



Department
of Energy &
Climate Change

Consultation on support for community energy projects under the Feed-in Tariffs Scheme

Part A – Introduction and estimates of deployment

URN: 14D/121 May 2014

Department of Energy and Climate Change
3 Whitehall Place
London
SW1A 2AW

Website: www.gov.uk/decc

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For further information on this consultation, contact:

Renewables Delivery Team
Department of Energy and Climate Change
Area 2C
3 Whitehall Place
London
SW1A 2AW

Email: communityfits@decc.gsi.gov.uk

Tel: 0300 068 6194 for enquiries on part A and B

Tel 0300 068 6182 for enquiries on part A and C

The consultation and Impact Assessment can be found on DECC's website:

<https://www.gov.uk/government/consultations/support-for-community-energy-projects-under-the-feed-in-tariffs-scheme>

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General information

Purpose of this consultation

The Community Energy Strategy set out the main barriers to community energy activity and the actions that needed to be taken to help realise the potential of community energy. This consultation takes forward two actions in relation to renewable electricity generation under the Feed-in Tariffs (FITs) Scheme. The consultation is made up of the following parts:

- **Part A** sets out the introduction and seeks views on current and future renewable electricity deployment by community groups;
- **Part B** seeks views on proposals for implementing the powers in the Energy Act 2013 to increase the maximum specified capacity ceiling for eligible community projects from 5MW to 10MW. It also includes consideration of the definition of “community organisation”; and
- **Part C** seeks views on proposals to change our policy to enable community groups to combine FITs and grants.

The consultation is relevant to community energy groups, renewable electricity generators, electricity suppliers, electricity consumers and their representatives, network operators, Ofgem, financial institutions and other stakeholders with an interest in community energy

Issued: 13 May 2014

Respond by: 7 July 2014

Enquiries to:

Renewables Delivery Team
Department of Energy and Climate Change
Area 2C
3 Whitehall Place
London
SW1A 2AW

Email: communityfits@decc.gsi.gov.uk

Tel: 0300 068 6194 for enquiries on part A and B

Tel 0300 068 6182 for enquiries on part A and C

Consultation reference:

Consultation on support for community energy projects under the Feed-in Tariffs Scheme:

- Part A: Introduction and estimates of deployment - URN 14D/121
- Part B: Increasing the maximum specified capacity ceiling for eligible community projects from 5MW to 10MW - URN 14D/024
- Part C: Combining Feed-in Tariffs and grants - URN 14D/122

Territorial extent:

The Feed-in Tariffs Scheme applies only to Great Britain. Any changes following this consultation will apply in England, Scotland and Wales only.

How to respond:

Please respond using the following templates that are published on the DECC website alongside this consultation document:

- Response to the Consultation on support for community energy projects under the Feed-in Tariffs Scheme;
- Cost evidence for the Consultation on support for community energy projects under the Feed-in Tariffs Scheme.

Your response will most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome. Responses to the consultation should be in electronic format and sent to the email address above.

Additional copies:

You may make copies of this document without seeking permission. An electronic version can be found at: <https://www.gov.uk/government/consultations/support-for-community-energy-projects-under-the-feed-in-tariffs-scheme>

Other versions of the document in Braille, large print or audio-cassette are available on request. This includes a Welsh version. Please contact us under the above details to request alternative versions.

Confidentiality and data protection:

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information legislation (primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).

If you want information that you provide to be treated as confidential please say so clearly in writing when you send your response to the consultation. It would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.

We will summarise all responses and place this summary on our website at <https://www.gov.uk/government/consultations/support-for-community-energy-projects-under-the-feed-in-tariffs-scheme> . This summary will include a list of names or organisations that responded but not people's personal names, addresses or other contact details.

