

Borderlands Energy Investment Programme

Call for Projects

Deadline for Expressions of Interest:
12 noon on Wednesday 19th February 2025

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1. Introduction

Borderlands Partnership

1.1 The Borderlands Partnership is made up of the five border councils, Cumberland Council, Dumfries and Galloway Council, Northumberland County Council, Scottish Borders Council and Westmorland & Furness Council. It was formed to unlock the potential for sustainable and inclusive economic growth across the South of Scotland and North of England. The Partnership is working collaboratively with UK and Scottish Governments and other public and private sector partners to deliver the benefits of Borderlands Inclusive Growth Deal and establish the foundations for sustainable and inclusive growth over the long term.

1.2 The Partnership has a shared ambition:

“for the Borderlands to be a vibrant place, attracting, rewarding and retaining people to live, work, visit and invest here, by offering a high-quality experience in beautiful, well-connected surroundings.”

1.3 By making the most of our shared opportunities and responding to our common challenges, we will support our business, communities and people to prosper. This underpins our Deal, focused on increasing productivity, attracting a larger working-age population and delivering a more inclusive economy.

Borderlands Inclusive Growth Deal

1.4 The Deal is unique, the only Deal that is cross border and provides a strategic approach to the challenges and opportunities of the region.

1.5 The signing of the Deal, with the UK Government and Scottish Government, took place on 18 March 2021. The Deal is made up of £200m in England from UK Government and £150m in Scotland (£85m from the Scottish Government and £65m from UK Government) and over £100m from local partners.

1.6 The Deal has been developed as a cohesive and integrated investment package to ensure there is a balance between high profile place-based projects and Borderlands-wide investment programmes that respond to the rural nature of the region. This approach to the Deal provides a combination of strategic transformational projects together with a portfolio of investment programmes that allow for flexibility to be responsive to new or emerging opportunities.

1.7 The delivery of the shared ambition for the Deal is focused on a series of projects and programmes which collectively deliver against four, mutually reinforcing strategic investment themes. These themes sit at the heart of our approach for long-term growth and resilience for the people, places, and communities of the Borderlands.

1.8 The strategy-led approach to the development of the Deal is reflected in Figure 1-1 below.

Figure 1-1: Our Strategic Approach



1.9 This strategic approach includes the Borderlands-wide investment programmes that are designed to ensure benefits can be realised across the whole of the Borderlands region.

Borderlands Energy Programme

1.10 The Borderlands Energy Programme sits within the Encouraging Green Growth theme of the Deal and aims to capitalise on the green credentials of the Borderlands region and to facilitate decarbonisation and the creation of new high value jobs supporting low carbon energy generation and carbon reduction schemes.

1.11 There are three elements to the Borderlands Energy Programme:

Borderlands Strategic Low Carbon Energy Masterplan

1.12 The Borderlands Strategic Low Carbon Energy Masterplan (the Masterplan) sets out the evidence and modelling of the investments and interventions required to deliver a transition to net zero and capture the economic benefits of that transition.

1.13 The Masterplan is a progressive and inclusive initiative which is a key component of the Borderlands Inclusive Growth Deal. The Masterplan and its socio-economic study set out both the evidence base for the energy systems pathways to net zero and quantifies the scale of the socio-economic return that the necessary investment could deliver.

1.14 Through the evidence presented in the Masterplan, a set of key investment priorities are identified. These priorities are set out in the Borderlands Energy Investment Strategy.

Borderlands Energy Opportunities Prospectus

1.15 The Borderlands Energy Programme is not able to address the total scale of the investment or the full range of potential technological interventions. Therefore, we will

develop a wider Borderlands Energy Opportunities Prospectus to set out the wider opportunities for significant investment across the Borderlands region.

Borderlands Energy Investment Programme

- 1.16 Building on the findings of the Masterplan, this Investment Programme will draw on the funding available in the Deal to invest in local pilot projects that can be replicated across the Borderlands area. The Investment Programme is designed to build on existing public funding schemes and not duplicate activity.
- 1.17 To support the Investment Programme the Borderlands Energy Investment Strategy has been developed. This Strategy sets out the Vision for the Borderlands Energy Programme and the supporting Strategic Objectives and Investment Objectives. Borderlands funding will be invested in projects that best demonstrate fit with this Strategy and the wider local and national policy context.
- 1.18 This Call for Projects is the route for identifying suitable projects to be taken forward and receive funding through the Investment Programme.

