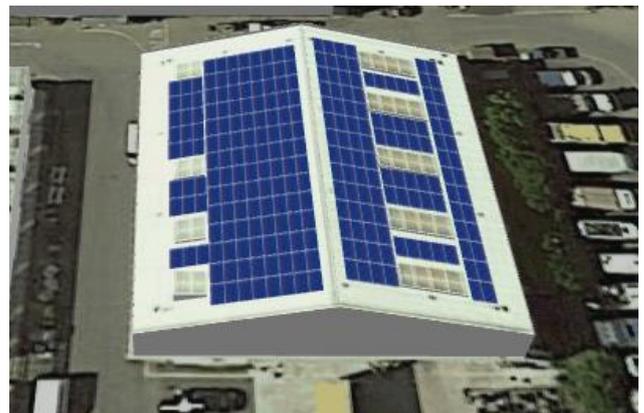


Fig 2. Photo montage showing the proposed solar panels