Quality assurance:

This consultation has been carried out in accordance with the Government's Consultation Principles, which can be found at:

<http://www.cabinetoffice.gov.uk/sites/default/files/resources/Consultation-Principles.pdf>

If you have any complaints about the consultation process (as opposed to comments about the issues which are the subject of the consultation) please address them to:

DECC Consultation Co-ordinator
3 Whitehall Place
London SW1A 2AW
Email: consultation.coordinator@decc.gsi.gov.uk

1. Executive summary

Support for community energy

- 1.1. The Government's Community Energy Strategy, published in January 2014¹, is clear that community involvement in generating electricity – whether through fully community-owned projects or part community ownership of larger commercial projects – can contribute to our goals of decarbonising and diversifying the power sector. It can help meet the UK's 15% renewable energy target, reduce the costs of energy bills and create local new jobs and investment.
- 1.2. The Strategy sets out the main barriers to community energy activity and the actions that need to be taken to help realise the potential of community energy. This consultation on the Feed-in Tariffs (FITs) Scheme takes forward the following two actions in relation to renewable electricity generation:
 - To consider the practicalities of using the powers in the Energy Act 2013 to increase the maximum capacity for community energy projects in the FITs Scheme from 5MW to 10MW; and
 - To look at how we might change our policy to enable community groups to combine FITs and grants.

Structure of this consultation

- 1.3. The consultation is in three parts:
 - Part A: Introduction and estimates of deployment;
 - Part B: Increasing the maximum specified capacity ceiling for community projects from 5MW to 10MW;
 - Part C: Combining Feed-in Tariffs and grants.
- 1.4. This document is Part A of the consultation and sets out background information that is relevant to both Parts B and C. It explains the importance of community energy, and sets out the current financial support, costs and interdependencies. It seeks views on our analysis of current community renewable electricity deployment and future potential, plus the impact of the proposed actions on deployment.
- 1.5. For the sake of simplicity, we use the general term “community energy group” in this consultation. This means a group that complies with the definition of a “community organisation” as set out in section 4 of Part B of the consultation.

¹ The Community Energy Strategy (January 2014) is at : <https://www.gov.uk/government/publications/community-energy-strategy>

2. Introduction

The importance of community energy

- 2.1. The Government's Community Energy Strategy, published in January 2014, is clear that community involvement in generating electricity – whether through fully community-owned projects or part community ownership of larger commercial projects – can contribute to our goals of decarbonising and diversifying the power sector. It can help meet the UK's 15% renewable energy target, reduce the costs of energy bills and create new local jobs and investment.
- 2.2. There are also wider benefits. Community-led action can often tackle challenges more effectively than Government alone. Developing solutions to meet local needs, and involving local people can help strengthen and benefit communities. For example, some community energy groups have used income from energy generation to fund energy savings measures or further renewable energy projects in their local area. In some cases, increased community ownership could help reduce barriers to deployment of some renewable electricity technologies. For large projects, offering communities the chance for a share in ownership can often strengthen local support for new energy infrastructure, which in turn can help unlock the additional external investment needed to build the new renewable electricity developments which will help to meet our renewable targets and increase security of energy supply.
- 2.3. Renewable community energy is a small and developing sector and only a small amount of registered community-owned renewable electricity generation is currently in operation in the UK when compared to the overall installed renewable electricity generation capacity.
- 2.4. Evidence collected through the June 2013 call for evidence on the Community Energy Strategy², and submitted to an Energy and Climate Change Committee enquiry into Local Energy in August 2013³, suggested that market based support schemes, such as the Renewables Obligation (RO) or the future Contracts for Difference (CfDs) under the Electricity Market Reform (EMR) are not suitable for small and medium sized community projects. These community groups tend to be made up of individuals, often acting on a voluntary basis. They are not used to operating in the energy market and there is evidence to suggest that they may find it harder to attract external investment in the absence of a long term guaranteed income stream.
- 2.5. The Community Energy Strategy set out the main barriers to community energy activity and the actions that needed to be taken to help realise the potential of community energy. This consultation takes forward the following two actions in relation to renewable electricity generation under the Feed-in Tariffs (FITs) Scheme:

² Community Energy Call for Evidence (June 2013) is at:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207920/community_energy_call_for_evidence.pdf

³ House of Commons Energy and Climate Change Committee- Local Energy – Sixth Report of Session 2013/2014 (Paragraphs 47 – 49 cover PPAs and 57- 58 CfDs) is at:
<http://www.publications.parliament.uk/pa/cm201314/cmselect/cmenergy/180/180.pdf>

- To consider the practicalities of using the powers in the Energy Act 2013 to increase the maximum capacity for community energy projects in the FITs Scheme from 5MW to 10MW; and
- To look at how we might change our policy to enable community groups to combine FITs and grants.

