



Community Energy Contact Group (CECG) - Minutes 3 September 2015

| Meeting Contacts | Location & Timing | Chair |
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| <p>Will Walker, Senior Policy Advisor, Public Sector and Community Energy, DECC</p> <p>T: 0300 068 5749 E: will.walker@decc.gsi.gov.uk</p> | <p>5th floor Boardroom 3 Whitehall Place 11am – 1pm</p> | <p>Peter Lipman Community and Climate Action Alliance, Chair Transition Network</p> |

CECG Attendees: Peter Lipman (Chair, Community and Climate Action Alliance, Chair Transition Network), Peter Capener (Bath and West Community Energy, Community Energy Practitioners' Forum), Garry Charnock, (Ashton Hayes Going Carbon Neutral), Nigel Farren (Energise Barnet), Nicholas Gubbins (Community Energy Scotland), Dan McCallum (Awel Aman Tawe, Community Energy Wales), Graham Ayling (Energy Saving Trust, Community Energy Coalition), Barbara Hammond (Low Carbon Hub), Agamemnon Otero (Repowering London), Simon Sjenitzer (Eden Valley, Cumbria), Emma Bridge (Community Energy England)

DECC Attendees: Samantha Kennedy (Deputy Director Public Sector and Community Energy), Fiona Booth, Will Walker, Fionan O'Muircheartaigh (Community Energy Unit), Matt Bacon (Head of the Feed-in Tariff), Chris Barrett (Senior Policy Advisor, Renewables Obligation), Lauren Rivers (Policy and Strategy Manager, Home Energy), Alan Clifford, Senior Policy Advisor, Fuel Poverty), Alison Bailey (Community Heat Policy Advisor)

Others: Natasha Smith (Ofgem, Sustainable Energy Strategy), Peter Ellis (DCLG, Deputy Head of Planning Infrastructure and Environment)

Apologies: Stephen Frankel, Wadebridge Renewable Energy Network

N.B. Full list of abbreviations on pg 3

| Item | Discussion | Action |
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| 1. Renewable energy – recent announcements on FIT and RO (MB / CB) | <p>MB confirmed high response to the FIT pre-accreditation consultation from community energy sector. Government has since published its response here</p> <p>MB also gave an overview of the consultation on a review of the FIT scheme, running from 27 Aug to 23 Oct 2015. FITs has been successful in its deployment. We have already met or exceeded our 2020 projections for wind, hydro, and anaerobic digestion and this year we are likely to be within our 2020 deployment range for solar PV. At the same time, scheme costs are projected to be over our LCF budget. Spending on low-carbon support schemes is expected to be £9.1bn a year by 2020/21, which is £1.5bn more than the budget.</p> <p>Group requested clarification of the impact on bill payers of Government fossil fuel subsidies.</p> | <p>WW – to circulate details of FIT Review workshops to the group when available</p> <p>MB – to respond on</p> |