2. Call for Projects

Introduction

- 2.1 The Borderlands partners have developed an Expression of Interest (EOI) Form and assessment process, to identify a short-list of eligible Energy Investment projects. The Borderlands Inclusive Growth Deal March 2021 provided for approximately £29.9m capital resources to be made available. This funding is now subject to the UK Government spending review, and approval of the Borderlands Energy Programme Full Business Case.
- 2.2 All projects must demonstrate alignment with the Borderlands Energy Investment Strategy and meet the criteria detailed below. Projects that best demonstrate alignment with the Project Delivery Criteria will be taken forward for consideration by the Borderlands Partnership Board for inclusion in the Deal.
- 2.3 The Masterplan identified a shortlist of 17 Interventions grouped into 6 Investment Areas. The Borderlands Energy Investment Strategy sets out which of these interventions will be address through the Borderlands Energy Investment Programme and which could be taken forward through the Borderlands Energy Opportunities Prospectus. The Priority Investment Areas for the Investment Programme are detailed in Annex 1. Projects may address one or multiple Interventions from across the different priority categories (high, medium, low).
- 2.4 Funding is not guaranteed. All projects selected through the Call for Projects process will be required to complete a Full Business Case (FBC) based on the HMT Green Book five case model. Funding of any selected projects is subject to approval of the FBC by the Borderlands Partnership Board and will be subject to the terms of a grant funding agreement. The funding is also subject to the UK Government's spending review. Any expenditure incurred or other commitments entered into by the project applicant before

the FBC is approved and the grant funding agreement is in place will be at the risk of the applicant.

What are we looking for?

2.5 This Call for Projects seeks to identify projects that support the delivery of the Borderlands Energy Investment Strategy. We are keen to hear from pilot / demonstrator projects that have the ability to be replicated across the Borderlands region. This may include innovative approaches to application in a rural setting. Projects will need to demonstrate delivery against the following Investment Objectives:

- **IO-1: Creation of Green Jobs.** Investments that create green jobs across the Borderlands region, supporting delivery of the Borderlands principal socio-economic challenges: Narrowing the productivity gap, Increasing the working age population and delivering inclusive growth.
- **IO-2: Supporting Carbon Reduction.** Investments that adopt or demonstrate the application or approaches and technologies that reduce CO₂e throughout the project lifetime.
- **IO-3: Green skills.** Capital investments that support delivery of green skills enabling delivery of long-term investment plans and maintenance of delivered solutions.
- **IO-4: Reduce fuel poverty.** Reduce fuel poverty across the region by reducing energy costs for business and residents across the Borderlands region whilst reducing carbon emissions.
- **IO-5: Enhancing Energy Security & Resilience.** Investment which supports the availability, and reliability of low carbon energy for residents and businesses across the Borderlands region, supporting the transition to net zero.
- **IO-6: Attract inward investment.** Recognising that Borderlands funding is limited it will target investment that can attract additional funding resources in order to maximise impact of the funding.

Eligibility Criteria

- 2.6 The EOI process will identify whether projects are eligible to receive Borderlands investment.
- 2.7 **All projects must comply with the following Eligibility Criteria. If your project fails to comply with any of the Eligibility Criteria, it will be rejected at the Stage 1 Eligibility Check.**

Category	Criteria	EOI Question
Project Location	<p>Within the Borderlands area comprising the local authority areas of Cumberland Council, Dumfries & Galloway Council, Northumberland County Council, Scottish Borders Council and Westmorland & Furness Council.</p> <p>Projects could span across local authorities within the Borderlands area. Clear demarcation of funding per local authority will be required.</p>	1
Project Value	<p>Projects must have a Borderlands capital grant request of at least £1.5m.</p> <p>All projects selected through this process will be required to complete a Full Business Case (FBC) based on the HMT Green Book five case model. This will be submitted to, and assessed directly by UK Government / Scottish Government, with final approval by the Borderlands Partnership Board. Small-scale projects, with a capital value of less than £1.5m will be unlikely to get through this rigorous assessment process.</p> <p>The maximum Borderlands contribution will normally be up to £3.5m.</p> <p>The Borderland Partnership Board reserve the right to adjust the minimum and maximum Borderlands contribution.</p>	1 & 4.3
Expenditure	<p>Only capital expenditure is eligible for the Borderlands funding. Any revenue expenditure must be funded from other sources and confirmation of availability will be required to secure FBC approval.</p>	4.1
Intervention Rate	<p>To maximise the funding available and achieve value for money, projects should provide match funding.</p> <p>Projects must demonstrate need for the level of grant requested in the EOI Form and consider any Subsidy Control limitations.</p> <p>Project intervention rates may be modified following review of the EOI or at FBC stage.</p>	4.3

