

# State of the Sector 2019

## Community Energy in England

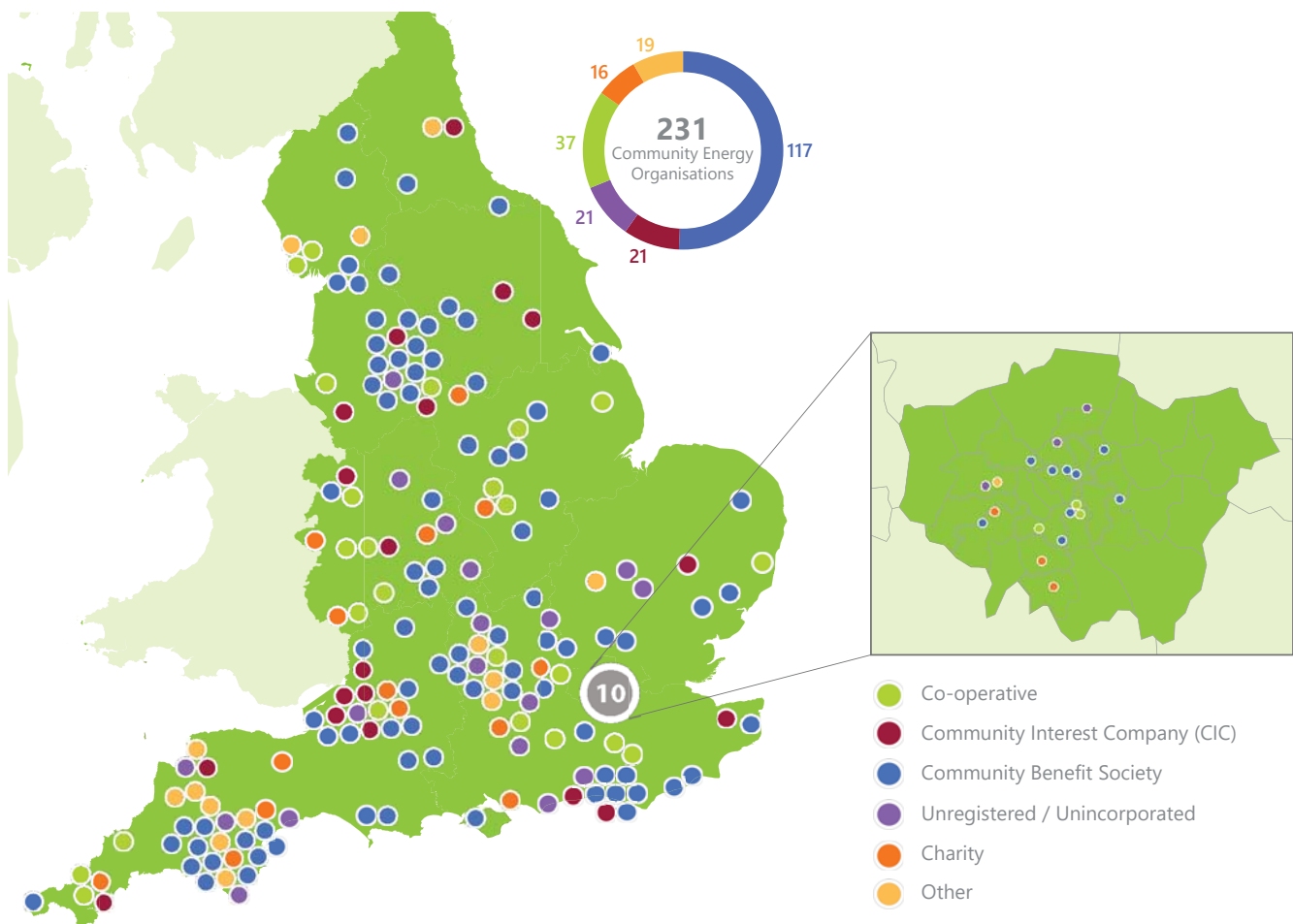
Community Energy in England varies greatly between regions, with the greatest number of active community organisations, as well as community owned energy generation capacity, located across the South of the country. This disparity can be attributed to a large number of factors, including regional funding, local government support and the sharing of community energy knowledge and expertise.

Community Energy projects in England have access to funding from the UK Government run Rural Community Energy Fund (RCEF), and previously through schemes such as the Urban Community Energy Fund (UCEF) which closed in 2016. In recent years, funding and support has been increasingly provided at local and regional levels as national support mechanisms have been reduced and removed. This includes funding schemes such as the London Community Energy Fund, which supports the development of low carbon community projects across London, and funding schemes run by Distribution Network Operators.

In 2019, further regional support for community and local energy will be provided by five BEIS funded 'Local Energy Hubs' across England. Each Hub will offer legal, technical and financial expertise to local enterprise partnerships, local authorities, and community organisations providing regional approaches to realising the country's zero-carbon targets.



