

electricity
north west

Bringing energy to your door



Zero Carbon Communities – how to finance decarbonisation

25th June 2021

Stay connected...



www.enwl.co.uk



Helen Seagrave
Community Energy Manager
Electricity North West



Kate Gilmartin
Rural Community Energy Fund
North West Local Energy Hub



- Can you stay muted and turn your camera off unless you are talking
- The speakers will use their video when they are presenting.
- Questions can be raised at any time using the Q&A function.
- During the Q&A session delegates can also use the “raise your hand” function to indicate they would like to ask a questions.
- Can you add you full name and organisation to help with networking.



- 10.00 ***Welcome and scene setting, Helen Seagrave, Electricity North West***
- 10.10 ***Finance and funding options for projects, Kate Gilmartin, Local Energy Hub***
- 10.30 ***Electricity North West's support for community energy, Helen Seagrave***
- 10.45 Questions and Answers
- 11.00 Break
- 11.05 ***How to finance projects via a share offer, Paul Phare, Energy4ALL***
- 11.25 ***Finance options for larger projects, Matt Andrews, SASC Bridge Finance***
- 11.45 Questions and Answers
- 12.00 **Formal closed**, opportunity to network in small groups from 12.00-12.30.



What support does your community need?

- Webinars with practical advice and guidance
 - Opportunities to network
 - Sign posting to resource
 - Funding / finance

What topics would you find useful?

- Finance / funding
- Help navigating resources
- Community engagement
- Business plan / project development support



What action
can
communities
take?

Recording and materials
on enwl.co.uk

How to finance
decarbonisation

Today

Powering our
communities
fund launch

17th September

Community
engagement
workshop

22nd October

Monthly drop in session on Teams: Contact Kate to get added to invite



What support does your community need?

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Aim: to develop a concise and easy to use toolkit to help community and local energy stakeholders to navigate the available resources.

- Early draft and would like your feedback.
- Can you send us any resources you think should be referenced?

Poll later on in the agenda to get your feedback, please add any comments to the chat.

Finance and funding options for projects
Kate Gilmartin



Finance and funding options for projects

Kate Gilmartin, Rural
Community Energy Fund
delivery officer



This 100kW hydroelectric generating plant on the side of the River Calder at Whalley, Lancashire began generating in November 2014.

Whalley Community Hydro Website

Rural Community Energy Fund

The Rural Community energy fund:
Comes from Department of Business Energy & Industrial Strategy;

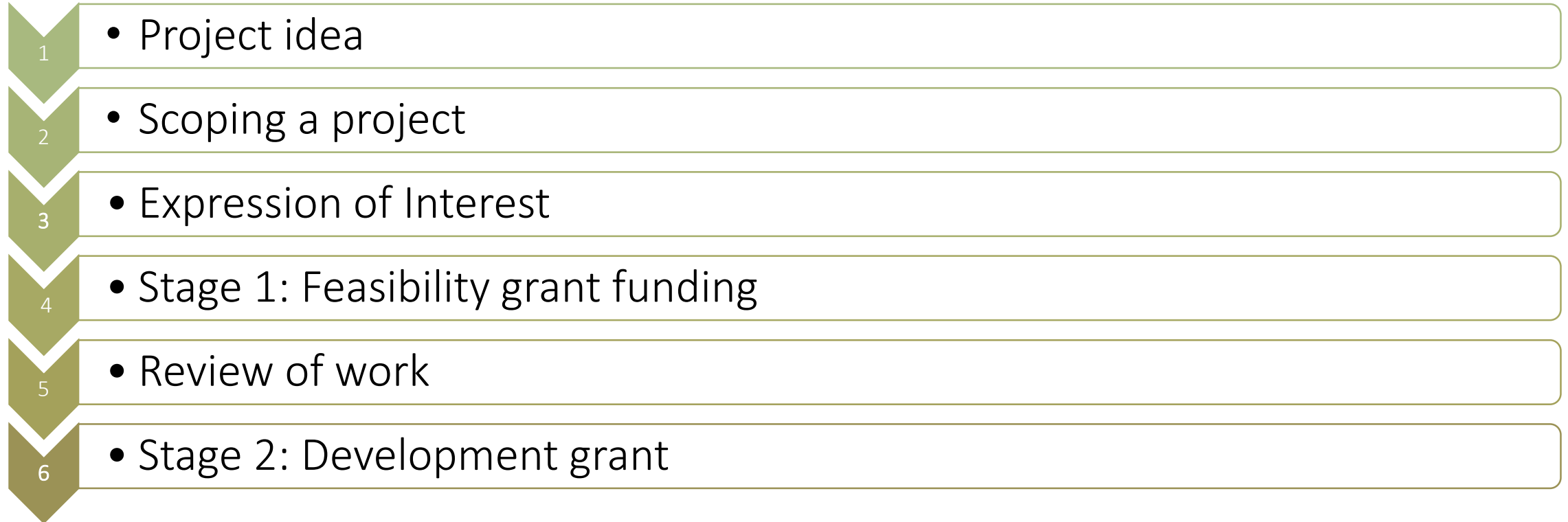
Delivered by Local Energy Hub NW and Lancashire County Council;

£1 million in NW, £450,000 remaining and available until January 2022,
supporting 13 projects

Stage 1 – feasibility grant up to £40k
Stage 2 – Development grant up to £100k

- Community level action is key for the UK to meet the net-zero target
- The next 5 years are the most important in the challenge of decarbonisation, framework for action must be in place

RCEF Project pathway



1) Project Idea

(it needs to generate enough power for multiple buildings)

Solar on local buildings

Ground mounted solar

Wind Turbine

Hydro Turbine

Community low carbon heat project

What if my project is not be eligible?

If it's a single building – village hall/ sports club?

If it's a research and development project

If it's an energy efficiency project

Other funds available: [Home | Lancashire County Council 4 Community \(idoxopen4community.co.uk\)](#)

ENW – [Powering Our Communities fund](#)

2) Scoping a project

1

Grid connection:
how near and what
capacity?

2

Land ownership:
who owns the land/
roof are they willing
to enter into a
lease?

3

Support: will the
community support
the idea? Can you
get some others
interested?

4

Viability: no Feed in
Tariff, can you sell
the electricity
directly to
someone?

