



# Community and Co-operative Energy in Edinburgh: The Next Steps

Findings from the City of Edinburgh Council Event



December 2012

## **Changeworks**

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Cover Photo: Solar Array Gorgie City Farm, Edinburgh  
Courtesy of Community Energy Scotland

## 1. INTRODUCTION

“*Community and Co-operative Energy in Edinburgh: The Next Steps*” was an event organised by [The City of Edinburgh Council](#), [Edinburgh Community Energy Co-operative](#) and [Changeworks](#), to discuss how community energy schemes in Edinburgh could adopt a co-operative approach. 56 delegates from a range of organisations attended the event held on 7 December 2012.

This report outlines the key findings from the event including an overview of the presentations and group discussions. All presentations can be downloaded from the [Changeworks' website](#) and the programme and delegate list is available in the appendix.

## 2. BACKGROUND

As part of the United Nations' “*year of the co-operative*”, the City of Edinburgh Council's new coalition administration has expressed a commitment to [“encourage the development of Community Energy Co-operatives”](#)<sup>1</sup>. Meanwhile, both the UK and Scottish Governments are pursuing policies aimed at achieving dramatic changes to energy generation and use in response to climate change and rising fossil fuel costs. In this context there are a wide range of opportunities for community based energy organisations including:

- Projects to promote the insulation of existing buildings;
- Community-scale renewable electricity generating projects (e.g. urban wind turbines), combined heat and power;
- Microgeneration installations for domestic, community and local commercial buildings;
- Negotiating, managing and promoting bulk-buy collective energy purchasing deals.

Action to address most of these issues has already started in Edinburgh led by a range of organisations across the city. The aim of this event was to:

- Identify and discuss opportunities for Edinburgh-based energy initiatives;
- Consider how Edinburgh as a Co-operative Council can help foster and realise these ambitions;
- Identify next steps in making community and co-operative energy initiatives a thriving reality in Edinburgh.

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<sup>1</sup> [City of Edinburgh Council, 10 May 2012, A New Contract with the Capital: Coalition Agreement between the Edinburgh Labour Party and the Scottish National Party](#)

### 3. OVERVIEW OF PRESENTATIONS

This section provides a brief overview of all the presentations given at the event. All presentations are available to download from the [Changeworks' website](#).

#### ***Edinburgh as a Co-operative Council - Cllr Andrew Burns, City of Edinburgh Council***

Co-operative models are at the heart of the City of Edinburgh Council's coalition agreement with a pledge to establish co-operative approaches to a number of services including energy and childcare. For this purpose, the [Co-operative Development Unit \(CDU\)](#) has been set up to map existing co-operatives and bring them together for learning and networking purposes<sup>2</sup>.

#### ***Community Energy in Urban Areas - Ruth Evans, Community Energy Scotland (CES)***

[CES](#) delivers the Scottish Government's [CARES](#) Loan Scheme and CARES urban grant programme. The latter stream offers up to 90% of renewable energy installation costs for community buildings in urban deprived areas and 100% funding for feasibility and technical advice reports. Urban areas may have limited opportunity to develop technologies depending on the building. These grants often help community groups who have limited time, resources and capacity to develop projects.

#### ***Developing Sustainable Energy Plans and Policies for Edinburgh - Janice Pauwels, City of Edinburgh Council***

The Council has pledged to reduce the City's CO<sub>2</sub> emissions by 42% by 2020 and will publish a Strategic Energy Action Plan (SEAP) as a means of reaching this target. With domestic emissions accounting for 34% of all emissions, energy co-operatives could have an important role in carbon reduction for the city as well as decentralising energy production. The Council could aid the development of energy co-operatives through facilitating networking and learning, identifying potential projects/buildings and through provision of a city heat mapping exercise, which is already underway.

#### ***Co-operative Models for Community Energy - Martin Meteyard, Co-operative Enterprise Hub***

There are various legal models for setting up a co-operative but at the heart of all is equal ownership. Co-operative energy schemes provide benefits for communities and can increase community support for renewables, such as wind farms. Models include industrial and provident society (IPS), community benefit societies and IPS bona fide co-operatives. Both can pay interest to members but differ in legalities and whether assets can be locked. There is a range of support available from the [Co-operative Enterprise Hub](#) which could help with the development of co-operatives in Edinburgh.

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<sup>2</sup> Nick Croft from the City of Edinburgh Council spoke at the end of the event on behalf of the CDU, to confirm that they will also be publishing a list of buildings and are also exploring options with the Green Investment Bank and energy suppliers.

