

June 2023

Community Energy England response to Community benefits for electricity transmission network infrastructure consultation.

Introduction to Community Energy England

1. This is a response by Community Energy England (CEE), which represents 270+ 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.
2. 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.
3. 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.
4. 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.
5. We believe that these motivations should be shared by all working in the energy sector and on energy system transformation.

General comments:

6. Community Energy England supports the aims of this consultation, that community benefit should be provided to communities that host transmission infrastructure and welcomes the opportunity to respond.
7. We recognise the urgent need to improve the networks at an almost unfeasible rate to achieve net zero. Connection is one of the biggest challenges our members are facing. We support anything that will smooth that path and benefit communities and engage them more in the energy system. We recognise that this process must start now or yesterday.
8. However we feel it is indicative of misplaced priorities that we see the government thinking about how to make infrastructure to move electricity around acceptable but delaying

enabling local generation and flexibility (eg onshore wind, community energy and local supply) which would reduce the need to build so much transmission network.

9. For example the Low Carbon Hub in Oxfordshire is working with SSEN on a SIF project that is a follow-on to Project LEO - called LEO-N (Local Energy Oxfordshire - Neighbourhood scale) which is exploring how practically community energy can work at the Low Voltage scale. By helping SSEN address constraints, Low Carbon Hub can help SSEN better plan its investment at the distribution level, and enable Low Carbon Hub to take advantage of unconstrained areas.
10. At a recent event a colleague heard a DNO admit that 40% of LV networks have plenty of capacity and yet there is little that is being done to help community energy take advantage of that capacity.
11. The long awaited consultation on developing local partnerships (and community benefits) for onshore wind has been published but the planning block will not be lifted by it or other current proposals. Ofgem held a very technical consultation on Local Flexibility recently but the market remains immature, providing no incentive to build flexibility assets. It is in danger of being cornered by large non-local incumbents who recognise the huge future importance (and value) of flexibility who will syphon off the benefit and will not be interested in developing the hyperlocal projects that will deliver most local benefit.
12. Government priorities seem wrong.

Questions

1. **What are your views on how community support for electricity transmission network can be improved? This includes any electricity transmission network infrastructure developed by Transmission Operators and developers within scope of these proposals. We would welcome supporting evidence if available.**
 - 1.1. The stated objective of the community benefits proposal is *“to ensure communities feel that they are positively benefitting from hosting electricity transmission network infrastructure, increasing acceptability for local projects”*. We agree that community benefits can ‘sweeten the pill’ but on their own they are not enough. Community engagement, understanding and support for the *raison d’être* of a project is key - given that there is little or no chance of them actually owning it. Community engagement is therefore key both to getting conceptual acceptance that it is necessary and should happen in their locality.
 - 1.2. The Great Grid Upgrade Community Grant Programme of £20,000 per community was described by one of our members as *“Community-washing - both in terms of engagement and in terms of the grant funding - the now-standard £20k max for a smorgasbord of potential grant-funded initiatives”*.

- 1.3. The current transmission-connected Botley West 840MW solar farm proposal, which landed with no warning on local communities and councils, from the Secretary of State's desk, as Nationally Significant Infrastructure, has the potential to stir up significant opposition and set back the transition in other ways for many years to come. Wind has to be 'locally supported' according to government policy but big solar and transmission infrastructure does not have to go the local planning route.
- 1.4. Community benefit will not necessarily win over powerful opponents if they do not want to see infrastructure in their community. There are many examples of opponents of onshore renewable energy infrastructure winning the day despite good evidence that the project would benefit their communities.
- 1.5. You state that community benefit should remain outside the planning system. This is easy to say but the [Supreme Court ruled](#) that the declaration of plans for a community benefit fund in Resilient Energy's Severndale onshore wind proposal amounted to buying planning permission.
- 1.6. There is already pretty good "Guidance on public engagement and community benefit for onshore wind." This should be built on, remembering that consultation is 'tokenism' on the New Economics Foundation's ladder of participation. Genuine participation is the goal. This is hard to achieve when possibilities of community ownership are small or non-existent and pylons and substations can feel like impositions on a community to benefit those far away.
- 1.7. So the participation and the local benefit must be real.
- 1.8. **Participation** must start early and be a two way conversation with the community, initially co-designing the interaction.
- 1.9. **Community Benefit**
- 1.10. The engagement process should also co-design the community benefit and ideally the setting up and owning the mechanism/organisation that will administer it. This has the opportunity to leave a lasting legacy of community interconnection in the pursuit of a positive vision of benefit for the community - this is the foundation of community resilience.
- 1.11. Community benefit should be used to further drive net zero, energy literacy, community energy, household/community benefits for energy conservation. Move away from supporting village halls etc.
- 1.12. It also has the opportunity, if done right, to engage the community more deeply and actively in the net zero transition - without which, as the Climate Change Committee has repeatedly made clear, we simply will not achieve net zero. It can be delivered in the form of fuel poverty reduction, energy efficiency measures, energy education, community-controlled/owned low carbon technology eg EV car clubs, support for

solar installations, etc. This has system, carbon, community, household and wider social benefits.

