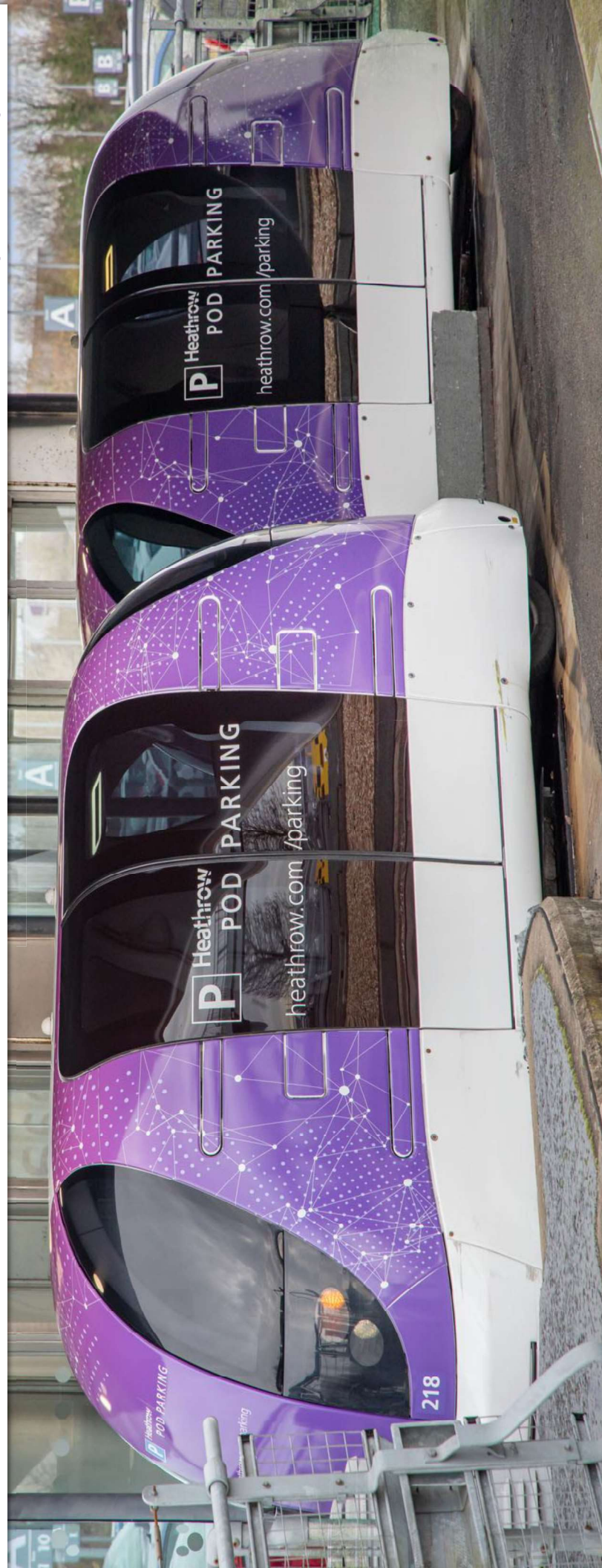


# Green Recovery Update (HSPG)

Mark Frost & Michael Thornton  
Heathrow Strategic Planning Group



# Decarbonisation and the Green Recovery

The climate emergency and net-zero targets are an existential challenge to aviation and the airport - regardless of Covid-19.

Heathrow and HSPG share ambitions for Heathrow airport and the sub-region to be a catalyst for change in recovery and renewal – a leading role in a ‘Green Recovery’.

