

Community and local energy strategy



Forging links with the community and local energy groups

ANNUAL REPORT, SEPTEMBER 2021

CONTENTS

Welcome	3
What is community and local energy	4
Community energy in the North West	5
What our stakeholders have told us	6
This year's highlights	8
Powering our Communities fund winners	9
Action plan progress report	10
Future plans	14
How to get in touch	15



WELCOME

Welcome to this annual report which sets out our progress since we launched our refreshed Community and Local Energy Strategy in September 2020.

The strategy includes an action plan with 24 commitments for how we will support the development of the community and local energy sector in our region and this report provides an update of activity in the last year.

Supporting community and local energy projects to develop is part of our ambition to support and enable the North West to be a leader in the UK's transition to net zero for the benefit of all of our customers. We believe urgent action is required to limit global warming to 1.5°C and to meet the UK and North West's net zero goals. Our Community and Local Energy Strategy and this annual report is part of our commitment to work in partnership with our customers and stakeholders to play a key role in driving the action and policy changes required.

We believe the community energy sector is well placed to play a key role in the net zero transition and we know from talking to the sector it has the ambition too. We also believe, the evidence supports this and shows that community energy can deliver wider benefits in addition to carbon savings such as engagement with communities new to the energy transition and local economic impact.

There are currently 29 community energy groups working in our region and last year they delivered £120,000 in community benefit fund in addition to the ongoing renewable energy generation, energy efficiency advice and low carbon transport actions.

The highlights from this year's activity including another year on year increase in the number of community and local energy enquiries we've received and the number of people that have engaged with our service. We have also successfully delivered another round of Powering our Communities fund which supported a further seven projects meaning the fund has now supported a total of 19 projects. Another highlight from this year is the development of new proposals to support community and local energy in ED2 which includes an expansion of existing fund to a £1m per year from 2023-2028.

We will continue to support the community and local energy sector to make sure we understand our customer's requirements and to support its development wherever possible. This report ends with a summary of our future plans and highlights the actions we will deliver as a priority this year because they respond to the feedback from our stakeholders.

I hope you find this document useful and informative and I encourage you to share any feedback you have with us so that we can ensure our future activities remain relevant, focused and helpful to all our customers and stakeholders.



