

# The Co-operative Community Energy Challenge

Winners' newsletter - final reports



**Welcome to the final newsletter of the Co-operative Community Energy Challenge!**

We wanted to give a final update on how each of the seven 'Challenge' community groups has fared with their local renewable energy projects over the past two years and highlight some of the valuable lessons learned from their endeavours.

The Challenge was launched back in June 2012 following a collaboration between the Co-operative and the Centre for Sustainable Energy, with the aim of identifying and supporting replicable community energy schemes that could demonstrate a range of sustainable technologies and the benefits of community ownership. At the time of the launch, the seven successful groups had already come a long way in being selected from a total of 124 applicants following a competitive evaluation process. The Challenge then boosted their efforts through grant funding, support and expert advice through the period up to April 2014.

Community energy is still not widely implemented in the UK and the groups have faced many hurdles along the way. Indeed, not all the projects have continued towards completion or have progressed as expected but the Challenge has nonetheless seen many successes and achievements, with each group helping to break down barriers and raise awareness of community energy within their communities. It's been great to work with all of these groups, and we would like to congratulate each one on their efforts and wish those with ongoing projects every success for the future.

*The Co-operative and the Centre for Sustainable Energy*



Photos (clockwise from top left): ARC, Brendon Energy, Quiet Solar Highways, Transition Belper



# HYDRO

## Abergwyngregyn Regeneration Company (ARC)

This North Wales community group is working with the National Trust to investigate a hydro project on the Anafon River. The high-head hydro would have a fall of 230m from intake to turbine, and offers the potential to sustain a 500kW turbine.

The group still has ongoing lease issues with the National Trust, predominantly down to the slow progress being made, but they now have a favourable agreement with Natural Resource Wales. The share issue aims to raise £400,000 of the estimated £1.3M construction costs. The remainder of the cost will be met by loan funding and discussions have been initiated with Triodos and the Charity Bank, both of whom have offered the group the required loan. The group hopes to appoint contractors in autumn 2014, with the aim of having the system running by November 2015.

"Winning the Co-op Community Energy Challenge has raised the profile of our project and has attracted support from organisations promoting the development of renewable energy projects, the media and the local and wider community. This has led to access to advice on management structures and on capital finance for the project, including our proposed community share issue.

In addition to the direct grant of £11,000 from the Co-op Challenge, winning has strengthened our applications for funding from other sources. For example, access to this funding, together with ARC's own resources, enabled us to secure our grid connection agreement with Scottish Power when we were threatened, at very short notice, with a potential 20% reduction in our allocation.

The biggest challenge we have faced in the project so far has been the protracted process of negotiation of leases with the two landowners, both public bodies, on whose holdings the hydro is to be built. These delays have had serious knock-on effects - they now threaten to put us at risk of missing the deadline for registration with Ofgem before the next reduction in FIT anticipated in September 2014 which would severely compromise the project's financial viability.

Another unexpected aspect of these lease negotiations is that one landowner has been reluctant to make any

allowance for the fact that we are a community project and has treated us in the same way as commercial operators.

It could be said that the greatest triumph so far has been our resolve to carry the project forward in the face of the obstacles, inflexibility and bureaucracy we have encountered. Despite these disappointments and frustrations, we have managed to retain the unanimous support of our community."







## Transition Belper / ADVyCE

This group is exploring and developing community-owned and run hydro power projects in the Derwent Valley corridor between Cromford and Derby. They formed an IPS specifically for renewable energy projects, called Amber & Derwent Valley Community Energy (ADVyCE)

Their initial feasibility study is complete, but progress has been slow with a five-month review of the Pre-Application by the Environment Agency.

ADVyCE are currently in the process of applying for support under the Rural Community Energy Fund to explore four alternative options in more detail, and they have been going through a tender process to find the best consultants to work with. If they are successful with their funding it will help them to select the best hydro option. Over the summer the group is attending a range of events to try and recruit more members.

“The Co-op challenge has allowed an enthusiastic and committed group of volunteers to turn a great idea into a real project. Working through the various legal organisational structures with advice from Co-operatives UK we are now in a position where Transition Belper is now a legal entity and charity and we have also set up the IPS for the benefit of the community, Amber & Derwent Valley Community Energy (ADVyCE) Ltd to deliver our Hydro Project in Ambergate.

Preparing for the Co-op challenge and presentation confirmed the teams commitment and individual qualities each member brought to the team. As one of the winners of the challenge we gained considerable confidence and also support from the local media, which continues today. Being a Co-op Challenge winner immediately gave the project team credibility, particularly with the landowner and other regulatory bodies and authorities. We are now in talks with other local landowners about other potential hydro projects.

The funds allowed us to update an old site feasibility study and carry out a fisheries assessment, which in turn allowed us to complete the EA Pre-Application thoroughly. This progress could not have been made without the Co-op challenge funds.

