



power to  
**change**

business in  
community  
hands

# THE ROLE OF COMMUNITY ENERGY IN A JUST TRANSITION TO NET ZERO




November 2023



## NEED FOR **COMMUNITY ENGAGEMENT** IN A JUST TRANSITION TO NET ZERO



The UK Climate Change Committee's (CCC) Sixth Carbon Budget<sup>1</sup> stresses that the 2020s are a decisive decade for progress and action on Net Zero. Behaviour change is essential for 62% of the Committee's recommended interventions for reaching zero-carbon. The CCC emphasises that it will not be possible to deliver Net Zero by 2050 if the people of the UK are not engaged in this challenge, and that fairness and local action are essential constituents of a successful transition to Net Zero



Community energy  
powering a fairer,  
greener economy,  
source: Repowering  
London.

## WHAT IS COMMUNITY ENERGY?



Community energy is people getting together in their communities to work on energy solutions to the climate crisis, harnessing local people's passion, expertise, knowledge and capital. CEBs install renewable generation and storage, do energy efficiency and fuel poverty work, deliver education, training and jobs for local people, deliver low-carbon transport projects and more.

In 2021, more than 217,400 people were engaged by CEBs across the UK. The sector's energy efficiency interventions are estimated to have reached 57,600 people/organisations and saved over £3.3m for UK households in 2021. CEBs raised £21.5 million of investment for new projects and spent £15 million of community energy income to boost local economies.<sup>2</sup>

CEBs can:

- respond to local energy needs, being rooted in local communities
- enable people to engage with energy issues, thereby helping to build the trust and consent necessary to transform the energy system and normalise new behaviours
- generate 12-13 times the local economic value of commercial energy installations<sup>3</sup>
- deliver major social benefits to local people, with fuel poverty work by CEBs yielding at least a 9:1 social return on investment<sup>4</sup>

This briefing explains specific ways in which CEBs engage and deliver multiple benefits to local people, the places they live and the energy system itself, helping to contribute to a Just Transition to Net Zero.

<sup>2</sup> <https://communityenergyengland.org/pages/state-of-the-sector>

<sup>3</sup> <https://www.gov.uk/government/publications/community-renewable-electricity-generation-potential-sector-growth-to-2020>

<sup>4</sup> <https://www.bristol.ac.uk/media-library/sites/law/research/Nolden%20et%20al.%20BLRP%20No.%202%202021.pdf>

## CEBs' ADDED VALUE AND ENABLING ROLE



CEBs can provide trusted advice: CEBs can add value to low carbon, flexibility and energy efficiency projects by acting as 'trusted intermediaries' between projects and the local people they are trying to reach. Where CEBs are rooted in and known to their local community, and have developed their expertise, they can become a valued source of advice to local people, helping to fill gaps in provision and addressing the challenge of establishing 'trust' at household and community level. Trusted advice is particularly important for retrofit technologies which require bespoke advice or are less widely understood (e.g. heat pumps). CEB advice can potentially cover installations in people's homes and those in community facilities.

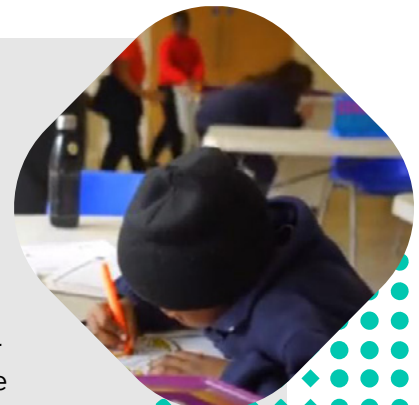
### **CREW Energy** **community-led heat pump installation**

CREW Energy is a volunteer-led not-for-profit Co-operative based in south-west London. Established in 2014, CREW helps community groups and individuals in London – and particularly in the boroughs of Wandsworth, Merton and Richmond – to access low-carbon solutions. With support from Power to Change, CREW have led the installation of air source heat pumps for community organisations and now offer carbon audits for both community organisations and domestic households. They have also developed an 'end to end' domestic heat pump service: CREW leads on initial site surveys and overall project management, in partnership with a third-party designer and a local installation company, Switched On. Research undertaken for Power to Change indicates that CREW played a key role in giving beneficiaries confidence in the technology.



