



Moving Community Energy in to the Mainstream Energy Market

Community Energy England is the membership association for the community energy movement which was formed in May 2014 to provide a voice for the growing and dynamic community energy sector in this country.

Our current energy system is dysfunctional and under stress. Both the price of energy and levels of fuel poverty are rising while energy company profits also continue to rise, with the result that mistrust in the companies that run our energy system is also at record levels. At the same time the investment needed in the grid and energy distribution systems is failing to materialise and climate change targets and security of supply are being compromised.

There is an alternative. With the right policy and regulatory framework, community renewable energy can increase from 70MW to 3 Gigawatts by 2020, and community energy organisations can play a central role in increasing take up of energy efficiency and reducing energy demand. Community energy can offer consumers the cheaper, cleaner and locally produced energy so many people are demanding while at the same time reducing fuel poverty and increasing local employment.

Political parties serious about supporting community energy in the next Government must set out on this path with these 12 manifesto commitments:-

1. **Ambitious targets** – Commit to increasing community-owned renewable energy capacity to 3 Gigawatts by 2020, enough to supply 1 million homes.
2. **Retention of Feed in Tariff** - Make a commitment to supporting and extending the FITs system; take it outside the Levy Control Framework and protect FITs from changes at EU level.
3. **Pre-accreditation** - extend and improve the FITS pre-accreditation system for community owned projects and introduce pre-accreditation for the RHI and establish a community and social housing uplift within the RHI.
4. **Tax incentives** - Retain EIS and SEIS for community renewable energy schemes across all renewables technologies and extend tax incentives to community energy efficiency schemes, for example introduce VAT exemptions for collective purchasing.
5. **Community right to buy-in** – Implement a strong system of shared ownership of renewable energy schemes between the community sector and the commercial and public sectors.

6. **Grid access** – The grid should always take renewable energy before fossil fuel energy. In addition community renewable energy schemes should be given cheaper and easier access to heat and electricity distribution networks, including staging of payments beyond commissioning and reserving capacity for community energy schemes as part of major upgrades.
7. **Local supply** - Develop a system of local supply to enable retail sale of electricity by local authorities, independent suppliers and communities which is outside the crippling system of balancing and other charges currently being used to keep prices up and to keep local authorities and communities out of the retail supply market.
8. **Access to capital** - Use the Green Investment Bank to give community schemes access to both short and long term finance at viable rates such as project finance for community renewables and supporting the creation of low/no interest revolving loan funds for community led energy efficiency.
9. **Planning recognition** - Commit to amending planning policy to ensure that community owned schemes are given material weight within the planning system.
10. **Regulatory support** - Improve the understanding and support of regulatory and other bodies– especially the Environment Agency, the Planning Inspectorate, OFGEM and the Financial Conduct Authority – towards community energy organisations and their projects.
11. **Income generation for community energy efficiency organisations** – Create new funding streams for community services that increase take up of energy efficiency measure and/or reduce energy demand. Examples of this would be through energy suppliers receiving an uplift in carbon scores for ECO measures delivered via a community partner or via Distribution Network Operators funding community led approaches to demand management.
12. **Policy stability** – Once these changes have been implemented, maintain a stable and supportive energy policy and regulatory system which is not subject to repeated government consultations and numerous changes at short notice.

Fulfilling these commitments will start to create the conditions within which the community energy sector can build capacity and flourish, moving community energy from the margins into the mainstream.

We must fully embrace community energy within the delivery of core energy outcomes such as renewable energy, energy efficiency, behaviour change and energy supply. This is necessary to create a meaningful response to climate change and fuel poverty in an increasingly insecure energy sector worldwide.

Copyright 2014 Community Energy Association (England) Ltd.

www.communityenergyengland.org

For further information on the policies contained in this Manifesto contact policy@communityenergyengland.org

Community Energy England is the trading name for Community Energy Association (England) registered as a Company Ltd by Guarantee with Companies House, Company Number 9042561