- 1.13. Community energy does all these things supremely well as well and should be a priority target for community benefit funds. It can also multiply the benefit by mobilising more local capital for projects which generate an income to deliver yet more community, environmental and social benefits. [Onshore wind in Scotland delivers on average 34 times the community benefit](#) of commercial wind projects which in Scotland are officially encouraged to deliver community benefit. Community energy fuel poverty work/energy efficiency work delivers at least a [9:1 social return on investment](#) and in 2021 the sector helped 51,000 households save [£3.35m](#) on their energy bills
- 1.14. When Brixton Energy started installing solar in 2012 its community benefit fund was named the Community Energy Efficiency Fund. The rationale was to use the surplus profits, once running and investment costs were paid, to increase the energy efficiency of homes close to the solar array, thereby improving well-being, reducing bills and carbon emissions and making the energy generated go further - a virtuous circle of compounding benefit and ongoing community engagement around energy.
- 1.15. Community benefit must not just be conceived as a community benefit fund - which can feel like a bribe and may not target benefit where the community most needs or wants it unless carefully run by a well supported independent local organisation, ideally a community energy organisation..
- 1.16. If a community benefit is centred around a community benefit fund the setting up of the mechanism or organisation that will administer it must be transparent, democratic and well communicated. The remit of how the fund can be spent must be co-developed with the community ensuring that those most in need are able to benefit and are prioritised. This must then be properly communicated to the wider community. The developer or NG must offer long-term direct support to communities to ensure best use can be made of the community benefit fund.
- 1.17. Engagement**
- 1.18. The developer or National Grid should bring in expertise on creative convening but this should be in partnership with the community who will have vastly greater local knowledge and connections than any outsider and as resident more 'rights' to gather local people together and hold conversations. The process should equip local people to co-convene the engagement events. Some training could be offered to proactive local residents. This degree of ownership is much more likely to allow productive conversations that avoid polarisation and to encourage understanding and buy in.
- 1.19. The process should include appropriate communication tools (including online) for all elements of the community. For example, older people use facebook more, businesses use business networks and LinkedIn, younger people use Instagram,

Snapchat and Tiktok. Encouraging and assisting young people to make Tiktok videos about the project to stimulate discussion might be useful.

- 1.20. Engagement should allow lots of air-time for the community to discuss and process. It should aim to reach consensus which can take more time but is more satisfying and delivers a much better supported outcome. Communities should have genuine input and be able to see how they can modify proposals. Otherwise residents can feel like unpaid planning consultants - helping the developer overcome or get round potential objections ahead of planning.
- 1.21. An early and good example of a successful community-led project that worked with the community to mitigate impacts and meet community needs is the [Hockerton Housing Project](#)'s 225kW community wind turbine (second hand) which powers the equivalent of 54 local homes. The link also leads to an excellent 10 minute film on their community engagement. They engaged with every household in the area to ensure the turbine was sited where it was effective but had the least impact on every household. A number of residents also invested during the process.
- 1.22. The process should use online tools to allow people to make considered and detailed comments in their own time on proposals as is possible in the planning system.
- 1.23. Participants should be rewarded for their time - paid if a representative group is used, refreshments, time for social interaction.
- 1.24. **Recommendations:**
- 1.25. **Early, participatory, best-practice engagement, co-design, including of the engagement process.**
- 1.26. **Supporting (and even setting up) community energy organisations should be a priority for the community benefit fund and encouraged in the Guidance.**

2. Do you agree with the proposed types of infrastructure and projects we would include in these proposals? Please explain why.

- 2.1. We agree with the urgent focus on transmission infrastructure - as this is the area most remote from local communities and currently without adequate community benefit guidance or practice.
- 2.2. However, we think guidance and practice needs to improve across the board at distribution level and among renewable energy developers and across DESNZ itself and other departments. It is important that all infrastructure is governed by the same standards and can harmonise and even work together in connecting with communities and delivering community benefit.

