

Public Workshop:

What next for Community Energy and Local Generation?

<https://www.eventbrite.co.uk/e/public-workshop-what-next-for-community-energy-and-local-generation-tickets-19818475594>

13th January 2016, Cunard Building, Liverpool

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Summary of Findings

A workshop jointly organised by Liverpool City Council (LCC) and the Liverpool City Region Local Enterprise Partnership (LEP), and sponsored by Scottish Power Energy Networks (SPEN).

Recommendations to Community Groups

GUIDANCE

- Links to national Community Energy info and funding sources are given on Page 4 of this report.
- A database of regional CE contacts in LEP guide '[Community Energy for Liverpool City Region](#)'.

NEXT STEPS

- Following the withdrawal of national support for renewable energy generation there are reasons for concern about the business model for Community Energy. However there are reasons to be positive. Options for new ways to fund renewable projects and CE are emerging (e.g. solar photo-voltaics might be combined with energy storage.)
- Commercial renewable energy projects are finding ways to fund - CE groups could too.
- There is an urgent need to prove that CE Projects can pay for themselves under the new incentive model

RAISE AWARENESS

- An identified a need to raise awareness of CE with the wider public
- Need for an education process on low carbon technologies.
- Focus on efficiency measures as well as generation.
- Advertise CE and raise awareness in Liverpool City Region
- Find ways of getting to wider audience – Social Enterprise and Commercial Businesses
- Work through existing routes, don't overpromise

CE GROUPS COLLABORATE

- Create a Merseyside or NW low carbon hub 'alliance' of support

- Better communication to persuade corporate backers and hosts of projects (Through CSR)
- Consider creation of a regional not-for-profit umbrella organisation to support CE
- Trust is important part of the CE brand. Create a Brand & Identity for CE
- Mutual support Community Groups when there are planning petitions (e.g. Alt Valley Wind)

REVENUES FROM ENERGY SALE

- A national pilot project Good Energy / **Piclo / Open Utility** software energy sales platform. This is an example of direct supply and of interest to CE groups seeking to obtain more value from the export of their energy than grid tariff currently assures

RENEWABLE HEAT & ENERGY FROM WASTE

- The Government has announced continuation of funding for the Renewable Heat Incentive. This points to CE projects centered around Biomass
- Biomass can generate power from Biomass CHP.
- CE groups can grow bio-fuel crops. Use brown field sites for crops such as Miscanthus
- Collect coffee and cardboard from business industry and convert to fuel and sell to community buildings.
- There is a Netherley schools food waste project linked to RHI

ENERGY EFFICIENCY

- Don't forget about energy efficiency
- Peer pressure can encourage neighbours to invest in PV or external insulation.
- Collectively bargaining tariffs. The take up of collective switching is still relatively low.

Recommendations to Local Authorities & LEP

SUB REGIONAL SUPPORT FOR SALE OF LOCAL ENERGY

- CA policy support for Power Purchase and supply at risk
- Scale up and create a vehicle for selling Community generator Energy to customers
- Public Sector to work with community energy providers first – commit to purchase energy from Decentralised Generation
- Council role in billing of communal heat customers (Oldham example), suggests needs for a scaled common billing platform for Social Landlords / Local Authorities??

SUB REGIONAL PUBLIC SECTOR ASSETS LINK TO COMMUNITY ENERGY

- Develop out the LCR solar sites with Pureleapfrog and Liverpool Community Renewables
- Co-ordinate food waste/energy across LCR (and allow access for smaller groups)
- There may be a demand for sources of waste to feed local energy generation projects

PLANNING POLICY

- Could Neighbourhood Plans (or Local Plans) be an instrument of regional planning policy to support Community Energy?
- Clearer planning guidance of acceptable technologies linked to a revised Renewable Energy Capacity Study.
- CE measures being made a mandatory consideration in Section 106 applications.
- Heat networks, lack of leadership and projects suffer from the lack of a public authority policy to promote them

ENERGY INFRASTRUCTURE & MASTERPLANNING

- Promote CE through place-based policies

- Thread CE into regional thinking around energy

LEP ROLE TO LINK CE GROUPS WITH OTHER ORGANISATIONS

- The LEP to take a sub-regional role to link CE groups with demand for energy projects
- LEP and local authorities could do more to highlight and match local companies to community groups.
- LEP / LCC support for CE to match-make / link / signpost especially to host organisations

BID FOR INNOVATION FUNDING FOR COMMUNITY ENERGY

- Can supra-national funding support CE? Can the LEP or others help groups consider options.
- Support a regional route to EU funds addressing barriers - scale of project, a consortia to put a project together and manage the complex reporting of results.
- The need for 50% match funding to come from another source.

