

## Consumer-led Flexibility

Proposals seeking views on the best approach to consumer engagement

### Introduction to Community Energy England

[Community Energy England](#) (CEE) represents over 330 community energy and associated organisations across England involved in the delivery of community-based energy projects that range from the generation of renewable electricity and heat, to the energy efficiency retrofit of buildings, to helping households combat fuel poverty.

Our vision is of strong, well informed and capable communities, able to take advantage of their renewable energy resources and address their energy issues in a way that builds a more localised, democratic and sustainable energy system.

Community energy refers to the delivery of community led renewable energy, energy demand reduction and energy supply projects, whether wholly owned and/or controlled by communities or through partnership with commercial or public sector partners.

The overwhelming motivation of people and groups involved in community energy is to make a contribution to averting climate catastrophe, followed by a desire to bring community and social benefit. It is a values based movement very much focused on cooperating to get things done.

We believe that these motivations should be shared by all working in the energy sector and on energy system transformation.

### Summary of recommendations

1. Implement a holistic consumer engagement approach for CLF, focusing on social equity and shared benefits.
2. Include Coordination, Standards, Advice, and Communications functions, ensuring fairness and inclusion.
3. Add "Equity and Participation" and "Research" as core functions.
4. The Equity and Participation function should set objectives, provide funding, monitor impacts, and resource community intermediaries for engaging vulnerable households.
5. The Research function should continuously improve CLF rollout based on piloting and explore motivation drivers (financial vs. values).
6. Favor medium-to-high intervention across all functions.
7. Government intervention is needed for coordination and resourcing community organizations.
8. A central, neutral body is critical for industry coordination and consistent messaging.
9. Establish mandatory, co-designed standards for consumer engagement.

10. The Advice function must be fully trusted, neutral, accessible, and provide real-time feedback.
11. Support community energy organizations as trusted local advice providers.
12. Integrate advice on heat pumps and retrofit insulation into the CLF campaign, coordinating with relevant initiatives.
13. Prioritize basic retrofit alongside heat pump conversion.
14. Emphasize proactive, targeted communications to normalize participation and reach underserved groups, blending national and local efforts.
15. Assess costs against avoided system costs and social benefits, explicitly measuring distributional impacts.
16. Publicly fund the framework initially, transitioning to a levy on flexibility market transactions.
17. Explicitly fund community energy organizations as delivery partners.
18. Governance should align with government objectives for CLF and broader public interest.
19. Government should be "somewhat involved" in oversight, with day-to-day operations managed by an independent body.
20. Establish the framework before the end of 2028 to meet 2030 targets; ideally, as soon as possible.
21. Pilot community-based engagement approaches in 2026–27.
22. Tailored approaches are essential for diverse consumer groups, especially low-income and digitally excluded households.
23. Implement measures to ensure benefits reach those most in need.
24. Regulation should enable and mainstream intertrading between residents.
25. Actively support the development of community-owned energy clubs and cooperatives as a central pillar of the CLF framework.

## Introductory question:

1. Do you agree that government should be exploring how to achieve a more joined up and holistic approach to consumer engagement on CLF? Please provide supporting commentary.

Yes – a joined-up and holistic approach is essential, **but it must be designed to deliver social equity and shared benefit, not just to increase participation rates.** The current market-led approach risks fragmenting the market, creating confusion for consumers, and concentrating benefits among those already able to engage – typically affluent, digitally literate early adopters. A government-led, coordinated approach can provide trusted, consistent messaging and ensure that engagement reaches fuel-poor, digitally excluded, and otherwise under-served households. A government-led, coordinated approach must maximise

participation and actively reduce inequality, embedding fairness and justice into the transition.

### Scope of consumer engagement:

2. The following functions are presented as desirable for an effective consumer engagement framework to have in scope. Do you agree that some or all of these functions should feature in such a framework? Please provide supporting commentary.

- Coordination
- Standards
- Advice
- Communications

Yes – all four functions should feature, but they must be designed to ensure fairness and inclusion, not just market efficiency:

- **Coordination** must ensure that community groups are recognised as key delivery partners, not just commercial actors.
- **Standards** must guarantee fair access, protect against exclusion, and prevent exploitative business models.
- **Advice** should be trusted, independent, and available through multiple channels, including support delivered by trusted local and community-based organisations.
- **Communications** should go beyond promoting savings to build understanding of the collective benefits of CLF, connecting participation to net zero, resilience, and community empowerment.

