Department for Communities and Local Government

Community Energy Call for Evidence

Response by E.ON

Executive Summary

- We support Government's ambition, however the real question that we think Government should be asking is how do we engage communities in energy, and ultimately encourage all consumers to make changes to their energy behaviour, especially as we move towards a world where decentralised energy is more prominent. Engagement at a local level is critical to installing decentralised energy systems and grid interfaces and moving towards smart grids.
- The best way to help consumers reduce their energy bills and protect them against rising energy prices is through energy efficiency measures and energy-use education.
- We work with charity partners, local groups, schools and councils, and try very hard to help people who really need support to control their energy use. In recent years, we have worked with charities, including Age UK and Action for Children, to make sure we do things that are genuinely useful.
- E.ON is engaging with communities in a number of new and innovative ways, ranging from looking at news ways of managing community funds in areas where wind farm developments are sited, to having a semi-permanent presence in shopping centres in Leicester and a permanent 'Open House' in Nottingham, where customers can receive help with switching, reducing energy bills and to understand more about energy management and smart meters.
- We are engaging with communities as part of our smart meter roll out strategy, where we aim to install one million meters within the foundation period of the programme and to all our customers by the end of 2020. Another key channel for engagement is through the delivery of efficiency measures under the Energy Company Obligation. We also work with local authorities and businesses to help them reduce both their carbon footprint and energy costs, freeing up funds for reinvestment in other areas of the local community.
- The definition of Community Energy should capture all kinds of action taking place at a community level that promotes awareness of energy, including reduction, management, generation and purchase, but also the wider benefits energy assets can bring to a town, including jobs and community funds.
- Energy generation and management at a local level should give power to the people and encourage communities to be enthusiastic not only to generate their own energy, but to look at both collective and individual ways to be more energy efficient, and recognise the part they can play for wider UK PLC, by having renewable and lower carbon generation sited near them.

- The strategy should consider the role that companies can play within a community, even if the community does not directly own (in whole or in part) any of the assets, such as district heating, or small scale generation.
- The strategy refers to renewable energy; we believe it should be widened to include lower carbon energy sources, recognising the significant role this type of energy can have, both within the community and for UK PLC.

Example of E.ON working at a community level

Local generation

- Local energy is more than solar panels on the church hall, or a wind turbine.
- Local energy includes district heating. We are currently working with New Tyne West Development Company in the North East, where lower carbon heating and hot water is at the heart of a new community of 1,800 homes being developed in the Scotswood area of Newcastle-upon-Tyne. The new-build community will be supplied with more efficient heating and hot water through district heating based on combined heat and power technology that will reduce carbon emissions by up to 35 per cent and deliver significant energy cost savings for residents. Construction of the energy centre, on the site of an old abattoir, is already under way. Homes are being built to Level 4 of the Code for Sustainable Homes. District heating schemes can help transform neighbourhoods and are often part of the regeneration of communities, where customers will be able to enjoy reduced fuel bills.
- It is also about small scale decentralised energy schemes. We worked with Rhyl Leisure Centre to move away from gas boilers to biomass boilers and were able to offer them a 15% saving off existing heat prices and improve their carbon footprint at no upfront cost to them. This is an example of how companies can work with communities in partnership to make a real impact. Jamie Groves, Head of Leisure Services at Denbighshire County Council, said: *"Partnerships like this help us to drive down energy costs significantly, freeing up funds for reinvestment into the local community. Through initiatives such as these, it helped the Council to keep the costs of a key local amenity down through lower costs of admission prices, an important factor for local residents who rely on the leisure centre for social and health-related activities."*