Category	Criteria	EOI Question
	<p>The following intervention rates should be used as a guide.</p> <ul style="list-style-type: none"> • Private Sector: Up to 50% of the total project costs. • Public Sector, Third Sector (inc Social Enterprises and Community Organisation), Colleges & Universities: Up to 80% of the total project costs. This could be extended in exceptional circumstances to 100% where the project: <ul style="list-style-type: none"> ○ is not income generating from the proposed activity, ○ the delivery organisation is not making a profit, ○ there is a strong demonstration of need at the level requested. 	
Match Funding	Sources of match funding must be identified in the EOI. Confirmation of availability of match funding will be required to secure FBC approval.	4.3
Deliverables	<p>All projects must contribute towards carbon reduction.</p> <p>All projects must contribute to at least one of the following measures:</p> <ul style="list-style-type: none"> • Job creation (direct and/or indirect) • Increase in GVA 	3.1
Delivery Timescales	<p>Projects must be able to complete by 31 December 2029, by complete we mean that all capital expenditure has been defrayed by the project applicant and the funded activity is complete/operational.</p> <p>To ensure all Borderlands funding can be defrayed within this timeframe, projects should be able to start no later than 30 June 2026.</p>	1 & 5.1
Project Spend Period	Projects can spend from 1 January 2026 (subject to business case approval). All spend must be defrayed by 31 December 2029.	1 & 5.1
Management & Governance	<p>The project applicant must be a legal entity that can lawfully enter into a Grant Funding Agreement with the relevant Accountable Body.</p> <p>Collaborative bids are welcome where a lead applicant is identified.</p>	1 & 5.5

Project Delivery Criteria

2.8 Projects that best demonstrate alignment with the following criteria will be taken forward.

Borderlands Wide Criteria

Criteria	Description
Themes	<p>Projects will naturally fit within one of the following themes.</p> <ul style="list-style-type: none"> • Domestic: Investment in domestic properties is primarily focused on ensuring the Borderlands remains an attractive place to live encouraging more people, particularly of working-age, to move to the Borderlands and improving inclusion through tackling fuel poverty. • Non-Domestic: Focusing investment on businesses particularly relevant to the Borderlands economy, supporting key sectors to achieve net zero and maintain their competitiveness and sustainability for the future. • Place: Supporting local places to develop local solutions at a community level through renewable generation, storage, and networks where this will improve the locality's ability to meet the demands of residents, businesses and tourist will help ensure our places remain viable and resilient. <p>The Deal will look to support a range of projects across the themes.</p>
Borderlands Energy Investment Strategy	<p>Projects will need to demonstrate alignment with the Borderlands Energy Investment Strategy, as well as other relevant local, regional and national strategies and policies.</p> <p>Projects may address one or multiple Interventions from across the different priority categories (high, medium, low). See section 7 of the Borderlands Energy Investment Strategy.</p>
Affordability	<p>There must be a high level of confidence that the full funding required for successful project delivery can be secured before a funding decision can be granted, and that all activity to be supported is eligible for Borderlands investment.</p> <p>Any cost increases identified during the development of the Full Business Case will be the responsibility of the organisation applying for Borderlands funding.</p>
Scalability	<p>Investment will target projects that demonstrate scalability and could be replicated across the Borderlands region.</p>
Collaborate, Learn, Share	<p>There will be significant interdependencies between the types of projects selected for inclusion in the Deal. Effective planning, management and sharing of learning will be essential if we are to</p>

Criteria	Description
	deliver an integrated package of improvements.
Inclusive & Sustainable Growth	Projects will be required to contribute to delivering inclusive and sustainable growth in the Borderlands area.
Community Wealth Building	Communities must be at the centre of developing and identifying energy investment projects. Benefits arising from this investment should be reinvested in the community and contribute to achieving net zero. Applicants will need to demonstrate how their projects can deliver benefits for our communities. Further guidance for projects in Scotland can be found here: https://www.gov.scot/policies/cities-regions/community-wealth-building/
Whole System Optimised Approach	A Whole System Optimised Approach means that any project will be considered in the context of its local energy system, considering the energy needed for power, heating, transport, etc, what decarbonisation means for each of these and how the project might affect other sectors, and how they interact with local energy networks, generation and storage. Recognising that Borderlands funding is likely to be insufficient to support delivery of the Whole System Optimised Approach, projects must articulate how Borderlands investment aligns with and contributes to the Whole System Optimised Approach. More information about the A Whole System Optimised Approach can be found at Annex 3.
Jobs Created / Safeguarded	The Borderlands Inclusive Growth Deal is committed to supporting 5,500 jobs across the region. Projects within the Energy Investment Programme should contribute towards the achievement of this target. These could be jobs as a direct result of the intervention or indirect jobs that have been created and sustained in the supply chain.