**1066 Local Energy Campaign**  
Energize Sussex Coast



## Low Carbon Communities

As of 2018, 231 community energy organisations in England were involved in low carbon and renewable energy projects. This represents 84% of all community energy groups involved in this year's State of the Sector. These organisations have 151 full-time employees (FTE) as well as support from a total of 40,000 members.

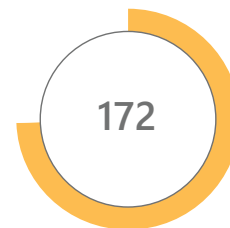
132 community groups own operational renewable energy projects with a total generation capacity of 154.4 MW. This capacity is comprised of 134.1 MW solar PV, 1.5 MW hydropower, and 17.8 MW wind energy. In 2018, these projects generated 166 GWh of electricity, offsetting 48,000 tCO<sub>2</sub>e of emissions.

In terms of heat generation, 24 community groups were reported to be involved in heat projects across England, with a combined capacity of 1.7 MW which generated 3.5 GWh of energy in 2018. Active projects include those of Brighton and Hove Energy Services Coop (BHESCo), which has installed over 170 kW of heat generation capacity across local schools, small businesses, and community centres.

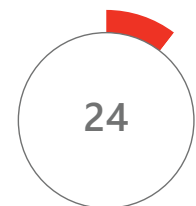
A total of 17 groups in England were found to be involved in low carbon transport projects, such as Carbon Co-op, who, beginning in 2019, will be exploring the use of local residents' electric vehicles to provide grid services through offering demand-response charging flexibility.

22 groups reported to be involved in energy storage activities, particularly focused on feasibility and installation of electricity storage systems at domestic and community levels. In 2018, Meadows Ozone Energy Services (MOZES) installed solar PV generation, smart meters, water storage heaters and battery storage across 27 homes. The group was also found to be assessing the potential for energy sharing and grid stability services.

Energy efficiency projects were conducted by 75 community energy organisations across England in 2018, engaging 128,000 local people via energy cafes, advice sessions, low carbon workshops and training.



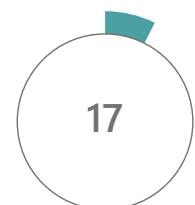
Electricity Generation



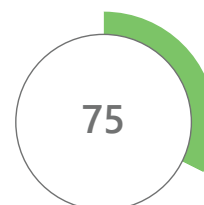
Heat Generation



Energy Storage



Low Carbon Transport



Energy Efficiency

### Schools' Energy Co-operative

The Schools' Energy Co-operative is an iconic community energy group leader, partnering with and installing solar arrays on over 48 schools across the UK. The co-operative now has over 250 members and has supported the installation of nearly 2 MW of solar PV.

The Schools' Energy Co-operative project delivery model works in partnership with other community energy organisations and local councils. Through these partnerships, the Schools' Energy Co-operative is able to share knowledge, project development expertise and best practice in solar school implementation, as well as to raise finance through community share offers across an aggregated site portfolio.



## Funding & Finance

In 2018, community energy organisations were supported by £1.6m in development funding. This figure accounts for 60% of funding accessed by all community energy organisations across England, Wales and Northern Ireland. The largest share of this funding came from the Rural Community Energy Fund (£376,000), followed by EU funding (£277,000), the National Lottery (£187,000) and Power to Change (£142,000).

English community energy organisations raised a total investment value of £30.7m in 2018, including £19.5m in loans, £5.4m in bonds and £4.6m through community share raises. Whilst the level of new project development has been low, community energy organisations have focused on refinancing existing projects using loans and share raises.



## Challenges in 2018

Community energy organisations in England reported that the greatest barrier to activity was the recent change to the Feed-in Tariff scheme. Secondary to this, a lack of time, organisational capacity and access to suitable sites were reported as other significant obstacles to success.

Despite these challenges, 77 community groups across England were reported as having a community benefit fund, spending a total of £806,000 throughout 2018. The predominant use of this fund in England was on local education and awareness raising initiatives, as well as supporting wider low carbon initiatives and projects.

## Into 2019

Whilst the community energy sector had a difficult year in 2018, 45% of community groups in England are planning low carbon projects in 2019. A large number of groups aimed to pre-register for Feed-in Tariff prior to the March 2019 closure. Other community energy organisations are increasingly seeking to develop energy efficiency projects as well as innovative new business models and approaches to energy generation, storage and use.

The future of the community energy sector was perceived negatively by 54% of survey respondents in England, reportedly due to poor subsidy support and a perceived lack of governmental ambition. Meanwhile, 24% responded positively, optimistic that recent changes and emerging energy opportunities will spur innovative community energy solutions.

For more information, visit:

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