Steve Cox

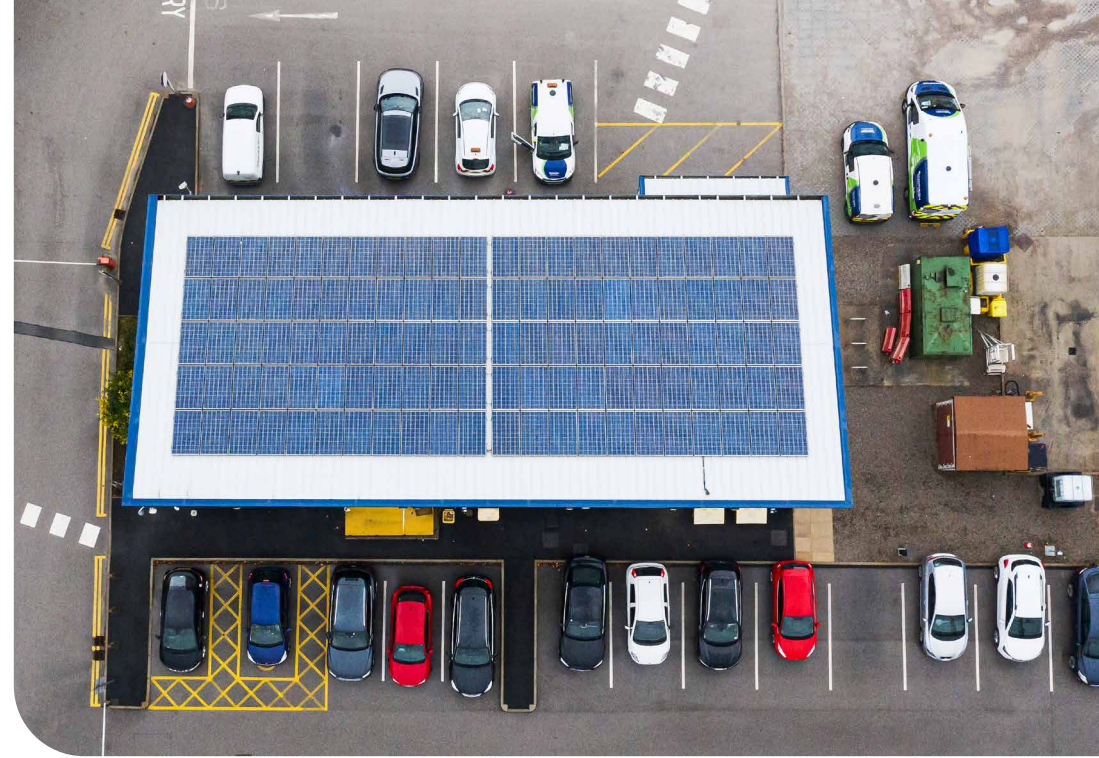
Engineering and Technical Director

WHAT IS COMMUNITY AND LOCAL ENERGY?

Community energy involves community-led projects or initiatives reducing, managing, generating or purchasing energy. Community energy projects focus on engagement and benefits for their local area and communities.

Local energy encompasses community energy projects but also includes the activities of a wider set of partners such as local authorities, housing associations, intermediary or advisory organisations and local businesses. Local energy projects may have a commercial aspect to their delivery but are also likely to benefit their local area and community.

We realise community and local energy means different things to different people, and the above definition is to aid our discussions with stakeholders and help set the context for conversations. If you feel your project or plans don't fit into this definition, we'd still like to talk to you if you or your community want to install low carbon technology. See the how to [get in touch](#) section for details about how to contact us.



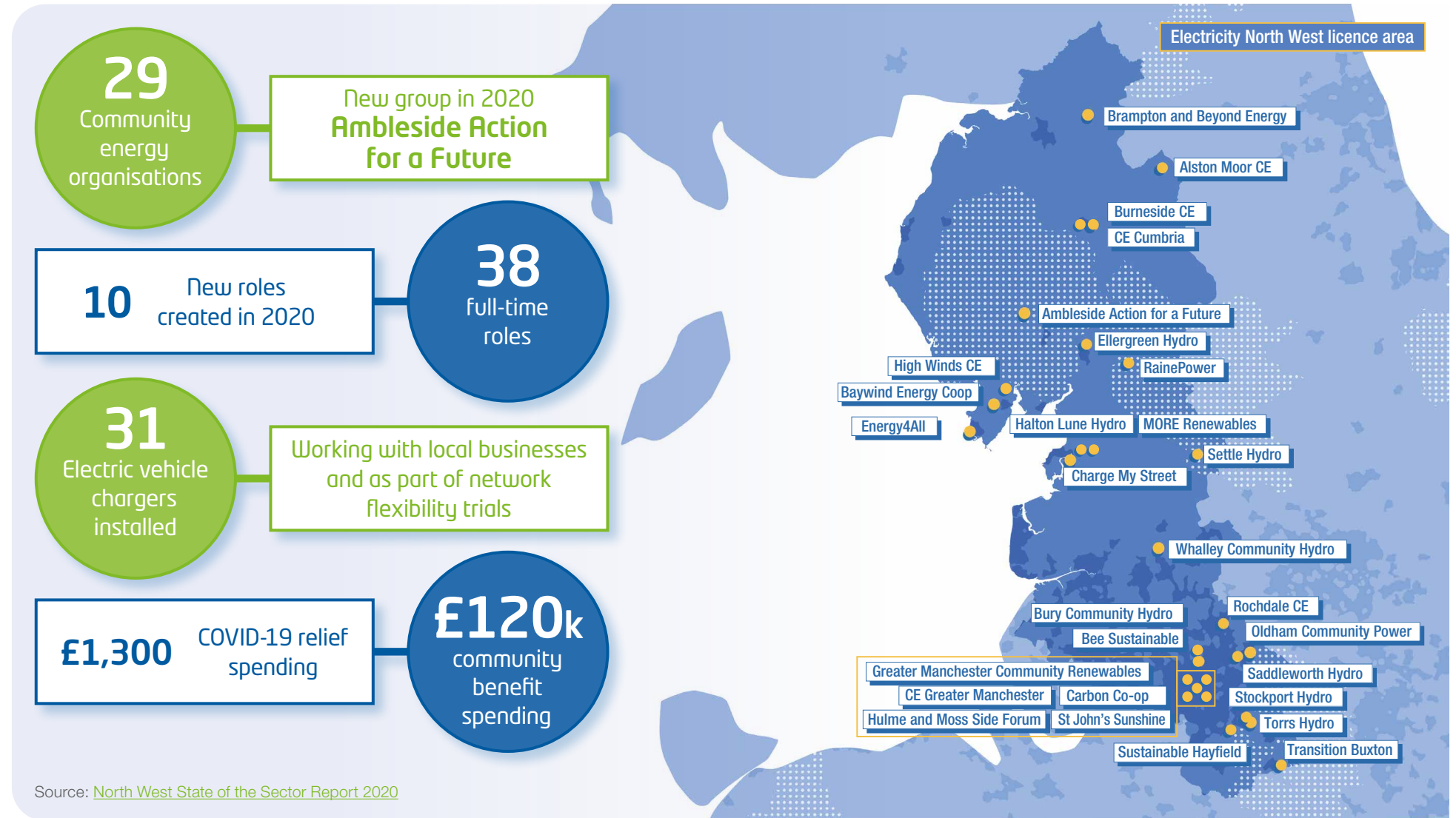
The role of community and local energy in a net zero future

