



Department
of Energy &
Climate Change

Community Energy

The UK Government's vision

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Overview of presentation

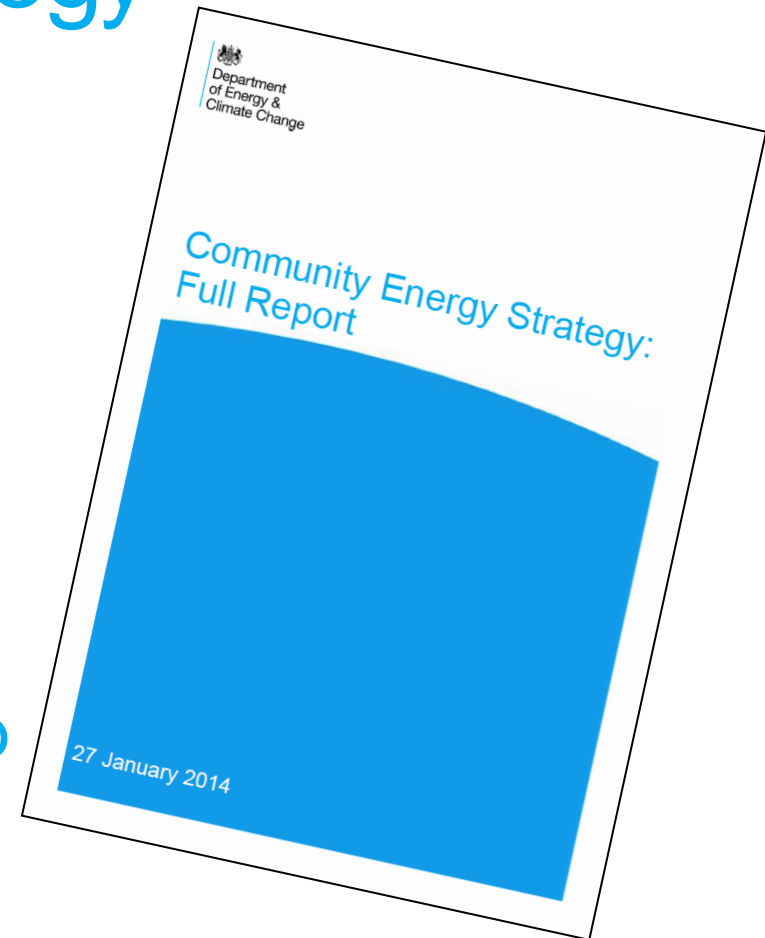
- Overview of the community energy strategy
- Progress to date
- Licence Lite
- Local Supply Working Group



Department
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Community Energy Strategy

- Launched 27th January 2014
- UK Government's first ever community energy strategy
- Aims to tap into the enthusiasm and commitment of community groups
- Includes a vision for scaling up community energy



Interactions....

....with policy across most of DECC and beyond

Smart Meters

Renewable heat

Off-gas grid

Cabinet office

Feed in Tariffs

Grid connections

Innovation

Ofgem

EMR

Consumer bills

Finance

Local Government
Association

Fuel poverty

Renewables
target

DCLG

Green
Investment Bank

Green deal

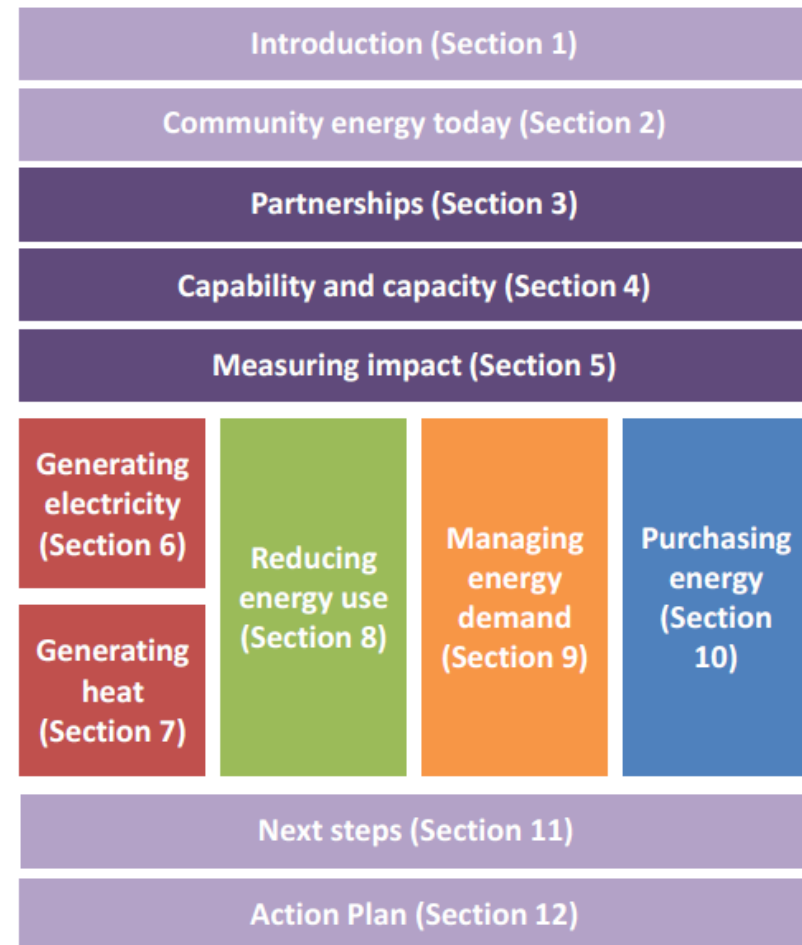
Smart grids

DEFRA

BIS

Scope and definition of community energy

- Communities of place and communities of interest
- Emphasis on community leadership or control
- The community benefits from the activities, with a focus on social outcomes
- Includes shared ownership and joint ventures





