

The [Infrastructure Bill 2014/15](#) introduces a **Community Electricity Right**. This enables communities to be offered the chance to buy a stake in new, commercial renewable electricity schemes in their local area so that they can gain a greater share in the associated financial benefit.

Policy background:

- Greater community involvement is critical to achieving our goals to decarbonise the power sector; new approaches and partnerships are needed at a local level to ensure that we build on the good progress made to date.
- The [Community Energy Strategy](#) sets out a series of new measures to achieve this, including a vision that from 2015 it should be commonplace for communities to be offered the opportunity of some level of shared ownership of new commercial renewable energy schemes.
- The Strategy includes a commitment from the renewables industry to work with the community energy sector to achieve a **substantial increase in shared ownership** of renewables schemes through a [voluntary approach](#).
- The Community Electricity Right is a backstop power that would only be exercised if this voluntary approach is not successful.

Benefits of communities investing in renewable developments:

- Shared ownership of renewables provides the opportunity for communities to have a real stake and sense of ownership in renewable developments happening on their doorstep and in this way galvanise support.
- But shared ownership is not just about helping communities. Increasing community support for new projects through meaningful community ownership and control is critical for the future growth of renewables.
- More community involvement can translate to greater understanding, less opposition and a quicker, cheaper development process. This can only be for the good of both the renewables industry and the community energy sector.
- The measures included within the Infrastructure Bill guarantee this will happen. They will ensure that the offer of shared ownership of renewables to local communities becomes commonplace.

The Community Electricity Right:

- The Community Electricity Right measures create a broad enabling framework in primary legislation. If these powers were ever exercised they would require commercial renewable electricity developers to offer communities the chance to invest in new schemes being developed in their area.
- The powers could not be exercised before 1 June 2016. This is in order to give the voluntary approach time to take effect.
- A formal consultation would precede any decision to exercise the powers and would inform the details of secondary legislation.
- The powers would apply to new commercial renewable electricity schemes in Great Britain above a minimum threshold of 5MW installed capacity, and expansions of existing sites above this 5MW threshold.
- This includes solar, hydro, and onshore wind. There is also scope in future for offshore renewable projects to offer shared ownership opportunities to communities; however this would be on a longer timescale.
- The types of stake that could be offered by developers to the community include shares, a royalty instrument and a loan.

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- The minimum size of stake that must be offered by developers would be set in secondary legislation, but the power specifies that this must not be greater than 5% of total capital costs of the development.

The voluntary approach to increasing shared ownership:

- The voluntary approach to increasing shared ownership has been developed by a [Shared Ownership Taskforce](#), which includes representatives from the renewables industry and community energy sector. The [approach](#) was launched in November 2014.
- We will provide a formal Government response to the Taskforce report early in 2015.
- We will review progress made by the Taskforce during 2015 and if this is limited, the Secretary of State will consider whether to formally consult on exercising the Community Electricity Right backstop powers.

Links:

For a copy of the Infrastructure Bill and the accompanying explanatory notes please see the [Parliament website](#).