

The National Energy Foundation
Supporting
The Department of Energy and Climate Change
Community Energy Strategy
Report from Community Workshops
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Compiled by: Gabby Mallett
Head of Green Deal, Communities and Secretariat Services
National Energy Foundation
The National Energy Centre
Davy Avenue
Knowlhill
Milton Keynes
MK5 8NG
Tel: 01908 354536 (direct)
Tel: 01908 665555 (switchboard)
Website: www.nef.org.uk
Email: gabby.mallett@nef.org.uk

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Introduction

This report has been compiled following discussions with Community Groups across the UK. These consultations took place in July 2013 after the publication of the Department of Energy and Climate Change Community Energy Call for Evidence, with a view to supporting development of the Community Energy Strategy. Whilst the report does not intend to provide answers to all of the questions raised in the Call it does provide detailed opinion from Community Groups regarding a number of issues which were highlighted by those communities as particularly pertinent to them.

The National Energy Foundation has been working with Communities for twenty years and is delighted to be able to support the development of DECC's Community Energy Strategy.

The Community Groups involved varied from those undertaking projects with an energy efficiency focus, through those involved in awareness raising, behaviour change and demand management to those active in Community Energy Generation.

It is worth noting that the respondents to these workshops were self-selected. Although NEF approached a large number of Community Groups which we have worked with in the past, those who agreed to take part may have had particular views which they wanted to express. This is certainly true of those respondents who wished to remain anonymous. It is also likely that those whose experience had been particularly negative may have been most likely to want to discuss the issues they had faced.

Executive Summary

Many Community Groups look to DECC to provide basic information, support and grant funding for projects. Further support, more detailed advice or larger funding are usually sought elsewhere.

There is a prevalent perception that funding streams for Communities are often designed to fit with the vagaries of government funding rounds rather than being specifically designed from the outset to more strategically support Community Initiatives. By far the majority of Community Groups who responded to our requests were supportive of DECC's aims to produce a Community Energy Strategy, but many were disappointed to find that a co-ordinated plan did not already exist. Indeed many groups had only received the Call for Evidence from us, although they felt they should have been contacted directly by DECC as they had been previous recipients of funding.

Although Community Groups welcomed funding allocations, and those who had utilised them were in the main complimentary of the outputs delivered, many described impossible timescales for completion of both application and project, unrealistic evaluation timelines which cannot adequately describe successes and moving goal posts in terms of available subsidies, with FiTs the most commonly quoted in this respect.

Community Groups often take a considerable time to make their decisions. They are rarely in a position to act decisively as soon as a funding scheme is announced. This aspect was mentioned by many Groups who described the need for longer lead-in times and longer periods of support/delivery.

Barriers to Community Energy that were most often noted were those relating to other arms of Government. Planning and building control at a local level, OFGEM and the Environment Agency at the macro level. The only external organisations described as a barrier were the Distribution Network Operators, but it should be noted that these are regulated by OFGEM. Other barriers were funding, support and information. It is worthy of note that no groups mentioned an unwillingness of local people to become involved.

Whilst funding was mentioned as a barrier by all those concerned, where support and information were discussed as barriers there was a mixed response, with some Groups feeling that they were already generating their own expertise or utilising that of others. Conversely other Communities felt they didn't know where to look for information and felt they weren't getting any support at all. This varied response may be due in part to schemes being developed, eg those with generation objectives seeking more support as the reputational risk of failure is all the greater. A number of groups mentioned their routes to information being knowledgeable people on their committees. These groups were also the most likely to have early warning of funding streams and changes to regulations, incentives etc. However there was significant interest in the dedicated provision of Community Energy Support, particularly if delivered by Community Organisations or Practitioners themselves.

As well as the provision of information other support for Community Energy revolved around proving funding and removing, or ameliorating, barriers. Most Groups welcomed the Community Energy Strategy and welcomed any over-arching strategy to support Community Energy, but it was emphasised that this could not be purely a DECC initiative it would need support across Government.

