



Community energy in the UK- The end or the beginning of a brighter future?

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Abstract

In recent years, the future of the UK's energy system has attracted growing involvement of local and community-based projects for energy generation despite an unfavourable policy landscape. The purpose of this paper is to evaluate the impact of curtailment of renewables support mechanisms in 2015 on the development of UK's Community Renewable Energy (CRE) sector.

The approach involves analysis of an online survey and semi-structured interviews conducted between August and October 2016 among, community energy groups, community energy representatives and developers to explore their perspectives on future of community energy projects after the major reduction renewable support mechanisms. Furthermore, investigates key success factors, and perceived challenges for further development of these projects.

Research has shown that UK's community sector has evolved rapidly since 2008 and has seen considerable growth in 2014. The business models used by community energy projects, mostly depend on grants and public subsidies. Therefore, these projects have faced huge financial challenges since January 2015 with the reduction in public subsidies for renewable energy (e.g. FIT). This study has shown these reductions caused failure to many community-based renewable energy projects. This paper critically analyses the potential future development of the community renewable energy sector and furthermore, it focuses on new approaches that community energy groups can implement to maintain and develop further under the new policy regime.

In conclusion, preliminary recommendations are suggested based on alternative business models and discuss alternative policy approaches for the future development of community renewable energy in the UK.

Keywords: Community Renewable Energy; Business model; Feed -in-Tariff (FIT)