Energy management and efficiency

- Local energy is also about helping communities reduce their energy bills by helping them understand their energy use – using energy in a smarter way.
- We work closely with charities such as Action for Children, Age UK and National Energy Action to help people access the information they need in a way that works for them. Helping children learn about energy issues at a young age, gives them the knowledge they'll need to save energy and cut carbon emissions in the future. Interactive learning works well by engaging children on complicated issues in a simple and interesting way. Providing education on energy efficiency also helps schools to meet their own green targets.
- We are conducting a number of energy efficiency road shows. The aim is to raise awareness and understanding of what we can offer customers in the way of energy efficiency. This is our 'On the Road' initiative.
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- In Nottingham we have an 'Open House'. Through the store (which has been open for just under one year), which is based on the high street, we offer traditional customer service assistance, such as helping them pay their bill, but we also have an interactive smart metering stand where we engage customers on how they can manage their energy consumption. We also have a presence across the Midlands in shopping centres, with the intention of providing a regular base for our customers to come and talk to us about any issues they are currently facing. We believe this is a great way to interact with vulnerable customers who either don't have access to, or are not comfortable using the internet or call centre as a way to engage with us.
- Schemes like E.ON's Community Energy Fit and Community Energy Assessors teach people about energy efficiency and why it is important – helping them get qualified, become community volunteers and find work, either with us or another company.
- A key part of delivering our ECO effectively is working with local trusted partners and exploring ways to help communities reduce their energy consumption. Although it is early days for the ECO scheme we are already in the process of setting up several schemes. One of the schemes we are working with is R2W. This is a not for profit organisation in Lincolnshire offering a free winter warmth cold weather plan to NHS trust public Health Directorates, area commissioning groups and local authorities. To date we have taken over 300 referrals from them with over 60% of those customers now either having had a measure installed or are waiting for a survey or install to take place.
- Energy suppliers also tend to have a large presence in communities that should not be underestimated. Venue and Event Consultants are often the face of the energy company and engaging with customers on a regular basis.

Community benefits

- We currently offer a community benefits package on our operational wind farm sites that is used for the benefit of the local community. The fund is typically managed through a third party community foundation and local community groups can apply for a grant from this fund. In many cases a committee is drawn together, with representatives from across the community, to review applications and decide how the money will be spent. However it should be up to the community to decide how they would like to see the fund managed and distributed.
- We are exploring the option of community investment on some of our sites in Scotland, but this is not without its challenges.

Collective switching

- We participate in collective switching schemes, but we will not provide a tailored price to these schemes. We believe all customers should be able to receive the best price. That said, we were successful at attaining a Cornwall based scheme and we are supportive of the concept.
- Collective switching may have some benefits for individuals who have not previously participated in the market, and give them the confidence to engage.

Consultation questions

Your Details Q1-3

- E.ON
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Call for Evidence Questions: What do we mean by 'Community Energy'?

4. **We would like to hear your views about the definition of 'community energy projects' outlined in this section. In particular:**
    a) **Are you aware of any community energy projects that go beyond the goals of reducing, managing, generating and purchasing energy as outlined here?**
    b) **Are there other types of community that should be in scope for the Community Energy Strategy? If so, please explain why they should be included.**

1. The definition of community energy should recognise the benefits of lower carbon generation, and not just renewable energy schemes. It should also capture groups of people, rather than simply being geographical. This could include charity groups, sports clubs and networks of people brought together with a common cause.

2. Community projects can deliver a number of benefits, financial and non-financial. Aside from the financial benefits, such schemes can deliver jobs and raise awareness of energy management.

3. As we indicate below, we believe community projects incorporate a wide ranging mix:

4. Our collaborative programme with the NEA, the UK's leading charity for fuel poverty aims to reduce levels of fuel poverty. Through our sustainable partnership approach, we are engaging existing community networks and organisations, leading to increased employability. The primary focus is to work with local skills and employment co-ordinating bodies to provide skills training and practical volunteer experience. We also work with existing networks and groups to make sure that we collaborate with communities in a way that works for that particular area. As well as traditional skills training, this programme also provides practical volunteer experience through the delivery of community engagement activity plans, focussed on delivering energy advice as well as increasing household awareness of energy efficiency services in their local area. Whilst a generic delivery model has been produced, each locality has the flexibility to adapt the model to suit local structures and local needs. This programme is currently being delivered in Birmingham, Coventry, Stoke, Knowsley and Exeter.