3) *Expression of Interest*



Expression of Interest - simple form to help define the project



Applicant should be a charity, Parish council, CIC, CBS or co-op

4) Feasibility: – RCEF Stage 1 grant, up to £40,000

Application from the eligible body

- The eligible body needs to have a bank account to receive the grant (with 2 signatories)

3 quotes for the work to be undertaken

- We need to have 3 quotes for the work to show value for money.
- I can help prepare the scope of work to enable these quotes to be prepared.

Application submitted to the funding panel

- I will have worked with the group to ensure the project is viable and has a good chance of progressing.

The feasibility should determine if the project:

- Is it technically possible?
- Is it financially possible?
- Can connect to the grid or end user?
- What is planning opinion?
- What is the community opinion?

Examples of work that is funded at stage 1



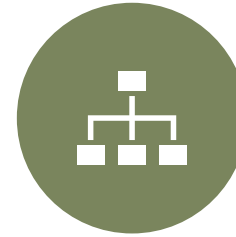
TECHNICAL CONSULTANCY &
DESIGN WORK



COMMUNITY ENGAGEMENT



LEGAL FEES (FOR
LANDOWNER HEADS OF
TERMS)



PROJECT MANAGEMENT –
GROUPS CAN CLAIM UP TO
10% OF OVERALL COSTS



GRANTS AWARDED RANGE
FROM £11,000 - £40,000
DEPENDENT ON PROJECT
SIZE AND COMPLEXITY

5) *Review of work in progress*

Ongoing review with consultant, community group and other stakeholders

Are there sticking points or 'showstoppers' do we need to tweak or amend the project?

Possible issues: cable routes, infrastructure issues, costs for capital quotes, security, no end user for electricity – so no business case, covid!

6) Stage 2: development grant, up to £100,000

Has the feasibility found:
It is technically possible;
It is financially possible;
Can connect to the grid or end user
Planning opinion is favourable
Community opinion is favourable

Application for stage 2 up to
£100,000
Requirement for the community
to have 51% ownership of the
project

This is to fund work that will get
the project investment ready.

Examples of work funded by Stage 2 grants

Grid connections
or statement of
works

Building/
Ecological/ Tree/
Bat surveys

Planning
application &
submission

Planning fees

Legal fees for;

Land lease
agreements/
wayleaves

Power Purchase
Agreements

Community
Share Issue set
up costs

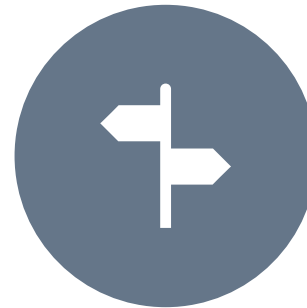
Investment ready?



RCEF SHOULD GET THE PROJECT TO A STAGE WHERE IT IS READY TO RAISE FINANCE FOR BUILDING.



HOWEVER, SOME PROJECTS MAY BE VERY LARGE OR COMPLEX, AND THIS FUND WON'T MEET THAT REQUIREMENT (MATT AND PAUL)



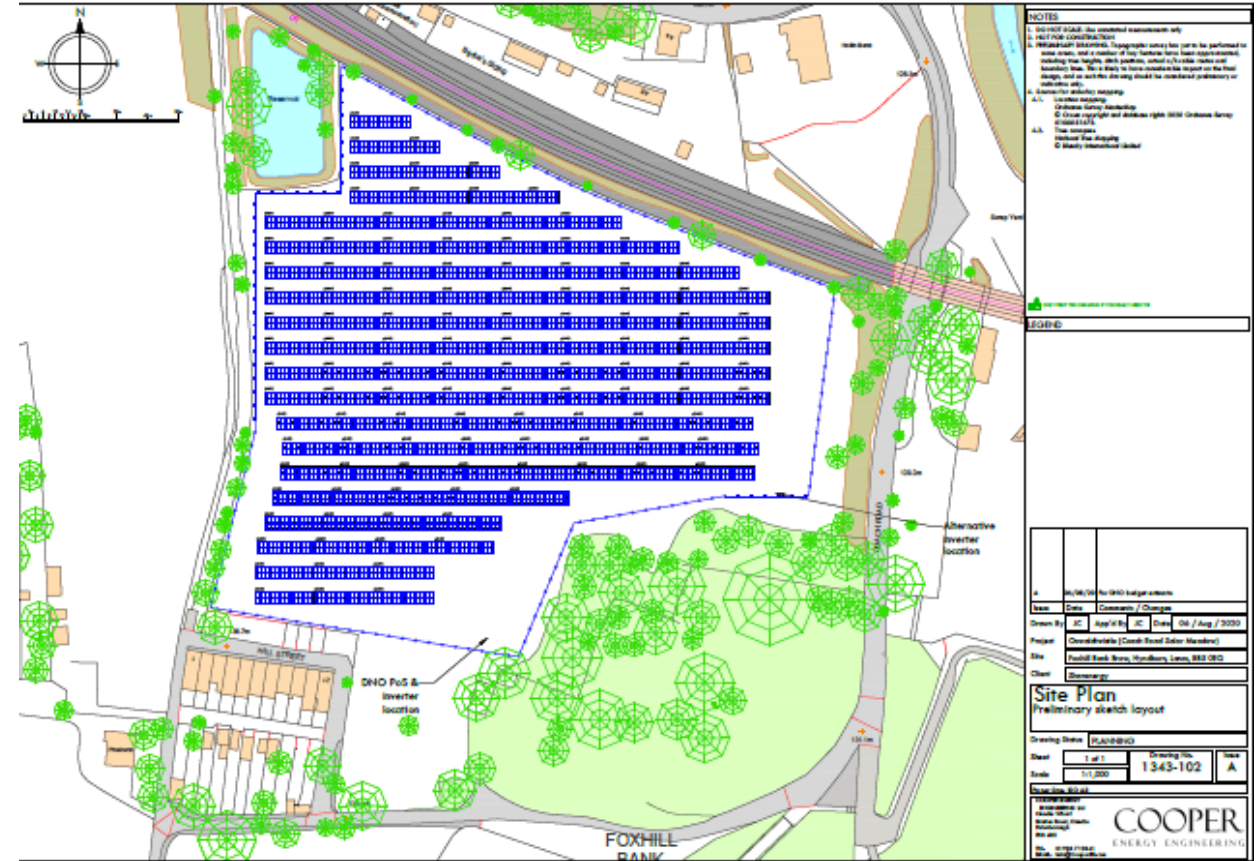
WE CAN HELP SIGNPOST IF THIS IS THE CASE.