Working with the District Network Operator (DNO)

- Accelerate the roll out of Utilities Masterplanning with SPEN to address grid blackspots
- A software platform developed by SPEN called Future wave will facilitate the connection of multiple renewable systems onto a local grid. <http://projectfuturewave.com/project-perspectives-qa-with-geoff-murphy-sp-energy-networks/>
- SPEN have innovation funding to demonstrate the art of the possible and this could be directed to the right CE project.

Recommendations to UK Government / DECC

- There must be consistency of national policy if CE is going to be supported over longer term.
- Measures to improve the stability in energy market place for Decentralised generation and small scale energy projects.
- Look to implementing Community Benefit Funds on large scale energy projects being applied to support CE projects.
- National options for funding CE – look to improve / adapt existing mechanisms (Urban and Rural Community Energy Funds – Scope to help CE group through funding gap between set-up and implementation)
- Create a loan fund to support CE projects (revolving 3% or less, timescale 5-10 years).
- ECO should continue to 2017 and grants should be available through this. *(Post meeting note: The Energy Companies Obligation (ECO) will be replaced from April 2017. A new scheme will run for five years with an annual budget of £640m (a reduction from the £800m p.a. currently spent through ECO)*

1. Background

A public workshop involving circa 50 sector representatives took place on the 13th January 2016. Representatives included:

- Practitioners of Community Energy
- Local Authority officers and Elected members
- Department of energy and Climate change
- Suppliers of low carbon technologies
- Investors in low carbon projects and community energy
- Representatives from the local Distribution Network Operator (SPEN)
- Unaffiliated members of the public with an interest in the topic
- The LEP low carbon team

The meeting was hosted by Liverpool City Council at the Cunard Building. The event was jointly organised with the Liverpool City Region Local Enterprise Partnership.

The event had been convened in order to understand recent progress on Community Energy (CE) within the Liverpool City Region and wider North West and to identify opportunities for action. There was particular interest to reflect on changes that might occur as a result of the outcome of the Feed in Tariff Consultation (a reduction in tariff rates for Solar PV, wind and other power generating technologies) which has altered some revenue models for CE.

2. Presentations.

The event was led and facilitated by Christine Darbyshire, Senior Development Manager (Environment) Liverpool City Council.

There were four presentations from the event organisers to set the scene:

An introduction was given by **Cllr James Noakes**, (Smart Cities and Energy, Liverpool City Council) who asked the audience to make the most of their opportunity to contribute positive recommendations to the discussions. The outcome was to be real projects that could be taken forward.

Participants would be asked to take away a pro-forma at the end in order to feedback suggestions and ideas for collaborations and practical actions.

6 responses have since been reviewed – a summary of recommendations is attached as **Appendix A**.

Cllr Seve Gomez-Aspron of St Helens Council, endorsed joint working on community energy and reminded the audience that energy and energy bills was an important topic but one that could be a bit inaccessible to non-specialists.

Fiona Booth of DECC, explained she was pleased to attended and hear views on CE. There was a summary of recent DECC policy and announcement on energy project funding relevant to participants including:

Business Planning at DECC would be considering options to take Community Energy forward so it is timely to hear honestly voiced opinions.

Requested: Links to information about DECC Funding / Community Energy / Other Sources

Comprehensive Spending Review

<https://www.gov.uk/government/news/deccs-settlement-at-the-spending-review-2015>

- Heat Network Funding £300M
- Public Sector Buildings £295M

Remaining funds for communities and innovation

- <https://www.gov.uk/guidance/urban-community-energy-fund>
- <http://www.wrap.org.uk/content/rural-community-energy-fund>

Potential Alternative Sources of Funding

- EU Funding via LEPs?
- There is a national pilot for DECC working with LEPs (Local Partnership Pilot)
- Horizon 2020 and other EU 'Innovation' funding – the region could think about CE when seeking funds/ creating consortia.

