



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

Dr Giovanna Speciale

With contributions from: Syed Ahmed, Afsheen Rashid, Alex Hartley, Clare Silcock, Andy Heald, Kathy Smyth, Harfiyah Haleem, Mark Hughes, Rokiah Yaman, Sydney Charles, Clive Messenger and Helen Jackson

Acknowledgements

This report was a team effort written in the spirit of cooperation that lies at the heart of community energy. I would like to acknowledge the contribution of the many contributors. Firstly, without Syed Ahmed and Afsheen Rashid this report would not exist: they provided the impetus for this work and organised events and round table discussions upon which much of this report is based. Many thanks to all of those who provided comments on the first draft of the report, who filled in a survey that provides key metrics about the community energy sector in London and all those hardy community energy practitioners who braved the January weather to provide feedback on the second draft: your intelligence, and insight are very much appreciated. These include:

Alex Hartley, Clare Silcock, Helen Jackson (SELCE)

Andy Heald and James Mansfield (GenCommunity)

Kathy Smyth (Energy4All and Schools Energy Co-op)

Harfiyah Haleem (IFEES)

Mark Hughes and Alan Jones (SE24)

Rokiah Yaman (LEAF)

Sydney Charles and Pamela Harling (En10ergy)

Tim Watson and Toby Costin from Community Renewable Energy Wandsworth

Tim, Nikki Brain, Ben Pearce and Sara de la Serne (PowerUp North London)

Felix Wright (Repowering London)

Hannah Short and Robert van Maaren (Solar SOAS)

Becky Payne and Andre Pinho (Brixton Energy)

Matt Sheen (Energy Solutions)

Andreas Arvanitakis (Furzedown Low Carbon Zone)

Chas Warlow (Ham Hydro)

Clive Messenger (SWLEN)

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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.

Community Energy in London

Community energy is used to describe a project in which a group of people come together in an open, participatory way to generate, own, manage, or reduce consumption of energy. In the UK community energy projects come in many shapes and sizes but generally share aims of reducing greenhouse gas emissions, re-connecting people with how energy is generated and consumed, tackling fuel poverty, and returning benefits to the local economy. There are two main areas of community energy activity in London:

Community Financed Renewable Energy Generation

Many Community Energy organisations function as democratically owned and controlled social enterprises which support a broad social agenda. Under this structure, Brixton Energy and Banister House Solar (developed by Repowering London), Power up North London, En10ergy, South East London Community Energy (SELCE), Generation Community, The Schools Energy Cooperative and SE24 all own solar arrays situated on community buildings including social housing, places of worship (churches and mosques) and schools. Community shares financed these solar arrays. Solar PV is the dominant technology for community energy groups in London. However, Ham Hydro, despite ongoing difficulties gaining planning assent, hope to install a run-of-the-river micro hydro scheme in Teddington and LEAP, in North London, operate micro AD plants. SELCE is currently working on community financed renewable heat for swimming pool sites. Despite the complex technical nature of the task, much of the initial work establishing organisations, setting up and delivering projects, raising funds, involving communities has been done on a voluntary basis – which has often run into thousands of hours of voluntary support per project.

Three sources of revenue allow the community energy organisations to maintain and insure the generation assets and also repay investors/members a fair return on their investment, these are: (i) the Feed in Tariff (a government mandated subsidy for renewable energy), (ii) sales of electricity at a reduced rate to host buildings, and (iii) sales of electricity that is not needed by host buildings to the grid.

