

COMMUNITY ENERGY AS A SYSTEM ASSET

What we are asking of every distribution network in ED3

The opportunity

Britain is building a different system where affordability, energy security and decarbonisation converge on the low-voltage network, where people live and where community energy operates.

The community energy sector is not simply another consultee or customer segment for a network, it offers distributed delivery capability in powering up (through generation), in powering down (through energy advice and retrofit) and in flexibility. The sector is especially valuable in unlocking place-based social and economic benefits and supporting a more flexible, more efficient and more resilient energy system.

Community energy organisations are partners for networks to shape peak demand, defer reinforcement, lift low carbon technology uptake, reach vulnerable households and earn the social mandate for a decade of construction. ED3 is the opportunity to extend those partnerships and make them work for places and people

Our asks

1. Treat community energy as a strategic partner and a system asset not a customer segment

- Include community-owned and community-led assets in Build and Flex optioneering before reinforcement is committed, with triggers and decision criteria a local scheme can plan against.
- Make flexibility procurement accessible at community scale i.e. thresholds, prequalification, contract length and payment terms a volunteer-led organisation with a sub-megawatt asset can actually meet.
- Support community energy innovation in local energy markets and smart local energy systems
- Give community and local authority pipelines a place in the load projections built from RESP outputs and local area energy plans.

2. Invest in community readiness alongside network readiness

- Community readiness should be supported and budgeted by funding local organisations to drive LCT uptake, PSR registration, advice and retrofit in their own communities.
- Recognise community delivery within the customer service and vulnerability incentive frameworks, so reach achieved through trusted intermediaries counts. Community energy creates social ROI.

- Providing core funding as well as project costs in innovation and delivery projects is a foundational investment in community infrastructure. This accelerates and scales community capacity and in turn enables sustainable network and place-based returns.
- Create clear senior ownership in DNOs and DSOs for community energy, and give the function engineering capability to support from feasibility to energisation and beyond to network services and flexibility

3. Convene place and community based approaches to energy

- Publish LV constraint, headroom, queue position and forward flexibility requirements in a form a non-specialist can act on, using the Long-term Integrated Network Plan as the coordination document Ofgem intends it to be.
- Enter long-term partnership agreements with community energy bodies and local authorities across each licence area, aligned to RESP and local area energy planning cycles.
- Support shared and community ownership where it delivers whole-system value and local consent.

4. Help communities to navigate grid connections

Community schemes are small, infrequent applicants without in-house engineers

- Move from publishing constraint data to actively identifying and advising where a community scheme can viably connect. Community schemes are generally small and infrequent applicants without inhouse engineering expertise
- Give community applicants a guided route: pre-application advice, a named technical contact, and a plain-English explanation of the options and implications before a quotation

Mapping to ED3 requirements

ED3 requirement	What community energy contributes	What to commit to in the plan
A balanced “build and flex” strategy, with flexibility systematically assessed before reinforcement is committed	Generation, storage and controllable demand located where constraints need to be managed	Community assets counted in optioneering; flexibility procurement designed to be accessible at community scale
Load projections built on NESO’s transitional RESP outputs and supplemented by local area energy plans	Data and intelligence on local ambition, consented sites and the stalled project pipeline	Community and local authority pipelines named as planning inputs, not discovered late
Improved journeys for smaller connections.	Generation and storage projects which build place based wealth and benefits	A guided connections route for community applicants.
Faster, easier installation of low carbon technologies	Trusted local advice that converts household intent into installed heat pumps, solar and chargepoints	Community partners built into the LCT advice and uptake offer, with a defined route for small schemes

ED3 requirement	What community energy contributes	What to commit to in the plan
Wider Priority Service Register reach and stronger, more consistent support for vulnerable consumers	Place-based reach into underserved and vulnerable households	Funded community readiness, recognised within the customer service and vulnerability frameworks
The Long-term Integrated Network Plan as a transparent reference for coordination and investment	Local investment that follows credible network signals instead of guessing at them	LV constraint, headroom, queue position and forward flexibility needs published in a usable form
A DSO role that delivers demonstrable whole-system benefit, supported by digitalisation	Smart local energy systems that reduce peak demand, cut losses and defer reinforcement	Community partners embedded in DSO planning and properly funded within innovation projects

Why this matters beyond the network

Affordability, security of supply and decarbonisation sit at the centre of the energy network. Community energy is one of the few interventions that tackles all three, while delivering place-based benefits and earning local support for infrastructure and network services. To move at the scale and pace needed, networks must build with as well as in places and communities.

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