Decarbonisation of the airport and aviation will need to feature in virtually everything we do, including the Local Recovery Plan Recommendations. However, there are key areas for our local collaboration around: **skills, innovation, future airport and infrastructure masterplanning, surface access strategy, joint sub-regional scale economic strategy and spatial planning.**

Existing HLRP Recommendations under the green recovery heading relate to skills & innovation (see next slide). However also useful to look across the range of actions captured in **HSPG Heathrow 360 economic vision** and also discussed at our **mini-summit event on 14 September**:

- **Green skills**: understanding demand across airport sub-region, disseminating best practice
- **Airport as a sub-regional innovation testbed**: client and live-lab to provide space for innovators
- Mechanisms to **link aviation carbon off-setting and local investment** in measures
- **Understanding the local energy eco-system** – collaborating to develop cost-effective decarbonisation pathways
- Opening the ‘**black box**’ of **distribution and logistics** to understand carbon challenges/opportunities
- Promoting public transport and active travel through **improved connectivity**
- Green (and Blue) Loop and nature recovery and climate adaption
- Refresh of **Joint Strategic Planning Framework, integration with airport masterplanning**

# Heathrow

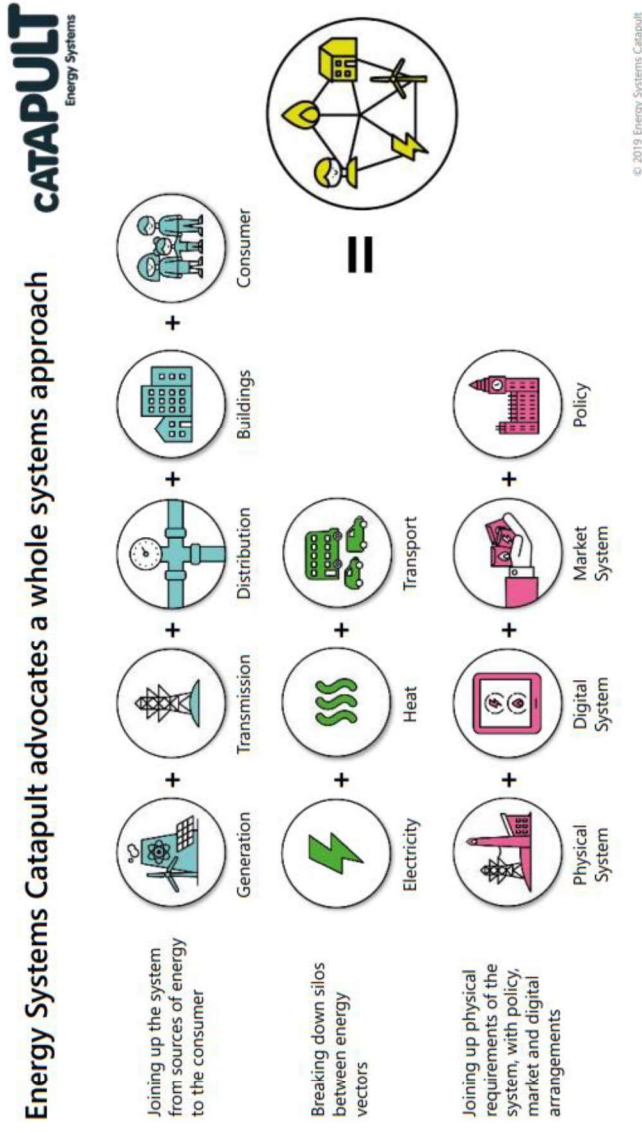
## Green Recovery

| Recommendation                                                                                                                                                                                                | Update                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | RAG Status / % Completed                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Support the green skills agenda by working with local employers and education and skills providers to promote a good understanding of the qualifications that are needed for green recovery roles in aviation | <p>Significant work being undertaken by LB Hounslow, leading on this on behalf of West London boroughs and HSPG. Scoping work currently being undertaken on a sub-regional statement on skills, highlighting both best practice and gaps in the current provision.</p> <p>There is a desire to undertake some qualitative studies with those with protected characteristics to understand potential over-reliance on traditional airport employment, and scope to widen participation in green economy .</p> <p>This work will have a 'slow burn' - developing and updating as the green recovery demands mature</p> |                                                                               |
| Work with local stakeholders to make best use of Heathrow's Centre of Excellence as a facilitator of research and innovation in airport sustainability                                                        | <p>The need to support innovation widely recognised - but how best to facilitate this given a number of different initiatives in the field still to be determined?</p> <p>HSPG are helping to coordinate conversations in this space across the GLA boundary, - exploring and scoping options for an achievable and effective forum to facilitate research, identify challenges, solutions etc. Working with HAL to explore exploiting the airport as a 'testbed' for new sustainability innovations.</p>                                                                                                            | Requires further investigation and an update will be provided in the new year |

