South West Community Energy Conference

23 Jan 2025 at Somerset Cricket Ground, Taunton Subscribe to our newsletter | Follow us on LinkedIn





The Hub invited community energy (CE) organisations, community groups and other interested stakeholders to an in-person conference to discuss current challenges and opportunities, make connections and share learning, and celebrate success. The conference welcomed over 60 representatives for an active day of presentations, open space working groups and 1:1 finance surgeries.

This is a summary of the day's content. The presentation and open space summaries reflect conversations held on the day and are not intended to express the Hub's opinion.

Morning presentations

After the welcome and introductions, the day began with three presentations. The slides are all downloadable from the Hub's <u>Community Energy Conference 2025 webpage</u>.



Changes underway to grid connection

Sarah Jeffery, Head of Strategic Customer Engagement, National Grid Energy Distribution (NGED)

Connection reform will shift from 'first come, first serve' to 'first needed' – prioritising projects that are ready for connection.

NGED holds a monopoly so must be even-handed, but its revised strategy aims to amplify CE sector views. NGED's recent Parliamentary Inquiry submission for <u>Unlocking community</u> energy at scale (see slides) proposes raising the 1MW threshold for simple CE grid connections to 5MW (which is likely to happen in 2025), alongside code modifications which could also allow CE projects to be sectioned off below the substation if reselling locally. Both points were very well-received by the audience. NGED hosts many <u>online resources</u> for CE, will run three CE forums in 2025 and runs a monthly webinar on grid connection. The <u>National Energy System</u> <u>Operator (NESO) website</u> also hosts useful information and webinars for the CE sector.



Developing local supply

Alison Turnbull, Head of Innovation and Asset Management, Bath and West Community Energy (BWCE)

This presentation explored recent focus group work to inform future energy club schemes. BWCE used the <u>Energy Local</u>

method using electricity spill from two existing school solar PV sites. These solar installations weren't designed for a spill project, so energy availability was limited to outside school hours. The club was small, and demand shift requirements proved impractical. BWCE ran three focus groups to better understand challenges, looking with 12 households at the concept, potential benefits and marketing messages around a 'community tariff' from local school solar PV arrays. Key findings were that clubs are very difficult to initiate retrospectively if spill hasn't been built into specifications, and the benefits to grid connection and generators weren't a motivator for households, even those actively interested in BWCE's work.



Future Energy Landscapes

Neil Best, Senior Planner for Net Zero, Centre for Sustainable Energy (CSE)

<u>Future Energy Landscapes (FEL)</u> was created by CSE to address the 'social gap' – the difference between public support for

renewables generally (high) and specific local proposals (often low). Community workshops examine a baseline of local energy demand against a menu of technically feasible local options. The workshop is planned with local councils and community groups for 25-30 people. A large, hand-drawn local map is used by participants to mark positive and negative local features; small breakout groups look at specific technologies. Findings are later summarised and sense-checked with the wider community. 62% of participating communities supported local onshore wind, and 85% supported renewables generating at or above local needs. CSE is just starting FEL+, applying the method within the context of specific proposed CE projects.

Open Space Sessions

The afternoon focused on topic-based discussions, using the <u>World Café</u> (aka Open Space) method. Attendees suggested and voted on topics, with nine chosen for discussion (key points captured below).

Energy Local: How it works, and examples of successful implementation

This is an <u>organisation</u> and <u>method</u> that allows locally generated energy to be sold to local users *before* the difference is exported to (or imported from) the grid. This allows higher income for generators and lower cost for consumers, as it eliminates transmission costs. Households sign up as 'energy club' members; they must have a smart meter, be willing to switch supplier to the club provider, and be linked to the same substation. There are voltage limits restricting scale (e.g. 300-400 kWh across a few hundred households). Demand shift is key to making it work; cheaper energy is available when generated locally (e.g. daytime solar), and a variable tariff when energy must be imported from the grid. Session was attended by Pete West (Energy Local Bridport) and Sally Murrall-Smith (Energy Local Totnes / TRESOC) who gave real-life examples (e.g. 30% lower bills in Totnes). Similar services/models are offered by 100Green, Ripple Energy and Urban Chain; Bristol Energy Cooperative and OVO are co-running a trial.

