



Belfast City Council

Report to:	Development Committee
Subject:	Appointment of a Joint Venture Partner for the Generation of Landfill Gas at the North Foreshore
Date:	16 January 2008
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Relevant Background Information

The decomposition of waste at North Foreshore, the former Dargan Road Landfill site, produces landfill gas which is composed of 50% methane and 50% carbon-dioxide. Under current UK Legislation and EU Directives the Council is not permitted to vent this potent greenhouse gas into the atmosphere. As the site is closed, the land is capped to contain the gas and a network of gas wells and inter-connecting pipe work is being installed to collect the gas which is fed to a central flair. This process is closely monitored by the Council's Health & Environmental Services Department and overseen by Environment & Heritage Service.

Landfill gas is a valuable sustainable, renewable energy source and following a comprehensive scoping study it was determined that the most expedient use would be the generation of 'green' electricity for sale to the national grid.

At the Development Committee meeting in April 2005, the Members considered options on how best to progress this project, and approved a recommendation to appoint an experienced operator as a joint venture partner to install, operate and manage the Landfill Gas Electric generation facility. Management of the gas field will be retained by the Council to ensure the highest safety standards: and the Committee has previously approved the installation of a cable to connect the facility to the national electricity grid.

Key Issues

Following Committee approval to appoint a joint venture partner, a procurement process was initiated which involved an invitation of interested parties followed by a comprehensive evaluation process culminating in the nomination of three potential operators:

Renewable Power Systems Ltd

Bioverda Ltd

Energ Natural Power Ltd

These companies operate UK/Ireland wide and are experienced in joint venture relationships with local authorities in the management and operation of land fill gas powered electricity generating facilities. A further selection process required the above companies to submit operational proposals and financial arrangements in response to a tender document prepared by Development Department. A further evaluation process including interviewing company representatives has identified Renewable Power Systems Ltd as the preferred operator. This has been a robust selection process to ensure the 'best deal' for Council over a proposed 20 year contract period.

With the Council's approval, Legal Services will issue a draft contract for execution in accordance with the terms and conditions contained in the tender documents.

Resource Implications

The above selection process has ensured that Belfast City Council will achieve best value. It is estimated that the sale of electricity to the national grid will generate an income of £1.0 to £1.5 million per annum to the Council, although this will diminish over the 20 year contract period as the level of land fill gas decreases.

Recommendations

Members are asked to approve the appointment of Renewable Power Systems Ltd, Bedford Business Centre, Mile Road, Bedford as the Council's joint venture partner in the generation of electricity from landfill gas at North Foreshore.