James Johnson of Liverpool City Region LEP informed the audience about the work that led to the guide '[Community Energy for Liverpool City Region](#)'. The audience could consider ways ahead for CE by thinking about: How groups form and who constitutes a Community Energy group; where energy projects might be located within the city region; how CE might be financed and the range of technologies and suppliers.

Questions that were posed by the opening presentations:

- Can Local Authorities support CE in a time of austerity and funding cuts?
- How can we make regional plans when national policy keeps changing?
- What actions are CE groups still willing to commit to?
- What would Community Groups ask of the mayor and city region leaders?
- What might Devolution mean for regional / local energy ownership and CE?
- How can DECC support Community Energy with policy?
- How can we develop and support scaled projects and bid for funding for regional projects?

3. Panel Presentations

Four local practitioners gave short presentations on the topic before answering audience questions.

David Hunt, [Hyperion Executive Search](#). David has over 10 years experience in the sector and reflected on the ever changing policy landscape and decrement of the FiT over time. Reasons to be positive were options for new ways to fund renewable projects and CE including the possibility that solar photovoltaics might be combined with Solar Storage. Commercial renewable energy projects are finding ways to fund - CE groups could too.

Alan Johnson, [Alt Valley Community Trust](#). The Alt Valley social enterprise has operated a small scale wind turbine for several years - and the value has been recognised as a way to support other

operations at the Alt Valley not for profit farm supplying produce to local customers. A new 10kW turbine will be implemented in 2016. There are also plans for a much larger MW turbine. Planning issues will decide the fate of this project - and thought wind projects are generally going to appeal - there may be ways forward by demonstrating the local communities support for the project

Geoff Murphy, Scottish Power Energy Networks. Geoff is a lead in the team which considers innovation projects and improved customer experience. SPEN has been involved with many pilot schemes related to connection of decentralised generation projects to the grid. A relevant example is the Ashton Haze community group which worked with SPEN on lowering connection costs for a CE project.

A software platform developed by SPEN will facilitate the connection of multiple renewable systems onto a local grid - allowing many generators to submit their interest, and aggregating the capacity so that reinforcement costs can be shared. It is targeted at geographic communities. Groups can gather and register interest and network virtually to discuss items such as skills and funding. The software is called Future wave. <http://projectfuturewave.com/project-perspectives-ga-with-geoff-murphy-sp-energy-networks/>

SPEN would prefer to focus resources on fewer but stronger connection requests i.e. those which are likely to actually happen. SPEN have innovation funding to demonstrate the art of the possible and this could be directed to the right CE project.

Chris Benson, Benson Signs. The commercial operation has invested in a large array of Solar Panels. **Good Energy** co. are the retail energy supplier and involved the business in a national pilot project. By registering to the **Piclo (Open Utility)** platform, Chris is able to see who is using the energy exported from his PV systems. He has although does not use the option to narrow down the businesses he supplies to. This is an example of direct supply and of interest to CE groups seeking to obtain more value from the export of their energy than grid tariff currently assures.

PANEL SESSIONS – QUESTIONS

The audience was invited to pose questions of the panel and this led to a discussion.

Ricky Davies, Biomass Energy Co-op – Reminded the audience that the Feed in Tariff was not the only incentive mechanism for Renewables. The Government has announced continuation of funding for the Renewable Heat Incentive. This points to CE projects cantered around Biomass –Biomass can generate power from Biomass CHP.

Cllr Kent, (WHERE) said that there was a lack of awareness about community energy. There are opportunities for local Heat and Waste projects. Can DECC or others provide links to funding as part of the feedback from the event.

Ed Gommon of Liverpool Community Energy asked if there was a route to EU funds and James Johnson of the LEP responded that yes there potentially was – but that barriers were – scale of project, a consortia to put a project together and manage the complex reporting of results – and the need for 50% match funding to come from another source.

Also discussed (**Emma Ashcroft of the Carbon Trust**): Could Neighbourhood Plans be an instrument of regional planning policy to support CE. Onshore Wind is an example of a national policy where

interpretation by local government (need for evidence in local plans) and approval by local communities was a deciding factor.

