

Shared community ownership newsletter #2

This newsletter is being sent to you because you registered on the sco-res.uk website for the shared community ownership newsletter. Shared community ownership, which encourages sustainable energy production and diversifies ownership of generation infrastructure, is being introduced in the UK as an innovative part of the government's Community Energy Strategy.

Policy and regulation

Shared Community Ownership voluntary protocol

The government has today issued its response to [the report](#) published last November by the [Shared Ownership Taskforce](#). The report outlined the terms of a voluntary [protocol](#) under which developers of renewable energy projects worth over £2.5m would enable local communities to take a share of the ownership.

The government response – available [here](#):

- Endorses the voluntary protocol;
- Confirms that it “applies to all relevant renewables projects submitted into planning after the publication of the Framework (November 2014). We therefore expect all developers that are covered by the scope of this Framework to be engaging with it and exploring shared ownership opportunities with local communities”;
- Endorses the Taskforce proposal that “developers should not solely offer bonds or debentures to individuals where a community group or community enterprise is keen to engage in any of the three community shared ownership models listed”;
- Re-confirms that “the offer of shared ownership is separate from the community benefits package that is gifted by the developer to the community”;
- Offers the [SCO-RES register](#) as a compliance database;
- Refers to the other policy actions required from government (see section 5);
- Describes in further detail the [5+5MW community FiT](#) approach;
- Considers the application of the protocol in the devolved administrations;
- Calls on the Taskforce to review performance against the protocol later in 2015; and
- Identifies several issues it would like the Taskforce to consider at that time.

It confirms that Community Energy England’s Chairman, Philip Wolfe, has been appointed as Vice-Chair of the Taskforce.

The Infrastructure Bill

As a back-up provision, the government legislated within the [Infrastructure Bill](#) to give it the powers to make shared community ownership a mandatory requirement called the ‘Community Electricity Right’.

The Infrastructure Bill obtained royal assent on 12th February and is now the [Infrastructure Act 2015](#).

This is further described in section 6 of the [government response](#) to the Taskforce.

Seminars and events on shared ownership and related topics

Community Energy England (CEE) is holding the next seminar on shared ownership in Leeds on 22nd April. The last one was sold-out so you can pre-register for the next one in advance from [this webpage](#). Booking will open formally next month.

Tax relief and registration of mutual societies

The community partner in shared projects will be affected by developments in the regulation of Co-ops and Community Benefit organisations and in the available tax incentives. Two events on these issues are scheduled:

- in Bristol on 18th March; and
- in London on 30th March

Details and booking [here](#).

There are substantial discounts for CEE members on all these events.

5-10 MW projects under feed in tariffs

On 13 November 2014 the government published its response to the consultation on community Feed-in Tariffs. The full response is available [here](#).

Probably the most important proposal relates to the government's earlier undertaking to extend the Feed-in Tariff ceiling from 5 MW to 10 MW for community projects. As further described [here](#), it will in future be possible for two neighbouring projects of up to 5 MW each to be registered under the Feed-in Tariffs, provided that at least one is community owned.

Project opportunities under the new 5+5MW Community FiTs

From 1st April solar projects above 5MW will no longer be eligible for support under the Renewables Obligation (and the Feed-in Tariffs also have a ceiling of 5MW). Therefore the only support mechanism available to 5-10MW solar projects will be the community FiTs described above (apart from the more complex [Contracts for Difference](#)).

We have therefore analysed the government database to identify projects in planning, which might be suitable to take forward as split projects. There were a total of some 160 such projects on the REstats database at the end of January. Community enterprises which have registered their interest in shared ownership projects have been sent a list of relevant opportunities in their area of interest.

If your community group wishes to participate in shared ownership projects, and hasn't already registered, do so [here](#).

The voluntary protocol in action

Developers have already [registered a number of new projects](#) seeking suitable community partners, and dozens of community energy enterprises across the country have [registered their interest](#) in partnering on shared projects.

Community Energy England's partner finding service has now identified over 90 potential partnerships, and made introductions to those community groups and developers interested in pursuing them.

- If you are a developer with new projects worth over £2.5m, and have not yet started to identify suitable community ownership partners; it takes only a few moments to register your projects [here](#) for CEE's partnership finding service.
- If you are a community energy enterprise with an interest in partnering on shared ownership projects, and haven't already done so; register [here](#) to indicate the size, type and location of projects which would be suitable for you.

We anticipate that the number of new projects starting to engage under the shared ownership protocol will accelerate towards the end of the first quarter as the backlog of projects under construction approaches completion.

Contracts for Difference

Results were announced on 26th February of the first official auction for renewable projects under the new Contracts for Difference system. A total of 27 projects were successful for contracts for the 2015-16 and 2016-17 periods.

Just 5 of these (totalling 71MW) were solar projects. As an illustration of the vagaries of the CfD mechanism, the two solar projects accepted for 2015-16 will receive a price of just £50/MWh, while the three 2016-17 projects will get £79.23.

Information about shared community ownership

The website www.SCO-RES.uk is now fully operational with full details about the background to the [protocol](#) and how it operates. It also includes guidance documents both for [developers](#) and [communities](#) and these are available for free download.

A [new page](#) has been added about the [5+5MW opportunity](#) under FiTs, and this will be kept updated as the details are confirmed by DECC and Ofgem.

Future newsletters

We expect to send newsletters relatively infrequently, unless things change fast, and there is a lot to say!

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