

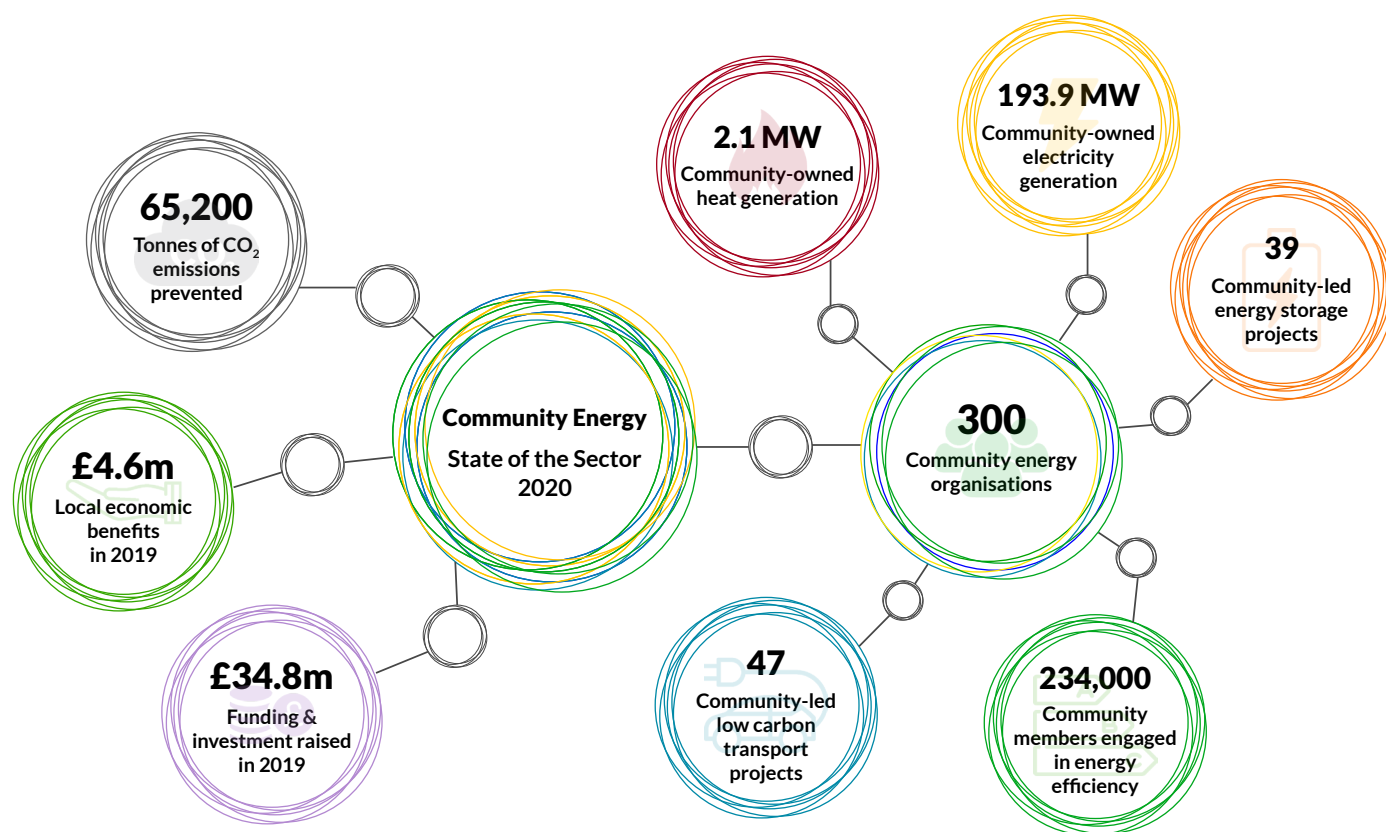
# COMMUNITY ENERGY

## State of the Sector 2020

### Executive Summary

The State of the Sector Report 2020 is the fourth annual review of the community energy sector in England, Wales and Northern Ireland. This report draws upon information from community energy practitioners to improve understanding of, and support for, community energy throughout 2019. In total, 163 community energy organisations responded to the State of the Sector 2020 survey with data previously provided by a further 137 organisations included within this report.