Structure of the consultation document

2.6. The consultation is made up of the following parts:

- **Part A: Introduction and estimates of deployment.** This sets out background information that is relevant to both Parts B and C. It explains the importance of community energy, and sets out the current financial support, costs, interdependencies and EU State Aid issues. It seeks views on our analysis of current community renewable electricity deployment and future potential, plus the impact of the proposed actions on deployment;
- **Part B: Increasing the maximum specified capacity ceiling for community projects from 5MW to 10MW.** This seeks views on the practicalities of using the power in the Energy Act 2013 to increase the maximum capacity for community energy projects in the FITs scheme from 5MW to 10MW. It also includes consideration of the definition of “community organisation”;
- **Part C: Combining Feed-in Tariffs and grants.** This seeks views on proposals to expand the additional costs that could be combined with FITs payments for community energy projects up to 5MW.

The Feed-in Tariffs Scheme

- 2.7. The FITs scheme was launched in 2010 and is designed to promote take up of small-scale low-carbon electricity technologies by communities and the public in Great Britain up to a Specified Maximum Installed Capacity (SMIC) of 5MW. The FITs scheme has been a success since its launch, with 542,795 installations (2.63 GW capacity) registered at the end of March 2014⁴.
- 2.8. The FITs scheme works alongside the RO and the Renewable Heat Incentive (RHI) and creates an obligation for certain Licensed Electricity Suppliers to make tariff payments for the generation and export of renewable and low carbon electricity. Installations using solar photovoltaic (PV), wind, hydro and anaerobic digestion (AD) technologies up to a SMIC of 5MW and fossil fuel derived Combined Heat and Power (micro-CHP) up to 2kW (up to a maximum of 30,000 eligible installations) can receive FITs payments, providing all eligibility requirements are met.

Current support for community projects

- 2.9. Community electricity projects between 50 kW and 5MW can apply for support under either the RO or the FITs scheme.

⁴ Data derived from the ROO-FIT and MCS databases. See: <https://www.gov.uk/government/collections/feed-in-tariff-statistics>

2.10. Following publication of the Government Response to Consultation on “Comprehensive Review Phase 2B: Tariffs for non-PV technologies and scheme administration issues” in July 2012, Government introduced in December 2012, a package of changes to specifically support non-domestic solar PV community energy projects in the FITs. The key elements were:

- Creation of a definition of “community energy installation” which means “an eligible installation which is wired to provide electricity to a building which is not a dwelling; and in relation to which the FITs generator is a community organisation”;
- Creation of a definition of “community organisation” where the FITs generator is one of a range of small scale not-for-profit enterprises, namely Community Interest Companies, Cooperatives and Community Benefit Societies with less than 50 employees;
- Exempting solar PV projects from the minimum energy efficiency requirements where the FITs generator is a community organisation; they do still need to obtain an Energy Performance Certificate (EPC), but not at specific level;
- Putting in place a system of tariff guarantees for community energy installations with a declared net capacity not exceeding 50kW, similar to those provided for larger solar PV and onshore wind installations and all hydro and AD projects through preliminary accreditation under the so called “ROO- FIT process”⁵; and
- Setting tariffs for community projects at the same rates as ‘non community’ projects - given that there was no evidence to suggest that the cost of community projects differ – but making it possible for community energy projects to benefit from preferential tariffs in future, if we find that to be justified.

Costs and the Levy Control Framework

2.11. The Levy Control Framework⁶ sets annual limits on the overall costs of DECC’s levy funded policies: the RO, the FITs scheme, Warm Homes, Investment Contracts for the Final Investment Decision Enabling for Renewables process, and CfDs. In 2012 we agreed a £7.6 billion cap for 2020/21 for low carbon electricity support schemes. The upper limits to electricity policy levies are set out in Table 1 below. Implementation of the new policies proposed in the consultation will need to be cost neutral.

