



Community Energy

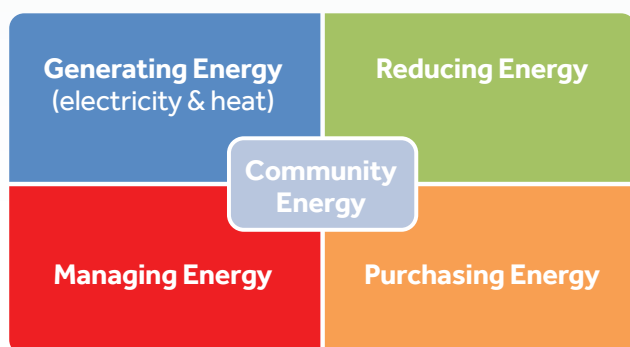
Unleashing the potential for
communities to power change

FEBRUARY 2014

Community energy presents an opportunity for us to reflect upon our relationship with energy, and has the potential to produce significant benefits for Northern Ireland. This is particularly relevant against the backdrop of rising fuel prices and fuel poverty. It is also important given the Northern Ireland Executive's target of achieving 40% of electricity consumption from renewable sources by 2020 and the move to a low carbon economy which will require changes in the way we generate, buy and distribute our energy.

In order to maximise this opportunity, communities need to be an integral part of energy policy alongside Government and the private sector. This has been recognised by Government. The Rt Hon Edward Davey MP, Secretary of State for Energy and Climate Change, has stated that 'I want to see a community energy revolution in the UK'.

What is Community Energy?



The emphasis of community energy projects is on local engagement, leadership and control, and project outcomes which benefit local communities. They can be developed by a broad range of organisations including community groups, individuals, businesses, landowners, local authorities and housing associations. A wide range of different types of community energy projects can exist.

Examples could include:

- Installation of renewable electricity systems such as a wind turbine, a hydro scheme or solar photovoltaics. For example, a community group could install its own wind turbine thereby providing an income for over 20 years;
- Installation of renewable heating systems such as solar thermal systems, biomass boilers or heat pumps. These will help to heat buildings and save money on energy bills;
- Installation of energy saving measures in local people's homes in order to tackle fuel poverty. This could involve cavity wall insulation; roof and loft installation; insulating tanks and pipes etc;
- Initiatives which aim to reduce the carbon footprint of a local area; provide energy advice or encourage behaviour change;
- Installation of smart meters to help people manage their energy usage;
- Smart grid projects which can help to move energy demand away from peak times of the day;
- Individuals in the local area coming together to purchase heating oil in bulk thereby lowering their fuels bills;
- Collective switching - consumers could unite with the support of local authorities and third sector organisations to negotiate a cheaper tariff with energy suppliers.

'Saving energy in our homes reduces our energy bills and also helps protect our environment. Community Energy offers the potential to reduce these costs and impacts even further.'

