

## Solar PV Investment Programme

The key objective of this project is to unlock investment in roof-mounted solar photovoltaic and solar thermal technologies, and maximise the resulting benefit for the north London consortium of local authorities by developing inter-borough delivery partnerships.

1. The analysis undertaken in the first work stream showed that there is enormous potential, and that this is spread across a range of building types and locations.
2. The second work stream built on the results of the analysis carried out under the first work stream, in order to determine the financial return for the key sites, as well as finance and delivery options analysis.

### Recommendations:

- The financial analysis carried out has indicated that all projects should be limited to a maximum of 50kWp in order to maximise overall returns under the FIT, rather than looking to generate the maximum amount of electricity.
- The mean IRR for these 966 sites is 9.9%, representing a total capital expenditure of £112m, a total NPV of £48m, and a total PV capacity of 41MWp.
- In all boroughs, the greatest economic potential lies in the social housing sector; schools/ nurseries provide the second largest potential.
- For Local Authority owned buildings:  
IRR of greater than 6% - 9,834 sites identified with 72MWp of PV potential.  
IRR of greater than 10% - 4,869 projects identified with 35MWp of PV potential.
- The most suitable delivery models are likely to be either the contracting model or the roof rental model.
- Given that social housing forms the majority of the LA property portfolio at more than 85%, it may be worth considering social housing as a separate package.
- The key to the success of this project will be the speed with which the project can be progressed. It is likely to be important for the LAs to sign up installation partners by early summer 2011 to have a good chance of securing capacity and installing a significant number of systems by the end of March 2012.