

Eligibility Criteria for asset-owning community businesses for consideration for significant funding or support schemes

(eg for GBE CF Stage 2 and beyond, priority access to grid connection, CfD uplift, or material consideration in planning)

1. Community energy organisations deliver projects where the following three conditions are met.
2. Condition A is that the purpose of the project is:-
 - a. the generation of renewable electricity and/or renewable heat
 - b. energy management and distribution, or
 - c. the reduction in fossil fuels or energy consumption.
3. Condition B is that the project is undertaken by an eligible corporate legal entity with a large membership (more than 21 individuals).
4. Condition C is that the project is undertaken for the benefit of the community.
5. For the purposes of condition B, an eligible corporate legal entity means
 - a. A community interest company with a large membership which has included in its articles the provisions prescribed in Schedule 2 to the Community Interest Company Regulations 2005;
 - b. A registered society within the meaning of section 1 of the Co-operative and Community Benefit Societies Act 2014 ;
 - c. A charitable incorporated organisation (CIO) or Scottish Charitable Incorporated Organisation (SCIO) or a limited company that is also a charity and that in each case has benefits to its community or community development within its objects; and has a voting membership open to all electors on an equal basis within a defined geographic community OR to all sharing a specific common characteristic/interest within a geographic community
 - d. Such other legal entities which may be designated by the Secretary of State from time to time;
 - e. A subsidiary organisation that is 100% owned by an organisation or organisations within paragraphs (a), (b), (c) or (d).

AND where the above organisation:

- f. Has an asset lock in place; and
- g. demonstrates through its practice and activities the commitments and benefits to the community set out in its constitution; and
- h. has a membership where all its members are entitled to vote on a 'one member one vote' basis.

Definitions:-

"asset lock" shall mean where:

- i. the eligible legal entity has a statutory or charitable asset lock requiring the assets of the entity to be applied for public benefit; or
- ii. the eligible legal entity has given a binding commitment to the Secretary of State that returns to members on their investment shall not exceed such rate of interest as is necessary to attract and retain the capital required to carry on its business and on a winding up of the entity or the withdrawal or redemption of shares the maximum sum payable per share is no more than nominal value of that share; discounts available to members based on a member's participation in the eligible legal entity shall not be regarded as a return on investment as long as membership is not dependent on a significant investment being made.

“undertaken for the benefit of the community” shall mean:-

- iii. the project's activities are being undertaken for the benefit of the local community, region or nation; and
- iv. profits (post tax, interest, charitable donations and discounts as described in the definition of asset lock) resulting from the project's activities are reinvested into the eligible legal entity, or reinvested for the purpose of the project or donated for public benefit in the local, regional or national community in which the project is located, or a mixture of these purposes.