5. Other types of community projects that should be in scope include district heating. District heating is a means of efficiently distributing heat across significant distances. This infrastructure allows heat to be used effectively and when used to distribute renewable or waste heat or lower carbon heat from efficient CHP it can allow developers or local authorities to deliver significant carbon saving across wide areas and allowing customers to benefit from cheaper sources of energy.

6. District heating offers flexibility over time as a number of different heat sources can supply the same network. Although natural gas is typically the main fuel source today, the energy centre can be adapted in the future to accommodate lower carbon or renewable alternatives. New fuel sources are constantly being considered and we are actively looking at using biomethane in some of our schemes.

7. Community energy district heating schemes are the most cost-effective way for large developers to meet their zero-carbon standard target and we are able to help customers to control their energy use. A large number of our schemes are part of wider regeneration of cities.

8. In Devon we have completed the construction phase of a £3 million energy centre serving two major developments in Exeter. The 30,000 sq ft energy centre, the first of its kind in the South West, is being developed jointly with regeneration specialist St. Modwen at the £210 million Skypark development to the north of Exeter Airport and the neighbouring community of Cranbrook. Around 40 jobs were created during the construction process. The Energy Centre is the hub of a 75km district heating network serving both the Skypark and Cranbrook developments. It provides heat and hot water 24 hours a day to both developments, with surplus electricity generated being fed back into the national grid. The energy centre will be fuelled at first by natural gas but will develop over time to run on waste wood biomass. The energy centre is at the heart of this community, providing a future-proof source of low carbon energy across homes and businesses.

9. In Liverpool, as part of our Community Energy programme, we are working to develop a district heating network that will supply low carbon heat and power and create new jobs in the city. In Sheffield we are building a biomass power station, where we are investigating the opportunity to link this up to an existing community scheme.

10. Community energy projects are wide ranging and we seek to work with communities in a number of different ways. The Re:FIT programme, initially created in London is a great way to provide support to communities and authorities seeking to improve energy usage. We have worked with the Leeds Energy Forum to develop sustainable energy projects across the city, and as part of this, we are working with Leeds City Council on the RE:FIT project, a scheme that provides funding and advice to help public organisations make energy saving changes to their buildings.

11. In Nottingham, we are involved in another RE:FIT project. This will save 25% of the energy being used in eight of the city council's buildings – including the Theatre Royal, tennis centre, four leisure centres and two care homes. And through the Government's Carbon Emissions Reduction Target (CERT) scheme, we have worked with councils in Lincolnshire to

provide free and reduced cost loft and cavity wall insulation to up to 2,000 households. These changes could help households reduce their energy costs by around £400 each year.

12. We installed Birmingham's largest ever set of solar panels at the Asian food company East End Foods. The 612 panels will generate up to 150KW of electricity – enough to run 37 average-sized homes. They will provide 100% of the building's daytime energy. In Coventry we are training 167 'volunteer energy champions' and taking on 15 unemployed people to be apprentice energy assessors. We're also helping 406 people living in fuel poverty to get grants and learn how to save energy.

13. In Milton Keynes, we have installed a biomass boiler at the Sir Herbert Leon Academy. The new boiler will reduce the school's reliance on fossil fuels and save them £10,800 a year. We involved parents and pupils in a Climate Change Day to explain how the new technology works and how they can save energy at home and at school.

5. **We would like to hear what evidence you have of the current and potential scale of community energy projects. For example:**
    a. **Do you have evidence of the number of community energy projects or number of people currently involved in community energy projects in the UK?**
    b. **Do you have estimates of the potential future scale of community energy projects in the UK in terms of numbers of people, generation capacity, carbon or energy savings? Please explain the methodology used to reach any estimate that you provide.**
    c. **If you are a community energy group, does your group intend to expand in the future?**

14. We are undertaking a number of schemes within a variety of communities and continues to expand our activity in this field.

15. E.ON exited the doorstep selling market last year, preferring to engage with consumers in more innovative ways. Our Venue and Event Consultants can be found in a number of different venues such as shopping centres where we are available to help customers switch to the best tariff for them, provide advice services and information on how customers can be more energy efficient. Helping our customer use less energy is an integral part of our business.

