

Debate Pack

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Empowering community energy schemes

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Summary

Community energy refers to energy projects that are wholly or partially owned and controlled by local communities. The projects can span generation – usually renewable or low carbon – or demand reduction such as energy efficiency.

According to Community Energy England, by 2020 there were 424 community energy organisations across the UK, with 319 MW of total installed capacity. Community energy can offer benefits to local communities as well as to wider decarbonisation goals. For example, Community Energy England state that to date, community projects have saved £2.9 million through reduced energy bills.

The Government has policies to support energy, including at the local level. These include the Smart Export Guarantee, the Renewable Heat Incentive, and the Local Energy Programme. The latter has provided £22 million of funding to date which has included support for the develop of energy strategies for local areas. The Government does not have a current strategy specifically targeted to community energy, but it has provided a brief overview of its future plans in the Net Zero Strategy.

The Environmental Audit Committee (EAC) conducted an inquiry into community energy earlier this year. The Committee found that though the sector grew from 2014-2017, growth has now stopped, and the UK is falling behind some European countries.

Several suggestions have been made to encourage community energy. The EAC recommended the Government engage the public, provide financial support, and remove regulatory barriers. With regards to regulation, a Local Electricity Bill was introduced in both the 2017-19 and 19-20 Parliamentary Sessions seeking to facilitate community groups who wish to sell the electricity they produce to local customers.

A Backbench Business Committee debate on Enabling Community Energy was held on Thursday 1 July 2021, led by Wera Hobhouse MP.

A further debate has been scheduled in Westminster Hall on Tuesday 30 November 2021 at 2.30pm on empowering community energy schemes. Wera Hobhouse MP will open this debate.

1

What is Community Energy?

The Government has published [guidance](#) which sets out background information on community energy:

Community energy covers aspects of collective action to reduce, purchase, manage and generate energy.

Community energy projects have an emphasis on local engagement, local leadership and control and the local community benefiting collectively from the outcomes.

Community-led action can often tackle challenging issues around energy, with community groups well placed to understand their local areas and to bring people together with common purpose.

[...] Examples of community energy projects include:

- Community-owned renewable electricity installations such as solar photovoltaic (PV) panels, wind turbines or hydroelectric generation.
- Members of the community jointly switching to a renewable heat source such as a heat pump or biomass boiler.
- A community group supporting energy saving measures such as the installation of cavity wall or solid wall insulation, which can be funded wholly or partly by the Green Deal.
- Working in partnership with the local Distribution Network Operator (DNO) to pilot smart technologies.
- Collective purchasing of heating oil for off gas-grid communities
- Collective switching of electricity or gas suppliers.¹

The guidance goes on to summarise some of the different governance and legal structures that community energy groups could take:

A legal structure is needed to apply for the majority of grants and to qualify for loans. The following are examples of community group legal structures:

There are two types of *Industrial and Provident Society*:

- Community Benefit Society (BenCom). This is set up to benefit a particular stakeholder group. They cannot operate like a private company and IPSs can offer community shares (less than £20,000 limit).
- Co-operative Society. This is run by and for the interest of its members. Co-operatives pay out dividends to members, often

¹ Gov.uk, [Community Energy](#), Updated January 2015

on the basis of participation not investment. Each member gets one vote, regardless of the number of shares they own. For further free advice, [contact the Co-operative Hub](#).

Community Interest Companies (CICs) cannot be formed or used solely for the personal gain of a particular person, or group of people. They have an asset lock and a limit on dividends. CICs are supervised by the CIC Regulator. CICs cannot run community share offers.

Charities are run by trustees, supported by donations and have charitable status (tax relief). They are regulated by the Charity Commission.

Joint Ventures involve a community group and one or more other bodies like a private investor who may bring business or technical skills, capital, legal expertise, local land etc.²

1.1

State of Community energy in the UK

Community Energy England (a not-for-profit organisation) produce an annual State of the Sector report in collaboration with Community Energy Wales and Community Scotland. The [2021 report](#) found:

Community energy is playing a crucial role in achieving net zero by gaining consent, increasing participation and embedding behaviour change.

With the removal of subsidies and other financial support, there has been a shift in the sector away from electricity generation projects, with organisations refocusing on a whole system approach.

Communities have demonstrated significant perseverance and ingenuity and are determined to take action on climate change, despite a lack of UK strategic, financial and political support.