Host buildings benefit from reduced cost electricity and everyone benefits from avoidance of carbon emissions. In addition, most community energy organisations put any financial surplus into a social fund. In many cases, this is used to fund work tackling fuel poverty thus returning value to the most vulnerable in the community. Schools also gain an educational resource in the form of solar panels, and in Brixton and Hackney, young people have benefited from being part of a team of apprentices that work together to support the scheme and have additionally carried out energy efficiency work on their estates. By procuring and employing locally, organisations return maximum value to the local economy. There is no definitive census of community energy groups in London, however a short online

survey was sent to all community energy groups in London that are known to authors or who are part of existing networks. This revealed the following:

- Nine of the 17 groups that responded to the survey own and operate community financed solar PV installations totalling 748.6kWp across 4 churches, 10 social housing blocks, 12 schools and 3 other types of community building.
- They raised £938,823 in community share capital to finance these solar arrays.
- 213 metric tonnes of CO₂ will be avoided annually as a result of these installations.
- Combined they will generate £368,300 for local community projects; of this £272,000 will be used for projects that aim to alleviate fuel poverty, and the remainder will be allocated to local projects on an annual basis by shareholders.
- One group owns and operates an AD plant and another a renewable heat installation and a further three groups are working on projects that make use of other renewable technologies.
- Most of the value of these projects are returned to Londoners: on average 67% of those who have invested in community energy projects are Londoners whilst 9 out of 11 groups who procure services source 75 – 100% of services from London-based suppliers.

[Energy Efficiency and Fuel Poverty Alleviation](#)

Seven of the 17 groups that participated in the survey of community energy groups in London are currently delivering projects that aim to alleviate fuel poverty or to increase the energy efficiency for householders by providing energy advice surgeries, home visits or operating a telephone advice service. For example, one group has conducted 27 volunteer-lead home visits and fitted measures that will collectively save householders £1,481 per year and result in 7.4 tonnes of CO₂ emission reductions. Another group has helped over 2,000 households reduce their risk of fuel poverty over the past 4 years thereby securing over £1.1 million in direct financial benefits for their clients: this includes over 250 heating system installations, insulation, fuel debt support, tariff switching, warm home discount and winter fuel payments and benefit entitlement checks. Six groups have provided advice or undertaken energy audits of local schools or other community buildings to enable them to increase the energy efficiency of the building or reduce unnecessary energy consumption. Some groups have focused on promoting energy efficient lighting. One group operates an LED buyers' club and another is using a social financing model to enable a community centre on a deprived estate to reduce energy costs by replacing all inefficient lighting with low energy LEDs. Some groups focus exclusively on promotion of energy efficiency and tackling fuel poverty whilst others have a joint focus on renewables and energy efficiency/fuel poverty alleviation channelling financial surpluses from the former into the later.

Community energy groups are currently working on a range of other projects including Demand Side Management, arts and energy, battery storage for residential and commercial sites and collective purchasing of solar PV.

Several groups engage in activities to raise awareness about climate change, energy justice and energy transitions such as organising events, citizen science projects and by creating cross sector partnerships. The value that groups bring to communities through education,

awareness raising, enabling resilience, and enabling people to invest in local infrastructure is intangible.

Interaction with GLA

Mayor Khan pledged to be “the greenest mayor London has ever had” and has set a target to supply a quarter of London’s energy from decentralised sources by 2025. The Mayor has also announced that, over the coming year, the GLA will be producing London’s first Fuel Poverty Action Plan, and a Solar Action Plan for London, both of which will sit alongside the Mayor’s forthcoming Integrated Environmental Strategy.

There are multiple benefits associated with community energy which are clearly aligned with the Mayoral environmental and social goals, including reductions in greenhouse gas emissions, an increase in distributed energy, reductions in energy costs for buildings that serve the community, alleviation of fuel poverty, increasing engagement in energy and environmental issues and the promotion of community cohesion.

However, London lags behind many other cities in terms of community financed renewable generation. The possible reasons for this, including national policy changes since the 2015 election, are explored later in this report.

This report

Community energy groups in London recognised the potential benefits of working together more closely. To this end, an event organised for and by London community energy groups, was held in City Hall on 12 November 2015. The event attracted an audience of over 150 people. A follow-up ‘sold out’ event was recently held (8 September 2016) with 51 people in attendance. Of these, 17 represented community energy groups with the remainder from local government, academia, and other supportive voluntary and commercial sector organisations. Round table discussions focused on the following topics.

