



# COMMUNITY ENERGY IN LONDON: Realising the Potential

## ABSTRACT

Community Energy connects Londoners with energy by providing locally owned and governed sources of renewable energy, that generate funds for tackling fuel poverty and increasing energy efficiency. The strong alignment with Mayoral environmental and social aims suggests the potential for a strong partnership. This document explores the unique challenges that community groups in London have faced and explores the potential for a centrally coordinated body representing community energy groups to work in partnership with the GLA and overcome these challenges

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## Executive Summary

- Recent years have seen the formation of community groups that come together to own, manage, or reduce consumption of energy with a view to tackling climate change, reducing energy inequalities, and reconnecting people with how energy is consumed and generated.
- Community energy groups in London currently own and operate 748 kWp of solar PV situated on churches, social housing blocks and schools that have been financed

through the purchase of shares by members of the community. Other technologies such as micro anaerobic digestion have been installed to a lesser extent.

- Some community energy groups focus on promotion of energy efficiency and tackling fuel poverty by financing or facilitating retrofit or by delivering grant funded fuel poverty alleviation work.
- Community energy schemes have benefited London in several ways, including by reducing energy costs for community sites, increasing awareness of energy issues, investing in energy efficiency, providing advice to those in fuel poverty, and contributing to community benefit funds. Energy projects also stimulate local economic activity by channeling funds to local contractors, providing training opportunities and creating local volunteer activity.
- There is a strong alignment between community energy and the Mayor's goals of creating a decentralised sustainable energy system able to meet the needs of Londoners and lift Londoners out of fuel poverty.
- London based groups often struggle to identify sites for energy installation in a volatile property market with complexity of tenure and uncertain lifespan of the commercial building stock. Reluctance or refusal of some local authorities to engage with community energy groups, low levels of social capital, and lack of funding and capacity building opportunities has compounded these challenges. These are challenges common to many other community energy groups across the UK but are particularly acute in London.
- A swathe of policy changes following the national election in 2015, including the 65% reduction in Feed in Tariff (FiT) rates, the removal of certain tax reliefs for investors along with the cessation of programmes such as the Urban Community Energy Fund (UCEF) and the Green Deal, has made it difficult for existing groups to grow and for new groups to form.

Community energy groups held events in London on 12 November 2015 and 8 September 2016 to discuss ways to support and promote community energy in London. Two proposals emerged from these:

- The formation of a hub for London community energy groups called 'Community Energy London'. It would work to facilitate networking amongst groups, act as a forum to share learning and expertise, showcase best practice, support the development of projects within London's unique built environment, provide business and capacity building support to new and existing groups, undertake policy work and liaise with local authorities and the GLA. CEL will be closely aligned with Community Energy England that represents the voice of the sector nationally.
- Working with the GLA to explore opportunities to how community energy could help the delivery of Mayoral manifesto pledges with the provision of GLA support. This support could come through a variety of avenues: Energy for Londoners (an energy supply company for London), community financed renewable energy installation on GLA stock, technical support from the Decentralised Energy Enabling Project (DEEP), or the RE:FIT team, a source of funding for feasibility assessments and impartial support for local authorities that wish to assess the risk and benefits of engaging with community energy.