Table 1: Upper Limits to Electricity Policy Levies, 2011/12 prices

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
£4.30bn	£4.90bn	£5.60bn	£6.45bn	£7.00bn	£7.60bn

⁵ For further information on the ROO FIT process, see chapter 4 of Ofgem’s “Feed in Tariff: Guidance for renewable installations (Version 6) October 2013” at: <https://www.ofgem.gov.uk/publications-and-updates/feed-tariff-guidance-renewable-installations-version-6-october-2013>

⁶ HM Treasury is responsible for the Levy Control Framework. Its purpose is to make sure that DECC achieves its fuel poverty, energy and climate change goals in a way that is consistent with economic recovery and minimising the impact on consumer bills. Further information is at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48244/3290-control-fwork-decc-levyfunded-spending.pdf

- 2.12. There is no new funding available to support any additional net renewable electricity generation that might come forward between 2015 and 2020 as a result of the new policies proposed in this consultation. Affordability will therefore be a key consideration before deciding whether or not we could proceed with implementing these proposals.
- 2.13. Our policy aim is to encourage a shift in the ownership pattern from individual household-level generation to community ownership models at the small scale, and from commercial developers to communities at the medium and large scale in a way that enables us to ensure that costs remain within the existing LCF envelope. As a consequence, we would expect to see commercial developments that would have come forward under the RO or the forthcoming CfD regime become community owned or part community owned and move into the FITs scheme.
- 2.14. To ensure that we safeguard the LCF, we need to have a good understanding of the deployment potential of large scale community energy projects under the FITs scheme as well as the costs implications of making wider changes to the FITs scheme such as changes to the definition of community organisation.

Interdependencies

- 2.15. There are a large number of activities currently taking place to address the barriers to community energy deployment which may affect the final policy outcomes of the proposals in this consultation. These interdependencies are briefly set out below.

Changes to the RO and FITs schemes for solar PV

- 2.16. We are proposing alongside this consultation to close the RO across Great Britain to new solar PV capacity above 5MW⁷. This would apply from 1 April 2015, both to new stations and to additional capacity added to existing accredited stations after that date, where the station is, or would become, above 5MW. We propose to provide a grace period designed to protect solar developers that have made a significant financial commitment to projects on or before 13 May 2014. However, solar PV installations above 5MW in size will be eligible to apply for support under the new Contracts for Difference (CfD) auctions. The first allocation round is expected to open in October 2014.
- 2.17. We are also proposing to change the degression mechanism for solar PV between 50kW and 5MW⁸. Our preferred proposal is that the degression deployment triggers for the stand-alone and >50kW other than stand-alone are split, with 75% of the capacity under the existing trigger going to other than stand-alone solar PV of 50kW and above, and 25% going to stand-alone. This proposal aims to ensure that the tariff for other than stand-alone (usually building mounted) solar is not affected by any spike in deployment of stand-alone solar. Stand-alone installations will be able to continue deploying at a

⁷ See Part A of the consultation on “Controlling spending on large-scale solar PV within the Renewables Obligation” (May 2014) at: https://www.gov.uk/government/publications?departments%5B%5D=department-of-energy-climate-change&publication_filter_option=consultations

⁸ See Part B of the consultation on “Promoting the deployment of midscale building-mounted solar PV in the Feed-in Tariffs Scheme” (May 2014) at: https://www.gov.uk/government/publications?departments%5B%5D=department-of-energy-climate-change&publication_filter_option=consultations

moderate rate. This split will be reviewed in the comprehensive review of the FITs scheme planned for 2015 to ensure the ratio is still appropriate.

