

Note of Community Energy Contact Group, 20 May 2014

CECG members: Pete Capener (acting as Chair in absence of Peter Lipman), Becky Willis, Dan McCallum, Garry Charnock, Agamennon Otero, Stephen Frankel, Simon Sjenitzer, Nigel Farren

Present (DECC): Michael Jampel, Will Walker, Alison Bailey, Phil Douglas, Phil Nash, Julie Farrow, Julie Whiting and Scott Parnell

Apologies: Peter Lipman, Nicholas Gubbins, Barbara Hammond, Fiona Booth (DECC)

CECG members highlighted their keen interest in fuel poverty proposals, working groups coming out of the Community Energy Strategy, FITs degression (especially community hydro) and FITs aggregation. They highlighted the importance of FITs tariff levels for community solar PV (on community, retail and industrial roofspace). They asked for CECG's input to be reflected clearly in its Terms of Reference e.g. 'providing input', 'reviewing policy' 'critical support'. They intend to invite consumer reps to CECG meetings on an ad hoc basis, as required. Michael Jampel updated CECG members that reps would be invited on an ad hoc basis to DECC's Community Energy Steering Group.

Action Points:

- **Update CECG's Terms of Reference (Will Walker)**
- **CECG's input on finalised fuel poverty proposals (Will Walker)**

Presentation by Smart Meter Team

Discussion focussed on:

- the fact that the smart meter roll-out is not geographical and the challenges this would present for engagement;
- how organisations would be able to obtain community-wide consumption data from smart meters (this could involve either becoming a "User" of the new Data & Communications Company's services, or else accessing data via a User's services). CECG members noted possible roles for DNOs in this;
- the need to press on with raising awareness among community organisations of the roll-out and to develop a clearer sense of what communities will need to best support the roll out

Action points

- **CECG members to liaise with Smart Metering team (Phil Nash) on raising awareness of the smart meter roll-out (CECG)**
- **Smart Metering team to develop clearer ideas as to how communities can engage with the roll out and what support communities may need to do so**

Presentation on FITs consultation

DECC officials drew attention to the consultation on support for community energy projects under the Feed-in Tariffs scheme that were published by the Department on 13 May. The first part of the consultation explores the possibility of increasing the maximum capacity ceiling for community energy projects under the FITs scheme from 5MW to 10MW; the second part of the consultation considers under what circumstances, it might be possible for communities to combine grants from public bodies with FITs payments.

DECC officials stressed that while the policy aim was to encourage more community energy by enabling a shift to occur in the ownership of renewable electricity to community ownership models, no new funding is available to support any additional net renewable electricity generation. CECG members raised significant concern about the proposed degression triggers for 5-10MW solar.

Affordability will therefore be a key consideration. DECC officials also highlighted the state aid position and stressed the importance of receiving new and robust deployment and cost evidence relating to community energy projects. There was an initial exchange of views with members of the CECG and agreement that further discussions should take place.

Action points

- **CECG members to engage in the consultation process and to submit formal responses (CECG)**
- **Officials to set up a preliminary discussion with CECG members to give an overview of the economic modelling in the consultation (DECC)**
- **CECG members to be invited to participate in stakeholder events related to FITs consultation (DECC)**

Presentation on Shared Ownership

Becky Willis (CECG and Taskforce) updated attendees on progress by the Shared Ownership Taskforce which is due to report to the Secretary of State in the summer. There were some concerns around the definition of 'ownership' and whether a community could potentially own a high enough stake to have a say in the running of a development. Becky Willis said it depended on the type of ownership model, that whilst communities are likely to be always minority partners within a Joint Venture, where a project is split, the community will have 100% control over that element of the project that they own. Julie Farrow (DECC) explained that the term being used is 'community shared ownership', whether this is split ownership, shared revenue, a joint venture, crowd funding etc and that this is one of the issues being taken forward by the Taskforce.

Action point

- **CECG members to forward their thoughts about this to Becky Willis to feed into the Taskforce**

Further agenda items

OxFutures Conference 4 September

The Oxford Conference will focus on local authorities as investors in community energy. There may be an update on the Green Investment Bank, with breakout sessions in the afternoon. The Community Energy Awards session will take place at 5pm onwards. See www.communityenergyawards.org.uk

Community Energy Strategy – update on Working Groups

There was a short update on some of the working groups coming out of the Community Energy Strategy. The hydro working group meeting is taking place in Oxford; the planning group is reporting at the end of July with drafts out for comment

Action point

- **DECC to forward to CECG draft report from the planning group (Will Walker)**

Community Energy England

Its launch will take place on 4 June at the Temple Conference Centre. The Secretary of State for Energy and Climate Change (Ed Davey) is scheduled to make a speech. See <http://communityenergyengland.org>

Any Other Business

- A community energy unit had been set up in DECC and is recruiting new staff. CECG suggested a community secondee to increase resources.
- There was an update on the Rural Community Energy Fund and Urban Community Energy Fund (UCEF). The UCEF steering group has been convened and met, and the tender to appoint a fund administrator is now live at <https://www.deltasourcing.com/respond/Y493E28Y76>
- Update that HMT has agreed an SEIS exemption (heat) for certain types of community groups. See <https://www.gov.uk/government/publications/finance-bill-2014-guidance-published-during-the-parliamentary-stages>

CECG's contact at DECC:

will.walker@decc.gsi.gov.uk