An engaged energy citizenry will be necessary for achieving net zero and we are calling in this report for the government to get behind this populist movement, and provide real, demonstrable support for the sector.³

There are no Government data covering community energy as a whole, but the State of the Sector report, published by Community Energy England in 2021, summarised development in the community energy sector across 2020.

² Gov.uk, [Community Energy](#), Updated January 2015

³ Community Energy England, [Community Energy State of the Sector 2021](#), Accessed June 2021

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Government policy

Net Zero Strategy

The Government set out its view on community energy in the [Net Zero Strategy](#) (published October 2021):

Community empowerment, engagement, and action can play a role in supporting the UK's transition to net zero and enable communities to access the benefits that it brings, from greener jobs to improved health. Communities are especially well placed to help raise awareness and engage people in adopting net zero behaviours. For example, community ownership of renewables and other assets, often in partnership with other organisations, can be an important driver of reducing local emissions. It can also enable people to learn more about climate change and build sustainable behaviours.⁵

We want to work in partnership with people and communities across the country. To do so, we will empower local leaders to kickstart their own net zero initiatives, taking responsibility for improving their areas and shaping their own futures.⁶

The Strategy explains the following future plans for community energy:

- The Government will work closely with Community Energy England and will reintroduce the Community Energy Contact Group⁷ as a dedicated forum for community groups to engage across Government. The Community Energy Contact Group (CECG) was established under the 2010-2015 Coalition Government as an informal advisory body made up of community energy stakeholders.⁸ It provided input on specific policy development and helped to identify barriers and solutions for the community-led development on energy. In 2017 the CECG was merged in a wider Local Energy Contact Group, which brought together representatives of communities, local authorities and local enterprise partnerships.⁹
- From February 2022 community interest groups, co-operative societies, and community benefit societies will be able to apply to Ofgem's [Industry Voluntary Redress Scheme](#). This will allow these groups to apply for funds to deliver energy related projects that

⁵ Department for Business, Energy and Industrial Strategy, [Net Zero Strategy: Build Back Greener](#), October 2021, p263

⁶ Department for Business, Energy and Industrial Strategy, [Net Zero Strategy: Build Back Greener](#), October 2021, p50

⁷ Department for Business, Energy and Industrial Strategy, [Net Zero Strategy: Build Back Greener](#), October 2021, p272

⁸ GOV.UK, [Community Energy Contact Group](#) (accessed 29 November 2021)

⁹ [PQ 239853](#) [on Energy: Government Assistance], 2 April 2019

support energy consumers in vulnerable situations and/or support decarbonisation.¹⁰

[Community Energy England](#) published a response to the Net Zero Strategy in which they criticised the Strategy for failing to provide “practical support measures” for community energy; for not offering successors to the Rural Community Energy Fund (due to close April 2022) and the Urban Community Energy Fund (closed 2016); and for not recognising the role of local community leaders (as opposed to local government leaders).¹¹ [Co-operatives UK](#) welcomed the Strategy’s acknowledgement of the potential role that communities and cooperatives can play in achieving net zero, but said the Government needs to think more strategically about how to use these groups.¹²

The Government has also recently set out its view on community energy in a letter responding to the conclusions of an inquiry by the Environment Audit Committee, covered in Section 1.4.

Energy White Paper 2020

The [Government’s 2020 Energy White Paper](#) said that the Government would continue to work with local authorities and communities to deliver programmes that support local decarbonisation. Although the paper did not include any specific policy on community energy, it did include a case study of Community Energy through Energy Local Clubs, and policies that support energy in general, including at the Community level.¹³

Community Energy Strategy 2014

The (then) Government published a [Community Energy Strategy](#) in 2014. This included Government modelling which suggested that by 2020, community electricity could provide between 0.5GW and 3GW of installed capacity of solar photovoltaic (PV), onshore wind and hydro projects. The modelling said this amount would equate to between 0.3% and 1.4% of the UK’s entire electricity consumption in 2020.¹⁴ As the 2021 State of the Sector report above sets out, the actual amount in 2020 was 319 MW (or 0.3 GW).

The 2014 strategy also set out several policies to support community energy.