IF THE PROJECT IS READY TO RAISE FINANCE, THEY WILL DO THAT WITH A COMMUNITY SHARE ISSUE.

Solar Meadow:

Accrington: 2MW ground mounted solar
(tucked away, unused 4 acres of land),
Selling ~60% electricity generated
to a local factory.
RCEF: Feasibility funding
Currently:
RCEF: Development grant for planning



Bretton Hall Farm:

Cheshire/ Welsh boarder:

30MW ground mounted solar

Approx. 49-hectares of relatively flat,
low lying agricultural land.

Largest community energy
schemes in the UK

Generating 33 GWh p.a

Planning in the summer.



Lymm Community Energy:

Cheshire: 6MW ground mounted solar
Approx. 10 hectares of relatively flat,
low grade agricultural land.
Potential to generate 7,500 MWhs
Equivalent 2,700 houses
Nearly 2,000 tonnes pa CO_{2e}
RCEF: Feasibility funding



Buttermere Hydro:

40kW high head hydro

240MWh generating pa

Direct wire to hotel (50MWh)

Hotel also on Oil heating

Possibility to move to heat pumps?

RCEF: feasibility funding



Congleton Hydro:

65kW Low head hydro scheme

265MWh generating pa

Raised £710k from community share

£58k annual revenue

RCEF: development grant



Low carbon heat project at Chipping



- Off gas grid
- Relatively high density housing for a village
- Approx 180 houses, 2 churches, 2 schools
2 village halls, commercial buildings, some social housing with interested RSL
- No major trunk roads dissecting village
- Feasibility grant to look at Low carbon Community heat scheme across village

Kirby Stephen Low carbon heat:

22 affordable homes

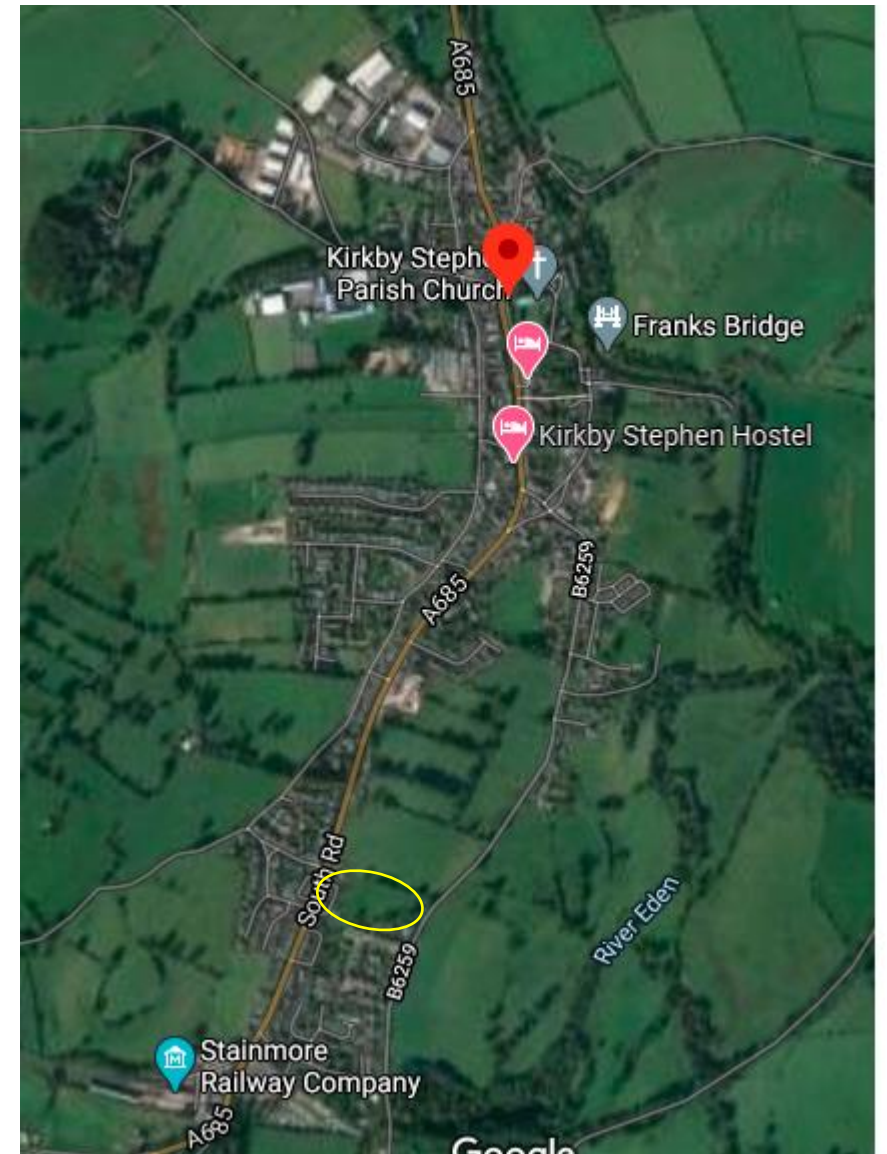
Kirby Stephen on the gas grid

RCEF: feasibility grant

Shared ground loop and borehole/ ASHPs

Potential solutions beyond the new housing?

‘Ripple effect’?



Conclusion

- Community energy empowers people to engage in low carbon action.
- Delivers local assets, democratisation of energy and community benefit.
- Community energy is bringing disruptive models to the current energy system structure: Generate – sell – consume. ‘Local Electricity Bill’ / local supply.
- People voluntarily coming together to achieve a common objective for the common good.
- Additional value... social impact, fuel poverty alleviation, trusted messengers...
- Mobilisation of community action will be key in reaching decarbonisation targets.

Thank you & questions?

