



SOUTH EAST LONDON COMMUNITY ENERGY

A Report for the Year (August 2015 – June 2016)

Prepared by Dr Giovanna Speciale on behalf of the Board of Directors of South East London Community Energy

Over the past year...

- South East London Community Energy has implemented a business model that enables us to generate renewable energy through a decentralised system that is owned and operated by the local community
- 148kW of solar panels were installed on three local schools and further 250kW of solar installation has been planned.
- We have demonstrated our ability to communicate and attract investors and have raised £250,000 in community share capital
- We have provided delivered tangible benefits to residents of SE London struggling to pay for energy costs through our innovative People Power Café programme and workshops for residents, front line workers

And yet it has been...

...A Difficult Year for Community Energy

The change in government ushered in an apparent change in attitude towards the community energy sector - and to the renewables sector as a whole.

In August 2015, the government announced a substantial reduction in Feed-in Tariff rates (a government-mandated subsidy for renewable energy generation) to take effect in Jan 2016. This essentially removed a central feature of the community-financed solar PV business model. In August 2015 the government also announced the removal of pre-registration for community financed solar PV installations (more about this later) and also the end to Enterprise Investment Scheme (EIS) tax-break benefits for investors in Community Energy scheme who invested AFTER the end of November 2015 (more about this later as well). Despite these turbulent waters SELCE has continued to thrive with one community financed solar scheme almost complete and another about to be launched.



SOUTH EAST LONDON COMMUNITY ENERGY

Share Offer

Between September 30th and Nov 11th 2015, people were invited to invest in, and become, members of SELCE through a 'community share offer'. SELCE was successful in raising £250,000 in order to install 198kWp of solar photovoltaic panels on four schools in Greenwich and Lewisham. There are now 138 members of SELCE who invested between £250 and £20,000.

Solar Installation

Solar arrays have now been installed on all four schools. The installations on three of the schools (Ashmead, Horniman and Mulgrave Primary Schools) was 'pre-registered' in Dec 2014 and this ensured that SELCE receives a viable Feed-in Tariff rate that is fixed at the December 2014 level and guaranteed for 20 years.

Despite set-backs from harsh weather, difficulties concluding legal negotiations and issues with sourcing parts during a hectic time for the solar industry, all three solar installations were installed and commissioned and Feed-in Tariff applications made by the deadline. Many thanks to our installers GHG Energy who battled through the harshest of weather to meet the deadline for installation and to our solicitors Ashurst LLP who provided excellent all legal services at no cost to us.

As with all capital projects, there followed a 'snagging' period in which solar arrays were temporarily switched off in order to resolve myriad minor issues such as a leak from the wall above the inverter in one school.

At Horniman School the snagging period has unfortunately been extensive. Horniman School is required to admit a greater number pupils than the building was designed to accommodate. Work to adapt the building unavoidably coincided with SELCE's solar installation. The resultant works of both projects place greater loads on the schools electrical system that they were designed to support. This has proved a complex problem to resolve but works to increase the electrical capacity of the school were concluded on 28th May, so we expect to be recommissioning the array at Horniman School imminently.

Charlton Park Academy was pre-registered in Aug 2015 (at a later date than the other schools). In order to install solar PV on an Academy, we had to get permission from the Education Funding Agency (EFA). Although this is a formality, SELCE cannot



SOUTH EAST LONDON COMMUNITY ENERGY

install until this permission is granted. As we understand it, the EFA has been unable to cope with the volume of applications it has received and SELCE's permission to install has not yet been granted. We have been given to understand that our application is currently under consideration. SELCE hopes to be able to begin the solar installation process shortly.

Within our business model, electricity that is not needed by the school is exported to the National Grid. In order to receive payment for the sale of electricity to the grid, the grid operator must approve our installation and assign what is known as an 'Export MPAN'. SELCE has recently received notification that export MPANs have been assigned and can now benefit from sales of electricity going forward.

We have faced many time-related hurdles but we have taken this on board and, in future, we will build these factors into the business model. However, all issues have now been resolved or are well on the way to being resolved.

The success of SELCE's first solar project was celebrated at Mulgrave School in March and we were joined by the Mayor of Greenwich, Norman Adams, MP for Greenwich and Lewisham, Matthew Pennycock, Assembly Member for Greenwich and Lewisham, Len Duvalle.

Our Next Share Offer

Once we became aware of the changing political climate, we were quick to act. In the brief period of four weeks between the government's announcement of the reductions in Feed-in Tariff rates and the end ~~to~~ of pre-registration applications, SELCE pre-registered installations on seven buildings: two schools in Eltham, one school in Plumstead, a community centre in Woolwich, a cricket and hockey pavilion in Catford, an artist studio in Deptford and a private members club in Peckham.