1. What are the challenges groups are facing and what support or resource is required?
2. Strengthening the sector through the formation of a resource hub known as Community Energy London - how might this operate, be resourced, and governed; and
3. What policy support is required from regional and local government in London?

A draft version of this report was based on notes from the round table discussions that took place at the 8 September event. Community Energy groups were invited to comment on the report and to amend it. Representatives of community energy groups met on 17 January 2017 to discuss and approve the content of the report.

This report is divided in to three parts. The first explores some of the challenges that face the community energy sector in London. The second section describes what *Community Energy London* could do to support the sector. The final section examines what the GLA and London local authorities could do to support the growth of community energy in London (beyond the formation of Community Energy London).

Challenges Faced by the Community Energy Sector in London

Regardless of the geographical location of a community energy project, the task of establishing a group and carrying out a successful project is not a simple one. Arguably, however, London lags behind other cities in the UK in terms of community energy.

For example, in Brighton (population 281,076) two community energy groups own and operate 1.1 MW of community financed roof mounted solar PV and have raised £1.4 in community share capital to finance these. These installations will reduce the fuel bills of the buildings that host the arrays by over £500,000 over 20 years and reduce Brighton's CO₂ emissions by 489.5 tonnes annually and 9,790 tonnes over 20 years. Brighton based community energy groups also own and operate renewable heat plants (biomass boilers, heat pumps and solar thermal). Similarly, Plymouth (population 260,203) has 1.6MW of community financed solar PV that reduces the city's CO₂ emissions by 476 tonnes annually and, 3,800 tonnes over the course of 20 years. Barnsley has, in the last two years, installed solar PV on 321 tenanted houses and 800kWp on its commercial buildings, including schools and sheltered housing blocks in partnership with Energise Barnsley, a community benefit society set up by London based Generation Community, with a supportive council, Barnsley Metropolitan Borough Council.

The capital was recently ranked as the worst city in England and Wales for its use of renewable energy, with just 0.05% of electricity consumption being met by renewables¹. This suggests that promotion and installation of renewable energy is more challenging in London than in other cities.

There is no definitive study of the unique challenges faced by London based community energy groups but those who attended the event on 8 September 2016 or who provided comments on the report suggested that the following factors make development of community energy projects in London particularly challenging.

The value of property, complexity of tenure, and uncertainty of lifespan

There is massive potential for development of solar PV in the capital with its abundance of roof space particularly in the outer London boroughs and suburban fringes where there are large roofs rather than inner London where the buildings are taller and denser. The relative simplicity of the technology makes it an obvious focus for start-up community energy activity. However, a community financed renewable energy business model only stacks-up where a site is able host a renewable energy installation for 20 years or where the group can agree commercial terms for early termination. Due to the high up-front cost of feasibility studies and legal fees, viable sites tend to be non-domestic roofs that are owned by a single entity.

In London, the complexity of tenure and ownership and the speed with which properties change hands or are adapted mean that many site owners are unwilling to commit to third party ownership of a solar array on their roof for a 20-year period. They may also be reluctant to commit to the long-term restrictions on the re-development of the property

¹ Pratt, D. (2 March 2016) Solar Power Portal

http://www.solarpowerportal.co.uk/news/london_ranked_worst_of_all_cities_for_renewable_energy_use_71

