



HOW TO JOIN  
THE COMMUNITY  
RENEWABLE  
ENERGY  
MOVEMENT





**Community renewables provide opportunities for local people to be part of these initiatives and have a say in local decisions.**

# Community renewables: Taking back power

There has been something of a revolution in the UK's energy production in recent years. Prompted by feed-in tariffs that provided financial incentives to produce energy from renewable sources such as wind and solar, community energy schemes have taken off around the country.

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In order to limit global warming to 1.5 degrees above pre-industrial levels – the target agreed in the 2015 Paris Agreement – 80% of the world's known remaining fossil fuels need to be left in the ground. We have an urgent responsibility to invest in clean renewable energy sources now and switch away from dirty energy. The hundreds of community energy schemes across the country provide a model to do just that, while also shaking up a marketplace dominated by a small number of multinational corporations.

Recent changes to energy policy have had a damaging impact upon the renewable energy sector, however. Cuts to the feed-in tariff and other financial incentives mean that many of the business models used for previous projects no longer stack up. Yet there are still ways to pursue community renewable projects, and the technology is changing rapidly. The price of equipment has plummeted and developments in storage and the national grid create a brand new set of options for people just getting started in community energy.

Community renewable energy is one of the most exciting movements going on in the world today. Your community can be part of it!

## Community Share Issue – How it works

Based around models of co-operative ownership, local people buy shares in a non-profit organisation to finance the installation of renewable energy projects that will provide benefit to the community.

People investing in a community energy organisation – usually from the local area – also become shareholders, which means that they collectively own the means of production and are able to elect trustees and approve decisions. Their money is usually locked in for a period of years in order to provide some stability, but as interest rates are usually many times higher than current market rates, the opportunity represents a very worthwhile long-term investment. From solar panels on schools and community buildings to community wind farms, these are able to provide free or low-cost electricity to under-funded public institutions, while at the same time giving investors a generous rate of interest.

The benefits go far beyond financial incentives. Community renewables provide opportunities for local people to be part of these initiatives, to have a say in local decisions, and to get to know their neighbours through collective action. Renewable projects are a source of great pride in many communities, and they can provide much needed stability for public buildings by securing their long-term energy supply at a fixed low rate. They also provide investment in local jobs and businesses, as more often than not it is local companies that install the kit and are responsible for the maintenance.

# Making a difference:

## Projects in action

Communities Living Sustainably (CLS) is a £12 million, five year programme funded by the Big Lottery Fund. Twelve communities in England have received funding to help deal with the potential impact of climate change and build the sustainability and resilience of their local community, providing inspiration to other communities and sharing what they have learned. Many of the projects developed community renewable initiatives in their local areas.

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### CLS in Dorset

CLS in Dorset was a local partnership based in the towns of Bridport and Dorchester and led by Dorset Community Action. They established a not-for-profit community benefit society to enable local people to invest in solar panels on schools and community buildings. They received outstanding levels of public support, with their first share offer in June 2015 raising £135,000. This paid for solar panels on three village halls and three schools, including Dorchester Middle School and Thomas Hardy School. A second share offer in November 2015 raised £352,000 in under three weeks to finance solar panels on a further seven schools and on the roof of Bridport Arts Centre.

The members will receive a target 5%-6% interest per annum on their investment, with capital returned in instalments between years 4 and 20. By providing free or low-cost solar electricity the solar panels are estimated to save the participating schools £600,000 over a period of 20 years, as well as saving over 3,000 tonnes of CO<sub>2</sub> emissions. Dorset Community Energy has been piloting state of the art monitoring systems, with wall-mounted smart displays being placed in the entrance foyers of each school, so that pupils, staff and visitors can learn about the energy being generated by their school. Educational kits have also been purchased for primary school pupils. At the end of 2015, Dorset Community Energy was highly commended in the Regen SW Green Energy Awards.

### Sustain Eden

Sustain Eden was a local partnership based in the Eden Valley area in Cumbria, led by Cumbria Action for Sustainability. With such impressive natural resources in the Lake District, there are many opportunities for developing community energy production. The project kickstarted seven renewable energy schemes, most notably Community Energy Cumbria, which raised £566,000 investment through share issues. This industrial and provident society offered investment opportunities for community owned renewable energy schemes: a hydroelectric scheme at Killington Reservoir, and a solar PV array on the headquarters of the Lake District National Park.

The minimum share amount was set at the relatively low price of £250, meaning that it was accessible to a large proportion of the local population, and it offered a projected interest payment of 5% per annum over 20 years. Demand for shares was high, with the requested £250,000 for each project more than met.