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| | <p>Group raised concerns that there was very little reference to community energy in the FIT Review consultation document. MB responded that at present DECC does not have an agreed position on community energy in the future FIT scheme. MB confirmed as part of the FIT Review Government is seeking views on whether the scheme should be focussed towards specific groups or sectors, which might, for example, include households or communities. FIT Review workshops will be held in October and the plan is to run a specific workshop(s) on the FIT and community energy.</p> <p>Group raised the definition of cost control vs cost effectiveness for the FIT Review. Specifically, what consideration had been given to other policies on energy efficiency and smart meters that are projected to result in a net reduction on energy bills by 2020, and potential for community energy to deliver added value to the scheme. The group drew attention to DECC's figures projecting a net positive impact (£166 LOWER) on household bills for the full package of energy efficiency and renewable energy initiatives. Link to the report: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/172923/130326 - Price and Bill Impacts Report Final.pdf#page=11</p> <p>MB responded that other support schemes arguably offer better value for money in terms of carbon reductions and Government's priority is achieving cost-effective emissions reductions but encouraged views to be fed in via the consultation on a review of the FIT scheme</p> <p>MB confirmed that if pre-accreditation were to be removed it would take effect from the beginning of October. For the FIT Review, the lead option is a scheme capped at up to £100m of new expenditure by 2019. However, all options are on the table, including closure of the scheme if robust cost control cannot be implemented. Any proposal to refocus the future scheme on, for example, households or communities, would require formal notification and approval from the EC.</p> <p>CB gave an overview of the consultation on changes to support for solar PV within the RO (now closed)</p> <p>PC raised concerns over removal of grandfathering and effect this has on wider investor confidence in renewables projects.</p> <p>BH asked why changes to the FIT did not include similar grace periods as were being proposed for RO, resulting in higher risk of lost investment for FIT projects. Group requested formal clarification from DECC on this point.</p> <p>DM asked whether further consideration would be made for community energy projects within RO grace periods, as put forward in the recent letter by CEE, CEW and CES. CB responded consultation was now closed but if any further evidence were submitted shortly after the deadline it would be considered.</p> <p>PL summarised the Group's very significant disquiet at the apparent current trend of policy development with regard to community energy matters, and emphasised that, while the Group wishes to work closely with the Department, it regards the approach taken to, for example, the FIT as very negative.</p> | <p>questions of fossil fuels and grace periods</p> |
| 2. Home energy and fuel poverty (LR / AC) | <p>LR set out overall aim of ongoing review of heating and home energy policies is to build long-term framework, through consultation with stakeholders, which will be stable for businesses, coherent for the consumer and affordable for government.</p> <p>AC presentation gave overview of fuel poverty strategy and the new definition and target for England only. Need to align future schemes to the new fuel poverty indicator and ensure delivery agents are able easily to find fuel poor households and verify their eligibility. In the short term, DECC needs to make best use of subsidies and target those who need it most. In the longer term</p> | <p>CECG– To suggest dates for community home energy and fuel poverty workshop</p> |



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| | <p>(post 2017) DECC will be introducing new policies but there is an opportunity to test and learn from new approaches. The group were asked what role do/could community energy groups play in helping to identify households for support, what are the barriers and challenges, and how can Government help (e.g. tools, data, mobile apps, guidance)?</p> <p>NF raised concern that c.70% of ECO subsidies go to those not in fuel poverty and asked whether the long term plan is to keep ECO in place. AC responded that there are 3 components of ECO and those focussed on fuel poverty were designed under previous definition of fuel poverty and DECC is looking at realigning with new definitions. Ministers are very keen that remaining subsidies should be focused on those that need it most. But important to stress that the Department can't prejudge the outcome of the Government's Spending Review.</p> <p>Group said that community groups can bring trust and credibility to delivery of energy efficiency and targeting of fuel poverty in a cost-effective way. But suggested further work was needed to develop business models and pilots for community approaches to energy efficiency, particularly with FIT subsidies expected to decrease. AC agreed to a co-designed workshop to explore in more detail. PL to formulate a brief for this.</p> <p>Group also raised concerns about extending the mains gas network to rural areas instead of a focus on district heating and renewable heating solutions, and the need for a simple policy framework with simple rules that enables community groups. Suggestion that the ECO uplift and LEAF worked very well and should be considered for future policy, and big data approach was limited without knowledge on the ground - we need both. Big data helps target local activity for cost effective delivery, local activity gives you the human side and "down to individual household" granularity.</p> | |
| 3. Ofgem update (NS) | <p>NS updated on (closed) NTBM discussion paper, which they will respond to at the end of September. Key themes from stakeholders include 'civil society driver' for more decentralisation of power and authority for energy and the suggestion that the regulatory framework should be more flexible to facilitate more entrants. Consumer protection issues in a more fragmented system recognised as a challenge. Other Ofgem publications on Grid Flexibility Strategy and More Efficient Connections due out shortly too.</p> | FB – Follow up with Ofgem on NTBM and Local Supply |
| 4. DCLG update – recent planning announcement on onshore wind (PE) | <p>PE gave an overview of the Government announcement on local people having the final say over wind farms</p> <p>Group argued forcibly that the ability of government to override where local planning decisions failed to take sufficient account of national priorities (which is often the case). For fracking they can override (and have been pretty unequivocal about doing it), for wind power they can't – clearly inconsistent.</p> <p>PE responded that wind farm and shale applications would both go to democratically elected local councils and both would be plan-led so the approaches were consistent.</p> <p>PC requested clarification on whether if there were outstanding planning objections planning approval could be granted. PE responded by setting out the new planning tests in the WMS and explaining that the intention was that proposals should only get the go-ahead if following consultation it could be demonstrated that the planning impacts identified by affected communities had been fully addressed and therefore had their backing. Whether a proposal had the backing of the affected local community was a planning judgement for the local planning authority. Objections had to be planning objections. PE reminded the group that national planning policy expects local councils to support community-led initiatives but the planning impacts of community energy, as for any wind energy, would need to be acceptable.</p> | |



