

Community and local energy strategy

Forging links with the community and local energy groups RIIO-ED1 Final progress report, April 2023

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Welcome



Welcome to this progress report, the final one for ED1, which reports back to you, our stakeholders, on our activity and achievements since we launched our first community and local energy strategy in 2017.

The Committee on Climate Change and others have stated that community-level action is essential in the challenge to meet the UK's net zero targets. We have also seen a ground swell of interest from communities wanting to do their bit to tackle climate change and take part in the energy transition.

Electricity North West is proud to play a role in supporting communities with their net zero plans and activities. We know we have a crucial role to play in the North West's progress towards net zero and intend to play a leading role in supporting all of our customers to take action on climate change.



From April 2023 Electricity North West will enter a new price control RIIO-ED2, with a new business plan. RIIO-ED2 will run from April 2023-March 2028 and in partnership with our stakeholders, we will create a new Community and Local Energy Action Plan for this period.

We intend to continue our support and the new action plan will be shaped by what our customers and stakeholders tell us they need from us.

This report focuses on what we have delivered to date to enable communities to take part in the low carbon transition and we will use it as a springboard for our future plans.

I hope you find this document accessible and informative and I encourage you to share your feedback with us via this <u>online</u> form.

Steve Cox
Asset & Technology Director









Introduction to Electricity North West



Who is Electricity North West?

Electricity North West Limited is 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 to lives of five million people in the region.

The way we use electricity is changing rapidly. Electricity North West is 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.

How we engage with customers and stakeholders

When we talk about stakeholders we mean customers like community energy businesses or local community groups who pay their electricity bill or who are developing a project that will require a grid connection. We also mean wider stakeholders who have an interest in community level action such a local authorities and Community Energy England. We aim to engage with and get feedback from all these groups every year to ensure we are delivering a valued service.



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

- Regular Community Connects engagement events
- Ouarterly 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
- Surveys and feedback questionnaires

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.









What is community and local energy?



Bringing energy to your door

Community energy refers to local and community-led projects or initiatives to reduce, manage, generate or purchase energy. And this covers so much, from providing energy saving advice to installing solar panels, heat pumps and electric vehicle charging points. At the heart of all our community energy projects is the importance of working with communities and bringing benefits to the local area.

As the name suggests, community energy projects are often run by local community groups. But there are lots of different groups and organisations involved in community energy projects including local authorities, housing associations, intermediary or advisory organisations and local businesses. Some local energy projects may have a commercial aspect, but are also likely to benefit their local area and community.









Community energy in the North West



Headlines



42 community energy organisations in the North West



17.6MW of installed electricity capacity generating 43GWh of electricity



Saving 12,000 tCO_{2e} annually



Powering 15,000 households

Groups also work on low carbon heat, energy efficiency and low carbon transport. Visit our <u>case studies web pages</u> to find great examples of community energy projects.



Source: State of the Sector Report 2021













Bringing energy to your door

Electricity North West has had a proactive engagement strategy since 2017, which led to our first Community and Local Energy Strategy being published in 2018.

Since then we have focused on developing relationships with communities across our region, understanding the issues and barriers they face to develop their own energy projects and in response, providing appropriate support.

As a result of this stakeholder engagement we have updated our understanding of the issues and priorities facing community and local energy in our region:

- 1. The top three areas where community and local energy would like us to focus our efforts haven't change they are still access to Electricity North West, finance and regulation.
- 2. Customers and stakeholders are ambitious about what community and local energy can achieve but need our support to meet its ambitions.
- 3. One of the key roles DNOs like Electricity North West can play is ensure network capacity is not a barrier and delivering a customer friendly connections process that enables projects.
- 4. Community energy operates in a challenging environment but is agile, innovative and resourceful which means it is still delivering projects. Seventeen new projects were identified as part of the State of the Sector survey for 2021.
- 5. Local supply is still a key issue for most community energy groups for both financial and engagement reasons.









RIIO-ED1 Highlights



3000

Over 3000 individual engagement activities delivered

18,587

Visits to community and local energy web pages

46

Newsletters and engagement emails shared with over 377 stakeholders

23

Community Connects events held, attended by over 1000 people

£400K

allocated to
Powering our
Communities fund
grants

projects supported with a Powering our Communities Fund grant

Winners of the Utility Week Award Community Investor Award, 2022 Strategic
Innovation Fund
projects
developed with
two community
energy
organisations









What our stakeholders have told us

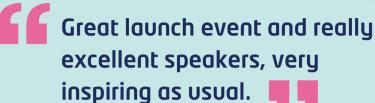




I really appreciate how responsive and engaged Electricity North West have been to help with grid queries. It's great to work with people who are keen to find solutions to the knotty problems we all come across so often on our complex quest for Net Zero!

North West local authority rep





Grant recipient, Cumbria









ACTION PLAN PROGRESS REPORT 2017-23

We successfully established 25 commitments to bolster the development of community and local energy. This table serves as a comprehensive update on our progress, and we are proud to report that all 25 actions are either completed or currently in progress.

Action No	Details	Progress to March 2023
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.	Dedicated community energy manager in post since October 2017
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 for us to engage with the sector to develop our understanding of the issues it is facing.	Minimum of 3 events have been delivered in every year since 2017; 377 people in circulation list by end March 2023.
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.	Year on year increase in website traffic; Community and local energy pages re-written in 2021 based on customer research to make it focus on advice and support for communities.
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.	Minimum of four newsletters have been delivered annually; website has been re-developed to focus on promoting advice and support including case studies and guides.
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	Campaign launched to promote Electricity North West support to all the communities in the North West
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.	Year on year increase in the number of enquiries received, over 2000 enquiries handled by our community and local energy team throughout ED1.
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.	Plain English glossary published.