¹⁰ Department for Business, Energy and Industrial Strategy, [Net Zero Strategy: Build Back Greener](#), October 2021, p272

¹¹ Community Energy England, [News: Net Zero Strategy - Community energy highlighted but no support offered](#), 20 October 2021

¹² Cooperative News, [Government net zero strategy ‘needs more support for co-ops and community energy’](#), 22 October 2021

¹³ Department for Business, Energy and Industrial Strategy, [Energy white paper: Powering our net zero future](#), December 2020

¹⁴ Department of Energy and Climate Change, [Community Energy Strategy: Full Report](#), January 2014

Other policies to support community energy

Some existing policies to support small scale low carbon energy include:

- The Smart Export Guarantee (SEG): for electricity generation such as solar panels, the SEG requires suppliers to offer a tariff for any surplus electricity that is generated and then exported to the electricity grid (i.e. it is not used on the site of the renewable generation). More information on these schemes is available in the Library briefing paper on [Support for small scale renewables](#).
- The Renewable Heat Incentive (RHI): for renewable heating technologies such as heat pumps, the RHI offers payments for heat generated over the period of the contract. There was both a domestic and a non-domestic scheme. More information is available from the Ofgem (the energy regulator) [webpage on the scheme](#). The non-domestic scheme closed in March 2021, the domestic scheme is scheduled to close in 2022.
- **The Local Energy Programme:** launched in 2017 the Programme supports Local Enterprise Partnerships (LEPs), local authorities and communities in England with decarbonisation and clean growth. The [funding provided as of May 2021 was £22 million](#).¹⁵ The programme has:
 - Funded the development of an energy strategy for every LEP in England
 - Established five Local Energy Hubs across England, which provide LEPs and local authorities with access to expertise to help develop and secure investment in low carbon projects.
 - Offered grants to community organisations in rural areas to support the initial stages of development for renewable energy projects through the £10 million Rural Community Energy Fund (scheduled to close in 2022).

¹⁵ PQ 8682, [Local Government: Greenhouse Gas Emissions](#), 27 May 2021

3 Proposals to increase Community Energy

This section sets out some proposals and commentary on how community energy could be supported. Further parliamentary and stakeholder commentary on community energy is set out in the press and parliamentary sections of this paper below.

3.1 Local Electricity Bill

On 10 June 2020, Peter Aldous MP introduced a [Local Electricity Bill 2019-21](#) under a 10-minute rule motion. Mr Aldous said the Bill was supported by 151 MPs from across the House. The Bill itself is available from the [Local Electricity Bill webpage](#). The Bill did not have a second reading before the end of the session, and so it did not progress.

The Bill was supported by community energy group [Power for People](#). The Bill's introduction was covered in an [article by energy news site Current News](#) on 11 June 2020.

The Bill sought to support community groups that wanted to sell the electricity they generated to local consumers. Ofgem, the energy regulator, is responsible for regulating energy suppliers and ensuring they meet Energy Supply Licences. At present, licensed suppliers are subject to a duty to supply and must offer terms to any domestic consumer that requests them. This means that suppliers must offer supply to customers nationwide. While there are some specific exemptions for geography-limited licences, the Bill's proponents believe this is not enough to encourage community energy groups to sell to local consumers.

The Bill sought to change the Electricity Act so that Ofgem can grant 'local electricity supply licenses' to local generators and set the designated area for these licenses to apply in, following consultation with relevant stakeholder such as the Local Authority.

The Bill stated that if passed it would apply to England, Scotland, and Wales.

A [Local Electricity Bill with the same provisions](#) was also introduced in the 2017-2019 session. This also did not complete all stages by the end of the session, and so it did not progress.

Existing legislation

The existing [Electricity Act 1989](#) does allow supply licenses to operate only in a designated area (page 17) (this is valid for all suppliers, not necessarily generators as the Bill proposes):

- (3) A supply licence may authorise the holder to supply electricity—
- (a) to any premises;
 - (b) only to premises specified in the licence, or to premises of a description so specified; or
 - (c) only to any premises situated in a specified area, or to premises of a specified description which are so situated.
- (4) The Authority may, with the consent of the holder of a supply licence, modify terms included in the licence in pursuance of subsection (3) so as to extend or restrict the premises to which the licence holder may give a supply of electricity.