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that a 20-year business model entails, or to commercial terms for early termination. Moreover, if a site has been mortgaged or built with Private Finance Initiative (PFI) funds additional consents are required from parties that do not benefit from the renewable energy and who will not entertain the risks of this without being paid to undertake an assessment of these. A lack of awareness and/or of trust in a small voluntary community energy group without a track-record may also present a barrier to the development of community financed renewable projects. Anaerobic Digestion is a renewable technology that provides a way of using waste to produce biogas: with London's vast quantity of waste, this would seem an obvious technology to deploy in London. However, the experience of LEAP (an organisation based in North London that owns a micro anaerobic digester) suggests that the lack of a co-ordinated approach to managing food waste and digestate and of legal expertise and standardised accreditation for micro-AD presents barriers for the use of this technology in London. The economic driver for renewables has been stronger outside of London; this may explain why community energy groups did not get established at the same rate as groups in other urban settings such as Oxford, Bath, Bristol, Sheffield, Brighton, and Plymouth. There is little prospect of any significant change in this dynamic, as a result of recent Government changes to the community energy sector, without support from the Mayor to encourage London local authorities and businesses to engage with groups and deploy low carbon technologies across their estates through community energy schemes.

[A Lack of Consistent Support from Local Authorities](#)

Local authority owned buildings such as council offices, schools and community centres are the obvious choice of site for community financed solar PV because there is an expectation that their use will remain unchanged for many years and any savings made by the site can be directed to benefit the community. For example, reductions in a school's electricity costs will benefit the families of all those that attend the school by releasing funds to be spent on books, teachers, and sports equipment.

There have been a broad range of responses from London local authorities to community energy groups who have proposed renewable installation on local authority corporate stock. Some councils have refused outright to allow established community energy groups access to any roofs on the basis that they have a policy against any third-party leasing roof space for solar and they make no exception for community energy groups. Even where support exists from asset management or sustainability teams within a council, this support may be lacking from legal teams. The lack of flexibility and willingness to engage with community energy organisations on the part of many local authorities has demotivated and frustrated some excellent groups. In contrast, local authority support has played a significant role in the success of community energy initiatives in Bristol, Bath and Plymouth, for example, who have provided advice and resources and facilitated planning consent.

Local authorities often take a borough-based strategic lead in promoting energy efficiency and tackling fuel poverty. Community energy groups attempting to engage in these activities have also met a range of responses from local authorities from tokenistic engagement to a reluctant admittance into strategic partnerships. Some community energy groups have struggled to win local authority contracts for delivering fuel poverty alleviation services due

to procurement rules which often preclude smaller groups, even though they often enjoy greater levels of community trust.

A key reason for this lack of engagement in some boroughs is due to increasing budget pressures, with several London boroughs unable to fund staff time that would allow them to engage with a community energy group. This is compounded by the fact that, for many local authorities, energy and climate change are low priority issues.

Low Levels of Social Capital

Participation is central to the success of a community energy scheme. Volunteer directors, advisors and supporters must make a substantial time commitment to successfully deliver a project. Retaining directors and volunteers can be challenging given the length of the time and commitment required. It is essential to engage the users of a site which could host community financed renewables. This can be time consuming due to a limited awareness about energy issues and energy technologies amongst the public.

Social capital is associated with civic participation, civic-minded attitudes and values of cooperation, tolerance, and trust. “Social capital is the glue that holds societies together and without which there can be no economic growth or human well-being” (Grootaert, 1998)². Levels of social capital are lower in London compared to other regions and compared to rural areas³: lower levels of social capital can make the tasks of consulting site users and gathering local investment share capital, recruiting, and retaining volunteers and encouraging participation challenging. Repowering London has done award-winning work in developing systems for residents of Banister House (Hackney) and the Loughborough Estate (Brixton) but, this has not been easy. In some instances, they have found that tenants and residents’ associations, who may not necessarily represent the wider desires of the community, can be obstructive.

For energy efficiency or fuel poverty work, engagement should be further targeted to those most at risk. Even where groups have been able to attract grant funds, these may only be sufficient to cover the cost of delivery of the advice; they do not pay for essential work building relationships with other local community groups.