Get it touch with me and I can help scope potential projects or discuss ideas;

Kate.Gilmartin@Lancashire.gov.uk

07763 756549

The Community Energy England website is a huge resource for communities thinking about undertaking a project:

<https://communityenergyengland.org/>

Useful links – Thanks to Clare Taylor from Oldham BC for compiling

<https://communityenergyengland.org/how-to-pages/how-to>

<https://www.localenergynw.org/page/rcef>

<https://www.enwl.co.uk/go-net-zero/community-and-local-energy/>

<https://communityenergyengland.org/pages/membership>

<https://impact-tool.org.uk/footprint/search>

<http://www.energy4all.co.uk/>

<https://powerforpeople.org.uk/backbench-business-debate>

<https://www.devon.gov.uk/energyandclimatechange/community-energy>

<https://powerforpeople.org.uk/backbench-business-debate>

<https://www.shareenergy.coop/>

<https://www.enwl.co.uk/globalassets/go-net-zero/community-and-local-energy/documents/state-of-the-sector-folder-2021/state-of-the-sector-report-2020.pdf>

<https://www.poweruphouses.com/>

<https://www.enwl.co.uk/go-net-zero/community-and-local-energy/supporting-community-energy/community-and-local-energy-newsletters/>

Electricity North West's support for community energy
Helen Seagrave, community energy manager





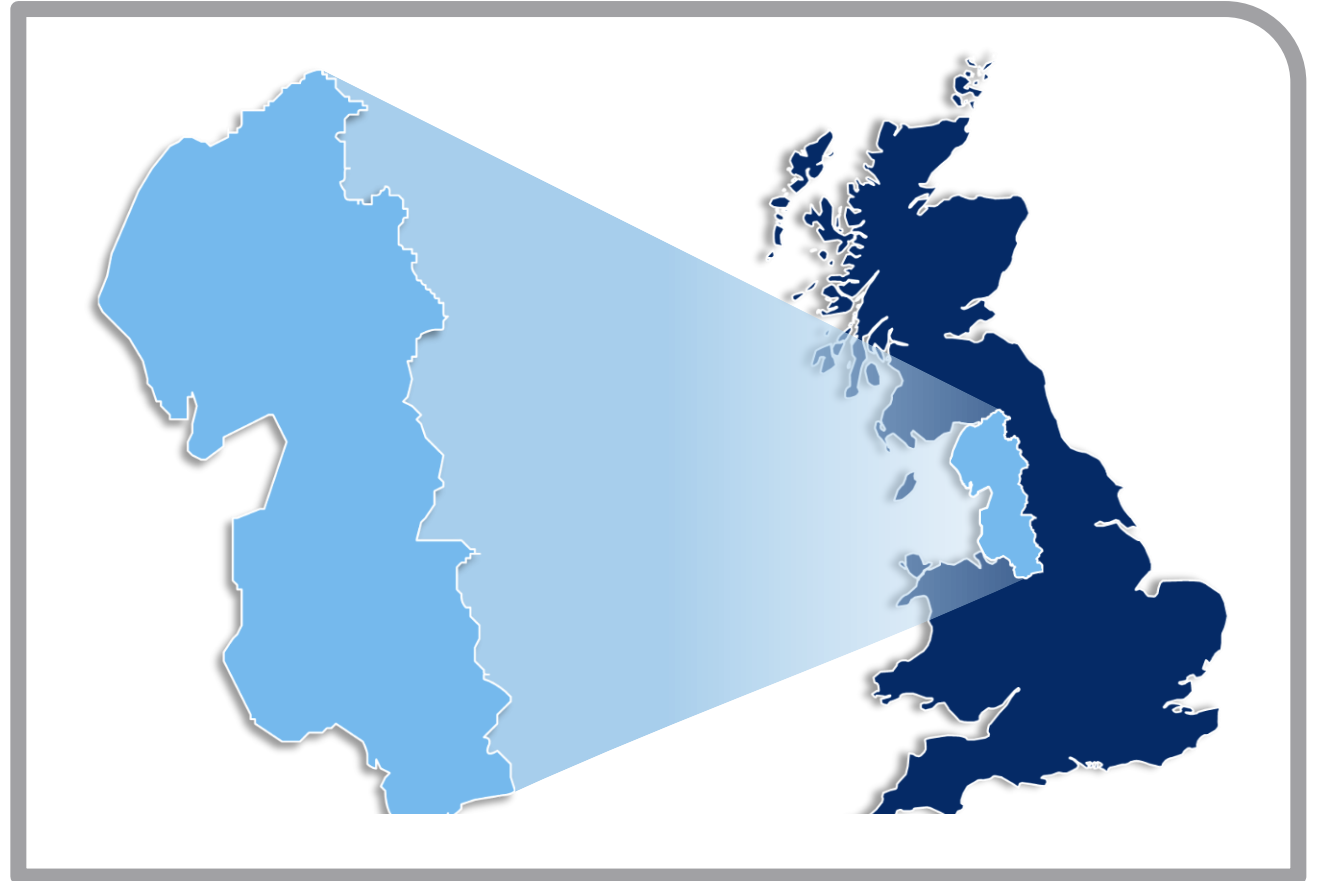
4.9 million



2.4 million



25 terawatt hours

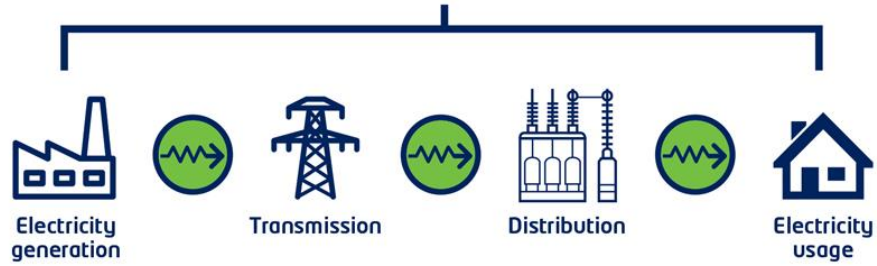


£12.3 billion of network assets ● 56 000 km of network ● 19 grid supply points
66 bulk supply substations ● 363 primary substations ● 33 000 transformers