Methodology

The National Energy Foundation contacted in excess of 50 Community Groups to gauge their interest in taking part in community workshops. Due to a number of factors beyond our control we were not able to give much notice of these workshops and were unable to offer a weekend option. Groups were provided with a draft agenda and a copy of the call for evidence.

Many Communities responded that they would be unable to take part due to time constraints. Others indicated that they would now respond to the call themselves.

It was clear from the outset that the proposed workshops were not going to be possible. Instead responses were gathered by face to face individual meetings, conference and individual calls and email responses.

Benefits of Community Energy

Although we were not originally investigating the benefits of Community Energy, many groups wanted to note the successes of their projects, their willingness to disseminate findings and their readiness to support others. Many actively wanted to benchmark their achievements against others and wanted to talk about what they saw as the positive elements of working with Communities in all aspects of energy use and generation. Benefits cited included

- Helping to build Community spirit/cohesion – social capital
- Increasing understanding of the climate change issue
- Increasing understanding of energy - how it is generated, how it can be managed and saved – also how it can help those in fuel poverty
- Potential to generate local income for other energy efficiency and renewable projects
- Greater acceptance of projects – noted that wind farm developments receive a better local reception if they are Community-led

Although respondents described the many and varied benefits of Community Energy in the main they did not feel that these were adequately supported by Government.

Lack of coordinated Government support

The majority of Community Groups who took part in our consultation felt that there was no joined up strategy of support and believed that, at all levels, there wasn't any real intention to provide genuine assistance other than for the larger schemes which may assist with current Government targets. For example a 'how can Communities help DECC?', rather than a 'how can DECC help Communities?' attitude. One group summed up the situation saying 'there is a lack of engagement with parish or district or even county councils. [There's] little support out there for projects'.

Government itself viewed as blocker -Whilst Government departments were often viewed as putting barriers in the way of projects, local Government was described in terms of lack of support.

When discussing the Call for Evidence itself one group described how they had received the information from NEF and not through any other means. They responded by noting that 'this is actually a real criticism of DECC. As a LEAF participant and everything else we do we should be on their database somewhere'. They questioned why 'Government departments all work [...] in isolation' and went on to explain their involvement with DCLG, who would also have had their contact details and yet had not sent out the Call information. It should also be noted that only two of our respondents had received the Call from outside The National Energy Foundation.

Government inconsistency was also mentioned when discussing a more strategic approach to policy. It was noted that Government 'keeps moving the goal posts which causes a huge amount of uncertainty'. Some groups noted specific policy changes, 'FiTs might be better now, but the PR wasn't great'. One organisation described the situation as 'having the rug pulled from under [their] feet a lot of the time.' This lack of consistency and overarching strategy was highlighted time and again.

Local Government - Moving to local government, Communities noted that there was 'no joined up-ness with Local Authority' and 'no joined up thinking within the council'. One group described how they were disappointed that their pioneering efforts were not being lauded by the council. They were enthusiastic to promote their achievements to others and to work with the council to provide planning information for local residents, but their offers had fallen on deaf ears. The group went on to describe a willingness to 'help them to develop policy together'. Apparently the previous 'local agenda 21 officer' had been fully supportive and had a remit to work with communities, but since their departure there had been little genuinely positive dialogue.

Other groups noted the 'lack of focus on climate change beyond [the Local Authority's] internal emissions'. This was emphasised as making it 'challenging to work in partnership on projects which could deliver change to communities'. Others still noted that they wanted to work closely with their local council, and in a timely fashion, 'it always feels like we are playing catch up with what's going on in energy' 'we need a lead in time. When we hear about something we have to take it to the next meeting and that may be a month away and we need to get sign off and that may be lots of different people'. One group noted the 'audible sigh' whenever they spoke to their local council.

Evaluation

Evaluation was an area where there was general consensus. Most groups wanted to evaluate their projects, but felt they didn't have the time or resources, or even the knowledge, required to do the job well.