Local Criteria

2.9 Recognising the size of the Borderlands region and the different policy positions either side of the border there are some additional local requirements that projects need to consider. Projects that span multiple local authority areas will need to comply with the local criteria for each area the project will deliver in.

Local Authority Area	Local Criteria
Cumberland	Where appropriate, projects must demonstrate how they align with: <ul style="list-style-type: none"> • Cumberland Council Plan • Cumbria LEP Clean Energy Strategy
Dumfries & Galloway	Where appropriate, projects must demonstrate how they align with: <ul style="list-style-type: none"> • Dumfries & Galloway Council's Local Heat and Energy Efficiency Strategy.
Northumberland	Where appropriate, projects must demonstrate how they align with: <ul style="list-style-type: none"> • Northumberland County Council Climate Change Action Plan 2024-26
Scottish Borders	Where appropriate, projects must demonstrate how they align with: <ul style="list-style-type: none"> • Local Heat and Energy Efficiency Strategy (LHEES) Home Energy Efficiency and Affordable Warmth Scottish Borders Council (scotborders.gov.uk)
Westmorland & Furness	Where appropriate, projects must demonstrate how they align with: <ul style="list-style-type: none"> • Westmorland and Furness Council Plan • Westmorland and Furness Council Plan Delivery Framework • Westmorland and Furness Council Climate Change Action Plan Part One • Westmorland and Furness Council Climate Change Action Plan Part Two and Carbon Management Strategy • Cumbria LEP Clean Energy Strategy

Funding Available

2.10 The Borderlands Inclusive Growth Deal March 2021 provided for up to £29.9m capital resources to be made available within the Borderlands Energy Investment Programme, with up to £16.4m in England and £13.5m in Scotland. This funding is now subject to the UK Government's spending review.

Outputs, Outcomes and Impacts

2.11 In addition to the mandatory deliverables described in the table at 2.7 above, we anticipate projects will also contribute to the following indicators:

- New businesses supported
- Existing businesses supported
- New or improved community facilities
- Increased turnover
- Increase in private business investment

- People undertaking skills and/or training
- People securing a job or apprenticeship
- People increasing wages / income
- Working age residents retained / attracted
- People benefitting from Borderlands investment
- Energy efficiencies
- Renewable Power Generation

2.12 The list above is not exhaustive and should be used as a guide when completing your EOI. Please include all relevant outputs, outcomes and impacts you expect your project will achieve.

Timescales

2.13 The timeline for the EOI process is as follows:

Milestone	Timescale
EOI Process Launched	12 noon on Wednesday 13 th November 2024
EOI submission deadline	12 noon on Wednesday 19 th February 2025
EOI assessments completed	March 2025
Borderlands Energy Programme Board	April 2025
Borderlands Partnership Board	May 2025
EOI feedback to projects	May 2025

Subsidy Control

2.14 Successful EOIs will be required to demonstrate how their proposed project can be delivered in compliance with Subsidy Control Act at Full Business Case stage. This information will then be assessed by the relevant Accountable Body to ensure any funding awarded is done so in a compliant manner.

2.15 Projects are encouraged to consider Subsidy Control when completing their EOI. More information about Subsidy Control can be found here:

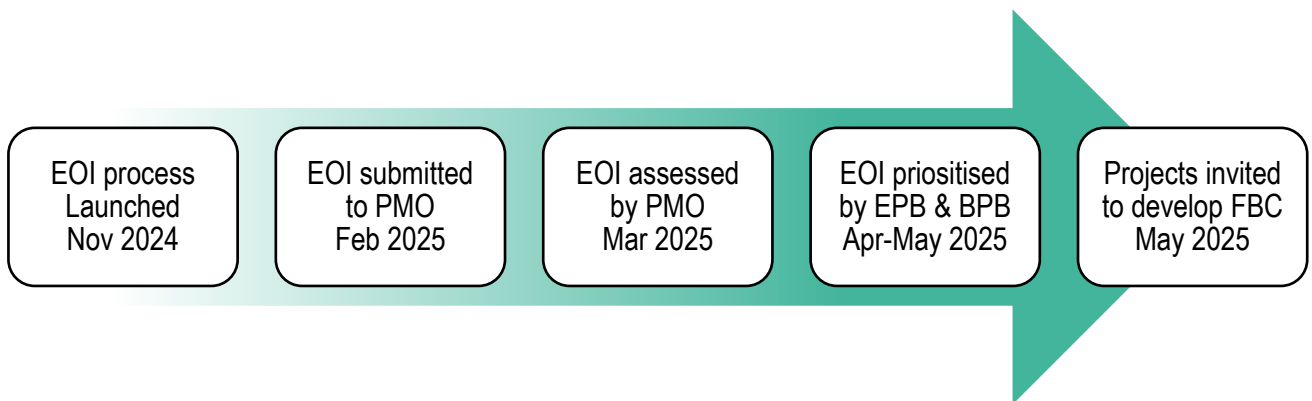
UK Government: <https://www.gov.uk/government/collections/subsidy-control-regime>