**So much of this stuff is about changing behaviour and attitudes and this is key. You can set as many policies as you like but if you don't take people with you there's no point. [...] And a lot of it is thanks to [name] and CREW for making it happen. Without [name], we wouldn't have had the oomph and energy to get this off the ground. (Devas Club representative)**

For more information, see <https://www.crewenergy.london/> and view the CREW video [here](#).



**CEBs can engage communities and help to normalise new behaviours:** CEBs can also play a vital role in engaging community members with Net Zero and energy initiatives. For example, in partnership with local authorities and energy stakeholders. Bath and West Community Energy's 'Flex Community'<sup>5</sup> project, supported by Power to Change, recruited local households to take part in flexibility trials run in partnership with the local DNO (National Grid, formerly Western Power Distribution). They were able to recruit participants for the trials using their network of local, interested members and supporters.<sup>6</sup> Surveys of Community Energy Business members, funded by Power to Change, showed that respondents had become better informed and more engaged with energy and climate change issues through their involvement with their community energy group, with nearly half (45%) reporting that they had made changes to reduce their personal carbon footprint as a result of this.

**CEBs can provide in-depth insight into local community needs:** Where CEBs are rooted in their local community, they can help to identify, understand and respond to local needs. For example, Exeter Community Energy plays an important role in the 'Healthy Homes for Wellbeing' programme<sup>7</sup>, using outreach events, advice lines and home visits to identify people who are at risk of fuel poverty. Through the 'Local Energy Advice Partnership' run by AgilityECO, Exeter Community Energy provides eligible households with advice and signposting to the services they need, in partnership with local authorities and health trusts across Devon. Similar outreach and advice work on fuel poverty issues is undertaken by other CEBs, including South East London Community Energy<sup>8</sup> and Brighton and Hove Energy Services Company<sup>9</sup>, in partnership with their local authority.

**CEBs can provide services in marginal markets:** Being primarily motivated to address need, CEBs can deliver energy and transport-related services in niches that are too marginal for commercial providers. For example, Brighton Energy Cooperative has installed EV chargepoints linked to solar generation, with support from Power to Change, including locations that would not be attractive to commercial installers.<sup>10</sup> Similarly, Nadder Community Energy runs an electric vehicle in Tisbury, a rural town in Wiltshire which is too small for commercial car club providers.

5 <https://www.bwce.coop/flex-community/>

6 To find out more, see Bath and West Community Energy's video [here](#).

7 <https://www.ecoe.org.uk/healthy-homes-wellbeing/>

8 <https://selce.org.uk/energy-advice/>

9 <https://bhesco.co.uk/fuel-poverty-energy-bills-brighton-hove>

10 To find out more, see Brighton Energy Co-op's video [here](#).

### Nadder Community Energy Tisbury electric car club

Nadder Community Energy has deep roots in the local community and has long been aware that transport in this rural area is problematic for those who do not have access to a car. In response to this issue, Nadder Community Energy developed an electric car club, with innovation support from Power to Change. The car club is marginal economically: the two electric vehicles were purchased using grant support and many administrative tasks are undertaken by volunteers. The club provides discounted rates for lower income individuals, aiming to help alleviate transport poverty. Research with users suggests that the car club saves members money compared to owning a car.

“

**Aside from any environmental benefits, it has [...]direct impacts on the local community, because people can save an awful lot of money by being part of the car club. So, we did some research [...] on what people are generally spending on owning a car locally and it tends to be within £2-3000 a year. Joining the car club, with a projection of costs, could save people up to £2000 pounds here. (Nadder CE board member)**

To find out more, see <https://www.tisburyelectriccarclub.com/> and view the video [here](#).