The Lack of a Coordinated Approach

Community Energy England (CEE), launched in June 2014, provides a policy lead across England liaising with regional community energy networks, to provide a focus on influencing national energy policy. Whilst London based groups have had some access to capacity building and policy support (Repowering London offered peer mentoring support for London based community energy organisations in 2014 and some groups have benefited from a similar national scheme funded by Coops UK) no regional community energy body exists in London, to help coordinate activity across the capital, and represent the sector to London’s 33 local authorities and the GLA, as well as to wider London business and public sector interests.

² Grootaert, C (1988, *Social Capital: The Missing Link*, Social Capital Initiative, Working Paper No. 3

³ Siegler, V. on behalf of The Office of National Statistics (2016)
<https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/socialcapitalacrosstheuk/2011to2012>

In areas where community energy organisations have thrived, there has been a coordinated approach from a central organisation or a group of local organisations that has provided low cost finance, or grant funding, capacity building and policy support. In Scotland, although the abundant opportunities for wind and hydro power have undoubtedly helped, Community Energy Scotland, with support from the devolved Scottish government, has been instrumental in supporting the development of community energy. Community Energy has also thrived in the South West of England where groups have benefited from capacity building support from Regen SW and from a revolving loan scheme in Cornwall. On the south coast groups clubbed together to form Community Energy South and raise funds to provide training and peer mentoring to community energy groups. In Oxford, a joint initiative between community energy groups and the Council provides a range of support. In contrast, in London there has been no regional coordination of community energy activities and London has failed to deliver community energy at scale.

National Policy Changes

There have been many policy, regulatory, and financial changes since the 2015 General Election, several of which have proved particularly problematic for the UK community energy sector in the UK as follows:

A Reduction in the Feed-in-Tariff

The Feed in Tariff (FIT) provides guaranteed payments over 20 years for every unit of electricity generated from renewable sources, which provides a secured level of income, allowing community energy groups the stability needed to invest in a long-term project. In February 2016, the government cut the FIT rate by 65% for solar PV. A reduction in the FIT means that either a group must increase the cost of the solar electricity it sells to the school, church or social housing block that hosts the solar panels or it must find a way to sell the electricity it exports to the grid for a greater amount. The former of these options presents difficulties: without the incentive of low cost solar electricity, sites may be unwilling to engage in a discussion about hosting a solar PV project. The latter option is currently not viable because there is no electricity supplier prepared to pay a premium rate for solar electricity exported from community energy sites.

This leaves community energy organisations in an awkward position: no longer are they able to install on the sites that can most share the benefits of reduced cost solar electricity with their community; instead they must 'cherry pick' sites who provide the best solar electricity yield potential and who can pay a premium price for the solar electricity. This adds to the previously described complexities of identifying a potential project site in London and will further reduce opportunities for groups to engage with their local community to develop a solar PV project in their neighbourhood.

Although prices of PV panels are expected to continue to fall, on current market estimates prices will not be low enough to provide an opportunity for community energy groups to prioritise community benefit over financial viability until around 2020. For new projects to succeed in the meantime, community groups will need to be able to identify opportunities to reduce project costs or to increase income from energy sales.

Other benefits have also been withdrawn from the community energy sector. Until recently Community Energy groups could offer their investors tax incentives on their investment

through the Enterprise Investment Scheme (EIS) or the Seed Enterprise Investment Scheme (SEIS). This eligibility was withdrawn by the Government in November 2015; this makes raising community finance for renewable energy more difficult.

Rapid changes in Government policy serve to undermine the confidence of owners and occupiers of potential sites for solar PV installation in the viability of the scheme. For example, the Herne Hill based community energy group SE24 report that, following the announcement in August 2015 of the government's intention to reduce the FIT, several site owners decided to end ongoing discussions about community financed solar PV due to the sudden withdrawal of government support and the withdrawal of government endorsement that this implied.

