

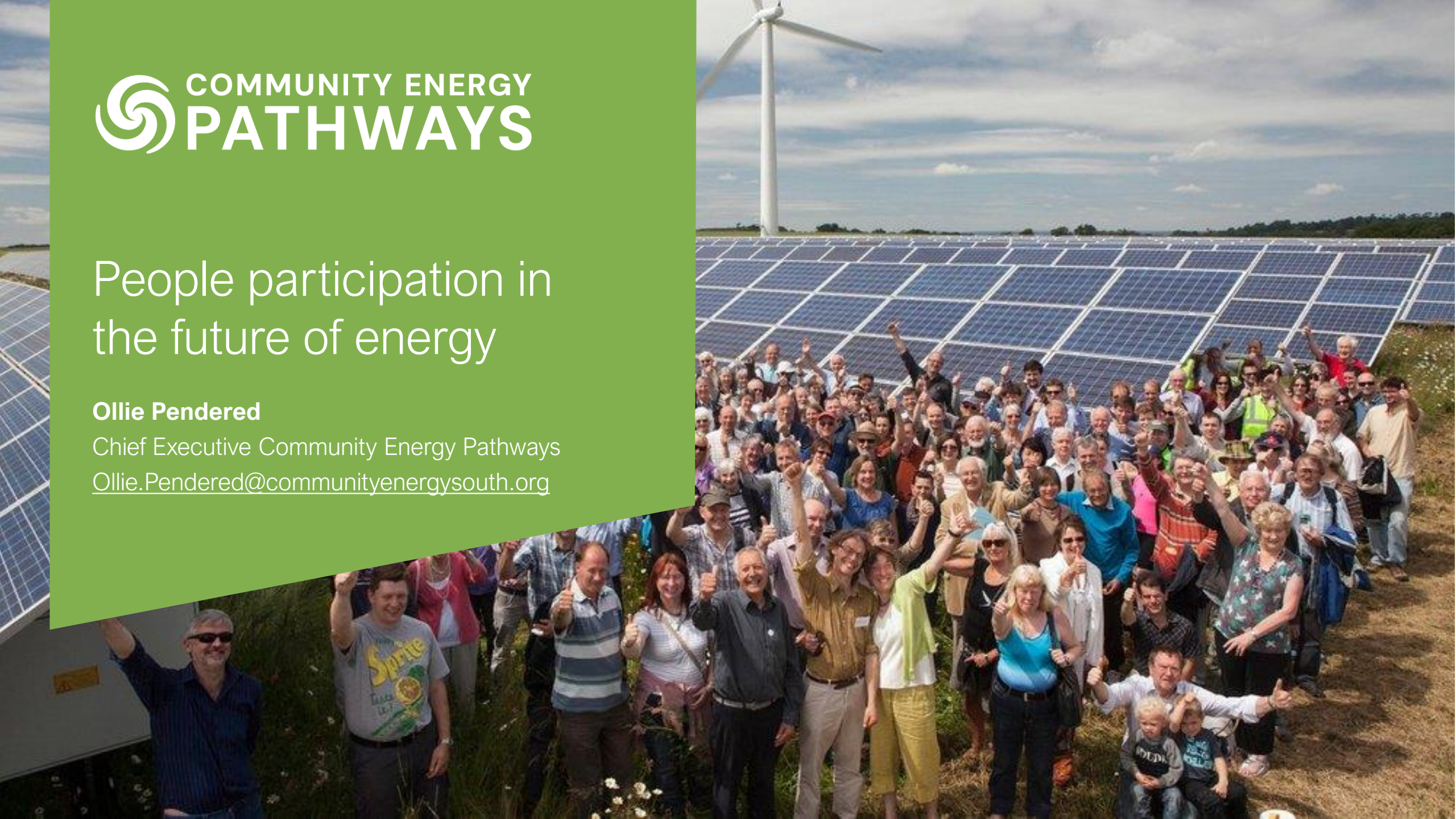


# People participation in the future of energy

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# What is Community Energy?

People work together to reduce energy use and generate low carbon heat and power and bring positive outcomes for everyone in the local community.

Raising awareness of the value of locally led action on climate change.

Building and investing in their own renewable energy.

Understanding local energy needs and helping their communities to save energy and money.

Offering skills, training and job opportunities.