### **Co-operative Models for Community Energy - Paul Phare, Energy4All**

Energy4All helps community groups to set up energy co-operatives. There are four main models of co-operatives that [Energy4All](#) use depending on which body takes lead and owns the scheme (e.g. community, developer, development trust, etc.). A 'community group' can be a geographical community or a wider community of interest. The co-operative is a tried and tested successful mode, for example a large offshore wind farm in Copenhagen is owned by a co-operative.

### **Co-operative Energy in Bath - Peter Andrews, Bath and West Community Energy Co-operative**

[Bath and West Community Energy Co-operative](#) is a successful energy co-operative with over 600 kW solar PV installed on community buildings, schools and a business park. Future plans include setting up a community fund. With over 200 members they raised £750,000 in shares and have paid members 7% interest after the first year. Raising money from shares was not too difficult but finding 'at risk' money (i.e. money to develop projects which may not proceed) was more challenging. The success of their project is in part due to an experienced team and effective partnerships with multiple organisations.

### **Co-operative Energy in Bristol - Emilia Melville, Bristol Energy Co-operative**

[Bristol Energy Co-operative](#) has installed 63kW of solar panels onto three community buildings and raised more community shares than expected. They secured £128,000 which exceeded their initial target of £88,000. It is challenging to find suitable projects in an urban area but they are currently considering investing in wind turbines outside Bristol, renewable heat projects and installing more solar panels. They intend to use surplus finance to reinvest into energy efficiency schemes.

### **Summing Up - David Hawkey, Edinburgh Community Energy Co-operative**

In the context of current local and national policies there is a real opportunity for Edinburgh to develop energy co-operatives for community benefit. Sourcing finance is a crucial factor but not necessarily the greatest challenge. The case studies show that community buy-in can easily be achieved with the right project. Edinburgh's community groups have skills (e.g. those developed through Climate Challenge Fund projects) which could be harnessed to develop projects. We should consider how projects could help the most deprived areas of Edinburgh, consider developing a community energy partnership to share information and take projects forward.

## **4. GROUP DISCUSSIONS**

### **Principles of community energy projects**

In groups delegates discussed their perspectives on what principles should guide community energy projects. Key findings from the discussion were:

- There are numerous benefits of setting up co-operative energy schemes: reducing CO<sub>2</sub> emissions, tackling fuel poverty, community development and the ability to pass on a scheme to a younger generation;

- Involving energy reduction as well as energy generation is important;
- Co-operative models should provide both an 'acceptable' return on investment for individuals and benefits to the wider community.

### Resources needed to develop projects

Groups discussed what resources are needed to develop projects in Edinburgh. In general it was felt that more sharing of information as well as expert assistance is required. Some existing resources exist, for example a step-by-step guide on the Community Energy Scotland website. In addition initial seed-funding to develop projects and access to available land and buildings would be beneficial. Councils and other public bodies (e.g. NHS) may be able to provide such buildings.

### Council's role in developing co-operative energy initiatives

On a similar vein, the groups explored how they felt the Council could support the development of energy co-operatives:

- **Facilitate knowledge sharing, learning and networks** which could also involve publishing success stories and an awareness campaign for individuals;
- **Buy-in from all departments** such as Planning and Environmental Health. In particular it was felt that the Planning Department should provide pre-application advice for community projects and more support for renewable schemes;
- **Provide technical information** by identifying potential buildings/land for renewables, technical maps (such as the heat map which is underway) and infrastructure for community-owned district heating systems;
- **Provide key contacts for community groups** i.e. identify, and communicate clearly, the best contacts for community groups within the Council departments. Alternatively have specific staff who work with community initiatives who can act as a 'one-stop shop'. One group suggested a 'community energy unit' is set up;
- **Further support on setting up a co-operative** such as advice on sources of funding, the administrative and legal aspects of setting up an energy co-operative and template documents;
- **Exploring key opportunities**, for example around how the Green Deal could tie into community projects or setting up an ESCO (Energy Services Company);
- **Ensuring that disadvantaged communities can participate and benefit from community energy initiatives** by ensuring support is available to allow involvement.

It was also felt that the Council should take a broad definition of 'community groups' to include communities of interest from across the city.

## 5. KEY FINDINGS

Key findings from the overall event are presented in this section.