Community and local energy groups are working to deliver decarbonisation activities in their local area and this activity will underpin a fair transition to a net zero energy system. Across our licence area, 29 community energy groups are already involved in renewable energy generation schemes, energy efficiency work, fuel poverty alleviation and low carbon transport projects. To date, most community and local energy organisations are asset holders but many also interact with communities, for example engaging with education initiatives or (in the case of local housing associations) engaging with tenants. This combination of grassroots education, work to reduce fuel poverty and use of low carbon technologies we believe makes community energy a necessary part of a net zero future.

Electricity North West wants to support all its customers with their transition to a net zero future. As the distribution network operator, we understand we have an important role to play in facilitating connections to our network, but we also want to show leadership and provide the advice and support our customers need.

COMMUNITY ENERGY IN THE NORTH WEST

Community energy groups in the Electricity North West area



WHAT OUR STAKEHOLDERS HAVE TOLD US

When we talk about stakeholders we mean customers like community and local energy groups who pay the bill or want to connect to our network. This term also includes consumers who may be a member of a community energy group living in our region, as well as wider stakeholders such as sector bodies like Community England. We aim to engage with and get feedback from all these groups every year to ensure we deliver a valued service.

We use a range of tools to engage with stakeholders including:

- Regular [Community Connects](#) engagement events
- Quarterly [Community and local energy newsletters](#)
- [Quarterly Regulation and Policy updates](#)
- Regular social media updates
- Annual [State of the Sector report](#)
- Attending external meetings and events
- Individual meetings with community and local energy organisations.

We have moved our engagement online over the last year to enable us to continue engagement throughout the Covid-19 pandemic. We have found this to be very effective and inclusive because it is easier for more people to attend online events and we have seen attendance numbers increase significantly. It does have its limitations for certain types of engagement, but in the future we intend to keep the majority of our engagement online and reserve in person engagement for where it really adds value.

We are always looking for new ways to engage and feedback on our engagement methods. If you have any comments or suggestions, please feel free to [contact us](#).



Stakeholder Insights

Because we have been able to continue with quality, meaningful stakeholder engagement throughout the pandemic we are able to update our understanding of stakeholder issues and have developed the following key insights.