3. Would you propose additional or alternative functions? If so, please state your reasoning.

Yes – we propose additional **Equity and Participation** and **Research** functions.

The **Equity and Participation** function would explicitly aim to:

- Set measurable objectives for engaging low-income, vulnerable, and digitally excluded households.
- Provide funding or subsidies to enable participation (e.g. covering smart controls, enabling tech).
- Monitor and report on distributional impacts, ensuring CLF benefits are fairly shared.
- Resource community-based intermediaries (co-ops, councils, community energy groups) to build trusted relationships and deliver engagement locally.

This would ensure CLF does not primarily benefit those already “able to pay and willing to play” and would embed fairness and inclusion in the framework from the start.

#### **Research function:**

The **Research** function would **examine on an ongoing basis how to improve the roll-out**, explicitly building on early piloting of community-based engagement and inclusion approaches in 2026–27 (as we recommend in response to Q12.b below). It would use evidence from trials and projects to continually refine CLF delivery and ensure lessons are applied quickly.

This research should also explore the **relative importance of financial incentives versus values-based framing** (e.g. “playing your part”) in driving sustained participation, to ensure future roll-out focuses on the approaches most likely to succeed.

Other evidence it should process includes:

- How non-financial/market incentives can be more effective at engaging people and whole communities in taking action. The [Powering Participation report](#) explores how ‘creative engagement can unlock demand side response’.
- How local projects joining up local supply and demand (such as Energy Local - see q 9 b. and 13) can mobilise people to engage in CLF and how these can be enabled by regulation, legislation, policy and incentives.
- Trials such as [Electric Nation](#) demonstrate how consumer flexibility can be delivered across a broad range of groups, with indicators of incentive levels required (Page 451) to shift behaviour.
- The current flexibility tenders from DNOs are framed around avoided network reinforcement costs rather than how to incentivise more participation in the flexibility market. Better understanding of how much money consumers need to change their behaviour — and how much community energy organisations require to put flexibility measures in place — would close this gap and create a better understanding for Ofgem, DSOs, and customers.

#### **4. Would you propose a particular combination of functions and degrees of intervention for those functions? Please provide supporting commentary.**

Yes – we favour **medium-to-high intervention** across all four functions (plus the proposed Equity and Participation and Research functions):

- **Coordination:** A central, neutral body should ensure consistent messaging and avoid fragmentation, with regular industry forums and publicly accessible market mapping.

There should be input from stakeholders (eg consumers, community energy, suppliers, networks, flexibility service providers). Community Energy England would be interested in being part of that moderating board. There must be safeguards to ensure one set of stakeholders (eg the flexibility services industry) does not wield undue influence or claim disproportionate rewards.

- **Standards:** Minimum requirements for clear, fair, and inclusive engagement should be in place, with a mechanism to close regulatory gaps as they emerge.
- **Advice / Feedback:** We support Regen's emphasis in their response on the importance of **feedback**, focusing on providing consumers with timely (ie as near real-time as possible), personalised insights into the impact of their participation — individually, locally, and nationally — to build habits and sustained engagement.

However we believe that personalised advice to help people begin to engage with CLF is important too. There should be support for local trusted organisations to deliver and perhaps for a programme of local volunteers, as successfully used during the Digital TV switchover, who would help elderly and vulnerable customers interested in adopting flexibility. This could dovetail with Local Authority grants provided for elderly people for solar and ASHPs - significant flexibility assets.

- **Communications:** A blend of national campaigns (to build a shared CLF narrative) and targeted, locally delivered engagement (to reach fuel-poor, digitally excluded and otherwise under-served groups).
- **Equity and Participation:** Explicit targets and funding for inclusion, monitored over time to ensure that benefits do not accrue only to early adopters or large commercial actors.
- **Research:** Should have significant status to enable continuous improvement of the roll-out.

5. To what extent do you believe that the functions presented at Q2, and any other functions as per Q3, can be provided via current arrangements? Please state your reasoning.

Current arrangements can deliver these functions only to a **very limited and fragmented extent**, leaving large gaps in coordination, trust, and equitable participation:

- **Coordination:** Currently ad hoc, led by individual suppliers and aggregators, resulting in siloed approaches and inconsistent consumer experiences.