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| <p>5. Community Energy Unit update (SK)</p> | <p>SK introduced her new role as Deputy Director of Public Sector and Community Energy within the Business and Local Energy Use Directorate. Responsible for closer integration of DECCs policies and programmes involving local authorities and community energy.</p> <p>SK explained that Government is in the middle of the Spending Review and it was impossible to prejudge the outcome of this and the impact on individual policies and programmes within DECC. Irrespective of outcome, Devolution agenda is a top priority for Government and there may be increasing opportunities for community energy to engage with their local authorities and LEPs to leverage funding and support for their activities.</p> <p>Group questioned what opportunities there were when funding cuts for local authorities were increasing.</p> <p>The Group requested two meetings with DECCs SoS :1) ASAP to discuss current planned policy changes re: FITs and RO, and 2) post Autumn Statement when DECCs Spending Review settlement is known and positioning of community energy in wider Government strategy can be discussed. SK responded she will make the request via SoS Private Office.</p> <p>The Group raised concerns about being engaged in meaningful policy discussion and development. They requested more clarity on the role of the contact group. They requested a better understanding of where SoS stands on community energy.</p> <p>Brief updates were provided on the FCA consultation and Shared Ownership. SK raised the question of when the Shared Ownership Taskforce is due to submit its review of progress to DECC as it would be helpful for policy discussions.</p> <p>PC raised concern that recent policy changes would damage low carbon industry's capacity to help UK deliver the 4th carbon budget</p> | <p>SK - to request meeting between group and SoS</p> <p>WW – to liaise with group on new policy options for community energy after Spending Review</p> |
| <p>6. AOB (PL)</p> | <p>Emma Bridge, CEO of CEE, was welcomed to the group. Agreed further proposals for new members to ensure the group remains representative would be circulated via email.</p> | <p>WW – to circulate membership proposals</p> |



| Abbreviations | | | |
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| MB | Matt Bacon | DECC | Department of Energy and Climate Change |
| CB | Chris Barrett | Ofgem | Office of Gas and Electricity Markets |
| LR | Lauren Rivers | DCLG | Department of Communities and Local Government |
| AC | Alan Clifford | FIT | Feed-in Tariff |
| NS | Natasha Smith | RO | Renewables Obligation |
| PE | Peter Ellis | EC | European Commission |
| SK | Sam Kennedy | CEE | Community Energy England |
| WW | Will Walker | CEW | Community Energy Wales |
| FB | Fiona Booth | CES | Community Energy Scotland |
| | | ECO | Energy Company Obligation |
| PL | Peter Lipman | LEAF | Local Energy Assessment Fund |
| PC | Pete Capener | NTBM | Non Tradition Business Models |
| BH | Barbara Hammond | NPPF | National Planning Policy Framework |
| NF | Nigel Farren | LEP | Local Enterprise Partnership |
| DM | Dan McCallum | SoS | Secretary of State |
| | | FCA | Financial Conduct Authority |
| | | LCF | Levy Control Framework |
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