From previous research, we know the top three areas where community and local energy stakeholders would like us to focus our efforts haven't changed; they are still finance, regulation and access to Electricity North West. These priorities were confirmed as part of our process to update our Community and Local Energy Strategy which was published in September 2020. Our engagement this year has added to our understanding of these areas and what level of support and ambition our stakeholders expect from us.

1. Customers and stakeholders back ambitious action to support community and local energy

Our extensive customer and stakeholder engagement to develop our ED2 business plan has demonstrated that the majority of our stakeholders support our ambitious decarbonisation plans, with over 80% support demonstrated throughout our consultations. Our specific community and local energy proposal, which includes a continuation of the current package plus an enhancement to the Powering our Communities fund to a £1m per annum, received 83% in the acceptability testing.

2. Our customers and stakeholders are also ambitious about what they want to achieve - but they need the support to meet their goals

We know from our annual [State of the Sector survey](#) that the sector is ambitious with its own plans. The report provides an excellent evidence base for the ambitions, and also describes the barriers to achieving them.

It is also clear from reading the [Community Energy 2030 Vision document](#) work, from listening to community and local energy representatives, and from speaking to groups in our region, that the community and local energy sector are clear on their role and ambitions in meeting net zero.



3. Despite the restrictions caused by Covid-19, the community and local energy sector has continued to work on projects.

The headline key performance indicators for measuring the impact of this strategy have increased. Both the number of people we have engaged with, and the number of projects we have supported, have shown a year-on-year increase despite the Covid-19 situation. We have also seen an increase in the number of total enquiries we have received to the community and local energy team, the number of community energy connections enquiries, the number of applications to our Powering our Communities fund and delegates attending our 'Community Connects' engagement events - all of which points towards an increasing level of interest in community and local energy.

4. Local supply is still an issue

When it comes to regulation of the sector the biggest impact is on the ability of community and local energy groups to supply their local community. We are constantly refining our understanding of the impact on business cases and how to overcome the issue. This year our understanding has been informed through the one-to-one support we've been providing either directly to projects or through the Powering our Communities fund project.

We are also aware that the proposed modifications to access, charging codes and cost of being connected to the network have been causing confusion and uncertainty for stakeholders.

THIS YEAR'S HIGHLIGHTS

Here we have highlighted a few of the headline achievements and provided more detailed feedback on some of the actions and projects we funded through the Powering our Communities fund. A full report of the progress against our action plan is on pages 10-13.

Highlights:

ACTION 1

Launched a refreshed stakeholder-led Community and Local Energy Strategy with an action plan that included **24** commitments including **15** new actions to support the sector

ACTION 23

Developed proposal for **£1m per year** community energy fund in ED2

ACTION 2

New partnership with Local Energy Hub to deliver engagement events to wider audiences

ACTION 6

Engaged with **16%** more people and supported **36%** more projects

IN FOCUS

ACTION 18

Promoting flexible services to community and local energy stakeholders (Action 18)

We have promoted our flexible services opportunities to community and local energy groups and have continued to simplify the process to facilitate participation.

We have introduced surgery sessions for community and local energy groups to book onto to discuss these opportunities. So far geographical requirements of our network not yet matched up with the locations of community or local energy assets but this will change. The key thing is we have a process and information in place.

Asset owners, such as community and local energy groups can add details of their assets to the [Piclo Platform](#) to make us aware of their resources for future matches against our requirements. We have also published our [requirements until 2028](#) to give a longer term view of where we will need services as we know this supports business case development of community and local energy assets.

We are also promoting energy efficiency schemes as an alternative to network reinforcement. This can provide opportunities for additional funding streams in areas of network constraints where demand reduction can be delivered to meet our minimum requirements either from a single non-domestic site or an aggregation of domestic properties. As we continue to roll out high and low voltage monitoring devices, we expect to see the number of opportunities for flexibility increase significantly within local communities.

POWERING OUR COMMUNITIES (ACTION 14)

 IN FOCUS  ACTION 14

This year we have provided £75,740 of funding to seven projects all of which are working to support their local communities to meet net zero, taking the total number of project supported to 19.