Community Right to Buy into Renewable Electricity

- 2.18. In addition, the Community Energy Strategy contained a commitment by the renewables industry, working closely with the community energy sector, to facilitate a substantial increase in the shared ownership of new, commercial onshore renewable electricity developments. We expect that in 2015 it should be the norm for communities to be offered the opportunity of some level of ownership of new, commercially developed onshore renewables projects. A Shared Ownership Taskforce, which includes members from the renewable energy industry and the community energy sector, has been established to agree a voluntary approach towards achieving this goal. They will report to the Secretary of State for Energy and Climate Change this summer.
- 2.19. The Strategy also states that we will review progress in 2015 and if this is limited, we will “consider requiring all developers to offer the opportunity of a shared ownership element to communities”. Our strong preference is that the voluntary approach to increasing shared ownership is successful. However, in order to establish the backstop in case the voluntary process fails to deliver, we intend to legislate as soon as parliamentary time allows. The powers could not be exercised before mid-2015 at the earliest because of the length of time needed for parliamentary processes, and would apply only to new projects. Our intention is that the enabling powers would allow a broad range of options on what we can require, but we would restrict the scope to: renewable electricity generation in Great Britain, new developments above a minimum size of at least 5MW; and expansions above a minimum size (of at least 5MW) of existing developments. If these powers were ever exercised, we would formally consult.

State Aid

Increasing the maximum specified capacity ceiling for community projects from 5MW to 10MW

- 2.20. There are a number of very difficult State aid issues which will impact on our ability to deliver the policies proposed in Part B of this consultation. These are discussed in Part B itself.

Combining Feed-in Tariffs and grants

- 2.21. The proposals in Part C of this consultation on combining FITs and grant are permitted under the current state aid approval for the FITs scheme. These proposed changes do not, therefore, represent a change to the existing scheme in terms of State aid approval.

Timing and Next Steps

- 2.22. This consultation closes on 7 July 2014 and we intend to publish a Government response confirming our final policy decisions later in 2014. Parts B and C explain the next steps following the Government response.

3. Deployment of community electricity projects

- 3.1. Community Energy remains a small and developing sector. Community electricity projects, particularly those between 50kW and 10MW, are still relatively uncommon in the UK, especially in comparison to the much higher levels of take up in countries such as Germany and Denmark. As such, information on current and potential deployment is relatively limited. One important objective of this consultation is to build up and validate our evidence base.

Operational projects

- 3.2. Independent analysis undertaken for the Community Energy Strategy set out in the report “Community Renewable Electricity Generation: Potential Sector Growth to 2020⁹” shows that at least 60 MW of wholly or partly owned community-owned renewable electricity generation capacity is currently in operation in the UK. This is made up mainly of onshore wind, solar PV and hydro projects and covers projects of all sizes (including capacity greater than 5MW).
- 3.3. Some further analysis¹⁰ of these figures shows that whilst there are 57 small scale solar PV, onshore wind and hydro projects in operation, they make up only around one quarter of the total capacity. The remaining three quarters is made up of five onshore wind projects and one solar PV project between 5MW and 10MW¹¹. Table 2 below provides a breakdown of operational projects.

Table 2 – Operational community electricity projects

Project Size	Total installed capacity (MW)	Number of projects
<5MW	17.85	57
5MW – 10MW	48.15	6
TOTAL COMMUNITY PROJECTS	66	63

- 3.4. Since the current community provisions were introduced into the FITs scheme in December 2012, Ofgem have reported receiving 144 applications for pre-registration of community energy installations with a DNC not exceeding 50kW, of which 46 have been

⁹ Community Renewable Electricity Generation: Potential Sector Growth to 2020, January 2014 is at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/274746/20140108_Community_Energy_Modelling_FinalReportJan.pdf

¹⁰ Figures used in Community Energy Strategy research have been reviewed against the Renewables Energy Planning Data base and Renewables Obligation Certificate Register – data as at end December 2013, downloaded in February 2014.

¹¹ These comprise 5 onshore wind projects (which were registered between 2008 and 2013) are being supported through the RO and one standalone 5MW solar PV project, supported under the FITs scheme.

granted. Total capacity of the 144 community energy installations to have applied is 4456kW. No preliminary accreditation applications (for installations with DNC >50kW) have been received from community organisations looking to benefit from the EPC level D requirement relaxation.

