

## Community Energy London: Future Model

*London has approximately 20 community energy groups, delivering a range of activities primarily focused around the delivery of innovative, low carbon and low cost energy solutions within the capital. By joining together to share best practice and pool resources where helpful, we hope to create an organisation to take community energy to the next level in London, supporting new and existing groups to drive carbon reduction and reduce fuel poverty.*

**Opportunity:** There is an urgent need to tackle London's greenhouse gas emissions, to increase the energy efficiency of the capital's housing stock and respond to the tragedy of cold homes, with an estimated 348,000 people living in fuel poverty in London alone. New technology solutions in the energy sector now provide communities a greater ability to shape the energy landscape in their neighbourhood.

**Vision:** A fairer, lower carbon and decentralised sustainable energy system able to meet the needs of Londoners and lift residents out of fuel poverty.

**Mission:** Transform the way we generate, supply and consume energy by reducing carbon emissions and the cost of energy, creating funds to tackle fuel poverty, and engaging Londoners in a dialogue about how their energy is produced and used, to make London a leader in community energy.

**USP:** Community energy engages communities and provides them with a voice, democratising the energy system in a way that a commercial model cannot.

### Outcomes:

- Direct:
  - o Reduced CO2 emissions
  - o Reduced energy costs for community sites
- Indirect (eg. Community Energy Fund)
  - o Increasing awareness of energy issues
  - o Improved energy efficiency
  - o Advice to those in fuel poverty
  - o Stimulating local economic activity by through local contractors, providing training opportunities and creating local volunteer activity

### Current challenges:

- Identifying 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 and lack of clear, co-ordinated national approach
- Low levels of social capital in London through transient population
- Lack of funding and capacity building opportunities

**Requirement:** a business model that maximises scale (more projects = less CO2, less fuel poverty) & sustainability (financially and in terms of volunteer time).

**Proposition:** a model that maximises strengths of local people (volunteers) doing things that they enjoy and a coordinated central hub that can provide administrative assistance, guidance and political advocacy. Potential activities of CEL to accelerate scale of community energy include (from short to long term):

1. **Loose network:** Central hub and resource for community energy activity in London, as well as a central voice for the sector to key stakeholders.
  - a. Regular CEL meetings including training events
  - b. CEL Website with map of community energy projects in London
  - c. CEL email group with news distribution
  - d. An online hub of key resources
  - e. Advocacy through research, feeding into key consultations
2. **Structured network:** More direct support to community energy groups.
  - a. Peer to peer mentoring/events
  - b. More active lobbying of key policy stakeholders
3. **A funded CEL:** Providing core support to London's community energy groups.
  - a. Secure grant applications and funding for groups
  - b. Capacity building support to new and existing groups and provision of template documents
4. **A community energy accelerator:** Driving project development in London.
  - a. Directory of local groups to match up with potential sites, desktop surveys, sales & marketing, technical feasibility studies, template financial model, template business plan, legal templates eg. PPA, lease, template share offer document, share offer comms
5. **London's community energy company:** Developing and managing community energy projects.
  - a. Company registration, collective procurement (insurance, installation, other fees eg. Architects), accounts, HR, impact measurement, shareholder administration/AGMs, billing
  - b. Asset owner and manager, with local groups as the public face, comms, marketing and fuel poverty advice eg. Schools Energy Co-Op. One company to liaise with GLA, investors, press, etc.
  - c. A physical space to give out advice and support

**Potential structure:**

- Charity, Co-Op, BenCom, CIC
- Ltd by guarantee or shares (see: Community Energy South)

**Initial income:**

- Grant (Power To Change, Esmee Fairbairn, City Bridge Trust, etc.)
- Corporate funding, philanthropy
- Seed finance from GLA