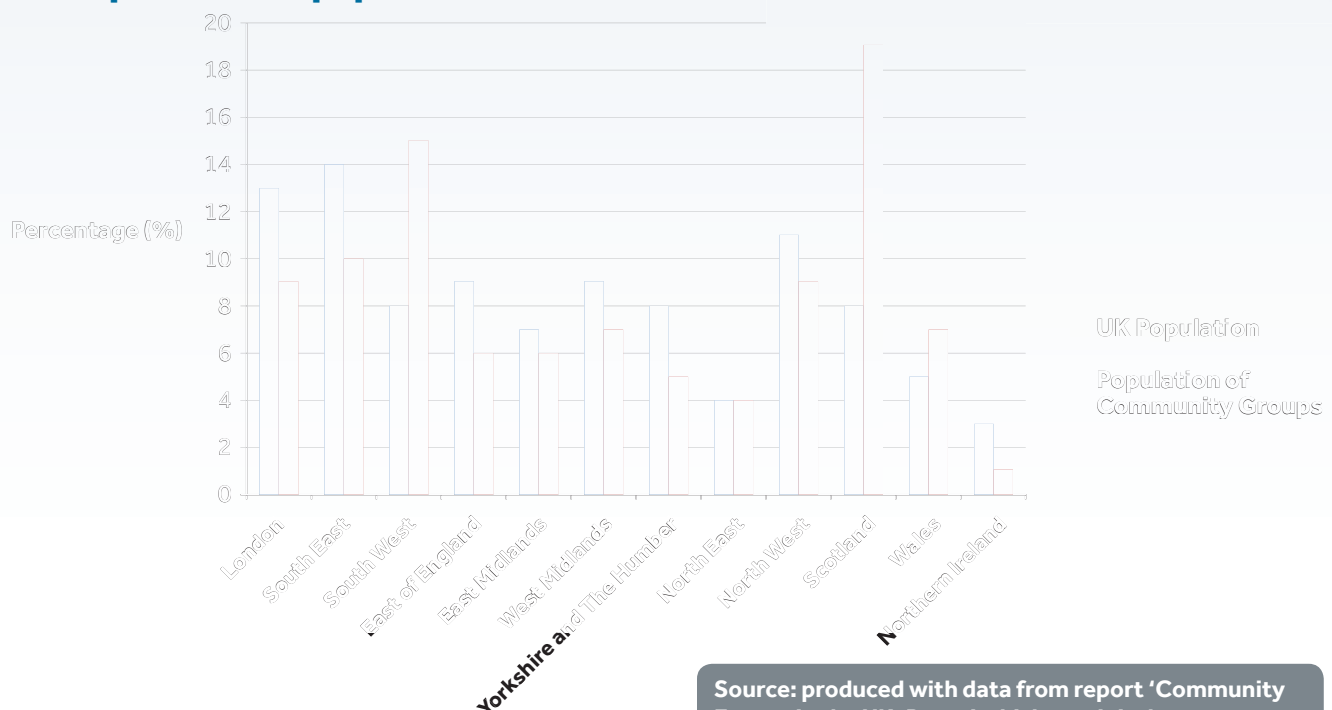
Nigel Brady, Director of Bryson Energy

The Benefits of Community Energy

Given that many local communities in both urban and rural settings face many challenges particularly in the current economic climate, community energy therefore presents an opportunity to help to tackle these challenges. This approach can help to contribute to economic growth; provide a long term source of income for communities; and help to tackle fuel poverty and reduce energy bills.

The graph below summarises how Northern Ireland fares compared to other regions in GB in relation to the development of community energy. This highlights the untapped potential which exists here.

Community energy group distribution compared to UK population distribution



Source: produced with data from report 'Community Energy in the UK: Part 2' which was jointly commissioned by DECC and Consumer Futures.

Community energy can become an integral part of energy development in Northern Ireland.

Community energy has the ability to:

- Generate a long-term sustainable income for communities;
- Help to empower and give autonomy to local people;
- Help to strengthen communities and help to tackle pressing local issues such as fuel poverty and help to raise energy awareness;
- Save communities money on their energy bills;
- Strengthen communities and provide greater community cohesion and resilience;
- Help to tackle climate change;
- Contribute to the local economy;
- Allows energy to be generated locally and enables people to have greater control over their energy supply.

What needs to be done to advance community energy in Northern Ireland?

Community energy has the potential to create significant social, economic and environmental opportunities for communities in Northern Ireland.

There is significant potential for the Executive and the relevant Government Departments, the private sector and local communities to learn from best practice towards community energy.

On 27th January 2014, DECC launched the Community Energy Strategy. The Northern Ireland Executive has been fully engaged in its development. DECC's Community Energy Strategy has identified a number of key issues facing community energy and has set out actions to address them. The issues include the role of partnerships; community capability and capacity; and evaluation and measuring impact.

DECC has stated that 'We expect that by 2015 it will be the norm for communities

to be offered the opportunity of some level of ownership of new, commercially developed onshore renewables projects. We will review progress in 2015 and if this is limited, we will consider requiring all developers to offer the opportunity of a shared ownership element to communities.'

The Community Energy Strategy presents an important chance to maximise opportunities for communities in Northern Ireland, and make communities an integral part of energy policy alongside Government and the private sector. DETI in partnership with DoE and DARD have a view to formulate and consult on a draft action plan to support communities and renewable energy. This action plan needs to at least match what has been outlined in DECC's Community Energy Strategy in order to advance community energy, by putting in place the necessary support and mechanisms in Northern Ireland.



'Communities here are leaders in social enterprise in many areas including credit unions, early years provision and enterprise centres. Community energy is a hugely untapped area. With the right support, this sector can grow and develop exponentially.'

Lauri McCusker, Director of Fermanagh Trust

'Renewables is an area which we are very excited about and we are currently exploring a number of projects in the North West. We need a supportive framework to help in our endeavours.'