- 3.5. While some of this capacity is likely to have been captured in Table 2 above, it is very plausible that some of this capacity is additional. This capacity might, for example, not have been captured by DECC's Renewable Energy Planning Database (REPD)¹² if it was categorised as Permitted Development.

Projects in the pipeline

- 3.6. Analysis of the independent community energy strategy research and the REPD suggests that as at end of January 2014, there was a total of 239 MW of community projects of all sizes in the pipeline. This includes projects that are in planning and under development but not in scoping. Of this 80.8 % (193.1 MW) is < 5MW, while 19.2% (45.9 MW) is >5MW but less than or equal to 10MW. All projects in the pipeline at the 5-10MW scale are onshore wind developments situated in England and Scotland. At present there are no known community AD, hydro or solar PV projects in the pipeline at this scale.

Table 3 – Community projects in the planning and development pipeline

Project Band	Total capacity in pipeline (In planning system or under construction) (MW)	Number of projects
<5MW	193.1	74
5MW – 10MW	45.9	7
TOTAL COMMUNITY PROJECTS	239.0	81

- 3.7. These figures compare to over 1.7GW¹³ of total renewable electricity projects at the 5MW to 10MW scale in the planning pipeline or under development of which around 55% of capacity is onshore wind, 43% solar PV, 1.6% AD and less than 1% hydro. Further details are set out in Annex B, Table 1.

Deployment potential

- 3.8. Independent modelling carried out for the Community Energy Strategy suggested that by 2020, community electricity could generate between 0.5GW and 3GW (central estimate 0.6GW) from a mixture of solar PV, onshore wind and hydro projects – representing between 2.2% and 14% of the total installed capacity of these technologies, and between 0.2% and 1.3% of the UK's entire electricity production in 2020. It concluded that beyond 2020, community electricity has the potential to make an even greater contribution.

¹² DECC's Renewable Energy Planning Database (REPD) is at: <https://restats.decc.gov.uk/cms/planning-database/>

¹³ Based on information as at end December 2013, extracted from REPD database in February 2014

- 3.9. The modelling did not include any assumptions about policy, including the impact of increasing the maximum capacity ceiling for community projects under the FITs scheme from 5-10MW. Further details of the modelling approach are set out in Chapter 2 of the report “Community Renewable Electricity Generation: Potential Sector Growth to 2020- Methodology, Detailed Assumptions and Summary of Results - January 2014”¹⁴
- 3.10. While this work highlighted that accurately forecasting the deployment of Community Energy is very problematic given the lack of information, it did suggest that community energy would not represent new additional generating capacity on top of that we already expect to be deployed to 2020. Rather, it would mean a shift in the ownership model of this generating capacity, from commercial developers to communities (at the large scale) and from individual household-level generation to community. This is something that we are keen to explore as part of this consultation exercise to see whether the various proposed policies for increasing the maximum capacity ceiling (Part B of this consultation) and combining FITs and grants (Part C of this consultation) would result in:
- No change to the deployment profile of community energy projects;
 - A shift in the deployment profile of renewable energy projects with capacity that would have been deployed as commercial in nature coming forward as a community energy project;
 - New community energy capacity coming forward under the FIT scheme that would not otherwise have done so.
- 3.11. We are also keen to collect evidence on the likely impact of wider related policies on community projects at both the up to 5MW and the over 5MW to 10MW scales, taking into account the interdependencies discussed earlier.
- 3.12. **To help us gather this information, we have developed a ‘capacity matrix’ which can be found as part of the Response template published on the DECC website alongside this consultation document: For ease of reference, a specimen of the matrix is at Annex A.**

Modelling Deployment scenarios to 2020 for 5MW to 10MW projects

- 3.13. In the meantime, because there is a lack of information about the potential community energy pipeline, we have undertaken scenario analysis to estimate expected capacity of 5-10MW community projects coming forward as a result of the policies set out in Part B of this consultation. We have looked at two main options:
- **Option A – do nothing/** do not increase the specified maximum ceiling under the FITs scheme:
 - Around 140MW large scale community energy (i.e. between 5-10MW) comes forward but continues to be supported under RO/CfDs;
 - **Option B (lead option) – increase the specified maximum ceiling under the FITs scheme to 10MW:**

