



Local Energy Scotland

20th October 2017

Dear RSE,

Response to Energy Inquiry

Local Energy Scotland is pleased to respond to the Royal Society of Edinburgh's (RSE) Energy Inquiry.

Local Energy Scotland is a consortium made up of the following organisations:

- [Energy Saving Trust](#)
- [Changeworks](#)
- [The Energy Agency](#)
- [SCARF](#) and
- [The Wise Group](#).

We administer and manage the Scottish Government's Community and Renewable Energy Scheme (CARES). You can find out more about us at www.localenergy.scot.

Given our experience delivering advice and support to communities our response focusses solely on question 11.

*Q11: What are the particular advantages enjoyed, and challenges faced, regarding energy; and what lessons can be learned on a national scale from community energy schemes undertaken by: **a)** Rural and remote communities and **b)** Urban Communities.*

We believe that completed, in progress and potential community energy schemes have enjoyed the following **advantages**:

- They have built confidence and community resilience.
- They have generated new green energy.
- They have revenues now available for community development.
- Communities and rural businesses have access to risk free development funding and support through CARES.

Specifically, though not exclusively, in **rural and remote communities** groups wishing to develop energy projects have:

- Greater opportunities due to community land ownership as they are more likely to have access to areas of land suitable for developing energy projects.

Specifically, though not exclusively, in **urban communities** groups enjoy the following common advantages:



- Having lots of people (homes and businesses) who are using energy locally and therefore could be close to any energy generation (reducing transmission losses) and/ or could be part of a project involving collective buying of energy.
- Collective access to community shares financing, where individuals can buy shares in the energy project (though this has worked well in rural areas too)
- Public buildings can present an opportunity for projects – eg Edinburgh Solar Coop.

We believe that completed, in progress and potential community energy schemes have faced the following **challenges**:

- Grid connection availability – many areas in Scotland are constrained preventing connection
- Changing energy markets mean that there is greater uncertainty about the viability of projects, in particular changes to subsidy levels making project economics more challenging
- Access to funding for community capacity building

Specifically, though not exclusively **rural and remote communities** face the following common challenges:

- Access to land that's privately owned - whilst land ownership can work in the favour of rural and remote communities it can also be a challenge. Some of the best sites to develop renewable energy projects may be privately owned and inaccessible.
- There isn't a lot of (high user) demand for energy generated, and as such there are likely to be limited opportunities to use the energy locally and overcome grid constraints.

Specifically, though not exclusively **urban communities** face the following common challenges:

- Land to develop projects on very limited
- There isn't always a geographically defined community

From our experience and **lessons learned**, we conclude that in order to ensure successful community and local energy projects continue we will need:

- Ongoing and reliable support available for community volunteers
- Replicable business models available for community energy projects
- Funding available to employ community energy developers in new locations; proactively supporting communities that may not yet have thought about developing an energy project.
- To support the development of the industry through continued shared learning from CARES innovative programmes, such as the Challenge Funds and the Infrastructure and Innovation Fund. These programmes test innovative new models with the aim of becoming replicable.
- Dedicated project management support is crucial to a successful project.

Thank you for taking the time to consider our response. If you would like to discuss our answer further please contact info@localenergyscotland.org or 0808 808 2288.

Kind Regards,

Chris Morris
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