Scottish Government: <https://www.gov.scot/publications/subsidy-control-guidance/>

3. Expression of Interest Process

Overview

- 3.1 The EOI process will help to ensure the Borderlands investment is targeted on projects that best deliver against the Borderlands Energy Investment Strategy and Investment Criteria detailed above to maximise benefits across the Borderlands region.
- 3.2 The EOI process captures high level information about the proposed project in a consistent way and allows for projects to be considered at an early stage of development without going through the full application process. The EOI process is summarised in the diagram below.



Expression of Interest Form

- 3.3 The EOI Form is structured around HM Treasury's 5 Case Model. This is to help projects prepare for the next stage of the process.
- **Strategic Case:** The purpose of the strategic dimension of the business case is to make the case for change and to demonstrate how it provides strategic fit.
 - **Economic Case:** The purpose of the economic dimension of the business case is to identify the proposal that delivers best public value to society, including wider social and environmental effects.
 - **Financial Case:** The purpose of the financial dimension of the business case is to demonstrate the affordability and funding of the preferred option, including the support of stakeholders and customers, as required.
 - **Commercial Case:** The purpose of the commercial dimension of the business case is to demonstrate that the preferred option will result in a viable procurement and a well-structured Deal between the public sector and its service providers.
 - **Management Case:** The purpose of the management dimension of the business case is to demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme, including feedback into the organisation's strategic planning cycle.

EOI Submission Information

- 3.4 Please ensure you answer each question in the Expression of Interest form fully. At this stage of the process, additional information in the form of appendices (e.g., feasibility studies, market analysis, designs) is not required.
- 3.5 The Borderlands PMO are available to answer specific questions about the process and criteria included in the Call for Projects document. Please email your questions to info@borderlandsgrowth.com
- 3.6 **Only the information provided in the EOI Form will be assessed.**
- 3.7 Completed Expression of Interest forms should be submitted by **12 noon on Wednesday 19th February 2025** to info@borderlandsgrowth.com
- 3.8 You will receive an email confirming receipt of your completed EOI Form.
- 3.9 The Borderlands Partnership will not be liable for any costs incurred during the EOI process, these costs are the responsibility of the project applicant. The Borderlands Partnership may terminate or modify this EOI process at any time and reserve the right not to select any projects or to select a smaller total value of projects.

EOI Assessment

EOI Section 1: Project Summary

- 3.10 All projects must demonstrate that they are eligible to receive Borderlands investment and comply with the criteria set out in Section 2. Only projects that are able to demonstrate compliance with the eligibility criteria will progress to the next stage.

EOI Section 2: Strategic Case

- 3.11 EOIs will be assessed by the Borderlands PMO with support from sector specialists where appropriate.
- 3.12 This section is scored and will be used to rank projects. The scoring matrix to be used is detailed below.

Category	EOI Question	Max Score	Weighting	Max Weighed Score
Alignment with the Borderlands Energy Investment Strategy	2.1	10	X3.0	30
Alignment with the Borderlands Inclusive Growth Deal and delivering economic growth in the region	2.2	10	X2.0	20
Alignment with relevant local and	2.3	10	X1.5	15

Category	EOI Question	Max Score	Weighting	Max Weighed Score
regional strategies and policies				
Alignment with relevant national strategies and policies	2.4	10	X1.5	15
Alignment with the Whole System Optimised Approach	2.5	10	X2.0	20
Delivering inclusive and sustainable growth	2.6	10	X1.5	15
Evidence of need / opportunity	2.7	10	X1.5	15
Total		70		130

3.13 The following Scoring Matrix will be used:

Rating	Score
Strong direct contribution	10
Moderate direct contribution	7
Minor indirect contribution	5
Weak contribution	2
No direct contribution	0