Project name	Applicant	Summary	Amount
Energy Local Broughton in Furness	Energy Local CIC	The first Energy Local club in the North West will bring together local households and small businesses in the Cumbria village of Broughton-in-Furness, helping them to benefit from cleaner, cheaper energy generated at Logan Gill, a local hydro plant.	£8,700
Feasibility Study into Mill Lane Electric Vehicle Charging Network	Lune Valley Community Land Trust	This project will deliver a feasibility study to find a future-proofed and innovative approach to supply renewably sourced communal access EV charging points for a new social housing development.	£15,000
Community Energy - Heat pump ready!	Carbon Coop	An online tool will be developed to provide an end-to-end heat pump service for community energy organisations which will help them to promote the update of heat pumps to households and overcome many of the existing market barriers.	£16,000
Acclimatise Whaley solar panel buyer club	Acclimatise Whaley CIC	This project will establish a club in Whaley Bridge to encourage the uptake of solar panels in the local community. The club will enable members to pool their resources and purchase solar panel installations in bulk, provide support and advice and establish a list of trusted local suppliers.	£4,000
Energy Ambassadors	Green Rose CIC	Green Rose will recruit, train and support community based volunteers to become energy ambassadors in their local community and help people to reduce their energy bills and stay warm and well.	£2,940
Solar Lighting for Community Shelters	Ainstable Parish Council	This project will fund the installation of safe, efficient and environmentally-friendly solar powered lighting for three community shelters and two carbon park entrances in the rural village of Ainstable, north Cumbria	£11,000
Journey to the summit	Youth Focus North West	Run by St Helen's charity Youth Focus North West, a series of webinars and a green summit will bring together experts and decision-makers with hundreds of young people, to educate them on environmental issues and inspire them to think differently, act differently and inspire others.	£18,100
TOTAL			£75,740

ACTION PLAN PROGRESS REPORT 2020-21

Action No	Detail	Dates	Progress 2020-21
1	Our dedicated community energy manager will continue to lead the delivery and development of this strategy which aims to forge links with the community and local energy sector and develop our response to their requirements.	Now - 2023	Dedicated community energy manager in post since October 2017; Strategy first published June 2018; Refresh to include these 24 actions in August 2020.
2	As a key part of our engagement strategy we will continue to deliver Community Connects workshops to help address issues the sector is facing particularly relating to capacity and skills development. We will use these events to provide an opportunity to engage with us and to for us to engage with the sector to develop our understanding of the issues it is facing.	Now - 2023	Four events delivered; 100% of delegates finding them useful or really useful; >200 people on newsletter mailing list.
3	We will develop the resources on our website to make sure our services are accessible to community and local energy customers and to provide resources to help groups get their projects started.	Now - 2023	No of hits increased year on year; toolkit to be developed to make it easier to navigate resources.
4	We will continue to produce a quarterly newsletter to keep customers and stakeholders up to date with developments that affect the sector. We will also produce guide(s) and case studies to help community and local energy groups learn from each other how to develop projects.	2020-2023	Seven newsletters produced; seven case studies produced; third parties not yet used for distribution.
5	We will make sure our resources reach as many community and local energy stakeholders as possible; we will undertake a promotion campaign with community partners to ensure stakeholders are aware of our resources and bookable surgery slots	2020-2023	We have developed a partnership with the Local Energy Hub to expand our reach; campaign in development.
6	We will continue to encourage early engagement, improve routes into our business and allocate engineering resources to support projects at the initial stages to identify the best point of connection.	2020-2023	Handled an increased number of enquiries and a larger number of projects both up, 16% and 36% respectively.
7	We will actively engage with stakeholders to identify and improve pre-application guidance on our website for customers applying for new connections to make sure it is accessible to community and local energy groups. As part of this we will publish a glossary and review pre-application guidance against plain english standards.	2020-2023	Connections section of the website has been updated based on customer feedback; the language on the website reviewed against plain english standards and updated and a glossary published.

