



Community Energy: A Practitioner's viewpoint

I want to see a community energy revolution in the UK. Community energy isn't just about energy generation. It's about communities taking the opportunity to protect themselves from rising fuel costs, reduce emissions and help local young people in the community boost their skills and experience."

Edward Davey, Secretary of State for Energy and Climate Change

"It's great to see Energise Barnet helping local householders and businesses save energy and generate their own clean green power. Not only can local action help save money on bills and cut emissions, it's a great way to bring communities together and boost the local economy".

Greg Barker, Energy and Climate Change Minister.

"Energise Barnet is providing a fantastic vehicle for local residents to take advantage of the new national Green Deal programme". **Mayor of London.**

Market opportunity	2010	2020	% increase
Energy Efficiency	£17.6 billion pa	£28 billion pa	59%
Renewables	£12.5 billion pa	£60 billion pa	480%
Community Electricity	60MW	5.27GW??	878%

Overview

- 1,000+ community energy organisations
- Electricity way ahead of other sectors
- Circa 10 CEOs leading the way: Bath; Birmingham; Edinburgh; London; Oxford; Manchester etc
- Generating energy. Driving down bills
- Creating leads for ECO/Green Deal Providers
- Reducing fuel poverty
- Increasing awareness of smart metering
- Increasing consumer knowledge and choice
- Community dividend: £1 billion+ by 2020?

Ideal partners for energy suppliers, DNOs and LAs

Barriers to growth

- Most CEOs are small and volunteer-led
- Lack business skills, legal knowledge & funding
- Big 6 /DNOs/LAs not encouraging development
- National and local policy framework
- Planning and regulatory process/restrictions
- Markets not designed for small projects
- Lack of incentives for CEOs involved in renewable heat; reduction and management

**RESULT: UK community energy =
0.3% of all renewables v 46% in Germany**

How OFGEM can help CEOs

- Encourage energy suppliers and DNOs to partner/provide development funding for leading CEOs
- Renew funding for community engagement projects with DNOs
- Reduce regulatory/ administrative burden
- Amend ECO: still 'stop –start' with most going to affluent
- Recommence demand reduction /management trials
- Reduce grid connection and transmission costs
- Review grid connection rights
- Review License Lite to accommodate needs of CEOs
- Regulate developers of community heating schemes
- Encourage DECC to change regulations re RHI /Big Lottery funding
- Refer consumers to local CEOs, not just EST