EOI Sections 3, 4, & 5: Economic, Commercial, Financial & Management Cases

- 3.14 The Borderlands PMO will undertake a qualitative assessment of deliverability to identify what support may be needed to take projects to the point of delivery.
- 3.15 This qualitative assessment will be supported by a technical review of the proposed activity. This technical review will be undertaken by industry experts to determine whether the proposed activity is feasible and could be delivered within the timescales of the Investment Programme.
- 3.16 Based on the information provided in the EOI, projects will be assessed and categorised into the following groups based on the overall deliverability of the project:

Category	Description
Ready to start	<p>Projects that are 'shovel ready' with all relevant permissions in place. Detailed project designs have been developed and procurement has been undertaken to confirm costs. Match funding is in place.</p> <p>The proposed activity is technically feasible and can be delivered within the Investment Programme timescales.</p> <p>These projects could start delivering in the next 6-12 months, subject to Full Business Case approval.</p>
Advanced Development	<p>Projects that are in the latter stages of development with decisions on planning approval, match funding and procurement well advanced. Match funders have been identified and funding applications are in the latter stages.</p> <p>The proposed activity is technically feasible and could be delivered within the Investment Programme timescales.</p> <p>These projects could start delivery in the next 12-18 months, subject to Full Business Case approval.</p>
Early stages of development	<p>Projects that are at an early stage in the development process. Work has started to secure match funding and designs are being drafted. High level project costs are available.</p> <p>The technical aspects of the proposed activity are questionable but could be delivered within the Investment Programme timescales if the technology can be further clarified.</p> <p>These projects could start delivering in the next 18-24 months, subject to Full Business Case approval.</p>
Concept	<p>Projects that haven't started any development activity.</p> <p>The project is at such an early stage that the technical aspects of the proposed activity could not be fully considered at this stage.</p> <p>These projects are likely to start delivering in the next 24+ months, subject to Full Business Case approval.</p>

EOI Prioritisation

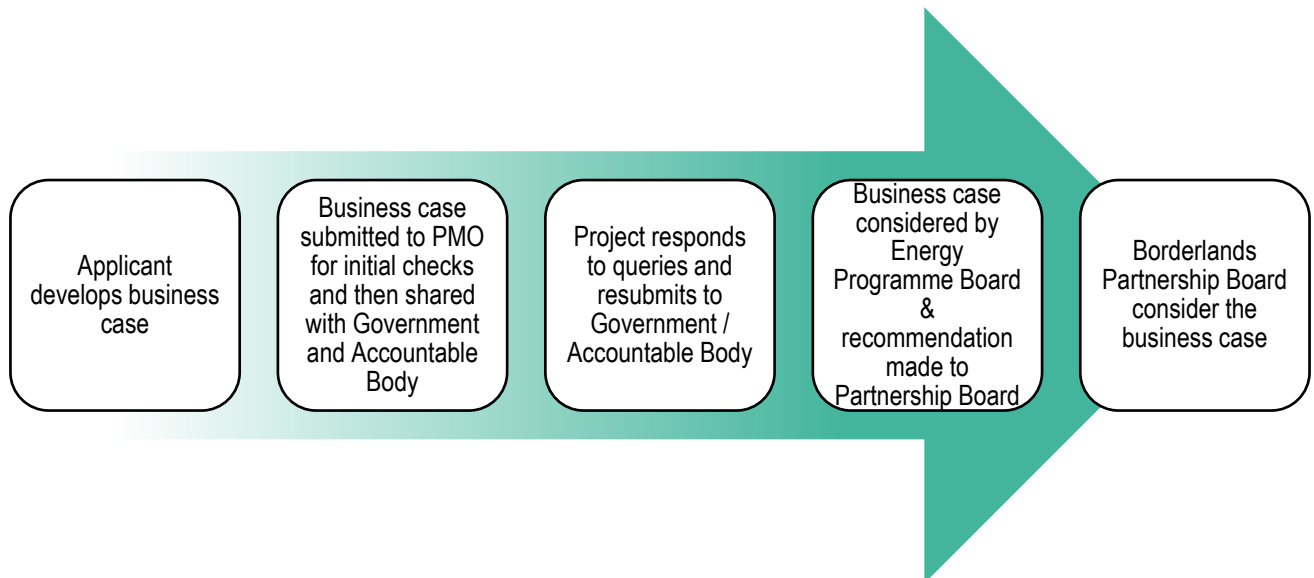
- 3.17 The EOI assessment process aims to identify a list of prioritised projects per each local authority area. Projects will be ranked based on their Strategic Impact score with commentary of their Deliverability category. These packages of projects will be presented to the Borderlands Energy Programme Board for review and recommendation to the Borderlands Partnership Board.
- 3.18 The Borderlands Partnership Board will adopt a portfolio approach to ensure a diverse group of projects are selected for inclusion in the Deal. They will consider the projects and recommendation from the Borderlands Energy Programme Board. The Borderlands Partnership Board will decide which projects are invited to submit a Full Business Case.