**CEBs can access unconventional sources of capital:** Many CEBs raise capital for low-risk projects via community share raises or bond raises. Community Energy England list current offers on their website.<sup>11</sup> For example, Brighton Energy Cooperative have raised around £4 million via share offers to fund investment in solar photovoltaics on schools, University, commercial and community buildings. The Community Owned Renewable Energy LLP (CORE Partners) is currently fundraising for a £2.5 million community share offer to bring a portfolio of solar farms into the ownership of CEBs in Devon, Kent, Shropshire and Hampshire. Community share and bond raises can provide access to funding for low carbon energy projects and thus enable a wider range of people both to support and benefit from these projects.

**CEBs can add ‘social value’ to service provision:** CEBs tend to be driven by social objectives and, compared to many commercial providers, can add ‘social value’ to service delivery. For example, Repowering London runs a paid Youth Training Programme which introduces young people to community energy and inspires them to be part of the Green Economy. Repowering puts community empowerment and inclusion at the heart of its approach to low carbon energy. CEBs that generate a surplus (e.g. from renewable electricity generation supported by the Feed-in-Tariff) often distribute surplus funds to the local community causes via Community Benefit Fund grants. For example, Orchard Community Energy distributed £18,000 in grants in 2023, bringing the total donated to date to £65,000.

<sup>11</sup> <https://communityenergyengland.org/pages/share-offers>

## The role of Community Energy in a Just Transition to Net Zero

Relatively small grants can make a big difference to community organisations, enabling them to benefit local people in need, as shown in this video<sup>12</sup> of the Emmaus Community where formerly homeless people benefited from a grant from Kent Community Energy.

**CEBs can make things happen:** They are leaders and initiative takers, developing local partnerships and creating crucial platforms that bring local people together. CEB volunteers and paid staff often have a high-level of social, technical and professional expertise, being deeply committed to the Net Zero agenda and passionate about applying their expertise to address local challenges.

Partnerships with local organisations help to ensure that community energy action is fair, contributing to a Just Transition. For example, Low Carbon Gordano has partnered with Lockleaze Neighbourhood Trust to meet energy needs in a low income neighbourhood, while Chester Community Energy has focused on improving energy efficiency in local community buildings.

### Community-led and professionally-run

A number of community energy groups have become experts in their fields, employing paid staff and pursuing innovative approaches to low carbon energy projects, under the guidance of volunteer trustees. For example, Plymouth Energy Community (PEC) is an overarching charity supported by PEC Renewables and PEC Homes, together employing project managers, energy advisors and communications staff across a wide range of low carbon energy projects. Bath and West Community Energy also has a core team of paid staff, with specialist expertise, who support the implementation of renewable energy and flexible demand management projects. Similarly, Brighton Energy Cooperative have a core team of experts who specialise in solar and electric vehicle projects with community and commercial clients. Many other community energy groups are run by volunteers, often including people with professional experience in the energy industry.



<sup>12</sup> <https://www.youtube.com/watch?v=JRTf-fiGI18>

## SUPPORT NEEDED TO UNLOCK THE POTENTIAL OF CEBs

This briefing has highlighted some of the ways by which CEBs can help to progress a Just Transition to Net Zero. But CEB projects are often constrained by the patchwork nature and inconsistency of support from key stakeholders in central government, local authorities, energy systems operators and funders. In 2021 the Environmental Audit Committee enquiry into community energy concluded, in recommendations to government, that “Due to the urgency of the climate crisis and the vital roles communities will have to play in reaching Net Zero, it is essential that a timely solution to support the long-term growth of community energy across the UK is found.” To unlock the potential of the sector, Power to Change, Community Energy England and the Centre for Sustainable Energy have identified the following support needs:



### Government

CEBs can offer a route to engaging communities with energy issues, enabling more behaviour change in relation to low carbon energy generation, energy efficiency and demand-side response. To ‘turbocharge’ community energy’s contribution, as recommended by Chris Skidmore MP’s Net Zero Review<sup>13</sup>, CEBs need:

- explicit Government recognition of the important role of community energy within a fast-paced, ambitious and inclusive energy policy, including positive support for community energy projects<sup>14</sup>
- an end to the planning block on onshore wind projects, where local communities are supportive
- financial and policy support for local and community initiatives that CEBs are uniquely placed to lead (e.g. development funding for new projects through an increased Community Energy Fund, Contracts for Difference for CEB projects, more financial incentives for communal heating systems and regulatory support for ‘peer to peer’ trading)
- greater opportunities for the engagement of local and community actors in the Net Zero transition, including Local Area Energy Planning and Local Climate Commissions

<sup>13</sup> <https://www.gov.uk/government/publications/independent-review-of-net-zero-government-response>

<sup>14</sup> First steps towards this include the Government’s new Community Energy Fund (£10 million over 2 years) and Labour’s pledge for £400 million per annum in low interest loans for communities to develop locally owned and led energy projects, alongside £600 million per annum in local authority grants.



## The role of Community Energy in a Just Transition to Net Zero

- more support for emerging groups and local organisations that want to take action on local energy issues, extending Government support for programmes such as Community Energy South's Pathways Programme<sup>15</sup> and CSE's Future Energy landscapes methodology



### Local authorities

CEBs can help local authorities progress their strategic objectives (e.g. Net Zero, Climate Emergency, local economic development, social engagement, fuel poverty reduction). They can also help local authorities to engage local communities with Local Area Energy Plans. But CEBs need:

- an open door and 'heads of agreement' establishing cooperation with the local authority including power purchase agreements to purchase locally produced community power
- access to land and other assets to provide project opportunities
- support for new and emerging community energy organisations, through initiatives such as the Community Energy South's Pathways programme



### Electricity Systems Operator and DSOs/DNOs

CEBs can help to engage local households in demand size response and/or can develop geographically targeted projects (e.g. renewables, flexibility, micro-grids) in grid-constrained areas. But CEBs need:

- better dialogue around potential grid connection, particularly where well-designed long-term investment (e.g. in low carbon housing) can help to minimise future grid constraints

- more incentives for investments that both minimise grid constraints and reduce carbon emissions
- more open access to insightful smart meter and sub-station data to improve modelling of the fit between supply and demand for renewable electricity and new housing projects
- annual innovation calls specifically targeted at CEBs to encourage them to engage directly with DSOs, as currently offered by National Grid Electricity Distribution



### Funders

CEBs can offer expertise, know-how and drive to enable progress towards Net Zero while creating social value within communities. But CEBs need:

- capacity building, upskilling and upscaling support for established groups to respond to the expanding role for community energy
- innovation funding for new approaches, that cannot be funded through share or bond raises
- funding for services that are not fully viable but deliver social value (e.g. fuel poverty and energy efficiency services)
- funding for emerging projects and emerging groups that need support to become established.

<sup>15</sup> <https://www.communityenergysouth.org/pathways>

## FOR MORE INFORMATION



For more information about policy asks and funding priorities for Community Energy, please contact

**Duncan Law at Community Energy England**  
[d.law@communityenergyengland.org](mailto:d.law@communityenergyengland.org)

**Ian Preston at the Centre for Sustainable Energy**  
[ian.preston@cse.org.uk](mailto:ian.preston@cse.org.uk)

And for more information about the research on which this paper is based, contact

**Will Walker at Power to Change**  
[will.walker@powertochange.org.uk](mailto:will.walker@powertochange.org.uk)

## ABOUT POWER TO CHANGE



Power to Change is the independent trust that strengthens communities through community business. We use our experience to bring partners together to fund, grow and back community business to make places thrive. We are curious and rigorous; we do, test and learn. And we are here to support community business, whatever the challenge.

### **Power to Change**

The Clarence Centre  
6 St George's Circus  
London SE1 6FE

020 3857 7270

[info@powertochange.org.uk](mailto:info@powertochange.org.uk)

[powertochange.org.uk](http://powertochange.org.uk)

[@peoplesbiz](https://twitter.com/peoplesbiz)

Registered charity no.  
1159982