The installation work also benefited the local economy, with project management being delivered by businesses based in Cumbria. In addition to the interest for the members, the organisation expects to reinvest over £45,000 in local environmental and community projects. Cumbria Action for Sustainability, lead partner for the Sustain Eden project, provided Community Energy Cumbria with a £15,000 development loan to set up and launch its projects.

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# Make it happen:

## How can you do this in your own community?

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### **>> Don't try to wing it**

A good mix of enthusiasm and expertise in your group is crucial. Community energy can be fairly complex; it involves technical calculations of kilowatt hours as well as financial modelling. People need to know what they are getting themselves in for and commit to a long-term project.

Take your time; you will be asking people to trust you with their money, so your information needs to be accurate. Work through all the information thoroughly and test your assumptions. There is technical support available for community energy groups.

Don't be put off! There is a lot of support and resources available: Community Energy England's Community Energy Hub is a good place to start.

### **>> Choose your locations and partners wisely**

Renewables sites need to meet certain criteria, not least being practically suitable to generate sufficient electricity (for example, an appropriate south-facing roof for solar panels). If the generation is being hosted by an existing building or landowner, this should provide genuine community benefit (for example, schools, community halls or public leisure centres), and there needs to be commitment from the people running the facility to making the project happen.

Really think about how the project can benefit the organisations hosting the wind turbine or the panels; this may go beyond free electricity to providing educational opportunities and good publicity. Make sure you have the necessary permissions in place before you start! Get a written contract in place with the landowner as early as possible, otherwise they might change their mind later in the process. Depending on the type of project, you may also need planning permission.

### **>> Talk to as many people as possible**

The ideal scenario for a community share issue is to have a large number of community members investing and therefore spreading the cost. This makes the project more accountable to the wishes of the local community and means more people get a say in the project.

There are a number of reasons that people might get involved in a community share issue, and this provides a great opportunity to reach beyond the usual suspects and involve a wider range of people than environmental projects often do. Some people will get involved because of the financial incentives; some out of concern about climate change and others will want to be part of an initiative that is benefiting the local community.

Get the word out – go to see as many different groups as possible and engage in a dialogue about the project. Getting key figures in the community involved can only help your cause!

## » Ensure equality of access

Set the minimum share issue at a relatively low level to include as many people as possible. You could also think about setting up a direct debit option so people can pay in instalments. In order to enable as many people as possible to participate, you may also wish to limit the maximum investment to a low level. Make sure it is clear to people what they are signing up for and what they will get in return.

If projects are oversubscribed, many prioritise investment from the immediate area, to ensure it is truly a local community project.

It is important that membership is on the basis of 'one person, one vote' so that people with more money do not have more power in the decision-making. This means that all members count equally, regardless of their financial position.

## » Be ready to adapt

With funding, policy and technological advancements all in a state of flux, you need to be prepared for things to change rapidly. Always be on the lookout for new opportunities. Sign up to Community Energy England to share your experiences with others in a similar position and learn from things they are trying out: <http://communityenergyengland.org/>

Now is the time to be creative and seek out new partners and new ways of working. For example, one community energy group is looking at providing electric charging points for a car club; another is investigating sharing photovoltaic solar panels amongst different households, to maximise their usage.



# Help it happen:

## How can you support local communities to bring about change?

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### » Give access to suitable sites

Local authorities, schools and other organisations may all have access to sites that are appropriate for renewable energy production. At a time when statutory organisations are very strapped for cash, low-cost electricity can make a big difference. It can also be educational for schoolchildren and bring more people into a community building. Try to promote the benefits of community renewables and remove barriers. Providing permission for development is the most positive action you can take. Depending on the nature of the work, some groups may need bridging loans in order to complete the work within time constraints.

### » Encourage innovation

Recent changes in government policy mean rethinking what has gone before. This doesn't mean community renewables are doomed though; the cost of renewable energy has gone down dramatically over the past few years and there are still many opportunities to embed the technology. Groups starting up now need the support of local decision-makers, and they need to know that they have the backing to pursue new ways of working. This might mean thinking about renewable heat, selling energy at peak times or working with the rapidly developing storage technology. Be imaginative about how you can support this exciting sector. Many hospital trusts and local authorities are now looking into partnering with community renewable groups to form investment models that are part-public sector, part-share issue. Look for solutions rather than problems.

### » Give people a voice - and raise your voice too!

There are now many hundreds of community renewable projects across the country, meaning that thousands of people have a direct stake in renewable energy production. The future of energy policy is unpredictable, but by representing the wishes of community energy shareholders, you can help them have their say. Bring people together to share their experiences and listen to what the challenges are for them. Champion the benefits of renewable energy loudly and often, and whenever possible be an advocate. Pledge to support renewables, publicly commit to them through whatever means you have and raise awareness of the opportunities that there are for people to get involved.

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