16. In Nottingham we have an 'Open House'. We felt this was an alternative way to engage with the community. Through the store located on the high street (which has been open for just under one year) we offer traditional customer service assistance, such as helping them pay their bill, but we also have an interactive smart metering stand where we engage customers on how they can manage their energy consumption. In Leicester we have a similar set-up, with a semi-permanent shop located within a shopping centre. Customers know where to find us and know that we will be here day in day out allowing them to bring forward any problems that they may have.

17. We continue to look at opportunities like this, to improve how we interact with consumers and meet their needs. We want to help our customers reduce their energy bills and use their

energy more efficiently and helping our vulnerable customers is especially important. For example we are working with Age UK as part of the Warm Home Discount programme undertaking benefit checks. We believe this network should be counted as a community. Whilst this doesn't fit with the traditional scope of Community Energy it is an important tool for engaging with consumers on energy efficiency. When promoting community energy projects Government should broaden its scope.

18. In conjunction with Age UK we are funding 'Handy Persons' visits. This scheme allows for basic energy efficiency measures to be installed in the homes of older people (radiator panels, hot water cylinder jackets etc). The results of the funding in scheme year two were:

    - 2,380 households received energy efficiency measures and advice, benefitting 3,423 older people;
    - 17,159 items of low-cost practical energy efficient equipment have been installed, resulting in approximately £99,268 worth of savings on fuel bills per year;
    - 52% of older people surveyed claim they are 'very aware' and 37% are 'reasonably aware' of saving energy following the home energy check, compared to 28% and 55% respectively, before the intervention.

19. The Handy People were also able to provide softer advice like guidance on how to use heating controls, as well as spot other issues where they could then refer the customer to other services. During the Programme's lifespan, the local projects have also made 388 referrals to other services, 38% of them being to the Information and Advice service (in most cases for a benefit entitlement check), 13% for other handyperson related problems, 10% for safety issues and 7% for home support (such as cleaning, shopping). The handyperson teams have also made 151 referrals to their local Information and Advice services for assessments to be carried out in relation to the Warm Home Discount scheme.

6. **We would like evidence or examples of the benefits of community energy approaches (please see Section 4 for more information on the types of evidence that we are seeking).**
    a. **How have community-led approaches delivered energy and climate change outcomes more cheaply or effectively than top-down Government action? These outcomes could include generating renewable electricity or heat, reducing greenhouse gas emissions or helping consumers save money on energy bills.**
    b. **How has participation in community energy projects changed attitudes to or increased engagement with energy and climate change issues?**
    c. **What are the wider social and economic benefits of community energy projects? These might include improving health, education, jobs or transport; strengthening communities; or tackling other local issues.**

20. Community energy projects can provide a number of positives, both for the community in question, the wider area and the UK as a whole. We see projects helping to generate renewable or lower carbon electricity and heat in a more cost effective way, lowering bills and engaging consumers to change behaviours around their energy usage. Energy generation should be deployed in the right locations to ensure it is both cost effective and can bring real change. An energy mix is needed and as such community energy projects

should be supported. However it is not a silver bullet, and we need different sources of energy generation, as well as a strong focus on energy efficiency, to make energy bills as affordable as possible, whilst providing secure supplies that customers have grown accustomed to.

21. We find that critical to the success of schemes and to increasing the uptake of efficiency measures is working in partnership with trusted partners, particularly at a domestic level. Working with Local Authorities (LA) and Registered Social Landlords (RSLs) is important and the more Government can do to encourage engagement from these types of bodies and organisations, the more the gap should begin to close. Just being able to use an RSL / LA logo to endorse our work helps to build confidence in the offer that we can make.

22. Experience within our Community Energy team, which develops district heating schemes, has shown that customers are becoming more engaging and are changing behaviours. For house builders, social landlords, developers and building consortia, community energy is a cost-effective route to achieving carbon targets. More importantly, customers are seeing a real benefit with significantly lower bills compared to the annual average with the customer price promise ensuring that customers are always better off. Typically we run an energy centre on a new housing development, which, through a district heating network, links up the properties to the technology. The energy centre is often gas-fired CHP, but we continue to look at new and emerging renewable technologies. We monitor usage and advice customers regularly on how they can save energy and reduce their need for heat into the home. One customer made the following comment about this type of heating.

