The launch of the Rural Community Renewable Energy Fund for England is now imminent; you may have already seen more information about the scheme from WRAP if you pre-registered through the Defra website over the last few months.

Having originally proposed the scheme to government, CSE has been closely involved in the development and design of this scheme with Defra and DECC. We are confident that it offers a more sustainable and practical support mechanism for community-led energy projects than many previous government support schemes, (particularly the uncompetitive element and the lack of rushed timetable!). It’s also the first time a support scheme has focused specifically on supporting communities to establish larger renewable energy projects.

Please note that WRAP are managing the fund. Any administrative enquiries or requests for further detail on the fund should be directed to them. However, CSE has put this briefing sheet together for those communities on our contacts list. We hope you find that it answers some of your initial questions and encourages you to think about whether it is something which could support you to realise your ambitions. Please do send it on to others if you think they might find it useful.

Key elements that you should be aware of are:

- Eligibility for the fund is based on whether this website shows your project location as being in a rural area. If your project postcode is located in an urban area (grey shading) it will not be eligible. But if your project postcode is in any other classification (village, hamlet, town and fringe) it will be eligible.
- The fund has two stages. Stage 1 funding is a grant of up to £20,000, to be used for initial feasibility reports. Stage 2 funding is a loan of up to £130,000, to be used for detailed business planning and planning application costs.
- The Stage 2 loan funding is repayable, with a premium. You only have to pay back the loan at the point at which you secure funding for the physical development of the project, and you would roll-up the costs of the premium into that development capital.
- Because neither the grant nor the loan are for the capital costs of actually building your renewable energy installations, they should still be eligible for tariffs such as the RHI and FIT.
- The fund is non-competitive. This means your bid is assessed on its own merits and not against a pool of others, or up against a deadline. This is achievable because the scheme is designed to ‘recycle’ its own funds, as the loans are all repaid with the premium.
- The fund is designed to support ambitious, large-scale renewable energy projects. Although the guidance does not absolutely specify installation size or project cost, you should be aware that it has not been designed to support small PV arrays on schools and village halls (though it might conceivably support a project aggregating a large number of these into a single approach). Below we have drawn up a guide to give you a very rough ready reckoner for projects that would be in the million-pound scale.

While it may seem counter-intuitive, the fund will support projects that use fossil-fuelled elements. However, there must be a clear benefit in doing so in terms of carbon savings for the scheme as a whole and when measured against the ‘business-as-usual’ scenario for that community. Examples of
projects with a fossil fuel element that could be considered are outlined below:

- Some rural communities are located near to installations utilising fossil fuels to generate electricity, where the heat is currently wasted. Such communities could apply to this fund to make better use of this waste heat and thus help to improve the overall carbon balance of that installation.

- Some rural communities wish to use a combination of renewable energy technologies but require a fossil-fuelled back up system. For example, remote communities not connected to the grid may currently be using a diesel generator for 100% of their power. By installing, for example, a combination of wind, solar and biomass with a small back-up diesel generator, overall fossil fuel use in such a system could be significantly reduced.

Hopefully you have already registered your interest in this scheme directly through Defra’s website (we sent a link round to this several months ago) or more recently with WRAP. If not, we encourage you to do so as soon as you can – contact renewables@wrap.org.uk. The details could still change before the launch, so make sure you are registered with them for updates.

Remember, CSE can offer some support services under either the grant or loan elements of this fund, and we are happy to talk to you to see if there is anything we can usefully offer your project. In particular, we are very good at providing candid advice and a voice of reason to help ensure your project is ‘grounded’, and we could be useful to you in helping to identify and bring together all the different support you will need, such as planning and technical experts, business planning and financial expertise. We can help you appoint the appropriate specialists for different stages of your project, and give you advice and support with overall project planning.

Contact communities@cse.org.uk or call 0117 934 1400 and ask to speak to the communities team if you would like to talk it through.
Likely scale of project - additional guidance on estimating scale of £1m projects

Assume a community building to be equivalent to three houses.

Wind - 2MW minimum.

Hydro - 75kW minimum.

AD / CHP - almost certainly over £1m in all cases, but as a guide: 250kW min. for heat + power, 500kW min. if electricity only.

Solar - 450kW minimum. (assume 2kW/house and some economy of scale)

Heat pumps - 1,800kW minimum ASHP (150 homes), 1,200kW minimum GSHP (100 homes). This assumes 12kW per house at £8K for ASPH and £12K for GSHP with some economies of scale.

Tidal - unknown, but not likely to be less than £1 million, issue will be the cost benefit given that no FIT/RHI benefit

Geothermal - unknown, but not likely to be less than £1 million, issue will be the cost benefit given that no FIT/RHI benefit

Biomass/other renewable heat - 20 houses min.