Withdrawal of the Urban Community Energy Fund

To develop a community financed renewables project, funds are needed to assess the technical and structural feasibility of the site and for legal services to put in place complex legal agreements with the site owners and the site occupiers. The Government had recognised the difficulties of developing such projects in city-locations, and in response introduced a specific Urban Community Energy Fund (UCEF) in December 2014 (mirroring an already established Rural Community Energy Fund). This initiative was however terminated on 5 July 2016. UCEF provided a vital source of funds for South East London Community Energy, Solar SOAS, and Sustainable Energy 24, amongst others. The withdrawal of this vital source of grant funds has made it difficult for established groups to develop further projects and virtually impossible for formative groups to get their projects off the ground.

Changes within The Community Energy Unit

The coalition Government established the Community Energy Unit within The Department of Energy and Climate Change (DECC) and launched the Community Energy Strategy in January 2014 (which was subsequently updated in 2015 prior to the election). This provided an impetus for the formation of community energy groups and policy support for the sector. However, the Government has no current plans to update the 2014 Community Energy Strategy, despite all the adverse policy changes that have been recently introduced⁴. The change in Government in 2015 also resulted in the restructuring of DECC and the establishment of a 'Local Energy Unit' within BEIS of which community energy is a component. The implications of this for community energy are unclear.

An End to the Green Deal

Although the Green Deal is widely recognised as a fundamentally flawed initiative, several community energy groups, such as Energise London, had found a way to make use of it to enable fuel poor households to increase the efficiency of their properties. The rapid closure of the scheme in July 2015 left groups unable to offer vulnerable clients financial support for major energy efficiency measures. It led to the closure of Energise London. The only source of financial support for energy efficiency measures is the Energy Company Obligation (ECO) and these funds are not sufficient to cover even a fraction of the cost of improving London's building stock. For a variety of reasons, it has been extremely difficult for community energy

⁴ <https://www.theyworkforyou.com/wrans/?id%3D2016-1129.HL3642.h%26s%3Dspeaker%253A25214%23gHL3642.q0>

groups to make use of ECO funds to improve the homes of fuel poor clients with whom they work. It is hoped that the release of new ECO rules in April 2017 (under ECO3) will make it easier for community energy groups to work to ensure that the most vulnerable members of the community benefit from those funds. Community energy groups have also welcomed the Mayor's recently announced Better Boiler scheme.

Promoting Community Energy in London

The UK's ongoing commitment to carbon emission reduction targets, the growth of decentralised energy, and the need to increase the energy efficiency of London's building stock suggests that there is still significant potential for the community energy sector in London. The roll-out of smart technologies, the reduction in cost of renewable energy, and the introduction of electricity storage solutions have created additional opportunities for community energy action. Similarly, ongoing subsidies for renewable heat and funding streams for demand side management hold the potential for innovative business models to support community energy projects.

The previous Mayor failed to promote community energy. Mayor Khan's leadership could provide opportunities to promote community energy across London and encourage councils and public-sector organisations, businesses, and Londoners to help accelerate the deployment of local green initiatives by working alongside community energy groups.

Two proposals emerged from the events on 12 November 2015 and 8 September 2016 that could support and promote community energy in London:

1. The formation of a regional coordination body for London based community energy groups called 'Community Energy London'. This would work to support the development of projects considering London's unique built environment, provide capacity building and business support to new and existing groups, undertake policy work and liaise with local authorities and the GLA. This would need to be funded at least in part and in the first instance by the GLA.
2. The GLA to provide support to community groups through broader initiatives. 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 a reinstated Decentralised Energy Delivery Team (DEPDU2), or the RE:FIT and guidance to local authorities.

The following section considers these two proposals in detail.

Community Energy London: A hub for community energy in London

One round table discussion at the event on 8 September 2016 considered the funding, governance structure and role for Community Energy London. Their conclusions are as follows:

Structure

There is a clear need for a body that coordinates community energy activity in London: there is a range of legal structures within which this could sit. It could be a charity or a limited company, or indeed a multi-stakeholder coop. There are several models that could be emulated: for example, Community Energy South – a hub for community energy initiatives on the south coast led by local community groups - provides a model for

Community Energy London.