One group advised that evaluation of Community Generation systems should only take place 'from the third year of operation'. This would avoid unnecessary data collection from the many likely failures. However, others saw the value in monitoring all projects to garner learning from those projects which fail as well as those which succeed. One group discussed the success of their retrofit project by citing the continued applications to the fund. However when pressed on how many local individuals may have heard of the scheme, or what demographic spread they may have had they conceded that their measures of success may not necessarily have been the same as would have been advocated by a professional evaluation team. However, they also noted the lack of funding available for evaluation and felt that any available funds should be spent on evaluating projects which had not been successful to see what they could do better in the future, rather than evaluating those which had appeared to have achieved their goals. This was further enforced when another group noted that 'if a project appears to be a success it is difficult to justify time and resource evaluating [it]'.

Community groups went on to voice the potential for DECC to provide evaluation support. 'If DECC provided funding to evaluate, especially if they provided knowledgeable support, then we would be very interested in participating. We have always been so focussed on going forward that it is difficult to find time to look back'. This potential was widely welcomed, but with caveats.

Timescales were noted as being far too short 'before we have had time to assimilate our own views on how it has gone, DECC want to evaluate', this in response to evaluation of a Community Energy Outreach Project. Other groups commented that they needed time themselves to consider what they had done, opining 'we would love to evaluate, but need time, funding, support and help to do it' and 'when you are in delivery you can't get a handle on it and then you move on to the next thing'. Many noted how they felt evaluation could help them to compare their successes with other similar projects to assess whether their projects could be improved, 'we would love to benchmark against others'.

Evaluation was often discussed as something groups would like to do, but do not have the time, resource or expertise to deliver themselves. This was viewed as a barrier to improvement or extension of projects.

Barriers

Inconsistency - Lack of support, moving goal posts and lack of consistency across Government we often mentioned as barriers. Some groups described the ‘mixed messages coming out of government’ others noted that ‘some [Government departments] are very positive to CE with an “all solutions are possible” attitude, but then the planning and regulatory frameworks mean they aren’t’.

Expanding on the lack of consistency mentioned above a couple of groups noted the changes to FiTs and how, although they thought the changes were positive, they didn’t feel that they had been adequately explained or implemented. As we know Community Groups need time to act, they have a longer lead time for decision making than many corporate bodies and it ‘takes them time to implement’ projects which could have been months in the planning. Indeed one group described how a renewables fair had to be cancelled as PV exhibitors dropped out once the change to FiTs was announced, of course the group had no forewarning of this. Also mentioned were changes to the previous Clear Skies and Low Carbon Buildings Programme schemes and similar detrimental effects.

Planning - The planning process was noted by all respondents as a major barrier to the success of projects [see box]. One group, focussing on a wind application explained that planning ‘focusses more on what you can’t do, than what you can’. They went on to suggest that ‘rather than defining areas more acceptable to wind applications, [planning] focuses on protecting areas of landscape beauty, which are all questionable as they are all man made anyway.’ Indeed another group whose wind application has recently been rejected explained that the perceived ‘heritage impact’ was unreasonable (they plan to appeal) as the turbine would only be visible from the roof of the heritage site and then only at certain times of the year when the surrounding trees have no foliage.

Mention was also made of ‘over protective rules’ on distances from buried pipelines, distances from ancient monuments, ‘lack of support from airports to define areas of responsibility’, each of these being related to wind planning. From a hydro perspective complexities of river boundaries were cited as planning issues which deterred Community schemes. Where a river forms a boundary, which is often the case, groups are required to apply for planning from two different councils, each of which may have a different policy; this alongside issues which the Environment Agency which are noted above.

However there was also a little support for the planning teams. One respondent described getting their group’s planning application approved as ‘a bit of a hassle, but nothing too serious’. Though it was also noted, as above, that the experience was very dependent on who was assessing the application and how knowledgeable or supportive they were.