- **Standards:** Existing codes and regulation provide some protections but do not guarantee consistency or equity in consumer engagement or address emerging gaps.
- **Advice:** No single, neutral, trusted source exists; current provision is patchy and often supplier-led.
- **Communications:** Supplier and third-party campaigns are inconsistent, fragmented, and often focus on financial benefits rather than collective or systemic outcomes.
- **Equity and Participation:** There is no mechanism in current arrangements to ensure low-income and vulnerable households are systematically supported to participate.
- **Research:** There has been poor policy and research on public engagement and participation, especially in something as complicated as the energy system with which most people's interaction is very 'alienated', unconnected to the sources, ways and means - lacking any agency to make a difference even to the amount on their bill. This needs to change for CLF to be a success.

Without government intervention to join up these functions — and provide resources, for instance to community organisations to support outreach and advice — there is a significant risk of leaving behind those most in need of affordable energy, limiting overall participation and the system benefits CLF can deliver.

## Industry-facing engagement:

6. How important is a role for coordination of industry for consumer engagement on CLF? Please state your views on how such coordination could be best achieved.

Coordination is **critical**. Without it, consumers face a confusing patchwork of offers and messages. A central body — potentially NESO or another neutral organisation — should “hold the space,” define a shared narrative and common terminology, and convene industry and stakeholders regularly. This will ensure all consumers receive the same clear messaging, no matter their supplier.

7. What would be the appropriate approach for a framework to ensure appropriate standards on consumer engagement for CLF are in place? (Note that “standards” here covers a range of mechanisms, e.g. regulation, licencing and codes of practice.)

The framework should establish mandatory, regularly updated standards for consumer engagement, co-designed with consumer advocacy bodies and community groups. These standards should guarantee clear information, fair treatment, data protection, accessibility

for digitally excluded groups, and explicit inclusion targets. Oversight must be in place to close emerging gaps quickly and maintain public trust.

## Consumer-facing engagement:

### 8. a) To what extent should the Advice function focus on being a trusted, neutral source of information to engage consumers on CLF?

It should be **fully trusted and neutral**, providing simple, jargon-free information in plain English that is accessible to all consumer groups.

### b) To what extent should it go to in providing support to individual consumers as a service?

Advice (and Communication) needs to be tailored and responsive so that momentum of initial interest in getting involved is not squandered. There is good evidence that a significant barrier to retrofit is 'being sure what to do next' and that trusted, expert intermediaries are key to enabling people to take action. The same is likely to apply to engaging in flexibility. There is inertia among consumers: the majority do not switch suppliers, even when there are obvious price benefits. We know from community energy experience of retrofit that early stage hand-holding by trusted, local experts to enable someone to decide to take action and then trouble-shooting/snagging handholding are key to getting effective take-up of a service.

Community energy is [4-5 times more effective at engaging people on energy efficiency](#) than corporate energy companies and is well placed, and should be supported to provide this service. Without this tailored, trusted support, CLF risks reaching only early adopters and missing the wider public, undermining its system value.

To date early adopters have tended to be the people who need it least - those with time and money to invest in 'nerding out' on their energy set up. Very often they do not need the few pennies they save. But early adopters in any community are important people and should be supported with advice to take pioneering action. Community energy organisations are largely composed of those early adopters so should be supported to become local advocates and advisors.

As momentum grows sign-posting to local organisations or to centres of expertise for customers' particular circumstances (eg 'lives in social housing' or 'has solar and an EV') would help tailor the service and get trusted expertise brought to bear.

Support needs to be available via multiple channels alongside **real-time feedback** to motivate action. The ambition to reach "consumers of all sizes and types" is laudable but I

think forgets that in most households the majority of consumers are not moved by 'price signals' or involved in decisions about investments in energy technology but may be engaged by more social or emotional means. As any bill payer knows even the 'small consumers' in a household can be very big and unconcerned consumers of energy. Creative engagement which helps them feel part of something important, and that their contribution is valuable, may reach more consumers than price signals.

Case handling should remain with suppliers and ombudsman schemes, but consumers should be able to escalate complaints easily via clear routes.

The consultation focusses very much on electricity. It needs to include heat. A significant part of additional demand will come from the electrification of heat. Peak heat demand coincides with peak electricity demand. It is possible to store heat at the point of use to enable the heat pump to be used at cheaper off-peak times but only if the building is heat efficient and/or has a good heat store. With the conversion to heat pumps hot water cylinders/buffers are being reintroduced which in many properties with combi boilers is a space challenge. However these are rarely sized to make any useful contribution to storing heat for space heating. Compact phase-change heat stores can do this but are still significantly more expensive and are yet to be mainstreamed as contributing to this agenda.