# Proposed New Recommendation (1)

**Develop an in-depth understanding of the sub-region's energy eco-system by undertaking energy assessments that can be developed into a Local Area Energy Plan (LAEP)**

- Understanding the plausible energy futures for the sub-region, and charting a pathway to decarbonising those future energy requirements, sits at the heart of the green recovery.
- Considering this challenge in small geographic or sectoral silos is inefficient – duplicating effort in setting up required technical assessments and missing out the potentially huge opportunities around collaborative working including harnessing economies of scale to overcome minimum viability thresholds and exploiting techniques such as system load balancing across multiple different users etc.
- The development of a sub-regional LAEP would help quantify the scale of the challenge and the prize and assist in identifying optimal decarbonisation pathways.



# Proposed New Recommendation (2)

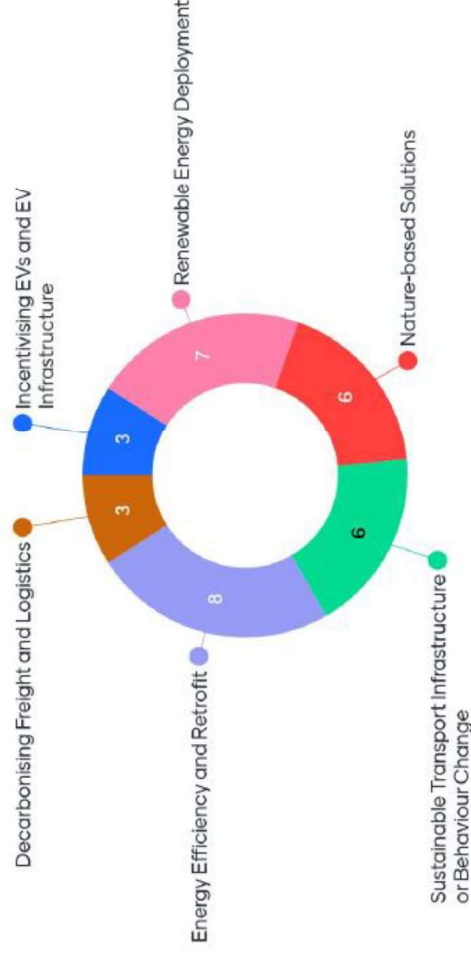
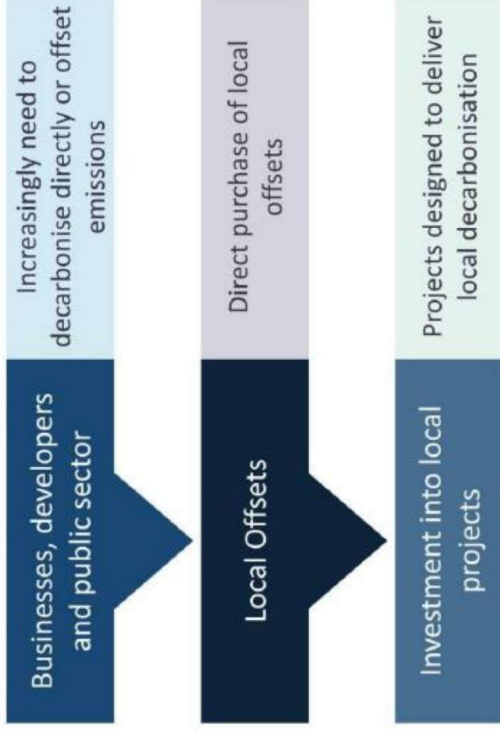
Develop a 'local offset market' to facilitate carbon insetting/community offsetting in the Heathrow sub-region

Scope option(s) for facilitating investment in decarbonisation schemes and initiatives across the sub-region by airlines, airport supply chain – also open to wider non-airport related businesses/investors.

Understand opportunities and challenges to developing a pool of local offset opportunities to a) reduce and b) remove carbon.

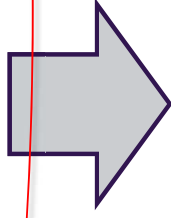
Establish mechanisms to overcome additionality and verification issues and establish links to wider schemes where possible(e.g. CORSIA for airlines).