Comments included:

- ‘planning is a negative process’
- ‘too much weight is given to objections’
- ‘the picture is very patchy and depends on the individuals’
- ‘there is a lack of consistency’
- ‘the flood risk people are in conflict with the fish people’
- ‘overall it is too slow and bureaucratic’

A large number of respondents described the solution to many planning issues as being a 'presumption in favour' of Community-led applications. Not only would this likely encourage more Communities to get involved, or not be deterred, it would make it easier for those already working in the CE arena. A possible complementary effect could be that businesses involved may be encouraged to work with communities from the outset to ensure Community support for projects – with subsequent Community payback.

Building Control - Within local Government Building Control was also highlighted as providing a barrier to success, or proving difficult to engage with. Groups routinely stated that; 'our main issue was with Building Control', 'it's extremely difficult to get a coherent approach [from Building Control] to retrofitting Victorian houses', 'the building Control Officer didn't know anything about underfloor heating, so we were educating them!' Another group, who had had positive experiences with the planning system, was disappointed with the lack of expertise in the building control team. Noting that the 'inspector had to have the technology explained to him'. Again dependence on the knowledge and support from these individual officers was noted.

Distribution Network Operators - DNOs were also noted as 'a major block', 'not very helpful', 'very difficult', 'need a huge lead time', have 'unbelievable costs' and 'because they are a monopoly they can do what they like'. Although there are mandatory target times for responses one group indicated that replies within the required timescales are often 'just ask[ing] for more information' with the response being received one day prior to the deadline. Suggestions were made for improvements to this process – prioritising Community Generation, shortened response times for Community schemes and Government funding for grid improvement works where necessary.

There are also regulatory barriers to selling local power to local communities with one community noting that 'PPAs [Power Purchase Agreements] under the new energy bill are going to be more difficult as they are designed around the big six.' However they also went on to 'imagine if the Community owned the wind turbines and took the power from them, rather than having them imposed on them. This could revolutionise the psychology of wind power.' This latter was echoed by the other Groups involved.

Early stage finance was noted as the biggest barrier by a few of the Groups. Some noted that they could 'find bits and bobs of money in terms of grants and Community fundraising', but that lack of larger amounts was 'certainly a barrier to developing these schemes'. Another noted 'the absence of early state grant funding for feasibility studies – LEAF was a one off, something more long term [is] needed.' One group looking to issue shares noted the investment required before getting to that stage and discussed the difficulty in accessing those funds.

Funding

Large sums open doors – One group described how they received £400k from the Low Carbon Communities Initiative which ‘made it all possible’. When supporting other local groups, discussed below, they explained all their projects and plans but the other groups ‘didn’t feel they could take any of [the ideas] forward without finance’. Indeed, whilst these other groups may have originally been anticipating smaller scale projects the experience of the LCCC funded group had not only encouraged them to raise their sights, but also left them feeling somewhat dejected at their lack of funds.

Other respondents explained that ‘money is the biggest barrier’. They went on to explain that there is already sufficient motivation in communities, ‘all that’s needed is a small group of willing volunteers, but they need to see achievements to want to keep going and without money that is hard to realise’. Many groups who had received funding from different places explained that this was the deciding factor in the success of their projects, with one noting that ‘if we hadn’t had these bits of money we wouldn’t have been able to do anything’.

For the long term - Community Groups were invariably looking for longer term financial support, ‘we need much less of the applying for this programme and that programme and more consistent long term funding’. Nonetheless these groups were very appreciative of the funding they had received.

It should be noted that whilst a large number of respondents were critical of previous Government funding streams for a number of reasons, including Community Criteria, lack of evaluation, short lead in and delivery times etc, there were also some very supporting and encouraging responses. One Group described how the Feasibility study funded by LEAF had been used ‘time and again’ and how one of the projects (to renovate a local scout hut) had ‘turned public opinion around’. They had been able to explain ‘to the whole Community about Energy Efficiency, Community Energy and Air-tightness’.