Action No	Detail	Dates	Progress 2020-21
8	We will make sure our conversations are solutions focused to do all we can to support the development of the project. We will use our experience to date to share best practice with all connections teams to ensure our service is continually improving and addresses the needs of community and local energy groups.	2020-2023	Held a focus group in December 2020 to share feedback from community and local energy stakeholders; Added dedicated engineering resources to the team to handle enquiries; pre-application guidance added to the website.
9	We will improve access to Network Information; We will produce and publish training material for use of our new GIS functionality.	2020-2023	Published training guide in May 2020; two webinars delivered in June 2020; recordings and presentation available.
10	We will continue to invest in our network to ensure that network capacity is not a barrier to the connection of low carbon technologies.	2020-2023	We are investing £25 million in a series of projects between 2020-2023 to increase the capacity of our network and prepare for a net zero future. More details here .
11	As part of our Leading the North West to Zero Carbon plan we are consulting with stakeholders on how to meet our decarbonisation aspirations as part of our business plan from 2023 (ED2) and in particular our route to net zero carbon for operational carbon emissions by 2038, a commitment to identify and measure scope 3 emissions (those relating to our indirect action such as in our supply chain) from 2023 and to work with our sustainability panel to identify measures to reduce them.	2020-2023	We have committed to setting a science based target for our business carbon footprint to include our scope 3 emissions, further details can be viewed in our Environmental Action Plan .
12	We will provide regular updates, via presentations at workshops and/or newsletters on our Leading the North West to Zero Carbon Plan. We will share learning from our case studies, e.g. our zero carbon buildings.	2020-2023	Improved website, including creation of Go Net Zero Portal, a one-stop shop of useful information for stakeholders. Updates in quarterly newsletters and presentations at DG LV workshops.
13	We will consult on our updated distribution system operation (DSO) strategy and our plans for digitalisation and data access.	2020-2023	All opportunities to comment on our DSO and data and digitalisation strategy have been communicated via our newsletter and social media channels. A one-off, sub-group of the Sustainability Panel was convened to facilitate feedback from community and local energy stakeholders.

Action No	Detail	Dates	Progress 2020-21
14	We will continue to deliver our seed funding for community and local energy groups - Powering our Communities fund - which is targeted at addressing the main issues our stakeholders are facing, particularly developing new ways of working.	2020-2023	This year we funded 7 projects to a total of £75,740, taking the total number of projects supported to 19.
15	We will continue to support third parties with innovation projects funded by external sources with conversations, expertise and moral support as appropriate to the benefits of the project to ENWL.	2020-2023	We have supported 13 projects funded by third parties with letters of support, presentations at events or network information.
16	We will encourage learning between community and local energy groups in our area by producing case studies of the projects we fund (via Powering our Communities) and providing a forum of other projects via our events and newsletters.	2020-2023	We have produced seven new case studies and updated the existing Powering our Communities fund project case studies. Learnings disseminated via our Community Connects events and a new lunchtime drop in session started in partnership with Local Energy Hub.
17	We will investigate new ways of working for our next price control period (ED2) with the aim of facilitating the engagement of community and local energy partners in NIA and NIC funded projects.	2020-2023	We have published a draft Innovation Plan as part of our draft business plan submission and it includes plans to increase third party involvement in our ED2 innovation activities. Our plans include a commitment to introduce a “Collaborative Innovation Scheme” where third parties will be able to directly access NIA funding.
18	We will continue to promote all flexible service opportunities to community and local energy groups and provide dedicated surgeries to improve understanding and facilitate participation.	2020-2023	To date we haven't had a response from any community or local energy group to our tenders, which is due to the geographical requirements of our network not matching up with the locations of community or local energy assets. See page 8 for more details.