Consider case for a segmented approach to suit different user markets requirements (high-integrity to match achieving science based targets or simpler carbon negative / community compensation investment), across different project asset classes, and mixed funding combinations with other sources such as patient capital investment.



## Delivering the Green Recovery – proposed priority areas for HSPG

Understanding plausible energy futures, market size and scale of opportunity > Local Area Energy Plan



Resource options for delivery



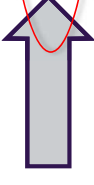
Convening and regulatory powers (e.g. licenses/procurement etc)



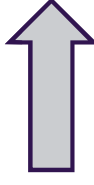
local hypothecated user-pays charges and tariffs (e.g. ULEZ/parking levies, drop off charge)



Grant Funding (Central government)



Funding for carbon reduction (offset/inset)



Unlocking private sector investment/patient capital

Skills capacity/  
institutional  
expertise

Fairness test: Do  
measures reduce or  
entrench inequality?  
Mitigations?

# HSPG

## Green Recovery

## Background reading

## What is Local Area Energy Planning

Local Area Energy Planning (LAEP) is an OFGEM endorsed framework for understanding challenges and opportunities to decarbonisation within a given sub-region

Further information about LAEPs here: [Local-Area-Energy-Planning-Supporting-clean-growth-and-low-carbon-transition.pdf](#)  
Best practice guide to completing LAEPs produced by Energy Systems Catapult and available here: [Local Area Energy Planning: The Method - Energy Systems Catapult](#)

### Four key points made:

1. The use of robust technical evidence produced using analytical techniques which consider the **whole energy system** and make consistent use of available data, and whose strengths and weaknesses are well understood.

*For Heathrow area this means getting an increasingly sophisticated handle on current energy demand and future scenarios for how that may evolve and ultimately be decarbonised across different sectors and geographies.*

*Lots of interplay between transport, heat and power across the subregion – there may be cost effective opportunities to balance the peak load requirements if we work as a system.*



# Local Area Energy Planning: The Method

FINAL REVIEW DRAFT

30 July 2020

Centre for Sustainable Energy and Energy Systems Catapult  
For Ofgem

## What is Local Area Energy Planning (Cont)

2. A **comprehensive assessment of wider non-technical factors** which need to be understood and addressed to secure change.

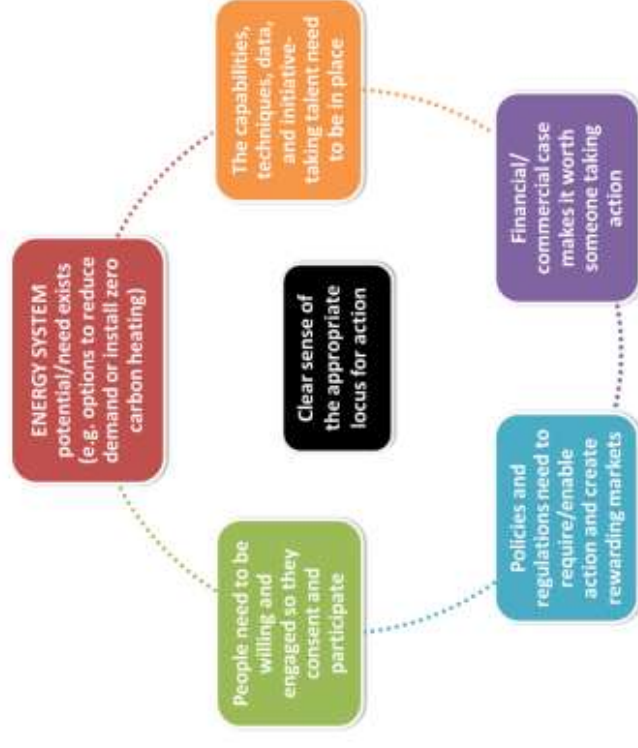
Guidance supports use of 'walk round the issue system model' to understanding non-technical factors. These include policy, political, financial, legal and social.