    "My flat is warm all the time and my energy bills have reduced tremendously. I would buy another property with a similar technology in the future." New home owner, Maple Quay.

23. Our E.ON Sustainable Energy business and Newham University Hospital Trust worked jointly to deliver major energy saving initiative at Newham University Hospital under the Mayor's of London, Boris Johnson's, RE:FIT programme[1] (for which we have received two awards for innovative carbon reduction). This project has helped the hospital achieve guaranteed energy and carbon savings within tight budgetary restrictions through RE:FIT which is an Energy Performance Contract. E.ON undertook an energy efficiency assessment, developed design solutions and implemented an upgrade of air-handling equipment supplied by Carrier. The Newham University Hospital project involved the replacement of three air handling units serving seven inpatient wards and a number of staff offices. These provide a quieter, more efficient ventilation system, saving 940 KWh per year through the use of heat recovery and free cooling[1]. Underwritten by EON, this guarantees a payback period within 6.6 years. As part of an Energy Performance Contract, E.ON continues to work with Newham University Hospital on a series of projects and initiatives aimed at reducing carbon and energy usage.

[1] RE:FIT is a programme aimed at public sector buildings, developed by the Mayor to deliver his vision to retrofit London, cut emissions and save money off fuel bills, on an unprecedented scale.

24. Feedback from our 'Open-House' indicates that consumers are more engaged on energy efficiency and that we are helping our customer's materially lower energy bills. Our advisors will:

- Show the range of energy efficient products we sell on the web site including powerdowns and energy monitors
- Show the web site
- Show / demonstrate the energy tracker which helps customers keep an eye on their energy usage
- Show the interactive house
- Show the energy challenge
- Talk about energy efficiency in the home and around the workplace
- Leave behind the 100 ways and energy menu leaflets
- Talk to staff about myeonenergy and leave the phone number for staff to follow up on

7. Do you have evidence or examples of any potential drawbacks or negative consequences of community energy?

25. We have found communities value the funds on offer. What is important is that clear boundaries are in place for any financial benefits so that expectations are appropriately managed and conflict does not arise.

26. Community Investment in a wind farm is, by its very nature, highly complex and will require a high level of understanding from the community involved. It will also require the public to understand technical aspects of the projects. Engaging all members of a community about the prospect of hosting an energy development remains a challenging area. However, we develop comprehensive stakeholder engagement plans to focus particularly on the 'hard to reach' members of a community to address some of these issues.

Unlocking the potential of community energy

Barriers to community energy

8. What evidence or examples do you have of the barriers faced by community energy projects and the ways in which they have been overcome, or could be overcome?

Categories might include:

- **Community capacity and capability**
- **access to funding**
- **Legal and regulatory framework**
- **Selling electricity generated and grid connections**
- **Gathering evidence of the benefits of community energy and evaluating projects**

27. We are exploring the option of community investment on some of our sites in Scotland. However, there are some challenges:

- Define the community boundary clearly and who is eligible.
- We will need to share commercially confidential information

- As it is regulated it is both complex and risky. We are not financially regulated, therefore it makes it challenging for developers to talk about Community Investment, as we cannot be seen to be promoting it.

- If the community investment decision comes after we achieve planning consent, this does not necessarily create support for the project. If the community investment decision comes before we achieve planning consent, we put the community's money at risk, face even more regulation and would have to share commercially confidential information even earlier.

28. One of our concerns on community ownership is that it could be divisive in the community, with only those who can afford to contribute benefiting from such an opportunity. However, on some schemes an offer can be to a single community entity to invest, but it will require the community coming together to form such an entity.

29. Further complexities arise when Community Benefit payment interacts with Community Investment. Community Investment in a wind farm is, by its very nature, highly complex and will require a high level of understanding from the community involved. It will also require the public to understand technical aspects of the projects However, through allowing investment in this way, it can help communities overcome the barrier of getting access to funding.