What Ofgem say

Ofgem published in 2017 a report on [Local Energy in a Transforming Energy System](#). This explains the current regulatory options for local suppliers:

While the scale of local supply activity is currently limited, we are aware of growing interest from different parties. Community energy schemes accessing [now closed] Feed-in-Tariffs are growing in numbers, and many are keen to supply their power directly to their local area. Local providers can offer new choices to consumers, enhance competition and bring pressure on incumbents to better understand and respond to their customers' needs. We welcome the potential for local energy to engage and involve consumers more actively.

The licensed supplier model tends not to be a viable proposition for very small-scale supply – compliance with industry codes, in particular, requires significant upfront costs. Instead, many schemes are exploring commercial white label and sleeving type arrangements with licensed suppliers and exempt-supply options.

[...]

Licensed energy suppliers are currently subject to a duty to supply and have to offer terms to any domestic consumer that requests them. This requirement is in place for good reason, ensuring that consumers aren't cherry-picked. Today's regulatory arrangements do allow for a prospective supplier to apply for a licence restricted by geography; to secure this the supplier would need to argue the restriction on the basis of an over-riding public interest rationale. However, now we have a more diverse supplier landscape, this seems a cumbersome mechanism for enshrining consumer

protection, and simpler arrangements may be more likely to deliver the benefits local can afford, such as improved choice.¹⁶

Since 2009, Ofgem have offered a [Licence Lite option](#) that seeks to make it easier for new suppliers to enter the electricity supply market.

Enabling Community Energy debate

On 1 July 2021, Wera Hobhouse MP led a Backbench Business Committee debate on [Enabling Community Energy](#). During her opening address, she made the case that existing market and licensing rules mean community energy schemes were unable to sell electricity directly to local customers, and this was hindering the growth of community energy across the UK. She said that Licence Lite had failed to address this issue as it required a willing licensed energy utility to partner with the community energy group. Instead, she proposed that community energy schemes should have the right to supply electricity to local customers, and that the Local Electricity Bill would have achieved this.

[O]ur energy market and licensing rules [...] are largely unchanged from when they were designed in the 1990s. They make the cost faced by community energy groups insurmountable. A report by the Institute for Public Policy Research states that the financial, technical and operational challenges involved in setting up a licensed energy supply company mean that initial costs exceed £1 million.¹⁷

[...]

Its [Licence Lite's] key flaw is the need for local renewable generators to partner with a willing licensed energy utility. None of the existing community energy groups in the UK is licensed to sell its electricity directly to local customers. That is why community energy has hardly grown for more than a decade.¹⁸

The then Minister for Science, Research and Innovation, Amanda Solloway MP, responded that while the Government agreed with the broad intentions of the Local Electricity Bill, they had not supported it because Ofgem already has the flexibility to allow for local suppliers. She raised concerns that the Bill would distort the electricity market, increasing the costs borne by consumers. She reaffirmed the Government's intention to review the regulatory framework for the overall energy retail market, and stated that community energy stakeholders would be engaged in this activity.

Artificially reducing network costs for local energy suppliers, as the [Local Electricity] Bill appeared to suggest, would be distortive. It

¹⁶ Ofgem, [Future Insights Series – Local Energy in a Transforming Energy System](#), 2017

¹⁷ HC Deb 1 July 2021 [c124WH](#)

¹⁸ HC Deb 1 July 2021 [c125WH](#)

would mean higher costs falling on to consumers, with costs increasing as more local suppliers entered the market.¹⁹

[...]

The 2020 Energy White Paper committed the Government to review the overall energy retail market regulatory framework. That review will assess the changes that may be needed to ensure that the framework is fit for purpose and allows new business models to come forward.²⁰

3.2 Environment Audit Committee Inquiry

In February 2021, the House of Commons Environment Audit Committee launched an inquiry into [Community Energy](#) as part of the overarching inquiry looking into technological innovations which could contribute to tackling climate change.²¹

In April 2021, the Committee wrote a [letter to the Secretary of State for Business, Energy and Industrial Strategy](#), Kwasi Kwarteng MP, setting out some of the issues that had been raised in the inquiry. The Committee expressed support for community energy as a way of tackling climate change whilst engaging and benefiting the public:

Successful community energy projects across the country are placing tackling climate change at the heart of their activities, engaging the public in decarbonisation and pioneering innovative trials to meet the demands of a potentially decentralised and increasingly digitised future energy network. Community energy projects offer a wide range of local benefits beyond those directly associated with decarbonisation from increased generation of renewable energy.²²

However the Committee expressed concern that though the sector had grown between 2014 and 2017, it was no longer growing and falling behind progress in Europe. The Committee made four broad recommendations:

- Engaging the public in net zero: The Committee expressed disappointment that there was not more focus on community energy in the Government's 2020 Energy White Paper. The Committee recommended that the [then] forthcoming Net Zero Strategy emphasises

¹⁹ HC Deb 1 July 2021 [c145WH](#)

²⁰ HC Deb 1 July 2021 [c145WH](#)

²¹ EAC, [New inquiry: What role could 'community energy' play in decarbonising energy and heat?](#) 18 February 2021

²² EAC, [Letter to Rt Hon Kwasi Kwarteng MP on Technological Innovations and Climate Change inquiry: Removing the barriers to the development of community energy](#), 29 April 2021

the importance of community energy, and that the Government develops a community energy strategy.

- Financial Support: The Committee recommended the Government:
 - introduce a minimum SEG floor price above zero,
 - reinstate the Urban Community Energy Fund, or a combined fund with the Rural Community Energy Fund when it ends in 2022,
 - reinstate Social Investment Tax Relief for investments in community energy;
 - and replace the non-domestic RHI with a scheme designed to support community projects.
- Regulatory barriers: The Committee said the Government should remove the regulatory barriers to allow community energy projects to sell their energy to their local communities. Additionally, the letter recommended Ofgem should improve its support of community-led renewable energy projects and provide guidance to Distribution Network Operators on how to incorporate community energy into the energy network.
- Local Authority Engagement: The Committee recommended the Government consider adjustments to the National Planning Policy to allow prioritisation of community owned energy developments.²³

The [Minister's letter in response](#) pointed to existing schemes, such as the Rural Community Energy Fund, Smart Export Guarantee, and local energy programme as examples of how community energy is supported. The letter said that the continuation and expansion of the Rural Community Energy Fund would be considered as part of the 2021 Comprehensive Spending Review, however there is no mention of the Fund in the Autumn Review and Spending Review 2021 documents.²⁴ The letter also said that the upcoming Net Zero strategy would set out the Government's future plans for community energy, and that this strategy would be in lieu of a specific strategy on community energy.²⁵

3.3

Other stakeholders

There are several other stakeholders that have recommended or are taking more action on community energy. Some examples include:

²³ EAC, [Letter to Rt Hon Kwasi Kwarteng MP on Technological Innovations and Climate Change inquiry: Removing the barriers to the development of community energy](#), 29 April 2021

²⁴ GOV.UK, [Autumn Budget and Spending Review 2021: documents](#), (accessed 29 November 2021)

²⁵ [Letter to Rt Hon Philip Dunne MP from Rt Hon Kwasi Kwarteng MP](#), 7 June 2021

- [Power for People](#): a not for profit organisation campaigning for community energy. The group are involved with the Local Electricity Bill and are asking people to call on their MPs to back the Bill.
- The IPPR: a think tank, published in March 2021 a report titled “[The Climate Commons](#)” which amongst other things, discussed the benefits of community energy. The report argued that the Government should aim for a third of new onshore renewables to be under community ownership. More broadly, the IPPR recommends a Thriving Places Fund to support communities, and changes to planning laws to accelerate community owned projects.
- Local Government: some local government schemes seek to support Community Energy beyond national support. For example:
 - London has a specific [Community Energy Fund](#) which has awarded £1 million to projects since 2017.
 - Several councils set out information and resources to support community energy, such as this guidance from [Essex County Council](#).
 - Some councils are exploring new mechanisms for financing community energy, for example [Warrington](#) and [West Berkshire](#) have pioneered the use of Community Municipal Investments – essentially a bond or loan invested in by residents and community groups through [a crowdfunding platform](#). These can be used to fund environmental projects including energy.

4

Parliamentary material

Debates

[Westminster Hall debate: Enabling Community Energy](#)

HC Deb 01 Jul 2021 | 698 cc123-146WH

[Commons adjournment debate: Electricity Generation: Local Suppliers](#)

HC Deb 14 October 2020 | Vol 682 cc482- 497

Private Member's Bill

Local Electricity Bill 2019-21

[Presented HC Deb 10 June 2020 | Vol 677 c314-](#) [no further stages]

[Text of Bill](#)

Commons Environmental Audit Committee inquiry

Oral and written evidence taken by the Environmental Audit Committee on [Technological innovations and climate change: community energy](#), HC 1208, Session 2019–21

Correspondence between the Chair of the Environmental Audit Committee and the Secretary of State for Business, Energy and Industrial Strategy on [Technological innovations and climate change: community energy](#), HC 1208, Session 2019–21 and HC 421, Session 2021–22

PQs

[Renewable Energy: Community Development](#)

Asked by: Osborne, Kate | Party: Labour Party

To ask the Secretary of State for Business, Energy and Industrial Strategy, what plans the Government has to ensure that the Local Electricity Bill achieves its aim of unblocking the potential for community renewable energy generation.