3. A well designed and involving **social process**

Engages appropriate stakeholders effectively, uses the technical evidence appropriately, and manages vested interests effectively, thus ensuring the resulting plan can be seen as an informed and legitimate representation of local intent in relation to energy system decarbonisation. **It is not enough just to crunch the numbers – the concept needs to have wide buy in from all potential stakeholders.**

4. A credible and sustained approach to **governance and delivery.**

Key challenge for the Heathrow area will be how to work across local authorities, the airport community and wider businesses to undertake the required analysis and ultimately manage the sub-region's energy demand as an integrated system?



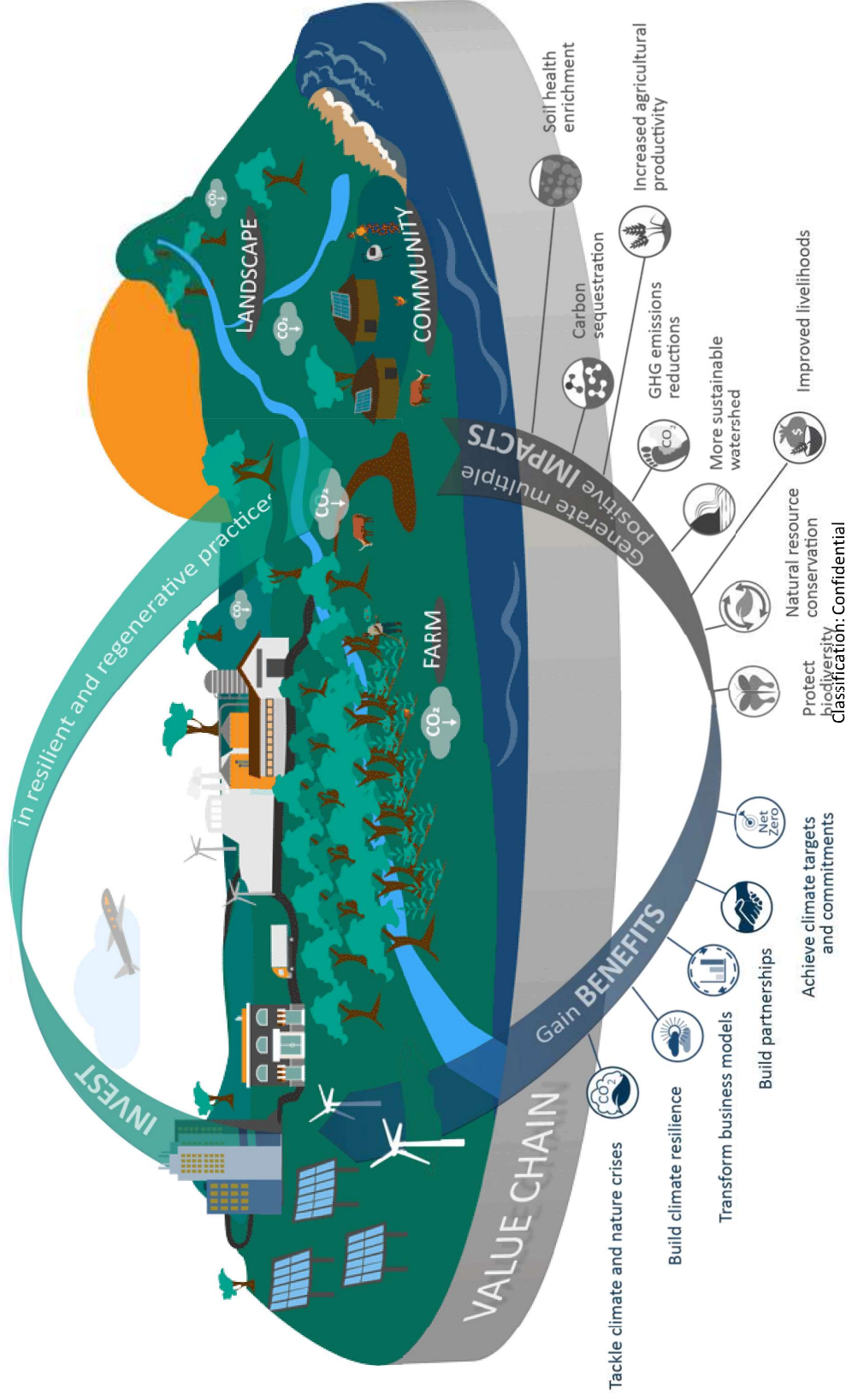
*Walking right round the issues' systems model: the range of conditions for success*

*LEAP The Method, July 2020*

# WHAT IS INSETTING?

Classification: Confidential

Insetting projects are interventions along a company's value chain that are designed to generate GHG emissions reductions and carbon storage, and at the same time create positive impacts for communities, landscapes and ecosystems.