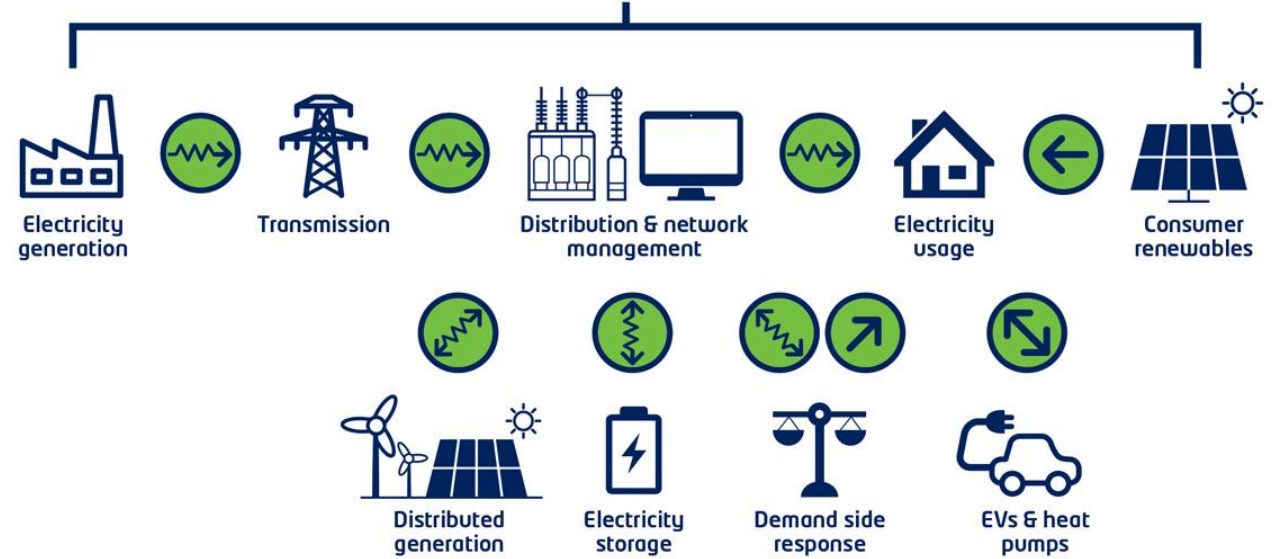
Our role has changed

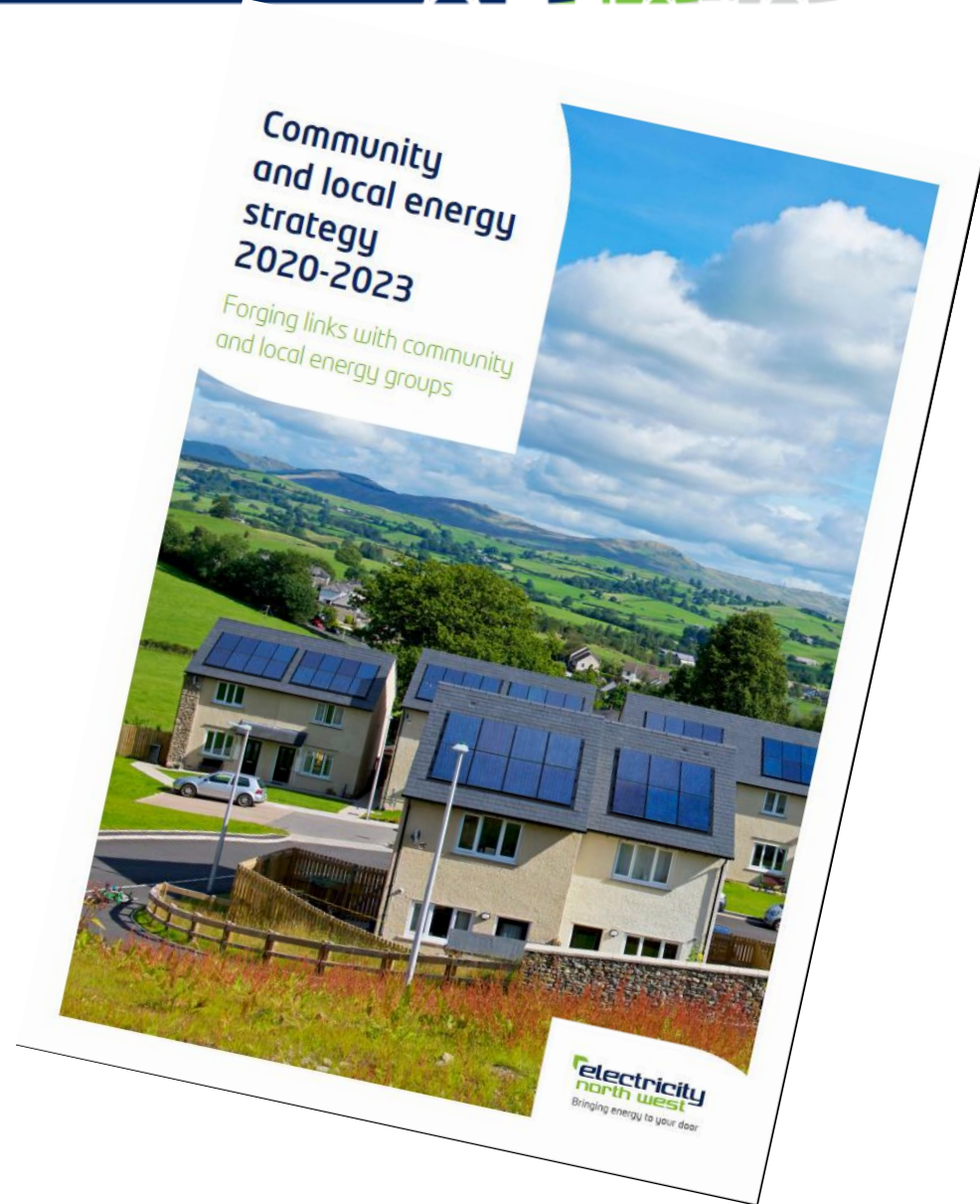


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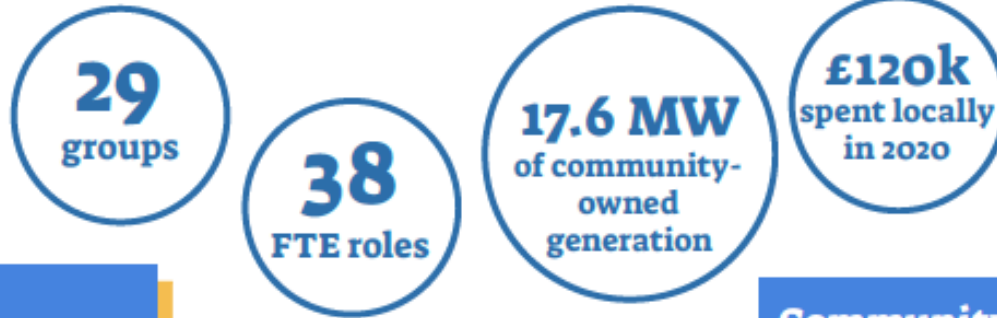
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With the right support, community energy in the North West could play a key role in achieving net zero.