Individual community energy groups and practitioners have limited capacity to undertake the work of Community Energy London on a voluntary basis. Although individual groups and practitioners would contribute to the strategic direction of Community Energy London through an elected board, the work of the organisation would need to be funded and an officer appointed. Funding could come from various sources including membership fees, corporate donors, or grant funds. However, funding from the GLA would be needed, at least in the first instance. It would be governed by an elected board whilst subgroups would focus on an area of work such as policy. The staff member(s) could work from the premises of an existing community group. There could be value to Community Energy London being based in a shop front of a building able to demonstrate renewable technologies in action. It could also serve as a place for the public to get advice on energy related topics, an outlet for energy efficiency gadgets and a venue for CPD courses or school visits.

Functions that could be fulfilled by Community Energy London are as follows:

Business Support

Most of the existing London based groups are unable to employ a member of staff. Community Energy London could provide a range of business support services to enable community energy groups to manage ongoing business including the following:

- Grouping projects together allowing for an efficient way of raising finance.
- Enabling smaller groups (all of whom have limited time resource) to work together on a single project.
- Acting as a 'broker' between sites that may be able to host projects and community groups able to deliver them.
- Liaison between community groups and other key actors in London, such as the Private Landlords Association and the Association of Mortgage Lenders, demonstrating the value of community energy.
- Working with developers of new buildings to explore opportunities for community groups to integrate their projects on site.
- Supporting the development of neighbourhood plans that incorporate climate and energy priorities.
- Identifying ethical investment providers.
- Co-ordinating collective purchasing of energy efficiency measures such as LED lights that could be offered at reduced cost to Londoners.
- Collective procurement of services such as solar installation services.
- Management of assets (for smaller groups taking on the monitoring of the output of solar arrays, bookkeeping and invoicing)

Policy Support

Community energy groups called for Community Energy London to provide an interface with policy makers and a voice for the sector representing the unique concerns of London's community energy sector to regional and local government. It could also provide policy

intervention at the local government level with a view to making it easier for local authorities to engage with community energy.

[Liaison with local authorities](#)

The success of community energy in London depends, in part, on local authorities being willing to work with local groups to identify potential development sites, provide political and planning support and potentially look to finance and develop community energy projects. The response to date has been variable. Community Energy London could work with the GLA to build an evidence base to enable local authorities to understand the value of community energy. Community Energy London could celebrate the contribution of local authorities that are willing and early adopters of community energy models.

[Capacity Building](#)

Community Energy London would be responsible for capacity building that would support the formation of new groups and the development of existing groups. Capacity building activities could include:

- The development of, or signposting to, template finance, legal, technical documents to help reduce project development costs and accelerate the delivery of projects.
- Delivery of training events.
- Web-based FAQs and guidance.
- A telephone support service and a single point of reference to support London community energy activity.
- Funding updates for fuel poverty alleviation or energy efficiency work.
- A single point of contact for organisations who wish to engage and support community energy activity in London (i.e. local government, public sector bodies, businesses, Londoners).

These activities could enable sharing of good practice from London, the UK and Europe and enable the replication of innovative community energy business models across the capital. It is particularly important that Community Energy London seeks to promote community energy in the more deprived communities.

[Broader Support from the GLA](#)

Whilst funding for and liaison with for a newly formed 'Community Energy London' would provide vital assistance to the sector, those who attended the event on 8th Sept felt that other sources of support from the GLA were equally important. These are as follows:

[Working with Local Authorities](#)

For a local authority, there are long term benefits associated with engaging with a community energy project: community renewable generation can both enable local authority funded organisations or schools to reduce their energy costs; furthermore, such projects can generate finance that support local authority lead work to reduce fuel poverty and reduce greenhouse gas emissions, contributing to the Mayor's goal of making London a zero-carbon city. Community energy groups can also provide a powerful route for councils to engage residents and businesses in a wider environmental action in their borough.