¹⁴ Community Renewable Electricity Generation: Potential Sector Growth to 2020- Methodology, Detailed Assumptions and Summary of Results, January 2014 is at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/274746/20140108_Community_Energy_Modelling_FinalReportJan.pdf

- Around 140 MW large scale community energy (i.e. between 5-10MW) comes forward under RO/CfDs and between 190MW (160MW solar PV and 30MW onshore wind) and 1360MW (1230MW solar PV and 130MW onshore wind) comes forward under FITs. The range is based on the assumptions that between 10-75% of pipeline solar PV projects and 10-50% of pipeline onshore wind projects (awaiting construction and projects at the pre-consent stage only), at the 5MW – 10MW capacity scale come through as community projects under FITs¹⁵;

3.14. These projections are not targets. We have looked at a wide range of deployment scenarios to enable us to assess the maximum possible cost impacts of the proposed policies. Further details on these scenarios and the assumptions and sensitivities around them are set out in the Impact Assessment accompanying this document. **As explained above, there are considerable uncertainties around these deployment projections and scenarios and we would welcome views on their validity, supported by evidence.**

Consultation Question	
A1.	Do you have any comments on the scenarios we have used to assess potential deployment of community projects? (You may wish to refer to the impact assessment when answering this question).
A2.	What impact on deployment of community energy under the FITs scheme do you think the changes proposed in Parts B and C of this consultation would have? Please provide this information in the 'capacity matrix' which is part of the Response template published on the DECC website alongside this consultation document.
A3.	What impact could wider community energy policies such as the 'community right to buy' and other measures set out in the Community Energy Strategy have on deployment of community electricity under the FITs scheme? Please provide this information in the 'capacity matrix' which is part of the Response template published on the DECC website alongside this consultation document.

¹⁵ Based on data from the Renewable Energy Planning Database (REPD) (as at 12 March 2014)

Annex A: Specimen of the matrix for capturing information on deployment impacts

Note - This copy is for illustrative purpose only and is not for use. The actual matrix is part of the response template that is published on the DECC website alongside this consultation document.

Matrix for capturing information on deployment impacts

- Please use this matrix to help answer Questions A2 and A3. We are looking for estimates of the number of projects and/or MW capacity of community projects that could be deployed by 2020 under the FITs scheme, as a result of the implementing the policies set out in Parts B and C of this consultation and wider interdependent policies.
- Please specify the information as it relates to individual technologies (i.e. community energy projects that are AD, hydro, onshore wind or solar PV). If it is not possible to provide actual figures, please use narrative text to describe the likely impacts of the various policies.

CAPACITY MATRIX				
	Shifting Capacity 0-5 MW	New Capacity 0-5 MW	Shifting Capacity at > 5 MW-10 MW	New Capacity at > 5 MW-10 MW
Impact of increasing the maximum specified capacity ceiling from 5 to 10 MW (as set out in Part B of this consultation)				
Impact of increasing the maximum specified capacity ceiling from 5 to 10 MW for eligible community projects, based on the proposed tariff and cost controls measures				
If possible, please specify how much of the total capacity entered above is:				
→ Capacity shifting from RO/CfD to FITs i.e. capacity shifts from deployment that would have occurred under the RO or CfDs but will now occur under the FITs scheme				
→ Capacity shifting within the FITs scheme (from smaller projects to larger community projects) e.g. community groups come together to bring forward an 8MW project rather than take forward a number of smaller individual projects				