Future Energy Landscapes: Introduction to how, where and when to use this approach

Discussion followed the morning's presentation. This session was supported by Neil Best, CSE's Senior Planner for Net Zero. Most FEL events have been self-led by CE organisations using the free online toolkit, though CSE can also run sessions for a fee. Sessions provide a menu of realistic, achievable and potentially acceptable technologies to start the conversation. Top tips: \checkmark People love working with hand-drawn local maps \checkmark Start conversations early so people feel they have influence \checkmark Promote through a range of channels (via local groups, online, door knocking, local events) \checkmark Options for community ownership and benefit models can get people onboard with local renewables. The lack of a national dataset of technical data for maps was discussed – attendees felt there is a need for this.

Power purchase agreements (PPAs): Aggregation of systems too small for individual PPA applications

Challenges around PPAs were discussed. PPAs are long-term contractual agreements between electricity buyers and generators. It's best to try to maximise generation and use within a substation area, but when spilling happens to the grid, generators should receive a fair export cost. The larger suppliers are not interested in PPAs with smaller projects, and have no incentive to work with these, but small local energy generation schemes can put forward a joint (aggregated) PPA application which can improve engagement. There is a need for improved metering, battery storage and tariff clarification.

Community energy and local authorities: How to create partnerships for net zero and get funded

Joint working was discussed, with insights from both council and CE sector perspectives. It's important to keep regular dialogue and find champions for CE with influence and passion among council officers. There can be disconnect between what councillors think is happening and what officers are delivering, and momentum can be lost if grassroots lobbying eases. Councils in crisis are not looking at CE funding opportunities - they lack capacity to monitor funding, bid or set up schemes. CE projects on council assets (e.g. solar for schools) must have formal agreements clearly outlining risk, ownership and responsibilities; some councils are very risk-averse around involving the CE sector in council assets. More positively, some areas have benefitted from Corporate Collaboration Agreements, establishing long-term principles for joint working, with separate agreements for specific projects, e.g. PEC and Plymouth City Council; BWCE and Bath & NE Somerset Council. Other examples of good collaboration were Havant, Chippenham and Bristol (e.g. CSE work on the One City Climate Strategy). It is unclear what will happen to some relationships as district/borough councils disappear. Town/parish councils can be in a good position for collaboration as they have more control over precepts (i.e. ability to raise funds). Future funding/collaboration opportunities are expected through GB Energy's Local Power Plan.

Funding onshore wind: Creating a business plan, securing risk capital – where to start, who can help

Pre-planning risks for wind are the big issue for investors, and approaches were discussed. Community engagement is particularly challenging around wind as it can be very divisive. It helps to educate people, keep promoting the benefits, and reach different parts of community (e.g. schools). Give the community a reason to want it (e.g. link to funding new community facilities or services)



and draw from experiences of people who have had a similar asset in their own community for 10-15 years to reassure people. A good model (used by <u>BWCE</u>) is to use surplus funds from energy generation to employ staff to run an ongoing business, which then develops new projects. Another good example is the <u>Ambition Community Energy wind turbine</u> in Lawrence Weston. Discussion also touched on insurance – excess and directors' insurance costs for larger projects can be significant, and unaffordable to communities.

Grid connections: Changes to the grid queuing system and knowledge share

Applications were discussed, which are much more complex, costly and slow for projects of 1MW+. The grid was not designed for many localised generators; there is a significant queue of projects wanting to connect. Old connection rules penalised projects heavily if grid reinforcement was needed, but new rules apportion cost more fairly. Upcoming <u>connection</u> reform will remove stalled projects from the queue, and prioritise key projects for clean power. National Grid's <u>network capacity maps</u> suggest where there is capacity locally, but are outdated; request current situation directly. National Grid should provide feedback on constraints options if a project cannot be added without constraints. Grid connection communications is full of jargon and hard to navigate; Regen's guide <u>Connecting Community</u> <u>Energy: A Guide to Getting a Network Connection</u> (2020) was cited as a useful resource.

Co-benefits of community energy: How can we shout about these more (and should we)?

Discussion focused on retrofit advice, and the unique position of the CE sector to provide trusted, impartial advice. In community buildings, sustainable energy solutions can reduce running costs and keep assets viable while decarbonising. <u>Tamar Energy Community</u> was discussed as a good example of community co-benefits: funding retrofit advice through community solar profits, working at a district council scale, and taking a health-based approach. Messages about co-benefits must be tailored to audiences: households (health, savings), communities (cohesion, income), national (carbon reduction, other policy priorities). Useful resources mentioned during the session included Climate Outreach's <u>Britain Talks</u> <u>Climate</u> and CSE's <u>mapping</u> based on the Britain Talks Climate audience segments.