Does the LEP as a regional have a role to link CE groups with demand for energy projects?

4. Workshop Sessions.

A trio of workshops were carried out in parallel. The audience divided into three groups and rotated around three topic areas for 15 minutes per topic. Facilitators recorded feedback from participants.

4.1 Workshop Topic 1: OPPORTUNITIES FOR GENERATION

4.2 Workshop Topic 2: DISTRIBUTION , SUPPLY and ENERGY EFFICIENCY

4.3 Workshop Topic 3: SUPPORT FOR ORGANISATIONS, FUNDING, POLICY

WORKSHOP 1

OPPORTUNITIES FOR COMMUNITY ENERGY GENERATION

Facilitated by Mark Knowles Local Enterprise Partnership and David Hunt Hyperion Executive Search

This workshop was intended to promote discussion about Community Groups bringing projects together and then addressing the barriers they typically face.

Top Summary Three Recommendations:

- Need for an education process on low carbon technologies.
- Clearer planning guidance of acceptable technologies linked to a revised Renewable Energy Capacity Study.
- Focus on efficiency measures as well as generation.

Discussion

There was a feeling from all three groups that there is a general lack of understanding in community groups and local authorities on the range of technologies that can be adopted by community groups.

Community energy is normally associated with small onshore wind turbines or PV. Whilst these are important there needs to be an education element on the breadth of technologies and their potential application.

Two of the groups felt that the LEP and local authorities could do more to highlight and match local companies to community groups.

All three groups highlighted difficulties and uncertainty in local authority planning. There appeared to be a lack of consistency and expertise across LCR. The LCR Renewable Energy Capacity Study was raised by two groups in the context of planning. The queries centred on whether the document was up to date and whether it was the principle arbiter in deciding planning outcomes

A number of participants from outside the LCR countered that, in their opinion, LCR was ahead of most areas in addressing and highlighting community energy but had yet to put any formal requirements to consider CE during the planning process.

One group raised the possibility of CE measures being made a mandatory consideration in Section 106 applications. This also prompted a discussion on Community Benefit Funds being applied to support CE projects.

One group raised the issue of local supply chain capacity. They queried how many companies were in the LCR who could supply and install measures as their experience has thus far been with suppliers coming in from outside the LCR. Another group raised the possibility of sponsoring college students to undertake a newly created CE apprenticeship.

One group raised the potential to create local feedstock capacity from food waste or biomass. The feeling was that it was happening at a local level but it would benefit from coordination.

WORKSHOP 2

DISTRIBUTION , SUPPLY and ENERGY EFFICIENCY

Facilitated by Steve Holcroft Liverpool city Council and Geoff Murphy Scottish Power Energy Networks (SPEN)

This workshop was intended to promote discussion about revenues to support Community Energy Projects by thinking about CE Projects connection to the wider energy system.

Top Three Summary Recommendations:

- A need to prove that CE Projects can pay for themselves under the new incentive model
- Trust is important part of the CE brand and
- Better communication to persuade

2.1 Supply and Distribution

It was noted that there are pockets of off gas grid customers within the LCR and that green field sites will not have any utility infrastructure.

Issue – Decentralised energy, who is leading? Heat networks – suffer from the lack of a council policy to promote them. Oldham Council are looking to use the RHI to gain income from a network.

Opportunity – In the main technical solutions exist for Distributed Generation.

Issue - The 'community' aspect of community energy implies a participatory process, community involvement and a democratic process. Is this always necessary or helpful? A school can decide to replace a boiler without any external consultation but the same is not true for putting PV on roofs. Consultation through planning is required.

Issue - What are community energy drivers? These need to be narrowed down. There may be broad climate change issues but the salient point is probably making/saving money.

Opportunity – Distributed Generation can provide revenue

Issues – Proving ROI for a Distributed Generation scheme can be difficult as can accessing suitable finance.

2.2 Energy Efficiency

Issue – There is a performance gap between solutions put forward and what they deliver/pay back. The solution needs to show that it pays for itself.

Issue – Drivers may be political or policy driven.