On the other hand it is also worth pointing out that the Renewable Heat Premium Payment scheme was widely criticised. This was described as a ‘complete and utter waste of time’, ‘badly targeted’ and ‘badly thought out’. One group described leafletting 14,000 properties and only receiving one approach. They attributed this lack of interest to the poor incentives available and lack of understanding of renewable heat technologies. Once again, public information was cited as a possible solution for the future. The RHPP Communities funding was also criticised from an evaluation perspective with one organisation describing the lack of funding for the final report.

For those looking to start larger generation projects there were particular issues. One stated that ‘it’s hard to start a CE project without a background assessment of energy opportunities’. There was a specific request of DECC to provide funding for studies into potential for RE in areas. On many occasions it was suggested that ‘DECC could provide funding to deliver feasibility studies’. This was especially true of Communities who had been inspired by other projects in other areas. One Community explained how their decision to investigate Community Generation was founded in their need for a sustainable income to support their other projects.

Expert/Peer/Government Support

All those who took part positively discussed the support they had received from either other groups or from Community Energy Practitioners. Some described the support received from NEF, others mentioned Carbon Leapfrog and others still promoted the advice they had received from installers or suppliers of equipment. However it was clear that the support was variably accessible and often required funding to access.

Peer support - One area where many groups had benefitted was from advice or support from peer organisations or Community Groups. Comments in this area included those who had actively expanded their projects to include others or promoted their projects to a different audience

However some groups felt that this could be actively encouraged and supported. They explained that it 'could be great to learn from what other groups are doing' and felt that 'there [was] not enough sharing of knowledge'. One group noted that 'DECC needs to understand that many groups are not connected to other groups. There just has to be more flexibility to enable groups to support each other'.

EXAMPLES

Kirtlington expanded their PV solar project to include Kidlington and Woodstock

Low Carbon Hook Norton Presented to Chipping Norton and Shipston-on-stour

Expert Support - 'We need people interested in CE and also those with market knowledge and expertise in the Community to draw from' was the view from one Group. Some Communities would be happy to find the site, generate the interest locally and manage the Community promotion and engagement, but would welcome experts outside the Community to deal with the technical details and implementation. There is also a feeling that those in planning departments or the Environment Agency, as mentioned above, must be deluged with applications from Community Groups who don't necessarily know the ins and outs of the processes and actually use up more time than experts who may know their way around.

However, most Community Groups described how they wanted to know enough for the process to be 'empowering' and explained that they needed to have a certain level of understanding of the process, 'to know what are the right questions to ask'. One suggestion was that DECC could 'provide a number of days of support rather than funding' as a means to support Groups.

Another suggestion, which appeared to be well supported, was an idea for all DECC staff to provide help within their local communities. It was suggested that this could be an integral part of their personal development 'almost like a short internship' and would provide all of them with 'a better idea of Community organisations' and how they work.

Business Planning - One group noted their lack of expertise in strategic planning noting that 'it would be great to be able to get down on paper all our ideas and then have an expert look them over and tell us what's possible', going on to suggest that 'DECC could provide a register of experts'.

Whilst both peer support, funded in some way, and DECC support were suggested there did appear to be a more positive response to the peer support. Some respondents opined that 'people don't

trust government, they don't trust councils and they don't trust installers, so they have to learn from each other'. A number of other groups explained that Community Energy has always been viewed as 'amateurish' and needed to be viewed as more professional, as in other countries.

'Locally owned energy needs to be 'professionalised' so that some people can be remunerated' was one group's view. Another group referred to this process as 'industrialising' Community Energy; a position whereby Community Groups could support one another and projects could be devised to provide for salaries'. One respondent discussed the situation in Germany where the Community Energy sector is much greater and well supported by Government. It was suggested that UK Government would be well placed to support this process rather than be involved in delivering it. This could involve DECC facilitating peer mentoring schemes, supporting Community Organisations to provide information and to enable Community Groups or Organisations themselves to allocate funding and ensure adequate evaluation.