# About Community Energy

## ➤ Powering Up

Communities developing and owning their own energy projects which save money and reduce carbon emissions: **heat networks, renewable energy and low carbon transport**

**Harnessing community finance**

## ➤ Powering Down

A network of **community energy champions** who provide trusted and impartial local advice on energy and cost savings and support households struggling with their energy bills.

**Enabling community resilience**

## ➤ Energy planning

Communities working together to coordinate and develop local **energy / decarbonisation plans** that are led by the community and encourage participation and ownership e.g. CommuniHeat

**Enabling community participation**

Shaping the Local Power Plan to capacity build and expand current support mechanisms

Reform for the energy market and legislation to allow local supply

Existing mechanisms that provide CE projects with more financial certainty?

Open up and simplify Grid Connections

Community Benefits recognised within planning process

The role of Neighbourhood Plan and LAEPs in enabling community energy

What is the potential for community energy and consumer flexibility

# Unlocking community energy at scale:

## Call for evidence to Parliamentary inquiry

### 7 priority questions

January 2025

# Energy Security and Net Zero Committee

## The Committee aims to:

- Identify potential solutions to the financial and regulatory barriers facing community energy projects, including how to establish local supply;
- Consider the role of the Local Power Plan in supporting community energy; and
- Assess how reforms to the planning system, grid connections and the energy market could support the growth of community energy at scale.

## The Committee and Government realise:

Community energy, a term for renewable energy projects that are community-owned and controlled, is at the heart of the government's ambitions for clean power by 2030 and will be central to the future role of Great British Energy through the Local Power Plan.

# 1. How could the Local Power Plan to be produced by Great British Energy build upon existing community energy support schemes, such as the Community Energy Fund?

*Community Energy England's recommendation is:*

- Extend and expand the Community Energy fund until the Local Power Plan is rolled out
- Encourage positive collaboration between Local Authorities and community energy through the Local Power Plan
- Use expertise within the community energy sector to nurture growth
- Ensure community energy organisations can access other existing funds

*1.1 Add your response*

**2. How should the energy market and licensing regulations be reformed to enable community energy projects to sell the electricity that they generate to local customers, without the current barriers, and be properly remunerated for doing so? What lessons can be learnt from other jurisdictions?**

*Community Energy England's priorities:*

- Adapt regulation to enable community energy organisations to supply energy directly to local consumers
- 'Make the market' for local balancing and flexibility through incentives and financial support

*2.1 Add your response*

### 3. How could existing government support mechanisms, such as the Smart Export Guarantee, provide community energy projects with more financial certainty?

#### *Community Energy England's priorities:*

- Extending and expanding the Community Energy Fund is an urgent requirement to give the community energy financial certainty
- As it is currently constituted, the Smart Export Guarantee is not fit for purpose for the community energy sector
- New support mechanisms are needed to unlock massive potential growth for the community energy sector
- The public sector should be encouraged and in some circumstances mandated to work positively with community energy organisations

#### *3.1 Add your response*

## 4. What are the regulatory solutions needed to minimise the high costs and long delays incurred in securing a grid connection for community energy projects?

### *Community Energy England's priorities:*

- High costs and very long delays are preventing many otherwise viable community energy projects from connecting to the grid; the government's aims cannot be realised if this issue is not resolved
- There are some more minor reforms, such as an increase in the statement of works threshold, that could help to alleviate the issue
- However, a more fundamental 'Community Right to Connect' is ultimately needed

### *4.1 Add your response*

## 5. Should the local benefits of community energy projects be formally recognised as a material consideration in planning decisions?

*Community Energy England's priorities:*

- Local planning authorities should be mandated to take the local and community benefits of a project into consideration when making their decisions
- Community ownership should be a material consideration

*5.1 Add your response*

## 6. What should be the role of Neighbourhood Plans and Local Area Energy Plans in building local support for community energy projects?

*Community Energy England's priorities:*

- Local authorities should have the funding and the mandate to work with community energy to facilitate the development of local assets
- Community energy organisations should be considered key partners when developing Local Area Energy Plans
- *Procurement policies should be embedded to allow for local social value for LAs to contract community energy organisations*

*6.1 Add your response*

## 7. What is the potential for community energy to incentivise consumer demand flexibility at the scale needed to achieve the UK's net zero targets?

### *Community Energy England's priorities:*

- Community energy has a huge potential to drive consumer demand flexibility at scale especially as it grows and spreads
- Consumer demand flexibility could be encouraged by enabling community energy organisations to supply electricity directly to consumers

### *7.1 Add your response*