Classification: Confidential

## **Insetting and delivering a green recovery across HSPG area**

Introduced idea of an insetting/community offsetting scheme as part of refresh of HSPG Economic Vision and Action Plan  
[HSPG\\_Economic\\_Vision\\_Final.pdf \(heathrowstrategicplanninggroup.com\)](#)

Such a scheme would look to build a 'local offsets market' of schemes and initiatives which can deliver reduce carbon (and other green house gas) emissions in the local area.

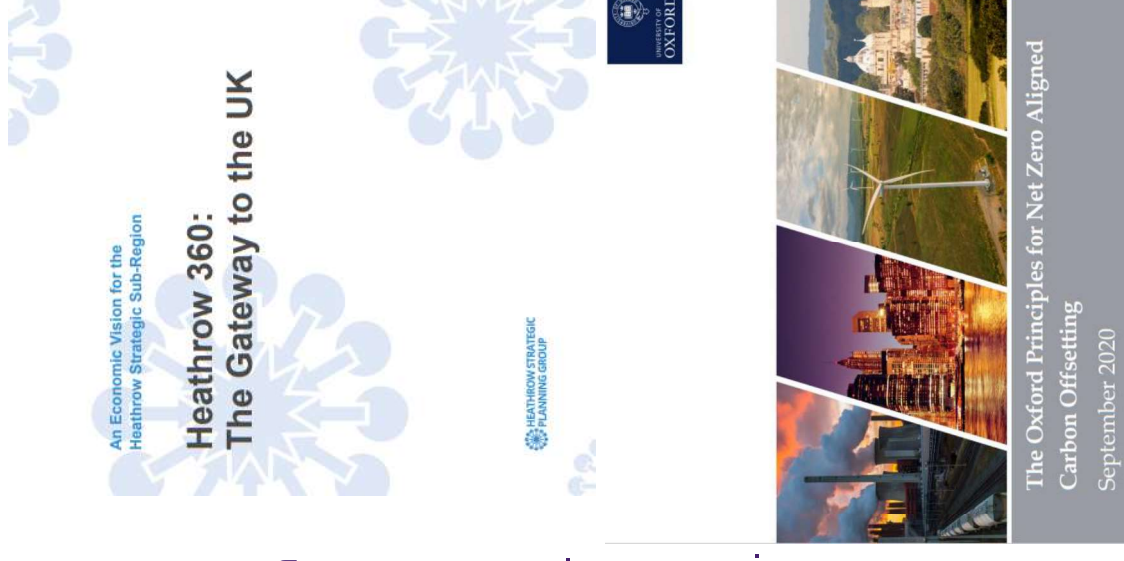
Such interventions may vary between:

- a) proposals that have strongly verifiable carbon reduction potential. These may be eligible for trading on wider markets, including potentially bigger schemes such as CORSIA used by airlines.
- b) Other proposals that may still represent genuine additionality but are harder to quantify. These may form part of more traditional CSR propositions or be supported by organisations that are looking for carbon negative status.

Schemes could include nature based solutions, sustainable transport infrastructure, renewable energy, energy efficiency and retrofit to reduce other GHG emissions locally etc.

Funding via such a scheme could be a valuable augment to traditional grant funding and private sector commercial propositions (including patient capital), effectively filling the gap between the two.

Feedback so far suggests there needs to be a strong focus on using funds to tackle inequality and ensuring a just and fair recovery. Could potentially assist in mitigating impacts of environmental policy on more vulnerable groups etc.



Classification: Confidential

# Heathrow

Classification: Confidential