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hands

Next Generation case study: Nadder Community Energy- Partnership Models for an Electric Vehicle Car Club June 2020

Tisbury Electric Car Club

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About us:

Nadder Community Energy is based in the town of Tisbury in Wiltshire. We raise money in our local area by selling shares; this money is used to put solar panels or other renewable energy systems into our community. It includes a 200kW solar installation at Berwick Hill Dairy, near Hindon, Wiltshire. Our aim is to expand the definition of 'community energy' to include the energy required to heat our homes and power our vehicles. For this reason, we applied for and received Next Generation innovation funding from Power to Change to develop a car club using electric vehicles (EVs). To meet the funding criteria, we had to give Power to Change confidence that our ideas were innovative and would generate social benefit in our community, and that – if feasible - the approach could potentially be replicated by other groups.

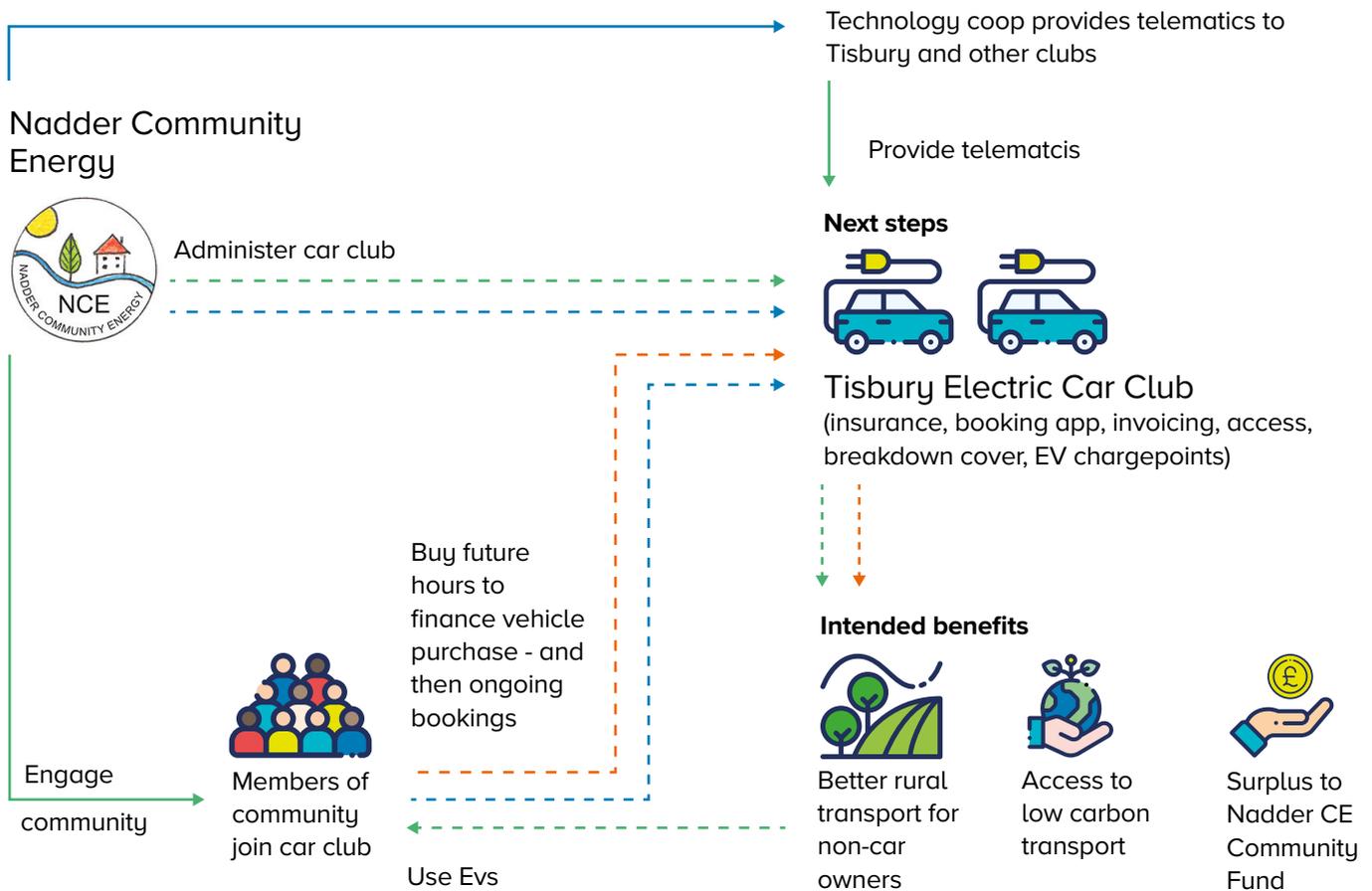
Key points for Community Energy groups:

