



# Community energy BRIEFING

CEN Councillor briefing: Community Energy

**Summary:**

- **‘Community energy’ refers to schemes undertaken by local communities to generate, conserve, or store energy.** This could be an energy efficiency programme for social housing or a solar farm jointly funded by a community organisation and a private company, for example. They enhance communities’ control over their energy supply.
- **Britain is incredibly reliant on gas imported from as far as Australia and the USA.** This means more expense, more pollution, and less energy sovereignty. We no longer have enough extractable gas of our own to overcome this dependence or to cut gas prices, which are set by international markets, and therefore energy bills.
- **Community energy can shield your residents from volatile fossil fuel markets and help councils to get to net zero in the most cost-efficient way possible.** Energy efficiency and insulation can keep people warmer for less by reducing gas waste. Replacing boilers with cleaner and more efficient technologies like heat pumps will lower bills and emissions even further. Local renewables can also power our homes, schools, and businesses.

**Context:**

- **Rising gas prices are putting more households into fuel poverty.** Despite falling prices, households are still [struggling](#) with energy bills. Community energy projects, especially energy efficiency and clean heat schemes, can help fuel-poor households reduce their reliance on increasingly expensive gas.
- **Diversifying energy supply and reducing demand at the local level can bolster our energy security.** As part of the UK’s response to the Russian invasion of Ukraine, the government has published an [Energy Security Strategy](#). It sets out how we can reduce our demand for oil and gas and secure and diversify our supply by bringing cheap, clean, homegrown renewables online.
- **The UK has to cut emissions from power generation.** Emissions from electricity supply need to fall another [25% compared to 1990 levels](#) to hit government targets of a fully decarbonised power supply by 2035 and net zero emissions by 2050. Implementing a more local approach to changing the way we generate and consume energy is the [most cost-efficient](#) way to reach them.
- **Local support is important for climate action.** Climate change is now regularly [a top five issue](#) for voters. Community energy schemes are particularly well-positioned to engage local residents in the energy transition and help them see the benefits directly.

### Community energy:

- **Community energy schemes trial smart technologies, save energy, and generate it sustainably at the local level.** They can facilitate the rollout of heat pumps, insulation, and renewables like wind and solar. Communities and councils know their areas best; local knowledge is invaluable for choosing the most cost-efficient measures.
- **Community energy has a strong focus on renewable electricity generation, which is increasingly a vote-winner.** Renewable energy schemes in local communities can bring down bills and are becoming increasingly popular in [every constituency](#) in Britain. [Eighty-one percent](#) of Conservative voters support such projects in their local area.
- **Community energy grew across the UK prior to the pandemic.** The [UK community energy sector](#) grew rapidly from 2014-2017, but the rate of growth has since declined due to Covid and the withdrawal of support schemes. The sector is small compared to other European countries like [Germany, Denmark, and the Netherlands](#), which have [stronger traditions](#) of localised energy generation.
- **Local authorities can facilitate community energy projects.** Councils can provide [support](#) for projects through planning regulation and financial aid for grid connection costs and access charges. Councils can also [provide property and land for projects](#) and [act as middleman](#) to facilitate funding partnerships between communities and third parties, as well as providing access to council resources to reduce upfront costs.
- **Local area energy planning (LAEP) could spur community energy projects** when deciding how to transition energy networks and energy generation assets to net zero. Every area is unique. Without LAEP, local net zero transitions could cost [two to three-and-a-half times](#) more.
- **CEN MPs David Johnston and Peter Aldous have been campaigning for the Local Electricity Bill**, which gives electricity generators a chance to compete with bigger suppliers. It is [due for its second reading](#) in the House of Commons. You can get involved in the campaign, which was begun by 'Power for People', [here](#).

### Funding and support:

- **Community Energy England has a detailed list of funding sources**, including a [spreadsheet](#) targeted specifically at local authorities finding funding sources for community energy projects.
- **Regional community energy organisations can assist councils in providing more targeted support for smaller projects.** Some examples are Community Energy South's [Pathways Programme](#), [Western Power Distribution](#), [Energy4All](#), [Northern Power Grid](#), [CO2Sense](#), [Sharenergy](#), and the South East [New Energy Project](#).

**Conservative case studies:**

- **Essex County Council** partnered with **Community Energy South** to support local community energy groups and projects. It conducted a survey to gauge local interest levels, identified candidates for business development support, and provided local networking and training opportunities.
- **North Lincolnshire Council** used its successful **£20.9 million Towns Fund bid** to set up **North Lincolnshire Community Energy**, a community benefit society. This has enabled the installation of two new solar PV panel installations at local schools in Scunthorpe.
- **Devon County Council's** community energy accelerator project partnered with renewable energy charity **Regen** to support local community energy schemes. The Council fund matched **£107,000**, and leveraged an extra **£284,000** on top. This money was used to provide projects with seed funding, run events, provide technical and engagement support, run surgeries on finance and marketing, and build a legal toolkit.

**Useful Documents:**

- **Energy Systems Catapult:** advice on implementing community energy projects in your council's Local Area Energy Plan.
- **Community Energy London:** 10-step guide on establishing a new community energy organisation.
- **Community Energy England:** advice on setting up a community energy organisation.
- **Community Energy England:** map of projects across the UK.