30. A number of good quality district heating projects will not come forward as funding significant infrastructure to connect up to conurbations remains a barrier to investment. We would therefore urge Government to consider Renewable Heat Incentive uplift for district heating.

31. A key barrier to the greater uptake of energy efficiency retrofits in the public sector is the timescales and complexity of the procurement process. The national roll out of the RE:FIT scheme will help to address this but more support in this area would help projects at a local level. HMT guidance on financing structures may also help address the concerns of public sector organisations in certain energy efficiency contracting models.

32. We often find it is the case that local community groups do not have the capability or capacity to deliver some schemes. For example, although we fund the Information and Advice Service and Handyperson scheme for Age UK, some local Age UK's do not apply for the grant which is available to them, often because they don't have the local capacity to deliver these sorts of schemes.

Community capability and capacity

9. **We would like to hear your views about sources of information and advice for community energy projects. In particular we would like to hear from you about:**
    a. **Which current sources of information or advice have you found most useful in setting up a community energy project?**
    b. **What information or advice would have been helpful when you were setting up a community energy project?**

c. **Do you think there is potential for a new information resource for community energy groups (see box above), and who might be best placed to develop and host such a resource?**
d. **How could more be done to build interest among those communities who are not already involved in community energy?**

33. The Community fund on renewable developments is communicated to communities during the project development stage through events and communication materials. We highlight that a fund will become available when the site becomes operational and try to gauge a view on how the community would like the fund to be managed and where they could benefit from the fund. We have to manage expectations at this point and cannot promise anything as the project may not be consented and the views of the community could change over the years. Once the fund is set up it is launched and then promoted throughout the community.

34. The main way to build interest in communities is to make it very clear what is on offer, how it works and where they can get the right support to help them set up such schemes.

35. Our 'On the Road' initiative is a good example of taking information out to the community to help them take advantage of energy schemes. We also sponsor Carbon Action Network, a tool to get information out to local authority officers. It is important to continually look at new ways of building interest among communities who are not already involved in community energy.

10. We are interested in your views about peer mentoring. In particular:

a. **Do you have any examples of successful peer mentoring schemes?**
b. **What more could be done to support and enable peer mentoring schemes such as that described in Case Study 14 above?**
c. **Are you aware of any other models of peer mentoring or advice sharing which could help community energy projects address skills and knowledge gaps?**
d. **What more could be done to support peer mentoring schemes in the community energy sector?**

36. Sharing information between local authorities and community groups should help organisations bring forward energy projects as they can learn from one another. Another option may be to look at what could be done to incentivise or encourage developers to offer support to community developments. For example, things like sharing study results and data for the nearest sites and radar installations (where this is not commercially sensitive), but also potentially offering advice.

11. How can we ensure that vulnerable groups, including those in fuel poverty, are able to take part in and share the benefits of community energy projects?

37. It is essential that everyone within a community is able to take part in, and share the benefits of community energy projects. One way to achieve this is to look at what else can be offered to a community beyond financial investment in projects.
38. Promoting linkages between community funds and energy efficiency projects for example is another way. We are currently looking at alternative ways of engaging with communities, for example through the tariffs we offer, revenue sharing, skills and education.

39. District heating projects allow all customers to enjoy the benefit of a more efficient heating system and therefore lower bills. We have found this has helped a number of vulnerable customers.
40. It is important to help vulnerable groups within a community ensure they are receiving the benefits that they are entitled to. This is why we are working with Age UK on a benefits check system and why we are out in rural areas promoting energy efficiency.
41. Data sharing amongst community groups, local authorities and suppliers is another tool that could help ensure that vulnerable groups, including those in fuel poverty, are able to take part in and share the benefits of community energy projects. One of the difficulties we face as a supplier, obligated to deliver energy efficiency measures, is the identification of eligible customers. When we have been able to use data-sharing in the past, the benefits have been significant. We would like to see more done here. For example, we have worked with Coventry City Council to put together an information sharing agreement to allow the matching of their vulnerable database with E.ON customer data. This identified suitable customers who were then sent a letter, co-branded E.ON and Coventry City Council, offering support through the Warm Home Discount and CERT. The response rate was particularly good – almost 11% response rate compared to less than 5% on a standard direct mail campaign for Warm Home Discount.