Advice for consumers to enable flexibility as they move over to heat pumps and retrofit insulation needs to be built into the CLF campaign. It needs to engage and coordinate with advocates and deliverers of the Heat Pump roll-out to ensure installations are at least CLF ready and designed as far as possible with sufficient heat storage in the system to be able to operate as flexibly as possible. Consumers need to know the potential advantages of being able to use their heat pump at off-peak times to deliver the heat required at peak times so that they can choose to make the interventions/investments to make that happen.

CLF needs to coordinate with retrofit schemes and funding. Basic retrofit of insulation and 'draught-busting' to enable smaller heat-pumps to be installed will reduce peak demand and further enable heat pumps to run at off peak times because the house will store heat released into it (rather than relying exclusively on a dedicated heat store). The [C.H.E.E.S.E project](#) in Bristol calculates that £100 of draught-busting measures expertly installed by volunteers following a thermal imaging survey can save up to 30% on energy bills. So enabling heat demand shifting can be cheap and easy if it supported adequately by government. The CLF roll-out could help mobilise this as an equal priority with conversion to heat-pumps.



9. a) To what extent should the framework focus on proactive, targeted communication activity directly to consumers on CLF, to supplement the approach to Advice, which would be available “on demand”?

It should place **strong emphasis** on proactive, targeted communications — both to normalise participation and to reach those least likely to engage.

b) To what extent should the framework focus on national or more targeted communications? If the latter, what consumer segments should be targeted and why?

Both are needed. National campaigns can build a sense of collective mission, while local, targeted engagement — delivered by trusted community intermediaries — is essential for reaching fuel-poor, digitally excluded, and otherwise marginalised groups.

National communication is necessary to build a narrative around flexibility, and get recognition for how much it can deliver for the energy transformation, the climate and for consumers. But to hook people into action, targetted communications, appropriate to people’s circumstances will be more effective. Face to face interactions by trusted, expert, community intermediaries will be most effective. But for initial engagement YouTube ads, facebook Reels etc targetted according to housing type, solar ownership, EV ownership, energy use patterns, segmentation from Climate Outreach’s [Britain Talks Climate & Nature](#) work, would be effective. It needs to continue to emphasise wider and system benefits, not just money saving.

Where (as with Energy Local Clubs) it can demonstrate local joined up working that benefits the local community this adds significant pull. Members of the [Bethesda Energy Local Club](#) surveyed in 2017 said their top 3 motivations for joining were: it’s a local project; it’s a renewable energy project and I want to keep money in the local economy. Saving money was the 4th priority despite the survey showing the average bill saving was 24%!

### Wider scope questions:

10. a) What considerations should there be for assessing the cost of establishing and running a framework?

Costs should be assessed against the avoided system costs and wider social benefits of increased participation, including reduced network investment needs, lower bills, and improved energy security. Distributional impacts should be explicitly measured.

The size of the prize (£30-70bn in saved system costs between 2030-2050) should be leveraged to fund this properly.

b) Do you have views on potential funding mechanisms that may be considered for such a framework?

Yes – the framework should be publicly funded at the outset to ensure neutrality. Over time, a small levy on flexibility market transactions could sustain it, ensuring that those who benefit contribute to its ongoing operation.

The government has understood that we cannot do the level of energy transformation that is necessary without people and communities participating, having a stake and control and deriving benefit, hence the commitment to “the biggest expansion of community energy in history”. The same understanding should prioritise significant investment in community energy to support the development of flexibility. Choices made by consumers is an essentially local occurrence. Enabling people to be involved in the energy system in a way that benefits them, their community and the planet is powerful.

Opening up local energy markets (initially by enabling local supply) to enable generation and demand to join up to do balancing locally and contribute to wider flexibility will be key and could ultimately help pay for flexibility interventions.

Flexibility is currently undervalued. The price available in current flexibility auctions (by the DNOs) is so low that it does not justify community energy organisations investing in flexibility assets such as batteries. This is because flexibility is valued mainly for ‘avoided network reinforcement costs’. The carbon saved by reducing the need to generate and transport energy has a value that is currently not accessible by providers of flexibility. If it were factored into the value of flexibility it would help communities invest in assets and might help pay for the national delivery of CLF. DNOs are not spending their large flexibility budgets so community aggregators see little incentive to engage with responses.