A route to net zero

Community energy is playing a crucial role in achieving net zero by gaining consent, increasing participation and embedding behaviour change. Community energy organisations will be a critical part of making sure the energy system transition is fair and no-one is left behind.

Provision of social benefits

Community energy delivers additional social and environmental value and is contributing to a green recovery. The sector advocates for the most vulnerable in society, such as those in fuel poverty.

Community energy needs the right support

The main barriers to community energy include lack of funding and a challenging renewable energy generation business model. To unlock the potential of community energy to deliver at scale, we need a long-term, stable and supportive policy environment.

What we need to meet our potential

- 1 Access to necessary support, resources and finance
- 2 Ability for generators to sell their energy locally
- 3 Access to land and buildings to develop community energy projects
- 4 Communities at the heart of the net zero transition

Community Energy State of the Sector 2021



Community energy organisations in the North West

29
Community energy organisations

•• New group in 2020 ••
Ambleside Action for a Future

10 new roles created in 2020

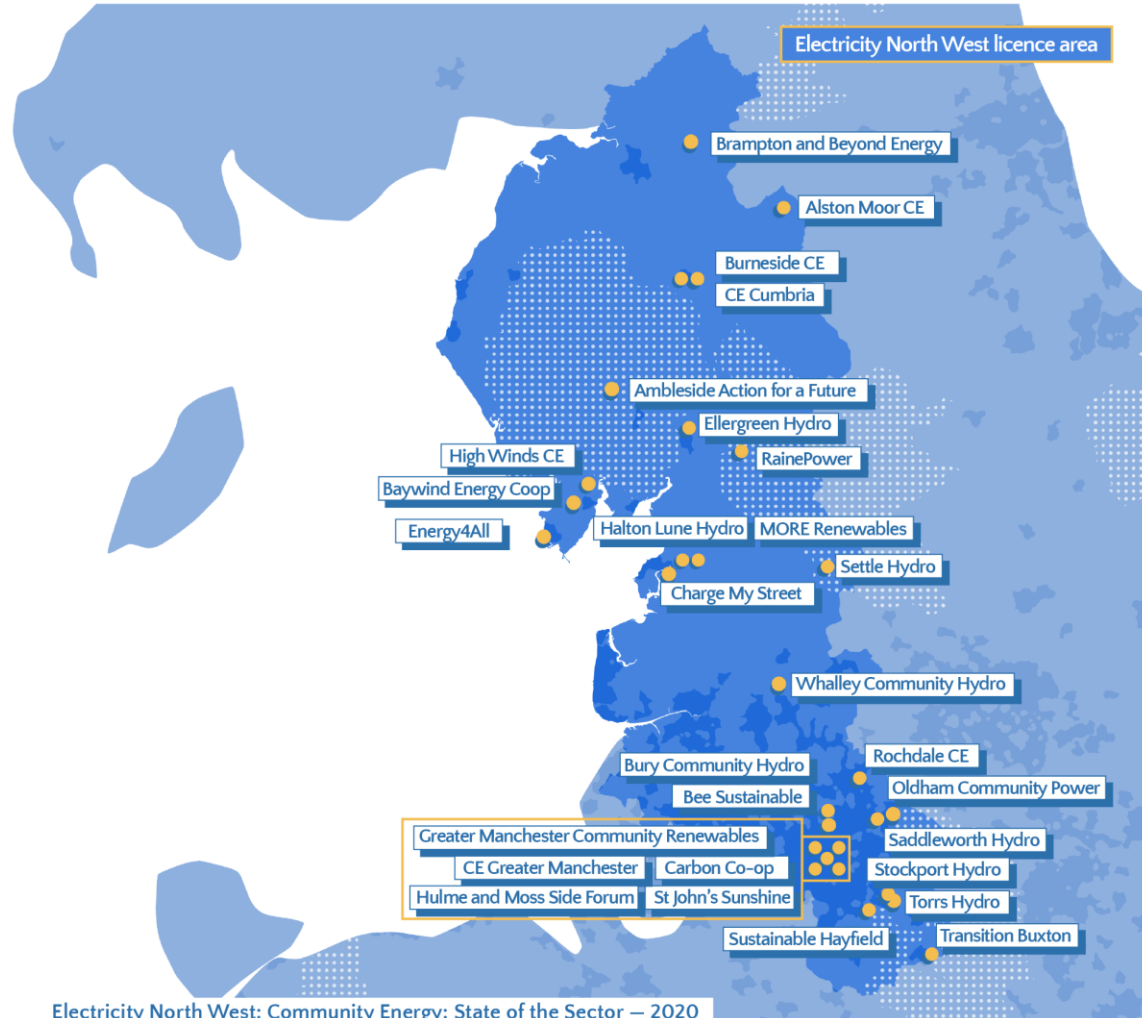
38
full-time roles

31
Electric vehicle chargers installed

Working with local businesses and as part of network flexibility trials

£1,300 COVID-19 relief spending

£120k
community benefit spending



Refreshed Community and Local Energy Strategy 2023-2020

Access – engaging with and understanding the community and local energy sector

Finance – playing our part to help make viable community and local energy business models

Regulation – helping to understand and navigate energy sector regulation

Forging links with community and local energy organisations

Powering our communities



Energy Local
Broughton in Furness



Feasibility Study Mill
Lane Electric Vehicle
Charging Network



Carbon Coop
Community Energy –
Heat pump ready!