Eamonn Deane, Director of Holywell Trust

Advancing Community Energy

1. Coherent vision for community energy

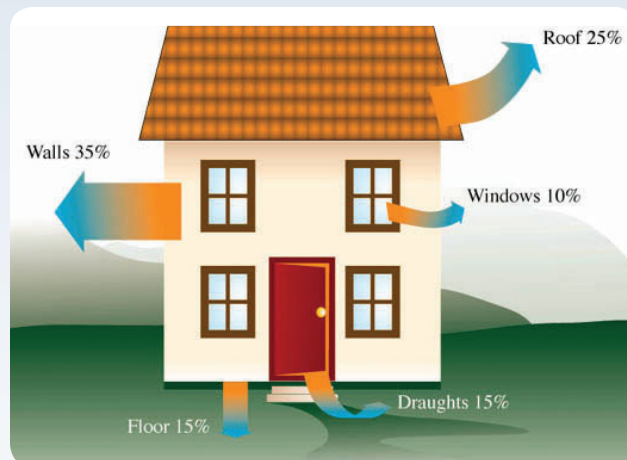
The Executive to set out a clear vision and commitment to developing community energy in Northern Ireland. Strong leadership and resources from Government would help to accelerate community energy development.

2. Embed community energy within policy

It is important that energy and planning policy support community energy. In Scotland, for example the Scottish Government has set a target of achieving 500MW of community and locally owned renewable energy by 2020. Northern Ireland needs to have clear targets in place to encourage the uptake of community energy.

3. Joined-Up Government

A number of Departments have made commitments in relation to advancing various strands of community energy and tackling fuel poverty. There appears to be a significant opportunity under the Delivering Social Change framework to link these together, actively resource and provide real impetus to harness the range of opportunities to improve people's lives.



4. Coordinated advice and support services

A supportive framework needs to be in place to help advance community energy projects and to support communities develop renewable energy schemes at a local level. Bryson Energy is an excellent example of a social enterprise helping to change attitudes and behaviour, and promote action by householders and not-for-profit organisations in areas including energy efficiency; renewable energy; low carbon transport; water and waste.



'Government, both local and national, should be a reliable and ambitious partner to help unleash this potential and assist communities to achieve their ambitions.'

The Rt Hon Gregory Barker MP, Minister of State for Climate Change

Accessing appropriate advice and support has proved challenging. We would strongly advocate for an appropriate One Stop Shop information and funding resource.'

Michael Cecil, Rathlin Development & Community Association Chairman



5. **Incentivising community energy**

Currently the mechanisms through which renewable energy is incentivised are undergoing reform. It is important that strong Government support for renewable energy continues.



6. **Community ownership**

Building on the DECC Community Energy Strategy, commercial wind developers should be encouraged to offer host communities the opportunity to invest / have a stake in renewable energy developments. This is particularly the case on public land. In Denmark for example, the Promotion of Renewable Energy Act requires a duty on the developer of a wind turbine to offer at least 20% of the shares in the wind turbine to those with an option to purchase.

7. **Grid Connection**

A major challenge for community energy projects can be connecting to the electricity grid. It is important that the Distribution Network Operator actively facilitates connection for community energy projects.

8. **Financial framework and access to finance and support**

The Government should introduce a supportive financial framework for community energy. The European Union offers substantial opportunities to advance community energy through knowledge transfer and financial support.

9. **Planning at local level**

Councils will have increased powers under the Reform of Public Administration (RPA), including community planning. The creation

'We carried out a major community energy efficiency project targeting over a thousand homes in the mid- 1990s which had a huge impact on tackling fuel poverty. We need to revisit these homes in the near future.'

Josie Maguire, Chairperson of Devenish Partnership Forum

of 'Local Energy Plans' could help to map a more sustainable future for communities. Under RPA there is also the possibility via community planning of establishing pathfinder local authorities to advance work in this area.

10. Community benefit funds

Financial contributions from community funds need to be used effectively and in the most meaningful way possible. How community benefit funds are delivered is shaped by the local context and there is not a one size fits all approach. Community benefit funds can be utilised to help develop community energy projects.

11. Public sector led examples

The public sector working with communities to develop community

energy projects can act as exemplars and become templates of partnership working to inspire other communities to develop their own projects. The project involving Ballymena District Council and several community clusters is one local example of how this may be done. The development of forestry land for wind farms by DARD and the Forest Service has significant potential to ensure communities can benefit from the development of renewable energy on public land.

12. Community capability and capacity

There needs to be a coherent sustained strategy to help communities engage in and benefit from community energy initiatives.



'We are delighted to support and fund the four community clusters in Ballymena to develop their renewable energy projects. This will make an important contribution to the sustainability of the community sector in Ballymena.'

Mrs Anne Donaghy, Town Clerk and Chief Executive, Ballymena Borough Council.

Supported by Building Change Trust



LOTTERY FUNDED



**Building
Change
Trust**



Fermanagh House
Broadmeadow Place
Enniskillen,
Co. Fermanagh,
BT74 7HR

T: 028 6632 0210 E: info@fermanaghtrust.org
www.fermanaghtrust.org

'Photographs Nigel Brady copyright'