### **The benefits of energy co-operatives are that:**

- Profits go to local shareholders (community members) rather than third parties;
- Surplus finance can be reinvested into the wider community;
- It provides an ethical investment opportunity for community members;
- It engages local people with energy schemes which may positively impact:
  - people's perceptions of energy schemes (e.g. support for renewables increases when it is not imposed on communities<sup>3</sup>);
  - behaviour in relation to energy use;
- Local employment can be generated from project development, installation and management;
- New sources of revenue create opportunities to alleviate fuel poverty, reduce CO<sub>2</sub> emissions and increase local resilience to fossil fuel prices.

### **The challenges of setting up energy co-operatives in Edinburgh are:**

- Community groups' need sufficient time, resources, capacity, knowledge and skills to progress projects. From the outset most groups need time to develop and are dependent on individuals that can make significant time commitments;
- The difficult first project needs to be overcome to gain momentum and confidence;
- Significant finance is needed initially to invest into renewable energy schemes;
- Planning permission requirements and risk of refusal especially in conservation areas or other buildings protected under planning regulations;
- Urban areas may have less potential for renewable energy than rural areas;
- Sourcing finance, especially 'at risk' finance (that is needed to progress projects which may not proceed);
- The legal and administration issues involved in setting up a co-operative.

### **Present and future opportunities for energy co-operatives in Edinburgh are:**

- The co-operative model can be applied at different scales, from one community building to large scale renewables;
- As well as considering renewable energy installations, energy co-operatives could invest in Council led district heating schemes or to invest into renewables outside of Edinburgh's boundaries such as offshore wind farms;
- Surplus profit can be re-invested into energy efficiency schemes therefore helping to tackle fuel poverty;

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<sup>3</sup> A recent UK poll indicated that 49% of people would support a wind turbine being erected within two miles of their home and 22% against. If the project was community-owned, 68% would support it and 7% would oppose it. <http://www.guardian.co.uk/environment/2012/oct/23/wind-shale-gas-icm-poll>

- Existing energy co-operatives in the UK have demonstrated the potential to secure financial support from within local communities. Edinburgh has a high proportion of residents who may be financially able (and willing) to contribute towards such a project;
- There are a number of experienced community groups within Edinburgh who could harness the skills to progress projects. The Edinburgh Community Energy Co-operative was set up specifically with this purpose;
- Community groups could link up with other community groups as well as other organisations to share expertise and knowledge. Other organisations may also be able to provide legal advice, a loan facility or suitable buildings;
- There are various support services available for communities (e.g. CES, Energy4all, Co-operative Enterprise Hub and other community groups).

## 6. CONCLUSIONS

Adopting a co-operative approach to community owned energy schemes means that essentially schemes can be designed for the benefit of communities and to address their priorities (e.g. tackling climate change or alleviating fuel poverty). Schemes can benefit members who purchase shares as well as the wider community, whilst self-financing projects will reduce future reliance on grant funding.

The City of Edinburgh Council has pledged its support for energy co-operatives and community groups are already exploring and progressing projects. Other UK energy co-operatives indicate that there is public interest and buy-in of such schemes. Thus there is a real (but potentially time limited) opportunity to develop projects in Edinburgh, building on the interest and enthusiasm that already exists.

Lessons from other energy co-operatives suggest that partnership working is key to setting up successful schemes – drawing on the expertise and resources of others, whether that is initial funding, legal advice or identifying available buildings.

## 7. NEXT STEPS

There are a number of steps which will require to be taken to deliver this agenda:

- Identify and audit project opportunities in Edinburgh for building mounted solar, small wind and hydro;
- Collectively decide on the vehicle for developing these projects, either through existing groups or via new or reinvigorated energy co-operatives with the expertise to take initiatives forward;
- Put in place the administrative and communications support to manage the project (e.g. a secretariat and website to share information);
- Link the development of specific initiatives with the work of the Council's Co-operative Development Unit and Sustainable Development Unit, and Changeworks managed programmes.