These installations are eligible to receive the "old" Feed-in Tariff rate as long as the arrays are installed by the end of September. A lot of work has gone into assessing the feasibility of solar PV installation on these sites and we successfully applied to the Urban Community Energy Fund to cover these costs.

SELCE plan to launch a second share offer on 30th June 2015 in order to raise approximately £200,000 in community finance for this new initiative.



SOUTH EAST LONDON COMMUNITY ENERGY

The Next Business Model

The business model that we have used thus far (solar PV installation providing lower cost electricity to community buildings, a return to investors and funds to tackle fuel poverty) is not possible at the current Feed-in Tariff rates.

The forthcoming share offer and installations are only possible because we had the foresight to pre-register the sites. However, there has been a real focus in the SELCE team on identifying a new business models.

The team (all directors, advisors and volunteers) attended a strategy weekend in January to identify strong contenders. A volunteer, Danielle Bevelaqua, (who has a PhD in anaerobic digestion) conducted a pre-feasibility study into community-financed anaerobic digestion. As a result, SELCE has submitted an application to the Urban Community Energy Fund for an award that would allow us to employ a consultant to examine the feasibility of a community- financed renewable heat project for municipal swimming pools.

Fuel Poverty Alleviation

We have made great strides forward with our work to reduce fuel poverty. Grants from three different sources have allowed us to offer a range of services to those who are struggling with energy costs in Greenwich and Lewisham. Alex Hartley was employed as our Fuel Poverty Projects manager. Alongside her team of advisors (Camilla Berens, Simon Quamie and Joseph Swift) and volunteer advisors (Suzannah Pickston, Dominic Heslin-Rees, Shilesh Barde and Camden McDonald) the team have worked to make a demonstrable difference in the lives of some of the most vulnerable people in our community.

Our 'People Power' café programme, funded by Ebico Trust, overcame barriers to seeking advice with the aid of a cup of tea and a slice of cake - building on a successful model of fuel poverty intervention piloted in March 2015.

The People Power Cafés have provided personalised one-to-one advice sessions to 250 households at risk of fuel poverty.

Bi-weekly People Power Cafés have been held over the course of the winter months in four locations across Greenwich and Lewisham. Each location is characterised by a high incidence of fuel poverty, income deprivation and thermally-inefficient housing stock.



SOUTH EAST LONDON COMMUNITY ENERGY

SELCE has worked to develop relationships with front-line workers in community groups and local authorities to develop referral pathways into the People Power cafes.

During the winter, SELCE delivered 17 energy awareness workshops to community groups or to groups of people who work with those at risk of fuel poverty. We have also run dozens of pop-up energy advice desks that form part of community events. We have been able to do these thanks to funds from The Big Energy Saving Network and Energy Best Deal.

Research

SELCE aims to be an organisation that delivers fuel poverty alleviation work intelligently, while continually reflecting on the strengths and weaknesses of our work.

Dr Giovanna Speciale worked in partnership with Dr Mari Martiskainen from the Centre for Innovation in Energy Demand at the University of Sussex on a piece of research funded by the Cheshire Lehmann Fund to examine the 'people power café' model in greater depth. The research examined good practice with regard to giving energy advice and compared the outcomes of SELCE's People Power café programme with a home-visit programme (a more standard intervention into fuel poverty). This has given us insights that will enable us to develop a service that is better equipped to meet the needs of those who are most at risk from fuel poverty.

The Solar Trailer

SELCE and our partner organisation, Demand Energy Equality, were winners of the M&S Community Energy Competition. Funding has allowed us to build our 'Super Green Portable Solar Power Machine' - a specially-designed 'solar trailer' that will promote the benefits of solar power at local fairs, fun-days and festivals in Greenwich and Lewisham.

Thanks to a successful funding bid to 'Awards for All', SELCE will be able to hire out the trailer so that we can provide free, clean, energy to local events free of charge. The trailer will be staffed by a SELCE co-ordinator and a team of volunteers and the project will give us a great opportunity to spread the word about our work on tackling fuel poverty and helping local community venues to reduce their energy bills with solar power. Our volunteer, Peter Smollen, has been leading on the deloping the



SOUTH EAST LONDON COMMUNITY ENERGY

business plan for the solar trailer. If you know of any outside community event in Greenwich and Lewisham that could benefit from clean green power, please contact Peter@selce.org.uk

Awards and commendations

Our Director Giovanna Speciale was nominated for two awards this year in the Community Energy Awards and the People Environment Action Awards . Finally we would like to send a huge thank you to everyone who has supported us through over the past two years and to all our fantastic new members, without whom our pioneering solar project would never have become a reality



SOUTH EAST LONDON COMMUNITY ENERGY