Issue – Where do communities start? It is not obvious where the best advice is. There is a lack of trust regarding energy saving advice from the big 6 retailers.

Opportunity – ECO should continue to 2017 and grants should be available through this.

(Post meeting note:24 November 2015 Spending Review and Autumn Statement: The Energy Companies Obligation (ECO) will be replaced from April 2017. A new scheme (currently being developed) will run for five years with an annual budget of £640m (a reduction from the £800m p.a. currently spent through ECO).

Issue – Lack of consistency in policies and stability in energy market place.

2.3 Consumers

Issue – Consumers lack visibility of their energy costs.

Issue – Consumers lack understanding when behavioural change is required. E.g. If invested in PV then alter consumption patterns to make use of energy generated. E.g. do washing when sun is out.

Opportunity = Peer pressure can encourage neighbours to invest in PV or external insulation.

Opportunity = Collectively bargaining tariffs. For example take up of collective switching is still relatively low.

Issue – Lack of trust in big 6.

Issue – How do we sell it better?

WORKSHOP 3

SUPPORT FOR CE ORGANISATIONS, FUNDING, POLICY

Facilitated by James Johnson, LCR LEP and Kirsta Patrick, Manchester Community Renewables.

This workshop was intended to promote discussion about the support that could be given to support Community Energy groups, nationally and regionally, and via various types of organisations. Also how CE groups might support themselves.

Top Three Summary Recommendations:

- Do more to raise awareness of Community Energy, CE Groups come together to scale funding
- Promote a consistent national policy that support business planning
- Integrate CE into regional planning policy so that funding is directed to groups

Support for CE Groups

- There is a lot of untapped interest in CE, it needs wider promotion.
- Raise awareness. Better marketing of Community Energy
- Communication - if government support community energy - public may not know but do

want to do something.

- More events and networking opportunities.
- Another NW conference on CE (like powering up the north)
- Trust is important when it comes to energy – CE has advantage over other suppliers

= Advertise CE and raise awareness in Liverpool City Region, create a Brand & Identity for CE?

- A regional or national co-op (extra to trade body community energy England) to act as umbrella body
- Haringey - example of setting up of a secondary co-op to support local community energy organisations.
- Calderdale - example of CE umbrella?
- Look at Plymouth community energy as a model.
- Create an umbrella BENCOM (national / regional) to share best practice
- Create / Encourage working in the NW on CE
- Need for scale and energy sales route
- CE to look to scale and project aggregation.
- Communicate best practice. Learn from others that have had funding.
- Combine groups / create consortia - a role for coordinated matchmaking LA / local authority
- Standardisation of the CE process

= Consider creation of a regional not-for-profit umbrella organisation to support CE

- Guidance / support for large building owners on how to deal with community energy and the issues they will have to address.
- Use ESOS recommendations for solar as a reminder to businesses to think about CE.
- Voluntary services - speak to social enterprises.
- Consider carefully why existing groups are struggling before creating more **
- Link CE Groups with Commercial Organisations (LEP / LA can play a role) Support with knowing about buildings available for projects. Tap into various organisations.
- Target owners of roofs and explore Corporate Social Responsibility route to interesting them in CE.

= Find ways of getting to wider audience – Social Enterprise and Commercial Businesses

- Don't try and reinvent - use existing groups and community networks to drive CE.
- Manage expectations at start of the project. Build trust with open flexible processes.

= Work through existing routes, don't overpromise

National Policy / Local Government Policy & Actions

- LCR help identify potential schemes and offer to interested communities. i.e. don't wait for bottom up but don't dictate top down.**
- (There is a) Perceived resource at LEP for umbrella org or another option?
- LEP and LA support/link CE into social enterprises.
- LAs/ LEPs to act as matchmaker between (private) roofs and CE groups

= LEP / LCC support for CE to match-make / link / signpost especially to host organisations

- Use planning policy - national or local, to encourage new developments, to consider CE as a way of finding investment for Renewables.
- Policy - consistency of policy over longer term. It takes several years to develop projects - really unhelpful when policy incentives change half way through.

