

Cultures of Community Energy

Community brief



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The Climate Change
Collaboration

Ashden Trust - JJ Charitable Trust
Mark Leonard Trust - Tedworth Charitable Trust

The British Academy report *Cultures of Community Energy* looks at the cultural factors that shape the success of community energy projects, and the cultural enablers and barriers to community energy becoming mainstream. This short brief highlights the findings and recommendations for action relevant to communities interested in setting up energy projects, and the bodies that represent those groups. There is also an accompanying brief for local and national policymakers.

The aim of the project was to identify opportunities that promote, and barriers that inhibit, community energy projects in the UK. Our interest is in community energy generation and supply projects, characterised by local ownership, participation and benefit sharing. Barriers to widespread take-up of shared energy generation in the UK may be economic, regulatory, technical, constitutional – or they may be cultural. The British Academy commissioned a team of researchers at the University of Lancaster to collate a set of international case studies of community energy projects, in order to identify what those cultural factors might be.

The case studies prepared by the research team were selected from three broad groups:

- **Community energy leaders:** projects from Denmark and Germany, countries with high uptake of community energy, and supportive regulatory frameworks.
- **The UK:** four case studies from the UK – from England, Scotland and Wales.
- **Wild cards (international experience):** case studies from Belgium, South Korea, Brazil and Chile, to explore very different cultural and institutional settings.

Three aspects of culture are considered:

- **National institutional and political cultures:** including the assumptions governing regulatory structures.
- **Cultures of social enterprise:** the extent to which social enterprises (businesses trading for social or environmental purposes) are recognised and valued within the economy and society of a region.
- **Local cultures:** the cultural context within which community energy groups operate including the degree of trust and social cohesion.



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But communities have different forms and can work in different ways. In a close-knit community it may be easy to engage the local community in a dialogue about an energy project; but it can also be easy for networks to join together in opposition – e.g. those opposing wind energy.

However, there can also be positive influence in the other direction of travel, from energy projects to local communities. Community energy initiatives can act as a catalyst for local discussions about energy and can enable citizens to think beyond being passive consumers.

What we found

Social enterprise culture

The existence of a tradition of social enterprise affects both the ease with which a community energy group can be established and its ultimate success. A familiarity with, and an acceptance of, social enterprise also matters: increased support for social enterprises in the UK could act as an enabler for social enterprise in the energy sector.

Installation of renewable energy is capital intensive. Decisions about financing and ownership models can be fraught, and lead to a tension between commercial practice and community expectations. Where there is a tradition of community ownership of energy infrastructure, this tension is easily resolved.

Those community energy enterprises based in places where there is a strong tradition of social enterprise tend to be more diversified in terms of use of technologies and of business models. In the UK, the community energy sector lacks a diversity of business models.

Local culture

The motivation and the stated aims of groups vary depending on the local situation, needs and priorities – they might focus on social benefits beyond energy, or they might support self-sufficiency. However, ‘resistance spirit’ seems to be an important galvaniser of community energy action. A number of the case studies show projects arising out of opposition to particular energy sources – e.g. nuclear – or large commercial energy projects.

Our suggestions for action

Social enterprise is a distinct model of service delivery. Encouraging the community energy sector to embrace social enterprise will help the sector to scale-up. Engagement in social enterprise can be encouraged by:

- **Clarifying the range of approaches to delivering community energy.**
 - For example, bodies such as Community Energy England, Community Energy Scotland and Community Energy Wales could help set out the kinds of projects, their local cultural implications and their resulting community needs and requirements.
- **Developing the necessary commercial skills within the community sector and building capacity to work with commercial partners.**
 - For example, this could be done through training, vocational standards and sector development and through schemes to promote peer support.
- **Providing financial incentives for communities to establish projects.**
 - This could be encouraged through financial support for early-stage community initiatives; and it could be achieved through recognition of the value of social enterprise through the tax system, for example by ensuring that community energy schemes of all sizes are eligible for Social Investment Tax Relief (SITR).

The 'resistance spirit' identified in this research can be a catalyst for action, overcoming the assumption that energy is the preserve of large companies. Also important are influential individuals, leveraging in already active networks, building on existing successful local actions, and linking into incentives that are likely to have resonance at a local level. These can be leveraged in the following ways:

- **Developing skills for community engagement.**

- For example, bodies such as Community Energy England, Community Energy Scotland and Community Energy Wales providing guidance and training on how to engage communities around energy.

- **Promoting success stories.**

- Bodies such as Community Energy England, Community Energy Scotland and Community Energy Wales, as well as individual community energy companies, can help to promote positive media coverage of successful projects and the benefits they generate.

The case studies surveyed for this report suggest that community energy projects allow people to engage in the energy system more actively, which may have additional benefits such as providing an incentive to reduce energy use and carbon emissions. However, there is little research on what effect a local, community-based energy system has on individuals' engagement in the energy system. Therefore, it is helpful to:

- **Carry out research into engagement with the energy system.**

- For example, a member survey carried out by Bath & West Community Energy suggested that over 70% of members talked more to friends, family and colleagues about community energy as a result of being a member of BWCE. Findings such as this could be tested through evidence gathering across a wider set of projects.

Future questions to address

The working group, research team and British Academy Fellows highlighted the following future questions for communities:

- Can primarily voluntary community action embrace social enterprise and more commercial approaches to delivery without losing core community principles and social motivations?
- How can communities create the necessary fiduciary trust to mobilise cheap loans and equity from members to overcome the high capital costs of renewable energy?
- To what extent can communities without any prior experience of, or exposure to, energy issues take ownership of energy action within their local area?
- What robust link is there between communities and their members engaging in community generation projects and becoming more engaged in energy issues including demand reduction?

Read more

Read the full policy report here: britac.ac.uk/coce

The policy report also includes feedback from key stakeholders across the energy system on issues including: changing perceptions of users as passive consumers of energy; understanding and creating motivations of communities in engaging with energy; understanding the tensions between building enterprises and building trust; building skills and professional capacity in the sector.

Read the full set of international case studies here: britac.ac.uk/cococasestudies

Read the policy brief here: britac.ac.uk/cocepolicy