The Borderlands Partnership Board will allocate an indicative amount of funding to the project which will only be confirmed once the FBC has been reviewed by government and approved by the Borderlands Partnership Board.

Next Steps

Full Business Case Development & Approval

- 3.19 Once EOIs have been prioritised and invited to submit an FBC the Borderlands PMO will liaise with the applicant to establish a timeline of activity for the development of the business case. The remainder of the process is as follows:



- 3.20 If your project is approved by UK Government and/or Scottish Government and subsequently the Borderlands Partnership Board your project will be issued a Grant Funding Agreement and then managed in accordance with the Borderlands Programme Handbook.

Annex 1: Priority Investment Areas

The Masterplan identified a shortlist of prioritised interventions that would provide the greatest impact. These interventions have been reviewed against the Investment Objectives and grouped into priority categories in order to deliver the aspirations of the Investment Programme.

High Priority:

Intervention areas that are highly likely to contribute to the creation of sustainable inclusive jobs or transition existing jobs to a more sustainable basis and reduce carbon. Projects in this category are also likely to be demonstrator projects and the learning could inform future projects particularly in key local sectors.

Investment Areas	Interventions	Scale
Commercial and Industrialisation:	<p><u>Non-domestic heat electrification:</u></p> <ul style="list-style-type: none"> • The majority of this will be heat pump technology, although some resistive heating will also increase. • Including Heat Networks which can be at a multi building scale. 	Building(s)
Energy Efficiency:	<p><u>Non-domestic energy efficiency:</u></p> <ul style="list-style-type: none"> • Focus on fabric improvement and reducing energy demand. Equipment allowing automated demand changes due to factors like price signals. • Including Heat Networks which can be at a multi building scale. 	Building(s)
Flexibility and Networks:	<p><u>Domestic / Non-domestic smart technology:</u></p> <ul style="list-style-type: none"> • Smart meters and automated demand changes due to factors like price signals. Includes vehicle to grid. • Including Heat Networks which can be at a multi building scale. 	Building(s)

Medium Priority:

Interventions that are known to reduce carbon emissions and can also provide learning to support development of future projects but are expected to result in a lower level of business or job growth in the near term. The interventions may be considered a higher priority where embedded in a project with strong community, business or place making outcomes.

Investment Areas	Interventions	Scale
Commercial and Industrialisation:	<u>Non-domestic hybrid/ hydrogen systems:</u> <ul style="list-style-type: none"> • Introduction of mixed or single mode heating systems and heat pumps. • Including Heat Networks which can be at a multi building scale. 	Building(s)
Domestic:	<u>Domestic heat electrification:</u> <ul style="list-style-type: none"> • Switching towards electricity for heat and away from fossil-fuel based systems. • Including Heat Networks which can be at a multi building scale. 	Building(s)
Flexibility and Networks:	<u>Domestic / non-domestic battery storage:</u> <ul style="list-style-type: none"> • Thermal and electrical storage to reduce energy consumption at peak demand times. • Including Heat Networks which can be at a multi building scale. 	Building(s)
Flexibility and Networks:	<u>Utility battery storage:</u> <ul style="list-style-type: none"> • Thermal and electrical storage to reduce energy consumption at peak demand times. 	Local authority, Town
Energy Efficiency	<u>Domestic retrofit (bundled):</u> <ul style="list-style-type: none"> • Considers deep and light retrofitting to improve fabric and minimise energy demand. <p>NB: Projects must demonstrate how their approach is innovative and can lead to direct job creation.</p> <p>Standalone retrofit activity will not be considered eligible.</p>	Building (not individual buildings)

Low Priority:

Interventions that are 'tried and tested' and known to reduce carbon. These interventions are less likely to lead to inclusive and sustainable job creation. Opportunities for new learning from these projects is expected to be low. The interventions may be considered a higher priority where embedded in a project with strong community, business or place making outcomes.

Investment Areas	Interventions	Scale
Electricity Generation:	<u>Solar PV:</u> Solar PV on rooftops, ground-mounted and carports.	Local authority, town, building scale

Appendix A of the Borderlands Energy Investment Strategy provides a more detailed overview of the Investment Programme Intervention Areas and the Borderlands context in which they sit.

