

## Community Land Scotland

### Response to the DECC consultation on a review of the Feed-in Tariff scheme

#### Introduction

Community Land Scotland (CLS) is the representative body for established and aspiring community land owners in Scotland. CLS has over 60 members who, between them, own and manage some 450,000 acres of land. A significant number of CLS members have already, or aspire to, develop small scale renewable energy schemes across all of Hydro, Wind, and Solar PV.

The availability of support for such renewables schemes through the FIT scheme is highly significant to the confidence and effectiveness of community ownership, delivering many significant local benefits and allowing communities to be familiar with and participate in local energy. Pre-accreditation of community energy schemes has been a further vital element in allowing the development of local community energy, providing certainty for investment in what can be long and protracted lead-in times to community led schemes, as compared to developer led schemes.

This submission argues for:

- The re-introduction of pre-accreditation arrangements for communities
- The retention of the current FIT payment arrangements or a new Community FIT Scheme offering equivalent levels of support

#### The case for continued community support through FIT and Pre-accreditation arrangements

Community renewable schemes are distinguished by:

- Their smaller scale (scale appropriate to local communities)
- Being delivered with community consent and mostly un-controversially
- Bringing real local and retained community benefits
  - releasing local enterprise
  - allowing a taking of responsibility for local actions
  - retaining income to support wider community investment (including in energy, home insulation and fuel poverty measures)
  - reducing dependency on external community support
  - increasing community sustainability

Such schemes are **not a heavy draw on expenditure** because of their smaller scale and represent a very small part of the current expenditure profile on FIT support. Indeed, had the original intention of FIT support been maintained, that is for smaller scale, community based schemes, there would be, arguably, no need for the current review as the budget allocations would not have been threatened.

It would be highly regrettable if now, community based schemes were to be deprived of support which brings such huge local benefits because the current scheme has been so heavily used by non-community based commercial schemes.

### **Why is pre-accreditation so important?**

Experience has shown that community led renewables developments have additional process, adding complexity and time to deliver.

This arises because real community consent is a pre-requisite for a successfully delivered and genuine community led schemes. Widespread consultation and engagement within the community is required to develop the idea, share its implications and potential benefits with local people, and create locally accountable decision making arrangements. Such activity is required, even before applications for consent are made. Much of the activity depends on local volunteer effort.

In addition, generally, the legal structures required are often seen as novel to potential funders of the capital requirements of schemes. This can lead to prolonged financial negotiations and complex packages of funding, with security for investment a necessary component of this.

This is why pre-accreditation is a vital part of such schemes, within a climate of the depression in levels of support, as pre-accreditation provides certainty on income projections that endure over the prolonged delivery periods community based schemes require.

Without pre-accreditation of schemes the practical ability to deliver community based schemes will be very substantially eroded, even to the point where they may not be deliverable at all.

### **Why are current FIT arrangements for community schemes necessary?**

All community based schemes require being very clearly financially viable, able to support the repayment of capital investment, to provide for long term maintenance of the scheme, and to provide for wider local community benefits to be realised (a significant motivation for undertaking the schemes).

The current arrangements provide the necessary level of support to meet the above requirements, and practical experience suggests that any significant reduction would render the schemes unviable, or insufficiently attractive to the community to incentivise the considerable community effort required to deliver the schemes, or give the financial security upon which to realistically proceed.

That is not to say there is no longer term potential for further depression of rates, if the unit costs of delivery can be reduced notably and further over time. However, a feature of smaller community schemes is that the unit costs associated with them can be high because the overheads for legal, financial, technical and regulatory costs are spread over one or a small number of production units.

### **Genuinely community?**

The renewables schemes CLS members have been or are engaged in are genuinely community based, community owned, and delivered with clear community consent. Indeed, one of their features is how un-controversially they have been delivered. This is partly because of their smaller scale, but also because of the care taken to secure community support for the schemes in their concept preparation, delivery planning and in the ratio of impact to community benefit. Wholly owned community schemes can deliver as much community benefit as very large scale commercial schemes offering some form of community payment. It is notable how little objection community schemes have received and, where there would be a likelihood of significant formal and local objection, the plans generally do not proceed.

However, if the requirement of future policy for DECC is to require more proof of the genuine local and community owned nature of such schemes, then CLS is sure that the community sector, with DECC, can agree the necessary tests and assurances for this.

## **Conclusion**

CLS urges Ministers to:

- Re-introduce pre-accreditation arrangements for community schemes
- Retain the current FIT payment arrangements or introduce a new Community FIT Scheme offering equivalent levels of support

It would be a colossal loss to local communities which have shown they are able and willing to deliver sound local renewables schemes which deliver considerable benefits to local areas in their future sustainability and enterprise, if the current arrangements are removed or reduced to such a level that effectively end this form of local enterprise.

To maintain the ability of local communities continue to deliver renewables schemes is wholly consistent with government objectives and obligations around carbon reduction and climate change, allowing local communities to play their part in energy development as part of wider change.

CLS points to and commends the fuller case for continued support from CARES and Community Energy Scotland.

Community Land Scotland  
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