Access to funding

12. **We are interested in your views on the potential for community groups to engage in delivering the Energy Company Obligation (ECO). In particular:**

    a. **What could be the role for communities in delivering ECO, either through participation in ECO brokerage or building partnerships with energy companies?**
    b. **What might be the potential barriers to community groups participating in ECO brokerage?**

42. We currently have a team of six field based Relationship Managers covering the whole country whose sole focus is identifying community schemes and charities that we can work with to support ECO. We are actively trying to engage with these types of groups to raise awareness of ECO and try and identify the most vulnerable in their communities. We are working in two ways with these groups:
    1. Offering funding to provide heating and insulation measures to those eligible, but also providing an alternative source of income to the community group /charity via paying referral fees for those installed measures.
    2. Secondly if they have any more urgent cases, they are also able to refer those one off cases via our ECO contact centre for a quicker resolution to those most in need. We will also be running an E.ON 'On the Road' scheme where we send buses into more rural communities with specialist advisers available to talk to individuals and groups on all aspects of ECO and Green Deal. The Relationship Managers will be supporting this and helping to identify the groups and charities in those areas to make them are when the bus will be visiting their areas.

43. Community groups can only be involved in Brokerage if they are a Green Deal Provider (GDP), in which case they are no different to any other anonymous GDP on the brokerage. Whilst some consumer groups may perceive it as a barrier to be an accredited Green Deal Provider (GDP) to take part in the brokerage, it is essential that all providers operate to the same level of delivery guarantee as GDPs to ensure measures are installed in a cost effective way and to the appropriate standards, to meet Ofgem's criteria. We are broadening our ECO contract negotiations and recently won a number of lots. We have created a specific team to focus on Brokerage and Green Deal Provider accredited ECO measures. However the barriers which they may face would include their risk appetite in becoming a GDP, and the costs associated with them doing so.
44. Communities can build up partnerships with energy suppliers and this would be welcomed, as would greater data-sharing where possible to identify eligible consumers. To be a successful partnership then suppliers would be looking for community groups to bring forward properties that they have investment influence over so that we can ensure customers within the community can access measures under the obligation. This for example could include local influence over housing providers, householders willing to invest themselves in properties through ECO and Green Deal, or strong power to advocate and recommend the supplier as an installer / funder of choice.

13. If you are a community energy project, what has been your experience of accessing funding from Feed-in-Tariffs (FiTs) or the Renewable Heat Incentive (RHI)?

45. n/a.

14. Do you have any other examples of, or ideas for, innovative revenue-generation models for community energy projects, particularly for projects not based on electricity generation?

46. We are currently exploring a number of different ways to engage with communities. Government should look to promote all types of energy efficiency schemes and not restrict the support to revenue-generation models only as communities all have different needs and wants; one size doesn't fit all.

15. We would like to understand the different types of funding available for community energy projects at different stages of their development and the barriers to accessing these. In this question we are particularly keen to hear from potential investors in community energy projects, as well as community energy groups.

- **a. In addition to those sources mentioned in questions 12-14 above, what types of funding are available for community energy projects at different stages of their development?**
- **b. What barriers do community energy projects face in accessing funding at different stages of their development?**

47. n/a

Regulatory Framework

16. **If you have been involved in community energy, what legal or regulatory or planning barriers have you encountered during your project?**

48. We are not regulated to offer financial advice, therefore it is difficult for us to talk about community ownership schemes and the benefits consumers may receive. It is important that we are not seen to be promoting community investment. Whilst we support the regulations, this does mean that communities must seek their own independent financial advice, and many cannot afford the legal fees, limiting certain groups within the community from benefiting. Further, because we are unable to promote the scheme, it may be that some members of the community are not even aware of the proposal.