Community energy is diverse



Installing
renewable heat

Collective
switching



Giving energy
advice

Installing
insulation



Trialling smart
grids



Oil buying clubs

Generating
electricity

Draughtproofing

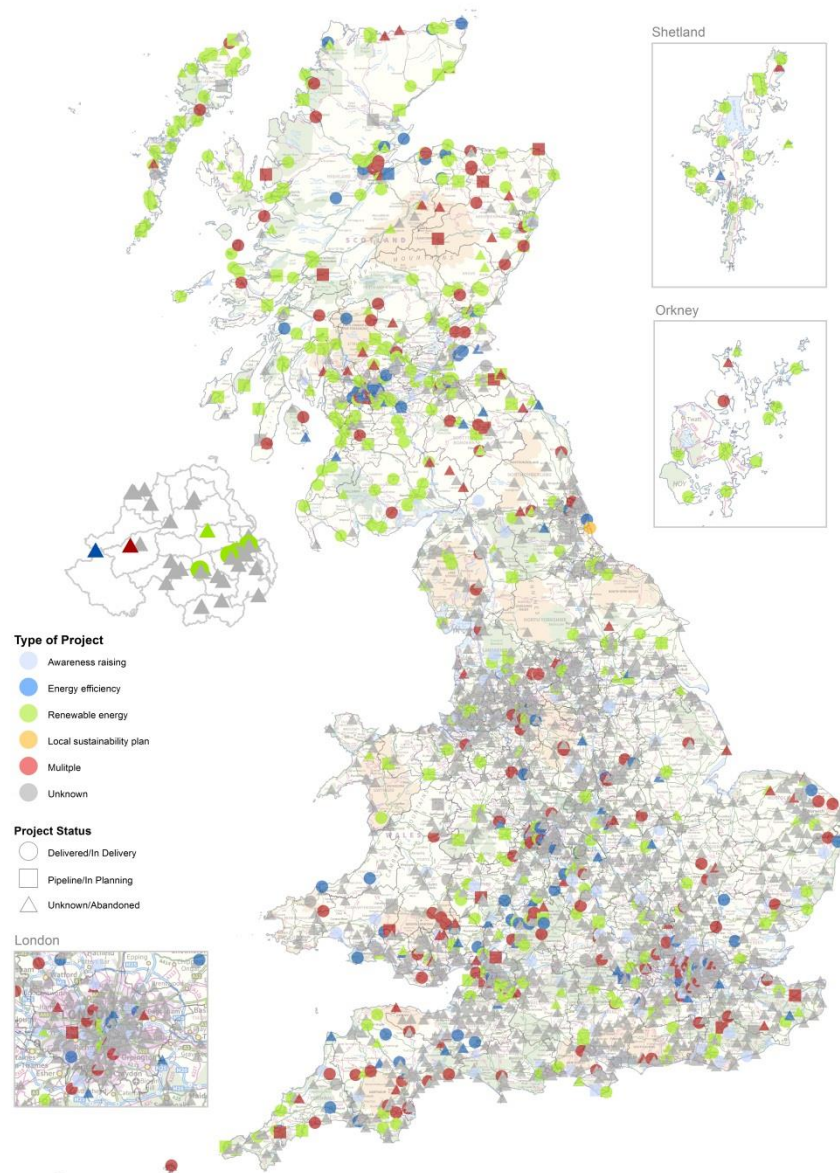




Community energy in the UK

- At least 5,000 groups active in the UK since 2008
- Greater proportion of people in rural areas involved, particularly in Scotland and South West England
- Currently focused on electricity generation

Community Energy Projects Database
All Community Projects



Community energy projects can face a number of challenges....

Legal Status

Single Project

Precedents

Money

Capacity

Capability

Partnerships

Planning

Regulation

Business models

Evidence

Evaluation

Access to data

Grid Connections

Support

Purchasing

New key measures announced

- **Community Energy Unit**
- **Industry-led taskforce** to achieve greater shared ownership of onshore renewables
- **£100,000 community energy saving competition**
- **Working groups** to examine the regulatory issues and recommend ways in which to address the barriers to growth
- Seed funding for a **One Stop Shop information resource**
- £10 million **Urban Community Energy Fund** in England



Licence Lite

- The Community Energy Strategy Licence Lite commitment states:

“We will work with communities and Ofgem to look at ways to enable communities to supply electricity, including Licence Lite, with a meeting to be held between community energy groups and Ofgem in 2014.”

- Licence Lite Roundtable held in May 2014
- DECC and Ofgem are both committed to Licence Lite as it could increase competition by allowing more suppliers to enter the market



Local Supply

- Working Group established in August 2014
- Members include Ofgem, CEE, CEC, Elexon, Cornwall Energy, Temple Bright and others

Aims:

- Scale of ambition of the CE
- Identify the problems and barriers from realising the ambition
- Establish regulatory baseline and map this against the CE ambition

Next steps:

An update will be provided as part of the strategy 1 year on report in early 2015