- 2.3. The best engagement comes from a community working out among its members how to do a project that they will own and that will bring obvious benefits to the community as described in the Brixton Energy Example above..
- 2.4. The Shared Ownership Framework developed in 2014 and enshrined in Schedule 6 of the Infrastructure Act 2015 should be reviewed as soon as possible so that as much democratisation as possible of the energy system and as much social benefit as possible can be derived from the energy transformation.

3. What are your views on government's preferred approach of a voluntary benefit scheme underpinned by government guidance (covering both wider and direct community benefits)? Please explain why and provide any supporting evidence if available.

- 3.1. We believe a mandatory approach would be better than the voluntary approach proposed. It levels the playing field and makes expectations of delivery clear. No contractor or company can then win a contract by minimising community benefit or engagement. These are likely to be false economies anyway.
- 3.2. A voluntary approach will potentially disadvantage more deprived communities with less resources and empowerment to stick up for themselves.
- 3.3. The consultation document admits that there has been *"inconsistency and perceived unfairness between projects."* from the voluntary approach so far. This must be avoided in future. In Scotland commercial onshore wind projects have been encouraged to deliver £5,000 per MW installed. I think the average actually delivered has been £1,200, driven down by commercial considerations of winning CfD auctions and paying investors - and because the scheme is only governed by 'guidance' not requirement. By contrast community wind has been delivering on average £170,000 per installed MW per annum! That difference is stark and illustrative of the exploitation that can happen when developers are allowed to drive down community benefit to what they can get away with.
- 3.4. This also illustrates how much more community benefit community ownership can bring. Whilst this may never happen on the transmission grid, we point out that in Germany and Denmark much more of the distribution grid is community owned (at the expense, perhaps, of a functioning transmission network). The Community Right to Electricity - enshrined in the Infrastructure Act 2015 gives rights of shared ownership to people living adjacent to onshore and offshore renewable generation. Why should this not also apply to the grid? Schedule 6 of this Act is due to be reviewed 'as soon as reasonably practicable'. This should be addressed in that process.
- 3.5. In the interests of getting this moving urgently a voluntary approach may be appropriate while the appropriate regulations for a mandatory scheme are put in place. This should be used as an experimental phase with results of different approaches shared and evaluated and potentially built into Guidance and even

regulation. The danger of making adopting a mandatory approach subject to a review is that in the huge upsurge of work required to upgrade the grids the review will never happen.

4. What are your views on the information we have proposed to include within government guidance? This includes identifying eligible communities, consultation and engagement, governance and delivery and funding.

4.1. What has been proposed to include with the government Guidance is the minimum. It should also include case studies of and extensive guidance on best practice engagement and community benefit; feedback from good and bad experiences; a range of strategies for a range of different cases and communities, including examples of setting up community organisations where they do not exist and signposting to [‘how to’ resource](#) such as those on the Community Energy England website.

4.2. See our response to question 1 where we explore what good community engagement should look like and advocate setting up participatory mechanisms or organisations to manage the engagement and also the community benefit. If they are separately managed both should be representative of the local community. They should be supported long term and be allowed to remunerate representatives and executives at a reasonable rate. They should be supported not just to respond to applications from the community but to develop initiatives such as community energy organisations and projects that will benefit the community over the long term, perhaps even generating their own revenue which will multiply the initial community benefit, as well as harnessing the human and financial capital latent in the community..

5. Do you agree with the government’s proposals to focus on direct and wider community benefits, choosing not to pursue options such as community ownership and electricity bill discounts? Please explain why.

5.1. We disagree with the proposal for individual payments. This is potentially costly, divisive and contentious. The proposal to divide benefit among direct payments and wider community benefit could cause dispute as “developers and communities will need to determine how this should then be allocated between direct and wider community benefits”. It feels like a bribe which can engender more opposition than it diffuses. It creates a precedent which could be counterproductive if residents close to renewable projects started to demand the same. People who have lived with transmission infrastructure for years with no compensation are likely to be aggrieved and may demand payment. The same would apply to reduced bills. There is no system justification for reducing bills for people near transmission infrastructure unlike those who are supplied by local renewable electricity especially if they undertake to use it flexibly.