The biggest challenge continues to be maintaining the level of effort required to progress this complex project as volunteers, juggling the many other demands on time (including other similar Transition projects and

roles). The most frustrating element of this is the effort and time consumed in our dealings with the Environment Agency, which we understand is common among all similar Hydro Power projects.

In terms of triumphs, I think the response we get from individuals, institutions and organisations when we talk about the project and opportunity gives us a repeated lift. Also, after 4 months of chasing up, receiving a response from the EA from our Pre-Application and seeing that they had considered our project using the extensive information we had worked on in such a sensible and supportive manner will enable the project to move forward, subject to further funding sourcing, promptly.”





## Brendon Energy

Brendon Energy is an IPS who aimed to set up 3-6 wind turbines (generating a total 1.5MW) for the benefit of ten rural parishes around Wiveliscombe, Somerset. In the end, the group decided not to continue with the wind turbine project due to the constraints of the local electricity grid, and continued lobbying from a local anti-wind group.

Since October 2013 Brendon Energy have launched a second share offer for solar installations on three community buildings in the area, as well as a website on local energy matters and a solar club to obtain bulk-buying discounts for solar PV installations.

“Support from the Co-op Challenge was very helpful in allowing us to find out more about the constraints facing our project, particularly through the study on local aviation and radar and the survey on local opinions. The GIS mapping of housing distances was also very helpful.

We found more constraints than we expected from radar, grid connection costs and opposition from some sections of the local community. Unfortunately each of these made it difficult to proceed with our project. However, we learnt a lot about the challenges faced. We also found the training on working effectively with community groups helpful and it would have been better to have had this earlier in the process.

Our biggest triumph was our survey showing that more people supported a local wind project than opposed it, but this also highlighted that we had not done enough to engage with the latter and this may always have been very difficult in our circumstances. The Co-op Challenge made a difference in giving access to expert help and advice that we would not otherwise have been able to afford.”

## Fyne Futures / Bute Community Power

Following community consultation, Fyne Futures – based on the Isle of Bute, Scotland – supported the set-up of a separate legal entity to take the community-owned wind power project forward. The new body is an IPS called Bute Community Power.

When negotiations with the local authority – the owners of the preferred site – stalled the group focussed on another site, owned by a local farmer who is interested in renewable energy and the rental income of housing the turbines. The group has secured an exclusivity agreement and secured CARES loan funding to take the project through to planning. Meanwhile publicity material is being prepared ahead of the share offer launch.

“The assistance from the Co-operative Community Energy Challenge was key in terms of actualising the project, establishing a legal entity to represent the project and initiate negotiation with landowners. Although much work has been done over the project period, there has been more intense activity in the last year due to the Co-operative's assistance in supporting project management.

As well as funding a dedicated project manager to follow-up and complete the required tasks, the CEC was instrumental in enabling the project to register as a Community Benefit Society. This assistance (both financial and recommendations) facilitated an easy registration with the Financial Services Authority.

Having a dedicated manager made engagement with the local authority easier, and in turn allowed the project concept to be lodged with the local planning authority for pre-planning assessment, and to begin the statutory consultation process. The local council was the landowner of the preferred site and it took several months to elicit the correct parties to consult.

The key learning point is that good progress is only achieved by fulltime dedicated staff. A second lesson is that working with both local and national government takes time and that until promised agreements are obtained in writing that those agreements cannot be relied on to push through.”





## Sustainable Oakenshaw

This group in County Durham wanted to create a community-owned wind project that brings an income to the local community.

Planning and development went very well, but at a late stage in 2013, the landowner decided he wished to finance and own the project himself. In recognition of all the work the group had done to obtain planning permission and gain public support, they negotiated an arrangement with him that he would donate a lump sum to Oakenshaw Community Association (this was to be the main beneficiary of a community owned project) and that he would make an annual donation over the 20 years of the project. The group and the community is very happy with this arrangement, as the landowner now carries all the financial risk and his agents undertake all the development work. This has included fast-tracking the construction process so that the turbine will be in place later this year before the reduction in FIT.

“We had reached a point of being nearly there but having insufficient funds to continue to the final stage of having a community wind turbine. The Co-op Challenge solved this problem for us and enabled us to reach the final stage.

There have been challenges at each stage of the process. The first was to obtain the backing of the community to have a large, very visible wind turbine close to the village. We held a series of public meetings and held village household surveys. This resulted in us moving the site to accommodate the views given and this enabled us to address those concerns so effectively that there were no objections to the planning permission when submitted. We were told this is almost unprecedented.

The next challenge was to raise the funding necessary to carry out all the preliminary work related to the site to satisfy the planners requirements and the feasibility of the project. The costs of this were considerable but we were successful in this.