- **2019 was a year of climate activism:** The UK parliament, Welsh Government, Northern Ireland Assembly, Scottish Government and many local authorities declared climate emergencies.
- **2019 was a challenging year for the community energy sector:** The sector has been negatively impacted by recent reductions in subsidy support and unclear government strategy.
- **Community energy is playing an ever-increasing role in technological and social innovation:** The sector is developing new business models and exploring innovative new approaches to deliver a low carbon future.
- **Community energy across the UK needs clear guidance and support:** The sector must be supported to access new emerging opportunities, ensuring the long-term growth and impact of the sector.



## Key Messages

Across England, Wales and Northern Ireland in 2019, the State of the Sector community energy survey found that:



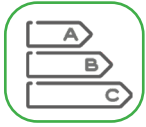
A total of 300 community energy groups developing low carbon projects, supported by 263 full-time equivalent employees.



Community organisations installed 15.4 MW of new electricity generation capacity in 2019, bringing total UK community-owned capacity to 264.9 MW.



Community organisations own 2.1 MW of heat generation capacity, bringing total UK community-owned heat capacity to 13.1 MW.



Energy efficiency projects were delivered by 102 community organisations, engaging 234,000 local people and providing 28,000 energy efficiency improvements or upgrades.



39 community energy organisations were actively involved in energy storage projects, with 547 kWh of battery storage installed and investment of over £1m up to the end of 2019.



Community organisations involved in low carbon transport projects increased by 62% in 2019, with 47 communities actively developing electric vehicles, charging infrastructure and low carbon community transport initiatives.



Community organisations raised £3.7m in early stage funding in 2019, with a further £31.1m invested in new energy projects.



Community energy generation reduced carbon emissions by 65,200 tCO<sub>2</sub>e, with further savings made through energy efficiency, low carbon transport and energy storage projects.



The greatest barriers to community energy in 2019 were found to be the reduction and removal of subsidy support, in particular the April 2020 closure of the Feed-in Tariff (FiT) scheme.



89 stalled projects were identified in 2019 – 64% of which were electricity generation projects – primarily due to limited early stage funding and a lack of financial viability.



In response to changing subsidies and the wider low carbon energy transition, communities were found to be innovating through new technologies, developing new business models and working through novel partnership approaches.

## Innovation & Resilience

The continued growth of the community energy sector will depend on the drive, passion and innovation of the communities and people within it, alongside improved government and sectoral support. Maintaining momentum in the face of and increasing barriers to viability as well as the ongoing global health crisis will be the primary challenges for community energy organisations moving into a post-subsidy 2020. To achieve this, communities are continuing to investigate and utilise new approaches to community-led low carbon development.

Identifying and securing innovation opportunities will bring benefits to the wider UK energy system as well as proven impacts at the local level, such as:

- Innovative technologies
- Flexible energy services
- Local energy supply
- Energy trading
- Demand-side response
- New community-led business models

## Looking Ahead

In the face of challenges, communities are still seeking to develop new low carbon projects, driving change through a variety of new and innovative means. To support this work, and to catalyse further success in 2020, the community energy sector needs:

- **Continued improvements in early stage funding:** enabling the development of innovative projects and new community-led business models.
- **Better information and knowledge sharing:** enabling communities to make informed decisions and to understand where and how to access emerging opportunities.
- **Capacity building:** providing greater support for expertise development, knowledge sharing and core costs across the sector, reducing time and capacity barriers, promoting professionalisation and increasing long-term impact.
- **Better impact assessment:** providing more effective and standardised methods of quantifying and articulating the social value and impact of community energy.



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