Action NO	Details	Progress to March 2023
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.	We have dedicated support for early project development and pre-application support through our newly created <u>PACE team</u> .
9	We will improve access to Network Information; We will produce and publish training material for use of our new GIS functionality.	Completed in 2020
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.	Our business plan for the 2023-2028 centres around leading the North West to net zero, committing to making sure the network is not a barrier to low carbon technologies.
11	As part of our Leading the North West to net zero 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.	We have set a Science Based Target for our Business Carbon Footprint to include our Scope 3 emissions, further details can be viewed in our <u>Environmental Action Plan.</u>
12	We will provide regular updates, via presentations at workshops and/or newsletters on our Leading the North West to net zero Plan. We will share learning from our case studies, e.g. our zero carbon buildings.	The Go Net Zero section of our website contains lots of information to help business customers and communities.
13	We will consult on our updated distribution system operation (DSO) strategy and our plans for digitalisation and data access.	We consulted extensively as part of the creation of our DSO Transition Plan and we remain open to stakeholder feedback. Get in touch via our webform









Action No	Details	Progress to March 2023
14	We will continue to deliver seed funding groups through our Powering our Communities fund which is targeted at addressing the main issues our stakeholders are facing, particularly developing new ways of working.	In total we have provided over £400,000 funding to 33 projects.
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 Electricity North West.	Held a call for innovation projects in June 2022 and submitted two Strategic Innovation Fund bids in partnership with community energy organisations in November 2022.
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.	Our Community Connects events provide a forum for learning from other groups and networking.
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 Network Innovation Allowance (NIA) and Network Innovation Competition (NIC) funded projects.	We are looking for external partners for innovation projects please get in touch with us if you have an idea you would like to discuss.
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.	Tenders for flexible services are published twice a year. Further details can be found on our website.
19	We will investigate the viability of purchasing community and local energy.	We are looking for partners to provide renewable energy to our sites.









Action No	Details	Progress to March 2023
20	We will pilot working in partnership with a community energy group to deliver a project at one of our sites.	We are in the process of formalising a partnership with a community energy business to provide solar PV to at least one of our depots.
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.	Four regulation and policy updates produced annually; 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.	In consultation with stakeholders we developed proposals to support community and local energy in ED2 as part of our business plan submission.
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.	Community and local energy proposals were submitted as part of the our ED2 business plan. <u>Annex 5: Community and local energy support</u>
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.	Community and local energy proposals were submitted as part of the our ED2 business plan. Our community energy manager is on the board of Community Energy England and is interim-chair.









8. Future plans

In 2023 we will publish our RIIO-ED2 Community and Local Energy Strategy, aiming to provide a comprehensive and well-thought-out plan for the enhancement of community and local energy across our region.

It will focus on embedding support for community and local energy groups as business as usual to make sure all our communities get the support they need.

Our commitment to creating a sustainable future is reflected in our plans to scale up the Powering our Communities fund. By doing so, we aim to enable more communities to get involved with the net zero energy transition.



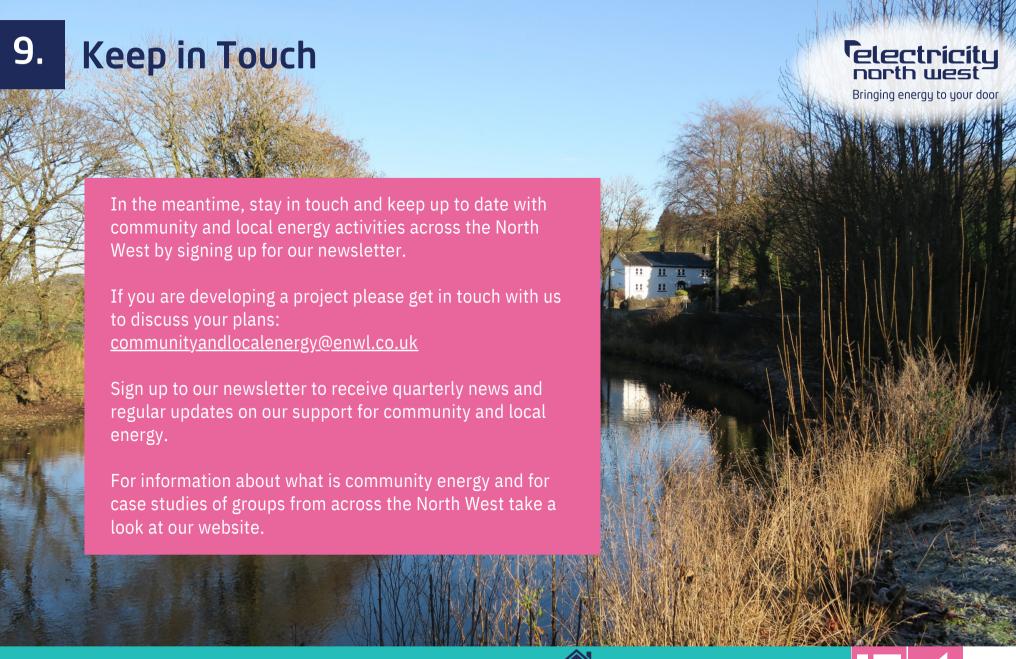






















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