Acclimatise Whaley
solar panel buyers
club



Energy Ambassadors,
Green Rose CIC



Solar Lighting for
Community Shelters



Journey to the
Summit
Youth Focus NW

Key highlights



Published **first**

DNO stakeholder-led community and local energy strategy in June 2018



Published
Refreshed Strategy

in Sep 2020



Awarded 19

Empowering our Communities Fund grants



Hosted 13

community and local energy engagement events



Issued **14**

community and local energy newsletters



Issued **7**

regulation and policy updates since April 2019



Engaged over

700 people



Provided support to over

40 projects



Level	Definition	Resources
Level 1	What is community energy? Is it for my community?	Eg ENWL Guide
Level 2	How can I get a project started in my community?	Eg CEE How To section of website
Level 3	We have a project idea but need some advice	TBC
Level 4	How can we develop our organisation?	TBC



- Does this look like it will be a useful tool?
- Can you send us any resources you think should be referenced?



Developing our plans for 2023-2028 (RIIO ED2)

Community energy

Enhance support for local and community energy projects, increasing our grant fund from £75,000 to £1m a year and providing a free dedicated support service.

- **82% of domestic customers were supportive of our plans,**
- **81% of business customers.**
- **88% of colleagues participating in our survey perceived our proposal to be acceptable.**

- **Customers with a social grade classification of 'DE' and/or identifying with the statement, 'I sometimes struggle to pay my energy bills' were significantly more likely to place greater importance on it [supporting the proposal].**

Question and Answers



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north west

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BREAK – 5 minutes

Keep up to date

Sign up for our newsletter

Visit the community and local energy section of our website.

www.enwl.co.uk/communityandlocalenergy

Financing of Community Renewables with Shares



Paul Phare
Development Manager

What is Energy4All?

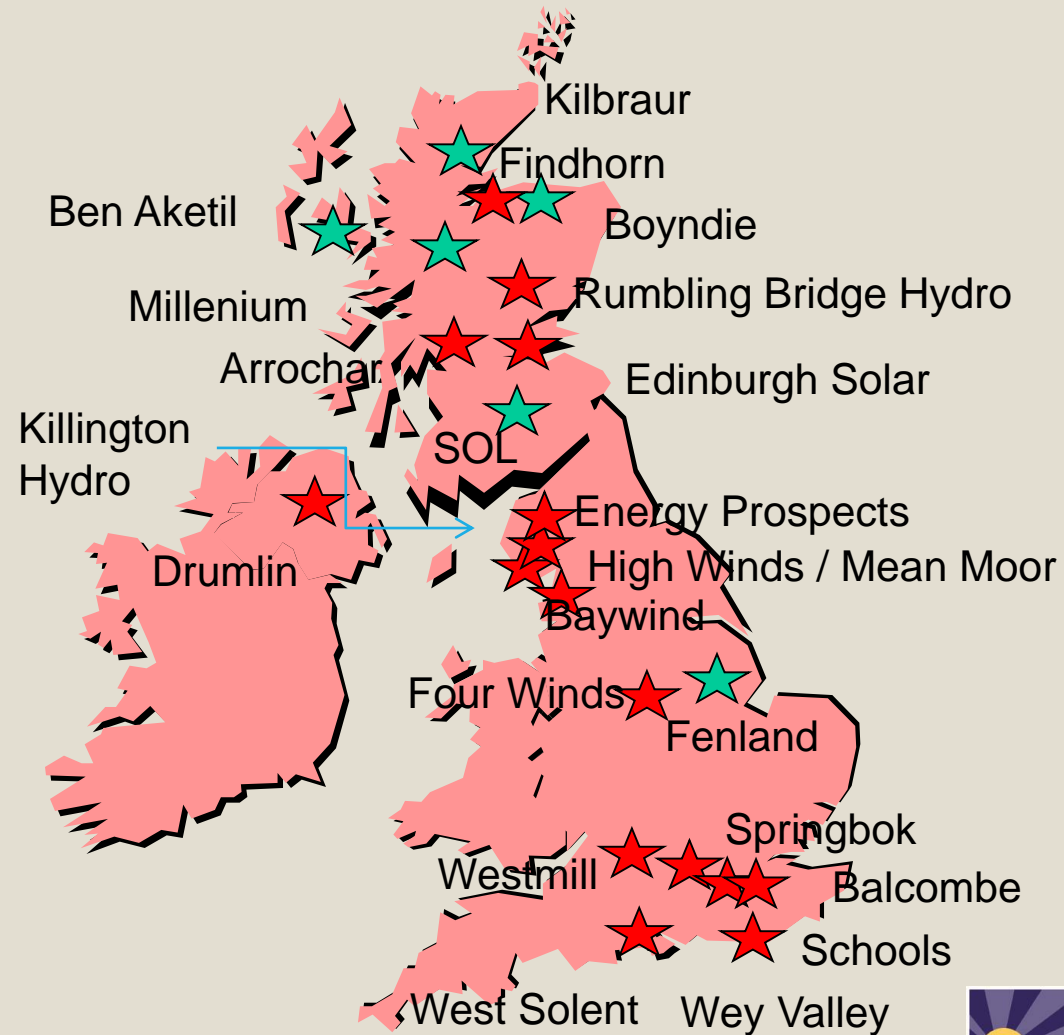
- Non-profit distributing social enterprise
- Works in partnership with communities, local authorities, educational establishments, businesses, landowners to deliver community ownership of renewable energy
- Self-funded through fundraising charges and administration fees.
Doesn't rely on public funding
- It's a co-operative of 28+ community energy co-operatives.
- Raised £90m in project finance for the community groups we support



The Energy4All Family

★ Fully community owned

★ Share in developer sites





Baywind – Harlock Hill



Mean Moor





West Solent Solar Co-op



Rumbling Bridge Hydro



M&S Energy Society



A shot taken by solar installers Joju



**Wey Valley Solar
Schools Energy Co-ops
Edinburgh Solar**

Mission

- To help the UK's transition to a low carbon economy
- To engage ordinary people in the operation and ownership of commercial scale renewable energy
- Mission shared with Energy4All co-ops and delivered through Energy4All – by co-ops co-operating



Energy4All – key activities

- Project development and due diligence
- Fundraising (equity and debt)
- Project installation
- Project operation (monitoring, PPAs, maintenance)
- Financial management
- Co-operative management
- Representation, lobbying and campaigning