Energy Redress innovation funding can support community businesses to participate in developing flexibility projects and offers but is piecemeal and funding only lasts 2 years. A long term plan and commitment is required.

Funding should explicitly support community energy organisations as local delivery partners, ensuring value circulates locally and participation is maximised.

11. a) Do you agree that core governance arrangements should include an expectation that the framework operates broadly in line with government objectives for CLF?

Yes – but governance must also reflect wider public interest objectives, including social equity, fairness, and trust.

b) To what extent (very involved, somewhat involved, not involved) should government be in ongoing monitoring and stewardship of the consumer engagement framework?

Government should be **somewhat involved**, providing oversight to ensure alignment with net zero objectives and equity outcomes, but leaving day-to-day operation to an independent, trusted body, moderated by a well-convened consortium of stakeholders.

12. a) Do you agree with an aim to establish the framework before the end of 2028?

Yes – a framework must be in place before 2028 to allow sufficient time for scale-up to meet Clean Power 2030 targets.

b) If you do not agree, please indicate your preferred timeframe, including rationale for how this would be achieved?

The Framework should be put in place as soon as possible and flexibility stated as a policy and infrastructure priority. Chris Stark, head of the government's Mission Control for Net Zero said "we must chase down every source of flexibility in the country".

We recommend piloting community-based engagement and inclusion approaches in 2026–27 to build evidence for the national rollout.

13. Considering different consumer groups across the range of domestic and non domestic consumers, does there need to be a different approach considered for some or all of these? Please explain for which consumer groups and why.

Yes – tailored approaches are essential. Low-income households, social housing tenants, digitally excluded people, and small businesses with limited capacity to engage will require additional support, targeted outreach, and sometimes subsidised enabling technologies. Without this, CLF will exacerbate existing inequalities.

Community energy is already engaging social housing residents in flexibility. In Brixton the [Repowering London Energy Local Club](#) supplies community owned solar electricity generated on their roof to social housing tenants at 6.30p kWh. Residents will put on a wash when they see the sun is shining because they know they will be getting cheaper electricity. This is a very powerful example of behaviour change and local flexibility in action. Repowering have also done sandbox, [innovation projects](#) trialing intertrading between residents, allowing those that cannot use their allocation of cheap, clean, local energy to sell it to neighbours who can. These need to be allowed in regulation and mainstreamed as soon as possible.

See also our extensive response to 8 b. on Advice.

#### [14. Please provide any additional feedback here.](#)

CLF offers a chance to reshape the relationship between citizens and the energy system.

There are big and multiple benefits to people, communities and the CLT roll-out from building in engagement through community-level and community-led activities. Focussing money and effort at the community level, rather than individuals, is likely to be more productive.

**Engaging people in CLT:** Most people will have much more exposure to, and pay far more attention to, somebody local who is trusted. The engagement can be further reinforced if there are community benefits (financial, infrastructural) that arise.

**Benefiting people and communities:** Community benefits are more socially equitable than individual benefits from house-by-house flexibility activities, which only benefit “those who can pay and are willing to (or have time to) play”. Community benefits can be achieved through vehicles like community energy projects and community energy co-ops and clubs.

We recommend that the government actively support the development of community-owned energy clubs and co-operatives, from the outset of the CLF campaign, which can act as trusted engagement partners, deliver local participation, and keep value circulating in the local economy. They can also be important delivery partners at low cost to the public purse. As local energy markets develop local CLF will increasingly pay for itself as well as delivering local community benefits such as fuel poverty alleviation. Community energy organisations are well placed, informed and motivated to support a just energy transition. This will create stronger public buy-in, foster a sense of shared ownership of the energy transition, and ensure that CLF delivers lasting social and economic benefit — not just cost savings for the system or profits for aggregators.

The government should therefore prioritise supporting community-led approaches as a central pillar of the CLF framework, rather than a bolt-on, to ensure it delivers a just transition.

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## Further information

Community Energy England (CEE) was established in 2014 to provide a voice for the community energy sector, primarily in England. Membership totals over 320 organisations. The majority of the members are community energy organisations, but membership extends across a wide range of organisations that work with and support the community energy sector.

[www.communityenergyengland.org](http://www.communityenergyengland.org)