- We have explored different models for an EV car club. These models are described in the learning section below.
- Based on our experience to date, we believe that there is the opportunity for the community energy sector to use its knowledge and resources to create a EV car club co-op for the sector.

Overview of our project:

Our project is still at an early stage but the Next Generation funding has enabled us to think through options and choose the model that we think will work best for us. We are now in the process of starting to implement our preferred model, as outlined in the diagram below.

Nadder Community Energy: Electric Car Club





Our learning so far:

Market opportunities and challenges

The UK Government has stipulated that by 2040 all new cars have to be electric. The National Grid anticipates 36 million electric cars will be on the road by 2040. This means that as people make the transition there is an opportunity to facilitate and generate revenue from that transition while ensuring the benefits are evenly distributed for community benefit.

There are significant technical, practical and business challenges to establishing an EV car club, and particularly one in a rural area like Nadder. Specific issues to be addressed include insurance, developing and running a telematics system (for managing bookings and key-free access to cars), the provision of charging points, and achieving sufficient take-up to cover running costs.

However, we believe that the community energy sector has a number of advantages to draw on, in particular the trust and engagement we have with our existing members and community connections.

Partnership models

In this pilot we have explored four models, each of which is discussed below:

Using corporate facilitators

In this model we would work with a commercial company to establish locations for their cars. Their brand, their cars, their system: we would keep 10% of the revenue. We discarded this model for a number of reasons. Importantly, we felt that it was not particularly ambitious and that recovering the “risk money” paid to secure their services would take a long time and become negligible without the additional benefits of being in control. Other issues were that it didn't fit with the ethos of the funder, and it would be hard to change once the commitment was made.

Using social franchises

In this model, we would buy services and franchise from an existing car club network with social values. They would retain the cars (even if just nominally). We would facilitate location, placement, marketing, engagement and retain revenue. We looked at the social franchise model in some depth and discussed it with potential partners. Eventually we did not reach agreement with them, as our situation did not fit the commercial model of those partners. Most car clubs go for density of populations to meet transport needs, whereas we are hoping that we can use the density of social connections to overcome lack of population density.

Knitting together a service patchwork from different providers

In this model, we would find insurance, booking, invoicing, access, breakdown solutions. This is the approach we have adopted for this initial pilot stage, where we have identified independent providers for telematics (including IT support), insurance and maintenance. Where possible, we will buy from local service providers but some specialist inputs (e.g. telematics) will be provided by a European cooperative.

Car club co-op

In this model there would be support services pooled across a number of car clubs, each operated by a community energy company. This is our vision for the future of EV car clubs and would be the next stage for us, when we've got our own 'knitted together' model working. We think there would be a need for seven separate clubs to make it work.

What we're doing next:

The club has not yet been launched, and we plan to offer a pre-sale where we will encourage interested users to purchase future hours of use. We see this as a pilot stage for a potential car club co-op discussed above. We have also employed a community engagement worker who is making contact with local organisations to explain our vision and get support.

If you want to know more:

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