Process

Preparation

- Legal
- Financial model
- HOTS, MOU
- Initial support group

Pre-Launch

- Recruit board, register Co-op
- Finalise financial model and agreements
- Prepare marketing plan

Share Offer

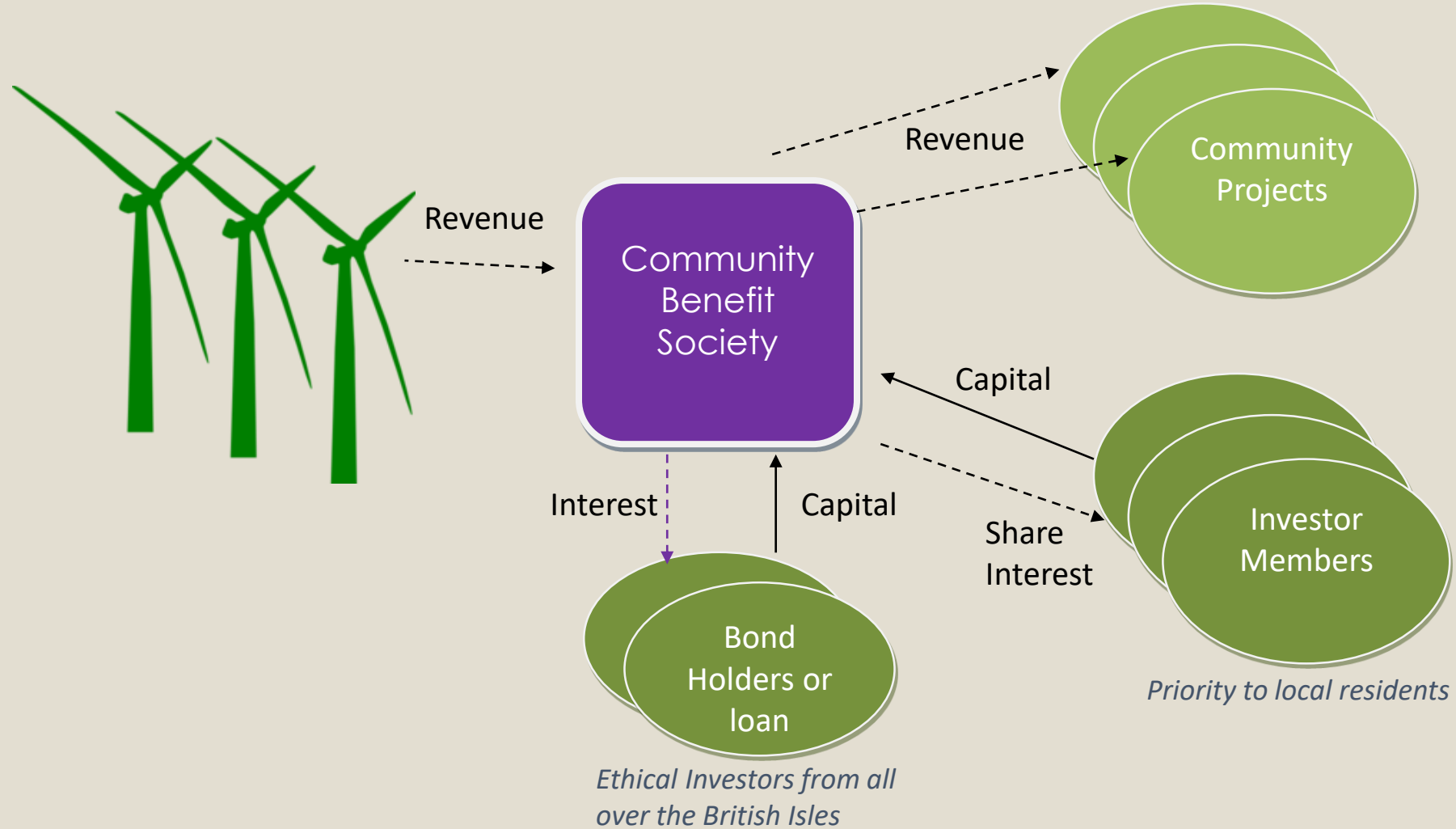
- Marketing
- Launch and response handling
- Close

Operation

- Complete agreements
- Transfer funds
- Commence day-to-day admin



Simple Co-op Structure



Share Offer Document

- Tells the story
- Background
- Identifies risk
- Financial details
- Application form

EDINBURGH COMMUNITY SOLAR CO-OPERATIVE LIMITED

share offer

Offer for Shares and Membership in
Edinburgh Community Solar Limited

Trading as Edinburgh Community Solar Co-op ('ECSC')

Initial offer shares: £1,400,000 - Closing date: 1st December 2015 (or earlier if fully subscribed)

ENERGY4ALL
GREEN CO-OPERATIVE ENERGY

EDINBURGH COMMUNITY
SOLAR CO-OPERATIVE

GENERATE SOLAR POWER ON EDINBURGH ROOFTOPS AND HELP MAKE EDINBURGH A CLEANER, GREENER CITY

Marketing the Share Offer

- The Board know their community best
- Word of mouth works best of all
- Local newspapers/newsletters
- E4A has a database of ethical investors
- Social media has become a useful marketing tool



Energy4All – 2019/2021

- Energise South - £405,000 – September 2019
- Auchrobert - £1,500,000 – October 2019
- Schools – £700,000 – November 2019
- Highland Phase 2 - £450,000 – April 2020
- High Winds acquisition of Mean Moor - £5,700,000 – April - May 2020
- Edinburgh Solar Phase 2 - £670,000 – closes Nov 2020
- Highland Phase 3 - £930,000 – Opens Nov 2020
- Highland Phase 4 – Share capital currently being raised
- LEG Power Lochaber – Summer 2021



Paul Phare

Development Manager - Energy4All

paul@energy4all.co.uk

0777 570 5374



www.energy4all.co.uk

Finance options for larger projects
Matt Andrews, SASC Bridge Finance



Question and Answer





12.00-12.30 - Networking

3 x 10 minutes in smaller groups

Keep up to date

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www.enwl.co.uk/communityandlocalenergy