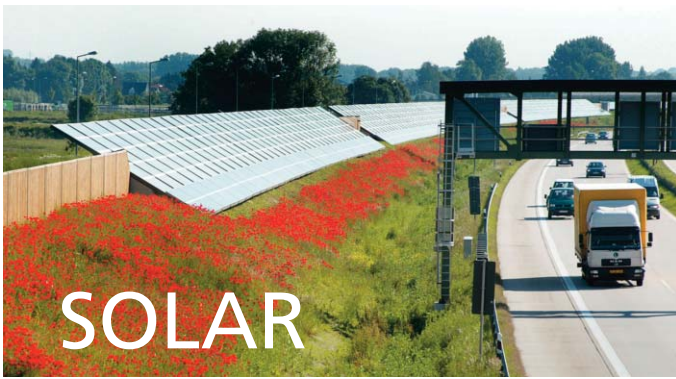
The legal costs of negotiating an agreement with the landowner were much higher than we had imagined. It also became tied into raising the capital costs as we were offered a loan of a million pounds but clearly the lender wanted to ensure due diligence and this required amending the contract through a lengthy process.

When the landowner finally decided to finance it himself, this may have been partly due to the complications of this negotiation.

The next challenge was to negotiate a new agreement with the landowner without the community ownership model. This also took several months even though there was great pressure on for a rapid conclusion to meet the construction target of December 2014. Part of the delay was that we had to again hold a series of events to ensure the community still wished us to proceed under the new arrangements. A household referendum demonstrated very high support and thus we released the planning application for the Enercon 48.

The final challenge is now working with our community to develop an action plan for expenditure of the money we now have in the bank and the donations to come. This process is now ongoing but time consuming.

Each hurdle overcome has been surrounded with stress for those closely involved but also exciting and we await the erection of the turbine later this year. It will also be exciting to see the improvements to the community over the coming years as the income is hopefully well spent.”



## M40 Chilterns Environment Group / Quiet Solar Highways

This group in Buckinghamshire wants to site solar-enabled motorway noise barriers (PVNBs) at locations along the M40 between junctions 3 and 8, cutting road noise and simultaneously generating around 2MW of power for local communities.

They have now registered Quiet Solar Highways Ltd as an IPS. They undertook detailed design studies at two possible sites, following a joint feasibility study with the Highways Agency (HA) and local authority of 14 possible sites in 2013.

There will be three streams of activity led by HA for the next 12–18 months. The first will involve a competition to inspire innovation in the field and will qualify a range of PVNB products for use in UK. The second will develop an implementation programme for the locations in question. The third stream involves procurement of PVNBs along the M40. The HA wants M40CEG to participate in the relevant streams of these activities. We may ultimately see PVNBs implemented nationwide.

“The award gave us confidence in our basic concept, which had not then been validated. It also brought credibility in our subsequent partnership with the Highways Agency and Wycombe District Council. Funding from the Challenge enabled us to engage consultants, without whom studies could not have been undertaken. In all honesty, activities triggered by the award (and by CSE’s mentoring) would not otherwise have occurred.

The major challenge now will be to embed community values and benefits in the next stage of the programme, including those which would become relevant to a community-led programme.”

## Wey Valley Woodfuel

This Surrey co-operative aimed to provide biomass boilers (4kW to 1MW) and locally-sourced wood fuel to local organisations and public buildings.

The group’s first wood fuel project will be Care Ashore on the Springbok Estate. The plan is to install two 199 kW Hertz biomass boilers in a new boiler house. DouchBiomass (their technical partner) will also build an underground wood chip store. The boilers will be linked up to a district heating system which will heat the main house, annex and mews, and around 14 other residential buildings on the Springbok Estate.

Full planning application has now been submitted. WVWF plan to launch a share offer at the end of June 2014. They will then work with the Care Ashore to get a woodland management plan completed, to ensure the sustainable supply of local wood fuel.

“Having access to the finance to help pay for things like expert advice and planning has probably been our greatest benefit from the Challenge. We have also benefited from the marketing profile/endorsement from Co-op challenge as we don't have that kind of expertise in our group. It has helped having an organisation like CSE behind us to try and keep us more focussed and perhaps chivvying us along.

Presenting to the Co-op board and going through the whole process helped us to clarify our thoughts.

Our biggest challenge was finding suitable sites and then getting them to say yes to the project. Our biggest triumph so far has been getting Care Ashore (formerly the Merchant Seamen's War Memorial Society) on the Springbok Estate to sign up as our first project.”



3 St Peter's Court  
Bedminster Parade  
Bristol  
BS3 4AQ

0117 934 1400  
www.cse.org.uk  
Charity 298740  
Founded 1979

The Centre for Sustainable Energy (CSE) is a national charity that helps people change the way they think and act on energy