	Shifting Capacity \uparrow 0-5-MW	New Capacity \uparrow 0-5-MW	Shifting Capacity at \geq 5MW-10-MW	New Capacity at \geq 5MW-10-MW
Impact of changes to the definition of 'community organisation' (as set out in Part B of this consultation).				
Impact of widening the definition to include "community bodies" under the terms of the Land Reform (Scotland) Act 2003				
Impact of widening the definition to include Companies Limited by Guarantee which are registered Charities or the wholly owned subsidiaries of such Charities				
Impact of changes to accommodate different community ownership models (as set out in Part B of this consultation).				
Impact of developing guidance on how to come to an agreement with a commercial developer with regard to the sharing of FITs payments				
Impact of partial ownership based on separate capacity, (creating an exemption to the 'site' rule which would allow Ofgem to treat the community owned infrastructure as a separate 'site' to the rest of the commercial infrastructure - but enable the community infrastructure to share a grid connection with the commercial part of the project if desired)				
Impact of combining FITs and grants (as set out in Part C of this consultation).				
Impact of expanding the definition of "reasonable additional costs" so that grants for these costs could be combined with FITs payments. (This applies only to projects up to 5MW.)				

Annex B: Information on community projects currently operational or in the planning pipeline

TABLE 1: DETAILS OF INDIVIDUAL COMMUNITY PROJECTS IN 5-10MW BAND

PROJECT NAME	TECHNOLOGY TYPE	CAPACITY (MW)	LOCATION (country)	STATUS	DETAILS OF SUPPORT
Lochcarnan/ Storis Uiblist	Wind	6.9	Scotland	Operational	RO – accredited 2013
Neilston	Wind	10.0	Scotland	Operational	RO accredited 2013
Westmill	Wind	6.5	England	Operational	RO accredited 2008
Allt Dearg	Wind	9.95	Scotland	Operational	RO accredited 2012
Corrimory	Wind	9.8	Scotland	Operational	RO accredited 2013
Westmill solar Co-op	Solar	5.0	England	Operational	FITs accredited in 2011 (and purchased by community in 2012)
Hopshiels	Wind	6.9	Scotland	Application submitted 2012	
Strondoire	Wind	6.0	Scotland	Consented 2013	
Slathwaite Moor	Wind	6.9	England	Application submitted 2013	
Norton	Wind	5.0	England	Application submitted 2012	
Bristol CE	Wind	5.2	England	Application submitted 2013	
Point and Sanwick Develop Trust	Wind	9.0	Scotland	Consented 2013	
Berwick Housing	Wind	6.9	Scotland	Consented 2013	

TABLE 2: OVERVIEW OF ALL RENEWABLE ELECTRICITY PROJECTS BETWEEN 5MW AND 10MW, AS AT END DECEMBER 2013¹⁶

(a) Projects in currently in operation

TECHNOLOGY	No of installations	Sum of capacity (MW)	% of total capacity
Anaerobic Digestion	2	16	1.75
Large Hydro	1	8	0.75
Solar Photovoltaics	34	225	25.00
Wind Onshore	86	655	72.50
Grand Total	123	904	100.00

(b) Future projects in the pipeline

TECHNOLOGY	No of installations	Sum of capacity (MW)	% of total capacity
Anaerobic Digestion	5	28.25	1.6%
Large Hydro	1	7.50	0.4%
Solar Photovoltaics	97	741.87	43%
Wind Onshore	117	945.90	55%
Grand Total	220	1723.52	100%

¹⁶ Extracted from REPD database in February 2014

Annex C: Catalogue of questions for Part A of the consultation

Consultation Question	
A1.	Do you have any comments on the scenarios we have used to assess potential deployment of community projects? (You may wish to refer to the impact assessment when answering this question).
Consultation Question	
A2.	What impact on deployment of community energy under the FITs scheme do you think the changes proposed in Parts B and C of this consultation would have? Please provide this information in the 'capacity matrix' which is part of the Response template published on the DECC website alongside this consultation document.
Consultation Question	
A3.	What impact could wider community energy policies such as the 'community right to buy' and other measures set out in the Community Energy Strategy have on deployment of community electricity under the FITs scheme? Please provide this information in the 'capacity matrix' which is part of the Response template published on the DECC website alongside this consultation document.

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Department of Energy & Climate Change
3 Whitehall Place
London SW1A 2HD
www.decc.gov.uk
URN: 14D/121