

Supporting community energy is essential to achieving net-zero.

“Due to the urgency of the climate crisis and the vital roles communities will have to play in reaching net zero, it is essential that a timely solution to support the long-term growth of community energy across the UK is found.”

Environmental Audit Committee [letter](#) to government April 2021¹

Community energy is people getting together in their communities to



engage with energy use and generation - installing renewables, increasing energy efficiency and reducing energy use, educating communities about energy and climate change, and helping to alleviate fuel poverty. Community energy projects are owned by (and/or accountable to) the community, sometimes with commercial or public sector partners.

Community energy harnesses local people's passion, expertise, knowledge and capital to make a direct contribution to the UK's energy system and response to climate change, while also increasing community cohesion and resilience, and delivering a wide variety of community benefits.

In a Climate Emergency the future of energy is local, renewable, zero-carbon, flexible and smart. The net-zero transition will require local innovation in energy demand and supply. Community energy organisations are trusted, knowledgeable, well-placed and highly motivated to advocate for, invent and deliver the change and innovation necessary to achieve net zero.

Community energy has a long track record of installing community-owned renewable energy (often on uncommercial sites), energy efficiency and fuel poverty work and, increasingly, community embedded innovation projects such as supplying cheaper local energy, district heat pumps and flexible energy with battery storage. Community energy is ready to scale, with appropriate government support.

Supporting community energy is popular. A poll by Co-op Energy found that 82% of respondents, a record high, think the Government should do more to help local communities generate their own energy.

¹ <https://committees.parliament.uk/publications/5718/documents/56323/default/>

Community energy can engage the local community in being active participants

in the energy transition, as investors, innovators, consumers and producers. The Committee on Climate Change Net Zero report² is clear that “it will not be possible to get close to net zero” without the buy-in and participation of people, not least because behaviour change is essential for 62% of their recommended interventions for reaching zero-carbon.

Community energy projects deliver 12-13 times the community



benefit of commercial energy installations³. Benefits include additional renewable energy funded by non-commercial capital; money staying local with ‘multiplier effect’ benefits; new future-appropriate jobs and skills; greater community cohesion and resilience; locally specific demand reduction, energy efficiency and fuel poverty work which brings carbon, well-being,

health and cost saving benefits giving at least a 9:1 social return on investment⁴.

Community energy generated £4.6m in local economic benefit

in England and Wales in 2019 – one of our most difficult years ever. These funds flowing back to communities could increase exponentially, hand in hand with new renewable energy, increased energy efficiency and energy system innovation. During COVID-19 well more than £300k was mobilised, as well as practical support.

One million homes powered by community energy

by 2020 was envisioned by the government’s Community Energy Strategy in 2015. Since then, virtually every policy change⁵ has made it more difficult for the sector to achieve its potential and facilitate local benefits as our **State of the Sector 2021 report**⁶ shows. But our **2030 Vision**⁷, supported by **independent research**⁸ envisages 12-20-fold growth, powering 2.2m homes, supporting 8,700 jobs, saving 2.5m t of carbon and adding £1.8bn to the economy – a sector ready to scale!

² pp 12,33,193, Fig 5.6 <https://www.theccc.org.uk/publication/net-zero-the-uks-contribution-to-stopping-global-warming/>

³ <https://www.gov.uk/government/publications/community-renewable-electricity-generation-potential-sector-growth-to-2020>

⁴ https://drive.google.com/file/d/1Bh16fB4_AS68OC1ClksKBMEzqeM2z2A/view?usp=sharing

⁵ This includes the removal of ROCs, the Feed-in Tariff, Export Tariff, the Urban Community Energy Fund and Tax Relief, punitive business rates on roof-top solar, planning constraints on on-shore wind and increasing VAT on solar panels, batteries and ‘energy saving measures’ from 5% to 20%.

⁶ <https://communityenergyengland.org/pages/state-of-the-sector>

⁷ <https://communityenergyengland.org/pages/2030-vision>

⁸ <http://wpieconomics.com/publications/future-community-energy>

An opportunity is being lost to harness local human and financial capital, to drive forward the urgent energy transition to net-zero and access many millions of pounds of community capital and community benefit funding.

Activating the huge community energy powerhouse requires government support, is a good deal and is critical to achieving net zero.

We urge the government to enact the Environmental Audit Committee recommendations to:

- **Emphasise the importance of community energy** in the Net-Zero Strategy & Net Zero Review, and **put in place “practical support measures to harness the potential of community energy”** (see below) funded in the Comprehensive Spending Review.
- **Learn from devolved administrations and international best practice** how best to support community energy.
- Government, together with Ofgem, the networks and community energy should **identify and fully resource an approach to "Local Area Energy Planning"⁹ that sets out a core role for community energy groups and informs national policy.**



The Rt Hon Kwasi Kwarteng and Anneliese Dodds MP with Duncan Law, Afsheen Rashid (Community Energy England) and Ollie Pendered (Community Energy South) in Feb 2020.

Specific policies

Fiscal policy and financial support.

- **Institute an national Community Energy Fund** to replace the Rural Community Energy Fund, to include urban and rural projects, heat, energy efficiency and retrofit.

⁹ <https://es.catapult.org.uk/news/local-area-energy-planning-key-to-minimising-decarbonisation-costs/>

- **Reinstate tax relief** and institute business rate incentives for investment in community energy. Remove VAT on energy saving measures
- **Support community energy to work with Local Authorities** on “Local Area Energy Planning” and the resulting collaborative energy projects

Planning and regulation

- Ofgem to have **decarbonisation and social benefit** in their official mandate and to actively support community energy.
- **Reforming the planning system to facilitate achieving net-zero** (not just sustainable development) as quickly as possible **and to enable community-led renewable energy.**

Other

- **Remove planning blocks to onshore wind in England and ensure a strong element of community ownership and/or control.**

Actions to take

Parliamentarians

- Please write to the Secretaries of State and Ministers in BEIS, MHCLG, the Chancellor and Treasury Ministers, the Cabinet Office and Ofgem to urge support for community energy, in line with the [recommendations](#) of the Environmental Audit Committee, as an urgent strategic priority and essential to achieving net-zero.
- Please sign up to support the [Local Electricity Bill](#)¹⁰ to enable local supply.
- Please connect with Community Energy England to offer support on any of the above policies and the development and tabling of a Community Energy Bill.
- Please connect with your local community energy group (see map¹¹) and ask how you can support their vital work.

Contact

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We are very happy to meet to brief you further and scope out how you can champion community energy in your parliamentary work. Thanks for reading. We look forward to your support and to working with you.

July 2021

¹⁰ <https://powerforpeople.org.uk/blog/local-electricity-bill-briefing-for-mps>

¹¹ <https://communityenergyengland.org/current-members>