The complexity of Community Energy was not overlooked, with many groups noting that 'these issues can be so complex that a Community organisation really needs to have in-house expertise [...] to deal with them, and others competing that 'Communities need every ounce of support there is, technical, legal financial etc'.

The support required appeared to hinge on what expertise was already available within the Group itself. Some Communities had members who had professional links within the sustainability or community energy arena, others had experience with legal matters or accounting and still others had links with local government.

Information

There were wide ranging discussions regarding provision of information; what is available and how Groups access it. This generated a commensurately wide range of opinions. From the outset groups noted that there was 'a big difference between committed and informed'. They described how 'a committed group [] could be supported to achieve great things and they could get the knowledge elsewhere', but even an informed group with a lack of ambition or motivation was unlikely to succeed.

Most respondents accepted the need for a central repository of information, but also advocated local delivery partners or links to other local projects, as discussed above. One group described the myriad information sources available to Communities stating that 'Community groups have a welter of information on sharing knowledge etc. [I] don't think there is a lack of information if people are willing to look for it', whereas others described playing 'catch up with energy information', being 'hard pressed to find out about current initiatives and whether they fit with what they are doing'.

One community group particularly focussed on the lack of understanding of consumers/customers/homeowners. Recommending that DECC invest in public information, they described the 'technology [as being] still unfamiliar which makes converting opportunity to reality a problem', another advocated provision of something similar to Community Energy Scotland. This would work well for another Community Group which noted that 'it's geographically sensitive and overlapping with devolved matters, so it might be hard for DECC to provide, or maintain the information'.

Across the board it was agreed that 'DECC has an enabling role to incentivise development in this area', even if 'limited to best practice communication, or perhaps provision of menu-led areas of expertise (accountancy/ legal/planning)'. There was wide support for DECC's suggested 'one stop shop', but not delivered by Government. Groups insisted that it 'must have Community input to deserve Community support'.

One group described how they had received substantial support from universities which 'continue to be our most likely point of information'. Another detailed how PhD students provided the majority of their evaluation. This link could be useful to pursue. However the majority of groups didn't feel well connected and many suggested the provision of an 'over-arching body to bring all Community Groups together'.

Suggested solutions/remedies

Many solutions were discussed, with some promoted more vociferously than others. These included:

- Provision of a long term funding stream
 - rolling application dates
 - easy application processes
 - clear evaluation criteria from the outset
- Provision of expert support for legal, accounting, business planning, technical activities
 - funding the provision
 - approving experts
 - providing registers of approved practitioners
 - supplying days of expert support
- DECC support for Peers. These may be Groups or individuals who have already delivered similar projects or schemes, or have expertise related to Community Energy from Practitioner organisations
- Proactive support across all Government departments –
 - ensuring that all departments are geared up to support Communities
 - consider them when devising new schemes, regulations etc
 - agree to work with Communities in all aspects – information, advice and support
- Provision of specific RE feasibility studies
 - Wider resource studies to identify potential
- A PR role for DECC to plan effectively how they will announce initiatives
 - ensure wide dissemination
 - accessible language
 - additional support for those most in need
- Specific coordination with DNOs
 - support for speedier responses
 - Funding for upgrade works which can make projects unviable.
- Provision of a database of projects, initiatives, Groups and interested parties. – Many groups don't know that something already exists and therefore continue to reinvent the wheel.

Acknowledgements

The National Energy Foundation would like to thank all those Community Groups who took part in our consultations and those who fed their opinions into this report. Of course, we appreciate that Community Groups are often short of time and that the majority of the work can fall on the shoulders of too few people. We fully appreciate the effort that went in to email responses, long conference calls and especially visits to our offices. Thank you.

We also thank those groups who have indicated that they are now going to respond to the Call more fully and independently.