 Action No	Detail	Dates	Progress 2020-21
19	We will investigate the viability of purchasing community and local energy	2022-2023	We will review the options after 2022.
20	We will pilot working in partnership with a community energy group to deliver a project at one of our sites.	2020-2023	We are working on the feasibility for the pilot site.
21	We will continue to engage on regulation and how it affects our customers and produce our policy and regulation updates for community and local energy stakeholders to help stakeholders to understand how policy and regulation developments may affect the sector.	2020-2023	Four regulation and policy updates produced; ongoing support for individual projects.
22	We will engage community and local energy groups with the development of our business plan for the next price control period (ED2) which starts in 2023.	2020-2021	We have promoted all the opportunities to engage with our ED2 business plan process via our dedicated community and local energy newsletters. We also held dedicated sessions with our Sustainability Panel and bilaterals with a number of key community and local energy stakeholders.
23	We will work with community and local energy stakeholders to develop proposals that could be included in our next business plan to support the development of the community and local energy sector in the next price control period (ED2) from 2023.	2020-2021	In consultation with stakeholders we have developed a number of proposals to including an increase to the Powering our Communities fund to £1m per year in ED2. Our final plan will be submitted to Ofgem for approval in December 2021 and the outcome will be announced in December 2022.
24	We will use the evidence we have gathered from our community and local energy stakeholder engagement to inform our engagement with Ofgem and BEIS. We will maximise the opportunities we have through our membership of sector bodies, Community Energy England and Regen to represent the views of the sector in our region.	2020-2023	We submitted written evidence to the Environmental Audit Committee enquiry into community energy; we have supported the Local Electricity Bill campaign.

FUTURE PLANS

As part of our ambition to Lead the North West to Net Zero we want to continue to develop our relationship with the community and local energy sector in our region and support them in their ambitions.

We will therefore continue to deliver our commitments as set out in the action plan on pages 10-13 with a particular focus on delivering against the insights we have gained through our engagement this year.

Stakeholder insight	We will (as a priority this year)
<p>Customers and stakeholders back ambitious action to support community and local energy</p>	<p>We will continue to work with community and local energy stakeholders to develop our proposals to support community energy in ED2 including a £1m per year fund in ED2. (Action 23)</p> <p>We will continue to invest in our network to ensure that network capacity is not a barrier to the connection of low carbon technologies. (Action 10)</p>
<p>Our customers and stakeholders are also ambitious about what they want to achieve - but they need the support to meet them</p>	<p>We will continue to deliver the Powering our Communities fund. (Action 14)</p> <p>We will continue to support third parties with their projects. (Action 15)</p> <p>We will encourage learning between community and local energy. (Action 16)</p> <p>We will pilot working in partnership with a community energy group to deliver a project at one of our sites. (Action 20)</p>
<p>Despite the restrictions caused by Covid-19, the community and local energy sector has continued to work on projects</p>	<p>We will continue to deliver Community Connects workshops, newsletters and regulation and policy updates (Actions 2 & 4)</p> <p>We will develop the resources on our website to make sure our services are accessible to community and local energy customers and to provide resources to help groups get their projects started. (Action 3)</p> <p>We will make sure our resources reach as many community and local energy stakeholders as possible; we will undertake a promotion campaign. (Action 5)</p> <p>We will continue to encourage early engagement. (Action 6)</p> <p>We will continue to promote all flexible service opportunities to community and local energy groups (Action 18).</p>
<p>Local supply is still an issue</p>	<p>We will continue to engage on regulation and how it affects our customers and produce our policy and regulation update for community and local energy stakeholders. (Actions 21 & 4)</p> <p>We will use the evidence from our engagement with community and local energy groups to inform our engagement with Ofgem and BEIS. (Action 24)</p>

HOW TO GET IN TOUCH

We want to hear from you if you are developing plans or projects for low carbon technologies or carbon reduction activities in your area.

Please feel free to get in touch with us:

Email: communityandlocalenergy@enwl.co.uk

The [Go Net Zero portal](#) on our website has lots of resources to help you with planning and developing your project.

Who are Electricity North West?

Electricity North West Limited are the electrical distribution network operator (DNO) in the North West of England. We own, operate and maintain the network of overhead lines and underground cables and are proud to power the lives of five million people in the region.

The way we use electricity is changing rapidly. Electricity North West are at the forefront of energy innovation, working with local communities, key stakeholders and expert partners to ensure everyone has the power they need when they need it.



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