**Answering member: Greg Hands | Party: Conservative Party
| Department: Department for Business, Energy and Industrial Strategy**

The Government agrees with the broad intentions of the Local Electricity Bill, but does not support it as the means to enable local energy supply. There are already mechanisms in the market to allow local supply. The current Ofgem regulatory regime allows for a company to supply a specific geographic area, and small-scale generators can also apply for a licence exemption in some cases to reduce the regulatory burdens of operating at a community level.

The Government supports community energy projects through the Rural Community Energy Fund and will work with Ofgem to ensure that local communities can play their role in delivering Net Zero and a Green Recovery.

HC Deb 28 Oct 2021 | PQ 59980

[Renewable Energy](#)

Asked by: Aldous, Peter | Party: Conservative Party

To ask the Secretary of State for Business, Energy and Industrial Strategy, whether, as part of the process of issuing a Strategy and Policy Statement to Ofgem as set out in the Energy White Paper, his Department plans to include guidance to Ofgem on steps to support community energy and to establish a right to local supply.

**Answering member: Anne-Marie Trevelyan | Party: Conservative Party
| Department: Department for Business, Energy and Industrial Strategy**

As set out in the Energy White Paper, the Government will consult on an energy sector Strategy and Policy Statement (SPS) for Ofgem during the course of 2021. The consultation will be a chance to engage with stakeholders from across the energy sector.

The SPS will reflect the strategic priorities and policy outcomes of the Government's energy policy and the roles of Government, Ofgem and other parties which are collectively responsible for delivering these outcomes.

HC Deb 23 Jul 2021 | PQ 33900

[Solar Energy](#)

Asked by: Helen Hayes | Party: Labour Party

Community energy is vitally important in delivering renewable energy and engaging communities in contributing to net zero, but the sector has suffered since the Government cancelled the urban community energy fund in 2016 and excluded it from the social investment tax relief in 2017. This evening I am meeting Sustainable Energy 24 in my constituency, which is working hard to

deliver new solar installations and engage our local communities, despite the Government's lack of support. Will the Minister commit to meaningful support for community energy?

Oral questions - 1st Supplementary

**Answering member: Anne-Marie Trevelyan | Party: Conservative Party
| Department: Business, Energy and Industrial Strategy**

We are absolutely supportive of community energy. The £10 million rural community energy fund provides grant funding to help communities with the up-front costs of project development. We have also funded dedicated officers at five local energy hubs to provide one-to-one support. We intend to set out our future plans for community energy in the forthcoming net zero strategy.

HC Deb 06 Jul 2021 | PQ 902269

[Renewable Energy: Finance](#)

Asked by: Lucas, Caroline

To ask the Secretary of State for Business, Energy and Industrial Strategy, with reference to the Answer of 29 April 2021 to Question 185847 on increasing support for community energy, whether the Government has undertaken a cost-benefit analysis to inform the Net Zero Strategy of the potential merits of increasing support to community energy groups in (a) urban and (b) rural areas to (i) develop renewable energy projects, (ii) provide economic and social benefits and (iii) act as catalysts for raising awareness and promoting behaviour change.

Answering member: Anne-Marie Trevelyan | Department: Department for Business, Energy and Industrial Strategy

We continue to monitor the cost effectiveness of local and community energy solutions in the context of developing policy options for the Net Zero Strategy. The Government will be considering a wide range of proposals to support climate change action at the local and community level in that Strategy.

HC Deb 25 May 2021 | PQ 2253

[Renewable Energy: Finance](#)

Asked by: Lucas, Caroline

To ask the Secretary of State for Business, Energy and Industrial Strategy, what cost benefit assessment his Department has made on the potential merits of increasing support to community energy projects to (a) engage the

public in the net zero transition and (b) deliver social and community benefits.