## Appendix A: Programme

- 8:45 Registration
- 9:15 Welcome and Housekeeping
- 9:20 Edinburgh as a Co-operative Council (Cllr Andrew Burns, City of Edinburgh Council)
- 9:30 Community Energy in Urban Areas (Ruth Evans, Community Energy Scotland)
- 9.45 Developing Sustainable Energy Plans and Policies for Edinburgh (Janice Pauwels, City of Edinburgh Council)
- 10:00 Co-operative Models for Community Energy (Martin Meteyard, Manages Co-operative Enterprise Hub and Paul Phare Energy4All)
- 10:20 Questions and Answers
- 10:40 Tea & Coffee Break
- 11:00 Co-operative Energy in Bath (Peter Andrews, Bath and West Community Energy Co-operative)
- 11:20 Co-operative Energy in Bristol (Emilia Melville, Director of the Bristol Energy Co-operative)
- 11:40 Questions and Discussion (Bath and Bristol)
- 11:50 Breakout Discussion – Next steps for making co-operative community energy a reality in Edinburgh:
- How can the Council help to support community groups to identify and develop co-operative energy initiatives
  - What resources are needed and what is available (land, buildings, technical expertise, legal advice, money, etc)
  - What principles should guide community energy developments in Edinburgh (e.g. balance between investor returns, community benefits, carbon savings, etc)
  - Roles, responsibilities and next steps
- 12:30 Feedback and Conclusions
- 12.50 Summing Up (David Hawkey, Edinburgh Community Energy Co-operative)
- 13:00 Lunch and Informal Discussion

## Appendix B: Attendee List

Robert Alexander	Home Energy Advisor, Castle Rock Edinvar Housing Association Ltd
Peter Andrews	Bath and West Community Energy Co-operative
David Bewsey	Convenor of the Planning Sub-committee, Colinton Amenity Association
Vijay Bhopal	SCENE (Sustainable Community Energy Network)
Jon Black	Edinburgh Tenants Federation
Councillor Chas Booth	City of Edinburgh Council
Raemond Bradford	
Rebecca Bullock	Castle Rock Edinvar Housing Association Ltd
Councillor Steve Burgess	City of Edinburgh Council
Councillor Andrew Burns	Leader, City of Edinburgh Council
Jon Cape	iPower Energy Ltd
Johanna Carrie	Transition Edinburgh Pentlands
Councillor Maureen Child	City of Edinburgh Council
Tessa Clark	Researcher, Changeworks
Ruth Evans	Urban Development Officer, Community Energy Scotland
Catherine Francis	Runa Consulting
Simon Gooden	Energy Co-ordinator, Transition Stirling
James Hall	Craiglockhart Community Council
David Hawkey	Research Fellow, Heat and the City
Stuart Hay	Senior Consultant, Changeworks
Councillor Bill Henderson	City of Edinburgh Council
Councillor Lesley Hinds	City of Edinburgh Council
Councillor Sandy Howatt	City of Edinburgh Council
Michael Hui	Energy and Sustainability Co-ordinator, Dunedin Canmore Housing Association Ltd
Maureen Jarvis	Edinburgh Tenants Federation
Mark Lazarowicz	Member of Parliament
Lynda McCran	Assistant Advice Services Manager, The Action Group
Bruce McGregor	Business Development Manager, Blueyonder Energy Solutions
Dory McIntosh	Operations Director, iPower Energy Ltd
Laird McLean	Edinburgh Tenants Federation

Jackie McNeil	Consultancy Administrator, Changeworks
Emilia Melville	Director, Bristol Energy Co-operative
Martin Meteyard	Manages Co-operative Enterprise Hub
Mark Ockendon	Scottish Power
Councillor Jim Orr	City of Edinburgh Council
Amanda Palmer	Project Officer, Changeworks
Alexander Paton MBE	Redhall Tenants and Residents Group
Janice Pauwels	Carbon, Climate and Sustainability Manager, City of Edinburgh Council
Paul Phare	Development Manager, Energy4All
Douglas Prentice	Edinburgh Community Energy Co-operative
Sitar Ramsay	Community Engagement Officer, Energy Saving Scotland advice centre South East
Peter Roche	Edinburgh Community Energy Co-operative
Councillor Cameron Rose	City of Edinburgh Council
Councillor Frank Ross	City of Edinburgh Council
David Somervell	Sustainability Adviser, Edinburgh University
Betty Stevenson	Edinburgh Tenants Federation
Andrew Tait	Edinburgh Community Energy Co-operative
John Thorne	Project Co-ordinator, Transition Heriot-Watt
Mike Wagner	Engineering Manager, Housing Property Services, City of Edinburgh Council
Andrew Wallace	Team Leader, Estates & Property Team South West Neighbourhood, City of Edinburgh Council
Elaine Waterson	Strategy Manager, Energy Saving Trust
Mike Wight	Renewable Project Designer, Gener8 Power Ltd
Keith Wilson	Block Manager, Birnies Court High Rise Building
Craig Woolf	Heriot Watt University
Maud Wylie	Chairperson, Hailesland Park Neighbourhood Council
Ada Yiu	Project Manager (Strategy), City of Edinburgh Council