However, councils are often concerned over cost implications and risks associated when entering into a long-term lease agreement with a community energy groups on a generation asset. Local authorities may struggle to cover the requisite legal costs and also lack resources to adequately assess the benefits and the risks: many local authorities simply do not have the staff or technical expertise in-house as austerity cuts have left council energy team resources severely reduced. This has led to the reluctance of some local authorities to engage with community energy groups. The GLA could offer specialist legal and technical support to local authorities, providing access to a trusted knowledgeable intermediary. The GLA could also seek to provide template legal agreements thereby reducing costs for both local authorities and community groups. The GLA already has programmes in place that support local authorities on energy efficiency retrofit and decentralised energy systems (RE:NEW ,RE:FIT and DEEP): these initiatives could be extended to help support local community energy activity.

Identification of Sites for Renewable Energy Installation

Bristol City Council provided opportunities for community energy groups to install solar PV on corporate stock following a competitive tender process. A similar initiative in London could enable the GLA to maximise the potential for community renewable generation on GLA sites (e.g., TfL land or buildings). This would serve the dual purpose of promoting community financed renewables and setting an example for other local authorities to follow.

A Community Energy Power Purchase Agreement

Realising a low carbon distributed energy supply system for London involves generating energy and supply energy locally. Community Energy groups could contribute positively to that vision of local generation and supply by working in partnership with the GLA's electricity supply initiatives (Energy for Londoners and/or Licence Lite). A Power Purchase Agreement (PPA) with community energy generators would not only ensure that energy is generated and supplied locally but it could also provide community energy groups with a fair price for electricity generated and long-term security of purchase. Any modest increase in revenue for sales of exported electricity through PPAs would make a significant impact on the viability of community generation projects

Expert Advice

Community energy groups have often built up huge expertise through a network of volunteers lending supporting on technical, financial, and legal advice. However, each project requires significant due diligence which is costly and often beyond the ability of most groups to work through by themselves. The Mayor could provide project advice to community energy groups through the development phase, as is currently directed to local authorities for heat network projects, via the RE:FIT delivery team Decentralised Energy Enabling Project (DEEP).

Funds for Feasibility Assessment

London projects benefited from support through the Government's Urban Community Energy Fund (UCEF), which provided financial support to help projects through the initial

development phase. UCEF no longer exists, and hence the Mayor could put in place a new London Community Energy Fund to help groups kick start a new round of London projects.

London boroughs are now collecting carbon offset funds from new developments, as a result of the London Plan's zero carbon homes policy, which came into operation in October 2016. Community groups could work with local authorities to identify and deliver renewable and energy efficiency projects, supported with zero carbon funds.

Conclusions

There is an urgent need to tackle greenhouse gas emissions, to increase the efficiency of the capital's housing stock and respond to the tragedy of cold homes with estimated 348,000 people living in fuel poverty. Both the Mayor and the community energy sector share a vision of a fairer, lower carbon and decentralised sustainable equitable energy system able to meet the needs of Londoners and lift Londoners out of fuel poverty. A powerful alliance between the GLA and the Community Energy Sector in London has potential to create opportunities for dramatically reducing carbon emissions and the cost of energy, creating funds to tackle fuel poverty, and engaging Londoners is a dialogue about how their energy is produced and used.

The community energy sector can bring something unique to the task of transforming the way we generate, supply, and consume energy: it brings the ability to engage communities, to provide them with voice, it democratises the energy system in a way that no other commercial model can. By working in partnership with the GLA it is possible that London could become a leader, rather than a laggard, for community energy. London-based community energy groups urge the Mayor to consider the proposals presented here: to support the creation of a body that can support and enable the growth of the community energy sector and to mobilise support for the community energy sector across the GLA.