- National policy - lower barriers to large organisations thinking about CE.
- = Consistency of national policy if CE is going to be supported over longer term.**

- Local Planning - mention CE in supplementary guidance.
- Partner waste generators with communities.
- DECC / DCLG rethinking policy re neighbourhood developments.
- How could CE fit with Neighbourhood Plans / develop thinking around Neighbourhood Plans.
- Bring together businesses who produce waste heat with those with heat demands

= Promote CE through place-based policies

- A green homes agency which encourages, innovation and actually helping to delivery green homes.
- Local authority planning for decentralised energy - include requirements and tech. specs.
- Local mandatory (especially for RSLs) Merton rules and/or funding for cities reducing their carbon footprint like City Challenge.

= Thread CE into regional thinking around energy

- Look at local sources of wood fuel for biomass projects
- Worry about distance of travel when considering waste (to energy) projects.
- Policy - waste contracts - priority to community energy groups. Renewable Heat Incentive (RHI) a source of Revenue in a post FIT world

= There may be a demand for sources of waste to feed local energy generation projects

Funding

- RHI - commercial model - Options (i) % of 2nd tier given / retained (years 19/20 kept / retained).
- Commercial companies are still investigating PV projects post FIT – suggests a way forward for CE.
- Commercial companies roof-spaces for PV, Share revenue from profit with communities, Put together an offer to SME organisations.

= There are options for funding that exist if they are put to use, persuade

- Opportunities such as VAT which can support social enterprises ahead of corporate.
- More consideration of interaction between community benefit funds (large energy projects) and smaller scale CE projects.
- Review of UCEF / RCEF needed. Streamline application process./ pre-determined approval.
- HNDU to look at funding for smaller community scale communal heating projects
- Local authority business rate retention - funding source/ incentives for CE

= National options for funding CE – look to improve / adapt existing mechanisms

- LEP facilitate access to European funding.
- Consider CE when looking at Horizon 2020 funds.
- Horizon 2020 funds to develop a regional energy company.

= Can supra-national funding support CE – can the LEP/Others help consider options.

- Regional community or charitable revolving loan funds with terms reflecting financial reality of lower FIT rates.
- LCVS - Get some money from councils to support third sector groups.
- Use S106 and CIL community money.

- CE look to local policies – New-build developments as a source of funding.
- Pay as you save model. Community groups can be involved in this financial model.

= Create a regional funding mechanism for CE projects

- Piclo / Good Energy - sale of CE energy to CE using direct sales.
- Crowd source the umbrella model
- Look at direct energy supply regional policy
- Create a new energy sales co. for aggregating sale of community energy.
- Use an existing energy supplier as a white label for CE.

= Scale up and create a vehicle for selling Community generator Energy to customers.

APPENDIX A - Community Energy Workshop Follow-Up

Attendees to the workshop were asked to provide any further practical recommendations back to the hosts after the event, and also to suggest partnerships and consortia opportunities. 6 responses received have been summarised below.

Stakeholder Suggestions for Practical Future Actions (As received at 12.02.2016):

1. Develop a City Region Community Energy Strategy
2. Make a clear commitment to support Community Energy
3. Ensure Planning guidance / local plan facilitates Community Energy projects (on shore wind)
4. Commit to buying % local energy
5. Ask large companies to commit to buying % local energy
6. Investigate licence for local energy supply company
7. Let local community energy groups come up with proposals for LCR GI sites
8. Target ESIF fund for local capacity building
9. Target local companies with large roofs for introductions
10. Insist that local large developments have 50% local energy production
11. Engage Merseyside pension fund for investment
12. Pass council(s) motion of support
13. Establish a funded alliance of local comm. energy organisations to offer advice, support etc.
14. Establish a revolving (£10m) loan fund 3% or less over 5-10 years.
15. Investigate the use of brown field sites for biomass energy crops.
16. Provide business contacts for potential waste products for biomass boiler fuels.
17. Co-ordination and leadership for a food waste to energy project.
18. Use of UMP to hold utilities and government to account regarding LCR regeneration.
19. LEP and Local Authorities take a role promoting CE and facilitating discussions with businesses.
20. Take a role in project planning to support CE owned schemes on large buildings
21. Train local officers in planning and building control to help enable schemes rather than become a barrier due to lack of understanding.
22. Future workshops should target barriers facing actual groups and seek to address those.