Heat networks and community energy: How, why and examples of where this is being explored



Ground and water source heat were discussed as an underdeveloped resource. Ground source is typically more efficient than air source in cold weather and the technology lasts longer but is costly to build and disruptive to install. Funding is a challenge, with a lack of grants for smaller urban schemes, but new builds within heat network zone areas will be required to connect. For communities, these projects run best with the council in conjunction with a housing project, potentially with a nondomestic user (schools, hospitals, factories), using a microgrid approach. Examples: geothermal work happening on the Isles of Scilly; Heat the Streets in

Cornwall (Kensa Utilities); Bristol Heat Network, including the <u>water source heat pump in</u> <u>Bristol Floating Harbour (Vattenfall</u> working with <u>Bristol City Leap</u>); and current work exploring ground source heat for social housing in Taunton (SWDC's <u>Space for Change</u>). South West Net Zero Hub's <u>5i Heat Networks Project</u> webinars provide more information, aimed at councils. Plymouth University is currently researching community heat networks.

Co-ownership of commercial schemes: An opportunity to help rapidly expand community energy?

Discussion drew from BWCE experiences of shared ownership with commercial schemes (e.g. Braydon Manor Farm). CE sector involvement can benefit developers (ESG commitments, reducing risk around planning permission, and possibly, in future, pushing projects up the grid connection queue). Developers often have collaboration concerns (e.g. maintaining project professionalism and managing the nature and timing of public messaging to the community), but can be reassured with examples of precedent. Co-ownership is most easily achieved with solar, which can be modularised with separate meters. Price and % share must be negotiated, and it's useful to have a Memorandum of Understanding and open book process. CE organisations can have more influence with early-stage involvement – monitor the Planning Portal and speak to local landowners about conversations they may be having about upcoming developments (being mindful that they may be restricted by Non-Disclosure Agreements). Regen's Sharing Power paper (2024) provides a good summary of issues. Templates for commercial agreements are already being developed by other groups, especially in Wales.

Topics not selected for discussion

The following topics were shortlisted (of interest to attendees) but not chosen for discussion during voting: Early-stage community engagement • Community energy on school buildings • Local vs centralised energy advice • Local skills and supply chains • Finding good technical evaluators • Insurance issues • Good governance • Staff recruitment and retention

Finance advice



Conference attendees could book a 1:1 session during the day with CE finance experts:

<u>Ethex</u> (Paul Pizzala): Non-profit specialising in community shares/bonds, has supported 100+ CE projects.

Younity (Connie Duxbury): Octopus Energy and Midcounties Co-operative joint initiative, working with 340+ CE projects (around 1 in 3 nationally) and providing a volunteering platform, loans and grants.

OVO (Vivian Baliozian, Susie Leppard): UK energy supplier, with a new focus on providing more support options to the CE sector (e.g. PPAs). Thrive Renewables (Chris Grainger): Flexible finance approach to individual circumstances, focused on CE projects that are not yet ready for bank finance.

BBRC (Stephen Le Fanu): South West social and environmental impact investor and asset manager, launching a CE sector investment fund later in 2025.

Lendology (Louise Shewry): Provides affordable loans for domestic projects from council funds, especially those struggling to get conventional loans.

Conference attendees

Avalon Community Energy • Bath and West Community Energy (BWCE) • Bristol Energy Cooperative • BBRC • Bridport Town Council • Bristol Energy Cooperative • Centre for Sustainable Energy (CSE) • Church of England • Community Energy Plus • Department for Energy Security and Net Zero • Dorset Community Energy • Energy 4 All • Energy Local Bridport • Ethex • Exeter Community Energy • FRECO • Green Isle of Wight • Havant Hayling Community Energy • Isles of Scilly Community Venture • Lendology • Nadder Community Energy • National Grid Electricity Distribution • OVO Energy • Plymouth Energy Community • Regen • Resilience Network • Severn Wye Energy Agency • Somerset RCC • South West Net Zero Hub • SuSy House • Thames Head Energy • Three Seas Cornwall • Thrive Renewables • Tincleton • TRESOC • West of England Mayoral Combined Authority • Younity • Zero North Wiltshire