Answering member: Anne-Marie Trevelyan | Department: Department for Business, Energy and Industrial Strategy

The Government recognises the valuable role that community and locally owned renewable energy projects can play in reaching our net zero targets. Community energy groups can act as catalysts for raising awareness and promoting behaviour change, both of which are vital if we are to achieve our 2050 goals.

BEIS is funding the Rural Community Energy Fund (RCEF) a £10 million programme, delivered through the 5 Local Energy Hubs in England in the North East (Yorkshire & Humber), the North West, the Midlands, Greater South East, and the South West.

This scheme supports rural communities in England to develop renewable energy projects, explicitly to provide economic and social benefits back to the community. Over 90 communities have received support so far.

HC Deb 29 April 2021 | PQ 185847

[Solar Power for Schools](#)

Asked by: Wera Hobhouse (Bath) (LD) | Party: Liberal Democrats

With reference to his Department's proposals for a centralised procurement framework, what recent discussions he has had with the community energy sector on solar power for schools.

Answering member: The Minister for School Standards (Nick Gibb) | Department: Education

I will try to be brief, Mr Speaker. In January 2020, the DFE commercial team conducted market research when considering the possibility of undertaking a commercial tender for the provision of solar installations and monitoring in schools. On 14 and 15 January, a two-day supplier surgery was held where officials met a range of organisations, including community energy groups.

Wera Hobhouse

Community energy providers have successfully installed community solar on school roofs for many years, including in my constituency of Bath. This is one of the few remaining community energy models, but the Department's proposed new framework to centralise procurement threatens to take it away. Will the Minister meet me and representatives of the community energy sector to discuss the impact of these proposals, plus a possible way forward?

Nick Gibb

Yes, of course I would be delighted to meet the hon. Member. The DFE is currently reviewing a variety of options for the most appropriate solutions for schools to assess the relevant supply chains for solar installation, and I look forward to having that discussion soon.

HC Deb 26 Apr 2021 | Vol 693 c14

[Renewable Energy](#)

Asked by: Mundell, David

To ask the Secretary of State for Business, Energy and Industrial Strategy, what assessment he has made of the effectiveness of the Smart Energy Guarantee in encouraging community energy development; and what additional support he plans to provide the community energy development sector in order for it to grow more widely.

Answering member: Anne-Marie Trevelyan | Department: Department for Business, Energy and Industrial Strategy

Ofgem are to publish their first report on the provisions made by suppliers for smaller scale exports under the Smart Export Guarantee in the summer. We will review this before considering whether there are any further barriers to community energy development that need to be addressed. The Government continues to offer support to communities who want to generate energy locally through the Rural Community Energy Fund.

HC Deb 26 March 2021 | PQ 171544

[Social Enterprises: Tax Allowances](#)

Asked by: Ribeiro-Addy, Bell

To ask the Chancellor of the Exchequer, if he will maintain the Social Investment Tax Relief; and if he will take steps to reform that relief so that enterprises in community energy and tackling climate change qualify for investment.

Answering member: Jesse Norman | Department: Treasury

The Social Investment Tax Relief (SITR) was introduced in 2014 to incentivise risk finance investments in qualifying social enterprises and charities. In order to target SITR towards the highest-risk social enterprises, certain activities are excluded from the scheme, including community energy.

HMRC statistics show that up to 2018-19, about 110 enterprises have used the scheme to raise £11.2 million.

The Government keeps all taxes and reliefs under review in order to ensure they continue to meet policy objectives in a way that is fair and effective. The Government previously published a Call for Evidence in 2019 on SITR's use to

date. A response to the consultation will be published in due course and a decision on Sitr's future will be announced at the Budget.

HC Deb 25 February 2021 | PQ 156568

[Renewable Energy: Greater London](#)

Asked by: Olney, Sarah

To ask the Secretary of State for Business, Energy and Industrial Strategy, what assessment he has made of the potential merits of the consumption of electricity from local, renewable community generation schemes in Greater London.

Answering member: Kwasi Kwarteng | Department: Department for Business, Energy and Industrial Strategy

The Government recognises the valuable contribution that community energy can make in helping to meet our target of net zero carbon emissions by 2050. We have funded the Greater South East Energy Hub to work with Community Energy England to raise the profile of community energy and promote it more widely.

