Community energy enterprises – changes to registration and tax incentives

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Community Energy England
Community Energy England

• Founded June 2014

• >170 members
  o c. 70% community groups
  o Leading renewable energy developers
  o Independent energy supplier
  o Local authorities, NGOs & others

• The voice of community energy

Regulation registration and tax incentives
What changes? … and when?

• To registration of mutual societies:
  o No new Co-operative Society has been registered in the energy sector since May 2014 (Solesco)
  o Co-operative and Community Benefit Societies Act 2014 came into effect on 1st August 2014

• To tax incentives:
  o 2014 Autumn Statement said that SITR would be extended to community energy from 6th April 2015, or receipt of State Aid approval (whichever is later)
  o EIS would be withdrawn at that time
Why does it matter?

• Community Energy Strategy:
  o Envisages up to 3GW of new capacity by 2020
  o This would need c. £4bn new investment in community energy projects; including e.g:

• Shared community ownership projects
  o Under the shared ownership voluntary protocol
  o Especially 5-10MW projects under community FiTs
  o Potential capacity for ‘planned’ solar projects > 1GW
Shared Community Ownership

• Protocol by Shared Ownership Taskforce of: Commercial developers; Community groups

• Launched November 2014
  Endorsed by Government 27th February 2015

• A year to show voluntary approach works …

• … failing which ‘Community Electricity Right’ will be introduced by secondary legislation
Guidance on SCO protocol

Shared community ownership of renewable energy systems

Welcome to the new era: gone are the days when energy was owned either by commercial developers or community groups, but seldom in partnership between the two.

When commercial companies and community groups work together to develop local energy projects, there can be huge benefits for all.

- The developer gets financial and operational stability and a higher probability of consent; also a new source of finance from the community investors.
- Communities can join new projects and learn from the expertise of developers.
- The developer can also benefit from Feed-in Tariffs (see more here and this map)

National context

A voluntary protocol has now been established to achieve this.

This website

This website is co-hosted by Community Energy England, Renewable Energy Scotland and SCO-RES, with funding from the government protocol, and provides additional information and support to accelerate its implementation.

The most commonly requested sections are highlighted on.

CEE event in Leeds – 22nd April 2015
“Last option” for solar 5MW+

Taken from the government’s renewable energy planning database, these projects:

- had been submitted for planning consent
- some have been approved
- had not yet started construction
- were originally planned to be between 6 and 12 MW

However, please note:

- The database tends to lag by weeks so some of the projects listed may already be in construction or complete
- Projects which were consented several months ago (and others may be on-hold for other reasons (e.g. problems obtaining a connection)

Click on the icons to list the development and the planning authority, refer to the database for further details.

Community groups may wish to contact the developer and/or the planning authority to identify any of these projects suitable for development as split ownership projects.
Why are these issues linked?

• Because not all societies are eligible for Social Investment Tax Relief

• Because not all enterprises have concessions for raising new investment from the public
If you forget what you hear today

• Detailed FAQs at: http://communityenergyengland.org/members-area/briefings/faqs-sitr/

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[1] Eligibility criteria vary depending on the type of organisation.

Types of Organisations:
- Community Benefit Society (Com-Ben)
- Co-operative Society (Co-op)
- Company limited by shares (Ltd)
- Community Interest Company (CIC)
- Company limited by guarantee (Ltd)
- Public limited company (Plc)
- Limited Liability partnership (LLP)
- Limited Liability Partnership (LLP)

Shared ownership seminars on 9 Mar 2015