17. **We would like to hear your views on the role of Government or others in making it easier for communities to deal with these regulations. For example:**
    a. **Are there any regulations or processes that could be improved or simplified?**
    b. **What support could help community energy groups navigate these regulations or processes?**

49. Government (local or central) could help coordinate best practice examples amongst community groups so that communities can build up a network of support.

Networks and Grid

18. **How could it be made easier for community energy projects to sell the energy they generate and connect to the grid?**

50. Industry, possibly via DCUSA (the Distribution Connection and Use of System Agreement – the industry code which governs the rules around connection to an electricity network), could look at the issues raised in the call for evidence document in terms of the speed at which a connection is made and inconsistencies with DNOs, although more detail around specific issues would be needed to see if this was the right group.
51. The DECC / Ofgem Smart Grid taskforce may be the right place to consider smart grid features, but more understanding of the issues is required.

Evidence and Evaluation

19. **Research published alongside this Call for Evidence (*Community Energy in the UK: A review of the Evidence*) has found that the evidence base for community energy is currently limited. We are interested in how community energy projects are evaluated and how better evidence could be collected.**
    a. **What approaches have you taken to evaluating the impact of your community energy project? Where have these worked particularly well or badly?**
    b. **What kind of evidence would help potential investors and funders make more informed financial decisions about community energy projects?**

c. **What support do community energy groups need to better evaluate their projects and collect evidence of different outcomes and benefits?**

52. n/a

Partnerships

20. **We want to hear your views about how central Government could engage communities more effectively in developing and delivering its policies.**
    - **Do you have examples of where Government engagement has worked well or badly?**
    - **Are there specific Government processes that make it hard for communities to engage?**
    - **How could the role of local authorities as 'brokers' between central Government and communities be strengthened?**

53. We would recommend Government looks at existing programmes to see if they can add more value. Further, one way which Government could break down barriers to accessing eligible consumers, often the most vulnerable, is through data-sharing.

21. **What could be the role for Government in helping community energy projects to build partnerships with other organisations, such as energy companies, local authorities and installers?**

54. Government can help by ensuring policy is long term and stable to provide communities with the certainty they need to invest. A clear community energy strategy should underpin this. This vision should then be shared interdepartmentally at DECC to ensure that other specific projects, such as ECO 2 for example, are aligned with the same goals and vision.
55. Government investment in infrastructure and regeneration is also a great way to drive energy improvement in a community and raise awareness of the benefits this can bring. We believe this is catalyst to helping energy projects emerge.
56. Community Groups and not for profit organisations have an important role in providing help and support to communities; Government support for these organisations is essential. For example, the Energy Saving Trust (EST) has been offering impartial advice to many community stakeholders wishing to take advantage of community carbon saving initiatives, such as solar PV, district heating, hydro power. These types of organisations need continued support to ensure that they have the resource and capability to continue offering such services.

22. **How might several community energy projects work collectively in order to negotiate and partner with larger organisations more effectively?**

57. n/a

23. **How might Government encourage greater community ownership of or involvement in larger energy infrastructure projects?**

58. It is imperative that we are very clear on what we mean by community ownership and is this really what the community want or is it the £ value from the wind farm. The Government should make it very simple and clear on what it means, how communities can benefit and the clear steps for them to follow to get involved. It would also be useful to have guidelines on how to define a community – for example, who should benefit around the wind farm.

24. How might 'community benefits' packages associated with large energy infrastructure projects help support community energy schemes in the area?

59. There are a number of ways benefits can support communities and as an organisation we are currently very proactive in this field, evaluating different options.
60. Whichever approach is undertaken it is important that it must be for the benefit of the whole community and not just the wealthy or those with more flexibility on time commitments. We believe that the Community should be empowered to make the decision on how the money is spent but to avoid divisions the community boundary must be clearly defined and agreed before allocation of any funds. There must be consensus amongst the community on allocation of funds and decision makers must be representative of the whole community.

25. For some respondents we would like to follow up with additional questions. Are you happy to be contacted for further information if required?

61. Yes. Please contact

E.ON August 2013