Annex 2: Useful Links

Please find below links to documents that may help prepare you Expression of Interest:

Borderlands Inclusive Growth Deal

<https://www.borderlandsgrowth.com/downloads>

The following documents can be downloaded:

- Borderlands Inclusive Growth Deal: Deal Document
- Borderlands Energy Masterplan Extend Executive Summary
- Borderlands Energy Investment Strategy

UK Government

- Net Zero Strategy: Build Back Greener
<https://www.gov.uk/government/publications/net-zero-strategy>
- Energy white paper: Powering our net zero future
<https://www.gov.uk/government/publications/energy-white-paper-powering-our-net-zero-future>
- Powering up Britain
<https://www.gov.uk/government/publications/powering-up-britain>
- British energy security strategy
<https://www.gov.uk/government/publications/british-energy-security-strategy/british-energy-security-strategy>
- Heat and buildings strategy
<https://www.gov.uk/government/publications/heat-and-buildings-strategy>
- Green finance strategy
<https://www.gov.uk/government/publications/green-finance-strategy>
- Heat pump net zero investment roadmap
<https://www.gov.uk/government/publications/heat-pump-net-zero-investment-roadmap>
- UK hydrogen strategy
<https://www.gov.uk/government/publications/uk-hydrogen-strategy>
- Hydrogen net zero investment roadmap
<https://www.gov.uk/government/publications/hydrogen-net-zero-investment-roadmap>
- Hydrogen Production Business Model
<https://www.gov.uk/government/publications/hydrogen-production-business-model>

Scottish Government

- Green Industrial Strategy: <https://www.gov.scot/publications/green-industrial-strategy/>
- Securing a green recovery on a path to net zero: climate change plan 2018–2032:
<https://www.gov.scot/publications/securing-green-recovery-path-net-zero-update-climate-change-plan-20182032/>
- Draft Energy Strategy and Just Transition Plan
<https://www.gov.scot/publications/draft-energy-strategy-transition-plan/>

- Heat in Buildings Strategy - achieving net zero emissions in Scotland's buildings
<https://www.gov.scot/publications/heat-buildings-strategy-achieving-net-zero-emissions-scotlands-buildings/>
- A National Mission with Local Impact: Infrastructure Investment Plan for Scotland 2021-22 to 2025-26
<https://www.gov.scot/publications/national-mission-local-impact-infrastructure-investment-plan-scotland-2021-22-2025-26/>
- Heat networks delivery plan
<https://www.gov.scot/publications/heat-networks-delivery-plan/>
- Scottish City Region and Growth Deals: carbon management guidance for projects and programmes
<https://www.gov.scot/publications/scottish-city-region-growth-deals-carbon-management-guidance-projects-programmes/>
- Scotland's hub for regional economic development:
<https://regionaleconomicdevelopment.scot/>

Regional / Local

- South of Scotland Enterprise: Net Zero Investment Guide
<https://www.southofscotlandenterprise.com/news/netzeroguide>

Support Organisations

- Scotland:
 - Community Energy Scotland: <https://communityenergyscotland.org.uk/>
 - South of Scotland Enterprise: <https://www.southofscotlandenterprise.com/>
- England:
 - Cumbria Local Enterprise Partnership: <https://www.thecumbrialep.co.uk/>
 - Zero Carbon Cumbria: <https://zerocarboncumbria.co.uk/>
 - Cumbria Action for Sustainability: <https://cafs.org.uk/>
 - North East Combined Authority: <https://www.northeast-ca.gov.uk/>
 - Community Action Northumberland: <http://www.ca-north.org.uk/>

Annex 3: Whole System Optimised Approach

Our energy system is becoming increasingly complex with many interdependencies. As we transition to a future energy system, these interactions will grow in both number and scale. In light of this, it is important to consider how the many and varied components of the energy system fit to support the delivery of net zero emissions targets and ambitions for a secure and affordable energy system.

A whole-system approach involves creating an integrated approach which recognises the effect that each element of the energy system has on the others, including electricity, transport, heat and energy efficiency. This should involve not only the components of the energy system – energy generation, transmission, storage, and demand – but how they fit together and interact with one another.

Decisions taken in one part of the energy system will influence other parts. There are trade-offs involved in many of the decisions we face about our future energy system. Critically, the energy system is an intrinsic part of, and connected in complex ways, to the wider economy, society and environment. A whole systems approach can help to identify key systemic barriers and means to overcome them. It can also help improve decision making to deliver joined up projects that meet multiple objectives, mitigating unintended consequences from isolated decision making and ensuring that we achieve efficiencies through analysing synergies, common goals and system optimisation.