- 5.2. We advocate a scheme based on wider community benefit that is less individualised and encourages people to think and work together more as a community.
- 5.3. You say “*We do not believe it would be feasible to introduce... a community ownership model... **on similar timelines**, due to the complexity of implementation and financing and likely need for changes to the regulatory framework.*”
- 5.4. As above we urge the transmission network to think along the lines of the Shared Ownership Framework and ultimately offer shares in the infrastructure. These should come with some sort of genuine say in how the asset is managed, maintained and developed. The regulation will have to be modified to allow the Community Electricity Right to come into force. We are sure that in the same process it would be possible to provide for shared ownership of a substation. This may take time but it has many benefits alongside the challenges. Other countries have done it.
- 5.5. **Recommendations**
- 5.6. **We oppose the use of direct payments and reduced energy bills as a form of community benefits.**
- 5.7. **We believe that community shared ownership should be explored in the longer term alongside the opening up of Shared Ownership rights for onshore and offshore renewables.**

6. How do you think guidance could be developed most effectively? How should different stakeholders be involved?

- 6.1. We welcome the collective approach you propose but feel it lacks sufficient detail.
- 6.2. Guidance should make use of existing Guidance documents such as the government’s “Guidance for community engagement and community benefit for onshore wind.” prepared by CSE.
- 6.3. Professional expertise from organisations like [Seeds for Change](#), [Art of Hosting](#) and the various expert organisations that convene Citizen Assemblies, should be sought in the development of Guidance which should take account of best practice participatory engagement techniques, such as Planning for Real.
- 6.4. Community energy organisations who have wide experience of co-developing projects with their communities should be involved.
- 6.5. The development process should seek to exemplify the practice it recommends, by being inclusive, representative, respectful, open and iterative.
- 6.6. Communities that have been engaged by transmission networks (and perhaps received benefits) should be consulted for good and bad feedback. Find projects

where it went really well and really badly and learn from them. Learn from the Botley West experience which is just 'kicking off' now.

- 6.7. People consulted in the development of the Guidance should be able to comment on at least on late draft and change it if necessary.

7. How do you think the effectiveness of this approach should be evaluated? Please explain why and provide any supporting evidence.

- 7.1. It should be monitored with temperature-taking (eg how do you feel about this process?) before and after each intervention and in detail at the end of the process. The guidance should be evaluated by the stakeholders who were engaged in the process.

8. Do you have a preferred approach to how the level of funding should be calculated? Why is this your preferred approach?

- 8.1. We cannot judge the options proposed without more examples. A very expensive project may be minimally disruptive or visually impactful. Or a cheap one very impactful. As such, a categorisation of bands of funding for different types of project with flexibility to reflect other factors, including disruption or cost of project would seem best.

9. What level of funding do you believe is appropriate? Why do you believe this? Could you please provide any evidence or data as to how you have come to this calculation.

- 9.1. We agree that the level of funding should increase from that seen in existing examples of community benefits for electricity transmission network infrastructure.
- 9.2. As mentioned above if strategically targetted by good engagement focus on furthering net zero by setting up it can be seen as a really good investment in decarbonisation,demand reduction and flexibility and community engagement in the net zero transition, without which as the Committee on Climate Change has repeatedly made clear, it will not happen.

10. Is there anything further we should consider as part of next steps?

- 10.1. Urge the government to urgently spend more time, money, attention and imagination on Smart Local Energy Systems and community energy to speed up the localisation of energy, demand side management, energy saving and efficiency, including insulation and flexibility, as well as Local Area Energy Planning so that the Transmission Network is built out according to genuine identified need not overbuilt to meeting projected unmitigated increases in demand. An imminent report by WWF shows that the government is way off attaining the 15% emissions reduction target from energy efficiency in buildings and industry..

Analytical Annex Questions

- 11. Do you agree with the rationale for intervention and the market failures we have identified? Are there any points we have missed?**
- 12. Do you agree with the impacts that have been identified? If not, explain why with supporting evidence.**
- 13. Do you think there are other impacts that have not been identified? If yes, what other impacts are there that have not been included? Please provide supporting evidence.**
- 14. Please provide any data and evidence to support a detailed assessment of each of the impacts.**
- 15. Please provide any data and evidence on whether this policy is likely to reduce delays to transmission network build and how long by.**
- 16. Are there any groups you expect would be uniquely impacted by these proposals, such as small and micro businesses or people from protected characteristics? If yes, which groups do you expect would be uniquely impacted? Please provide supporting evidence.**
 - 16.1. There is good evidence that high impact energy infrastructure is often preferentially sited in deprived communities whose ability to object either ahead of or during the build and operation of projects is less than in more affluent and empowered communities.
 - 16.2. There must be a process in place to make sure this does not happen.

Signed by:

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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 300 organisations. Many of the member organisations are community energy groups, but membership extends across a wide range of organisations that work with and support the community energy sector.

www.communityenergyengland.org