The Smart Export Guarantee (SEG) gives small scale low-carbon electricity generators, including community energy projects, the right to be paid for the renewable electricity they export to the grid. There are currently more than 10 SEG tariffs on offer from electricity suppliers, which small scale generators can choose from.

HC Deb 02 November 2020 | PQ 107080

[Greenhouse Gas Emissions: Finance](#)

Asked by: Olney, Sarah

To ask the Secretary of State for Business, Energy and Industrial Strategy, what assessment he has made of the potential contribution of community energy to meeting the fourth and fifth greenhouse gas emissions budgets under the Climate Change Act 2008.

Answering member: Kwasi Kwarteng | Department: Department for Business, Energy and Industrial Strategy

The Government is building on its Clean Growth Strategy and has already made significant progress towards meeting the UK's net zero target. We have met our first and second carbon budgets that were established under the Climate Change Act 2008, and we are on track for the third.

As a Government, we have supported community energy through the £10m Rural Community Energy Fund, and through extensions for community groups

under the Feed in Tariffs to ensure that communities can develop renewable energy projects. We are also working closely with Community Energy England on the Community Energy Hub and in creating a regional network of support for communities getting involved directly in reducing their carbon footprint. This includes developing a new tool for parish councils, as well as the SCATTER tool for local authorities.

Our forthcoming sector strategies on energy, heat and buildings and the environment, and our wider plans to deliver a green economic recovery following the COVID-19 pandemic, will contain further proposals to support us in meeting carbon budgets 4 and 5. Two cabinet committees, chaired by my Rt hon Friend the Prime Minister and my Rt hon Friend the Secretary of State for Business, Energy and Industrial Strategy, have also been established to turbo-charge the net zero transition and co-ordinate action across Government.

HC Deb 23 October 2020 | PQ 106443

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Press articles

Community Energy England

[COP26: outcome disappointing but there are opportunities for the sector](#)

17 November 2021

The Energyst

[Energy co-ops slam Johnson's Net Zero Strategy](#)

November 4, 2021

Cooperative News

[Government net zero strategy 'needs more support for co-ops and community energy'](#)

22 October 2021

Community Energy England

[Net Zero Strategy - Community energy highlighted but no support offered](#)

20 October 2021

Community Energy News

[Policy support needed for more expanded community energy: Report](#)

27 September 2021

Community Energy Scotland

[Community Energy: State of the Sector 2021 report available now](#)

August 28, 2021

Cooperative News

[Community energy sector hit hard by loss of government support](#)

28 June 2021

The Energyst

[Brixton energy group innovates local flex services with EDF & UKPN](#)

24 June 2021

Oxford City Council press release

[Oxford City Council provides nearly £3.4m of funding for Ray Valley Solar Park](#)

21 June 2021

Solar Power Portal

[Community energy groups to access Voluntary Redress funding from Ofgem](#)

21 June 2021

The Energyst

[Kwarteng ‘disappoints’ England’s energy co-ops on local sale & Smart Export Guarantees](#)

18 June 2021

Energy Saving Trust blog

[How community energy schemes can help the UK reach net zero](#)

10 June 2021

Falmouth Packet

[Ground source heat pump to heat streets of Stithians Cornwall](#)

5 June 2021

About Manchester

[Electricity North West awards £34k to Manchester community groups to tackle energy-related issues](#)

3 June 2021

Solar Power Portal

[Community solar generates £60,000 for local communities announces CORE](#)

26 May 2021

Bristol Cable

[Can community energy projects help Bristol get to net zero?](#)

15 March 2021

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Further information

Community Energy England

[Community Energy State of the Sector 2021](#)

Power for People

[The Community Energy Revolution - Campaign for the Local Electricity Bill](#)

HM Treasury consultation outcome

[Social Investment Tax Relief: call for evidence](#), updated 23 March 2021

European Committee of the Regions Commission for the Environment, Climate Change and Energy

[Models of Local Energy Ownership and the Role of Local Energy Communities in Energy Transition in Europe](#), 2018

Ofgem guest blog

[How communities are shaping the future of energy](#)

Emma Bridge, Chief Executive, Community Energy England, 5 July 2018

Energy Research and Social Science, Vol 79 [2021]

[Energy justice within, between and beyond European community energy initiatives: A review](#)

Natascha van Bommel, Johanna I. Höffken

Examples:

- [Bath and West Community Energy](#)
- [Grannell Community Energy](#)

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