Introduction
Dunbar Community Energy Company (DCEco) welcomes this opportunity to feed into the Committee’s Inquiry into the Scottish Government’s 2020 renewable energy targets. DCEco believes that, given the context of consumer cost and public subsidy, the public should share the financial benefits from the expansion of renewable energy generation. This would both help ensure an equitable distribution of cost and benefit and avoid some of the resistance to renewable energy, in particular on-shore wind. Community ownership/involvement in renewable energy should therefore be central to Government efforts in this area. The rest of this paper looks both at the potential benefits of a community approach and at our experience of some of the main barriers to community ownership and involvement and suggests some solutions.

The benefits of community ownership
Community ownership of renewable technology aimed at benefitting local communities should, in our view, be a central plank in efforts to achieve the 2020 targets. Such an approach would help deliver greater equity by spreading the financial benefits across communities instead of private sector companies. As well as ensuring more of those who subsidise energy production through energy bills or taxation gain direct benefit, this approach can be used to stimulate local economies as local multiplier effects develop from the initial cash injections (see below). Moreover, as sites become harder to identify resistance to onshore wind may be reduced if local communities own, manage and benefit from wind farms/turbines.

Our local community has said it wants, amongst other things, more local jobs. As a nation we need to achieve legally binding CO2 emission reductions and increase our use of renewable technology to ensure energy security.

We are therefore looking to help deliver on these goals by developing a community energy project involving a 500kW wind turbine. The revenue from this project can be reinvested into the community in many ways but we believe that the following is taking us in the right direction.

A local investment strategy
We know that community energy has to deliver tangible results to the community and as such we have, through public consultation, identified the following proposals for our reinvestment strategy.

An energy advice service that can provide expert advice, signpost to local or national schemes but also grant fund practical energy saving measures for those at risk of fuel poverty. The existing BeGreen energy advice service in Dunbar that may be replicated has engaged with over 550 households and reduced their energy consumption by, on average, 18%. This has resulted in over 550 tonnes CO2 saved, 1941MWh of energy saved per year and over £104,000 pounds of financial savings each year.

An enterprise hub to support new local social enterprises and community sector activity. This would also host the continued activity of organisations like
BeGreen, Sustaining Dunbar and DCEco. Grants and other forms of finance would be available, alongside advice and support services, for enterprising third and community sector activity and local innovation will be stimulated.

**Micro-generation.** Localised community energy companies could develop further renewable energy projects, especially micro-generation involving a community rent-a-roof scheme targeting households who cannot afford to invest in PV technology, but would significantly benefit from free daytime electricity. This prospect continues to look favourable considering the DECC phase 2 consultation on Feed in Tariffs and would help the Scottish Government reach its fuel poverty targets.

**Practical skills workshops** would involve the refurbishment of unused workspaces to provide a training and development facility. In collaboration with local educational establishments these workshops will deliver a local workspace for personal development and reskilling.

So, as fuel bills fall through energy efficiency measures and local employment opportunities increase, disposable incomes will rise and stimulate the local economy through the multiplier effect, meaning that renewable energy can have a positive and significant impact on the economy. With regards the 2020 targets, by decreasing the energy demand it brings the 100% of electricity from renewables closer by reducing the amount of electricity needed. Microgeneration opportunities using heat pumps would contribute towards the 11% of heat demand target. It will also help to achieve the 12% energy demand reduction targeted by the Energy Efficiency Action Plan. The DCEco approach to community energy will be more likely to reach the 2020 targets than the conventional methods employed so far. Significant steps have been made to support community energy projects but barriers still remain. These relate mainly to planning and finance but also to the issue of scale. Community ownership of medium-sized wind turbines may achieve the desired effect in the long run but it is unlikely that such small projects will amount to 500MW by 2020.

We believe that community ownership within large-scale commercial developments will also be required to deliver meaningful community involvement beyond the somewhat paltry sums generally delivered through ‘community benefit’ funds. Thus the Dunbar Community Energy Company has entered negotiations with the private developer of a major wind farm extension that will, if successful, result in 16 MW of community-owned wind power for the people of East Lothian. We believe this model could be replicated by other communities in Scotland especially in the main urban areas where the majority of our people live. This would help the Scottish Government achieve its 2020 targets while at the same time reduce resistance to turbines through the more equitable sharing of the costs and benefits between the private sector and the consumer/tax payers.

**Barriers**

**Planning and consents**

**How can national priorities be reconciled with local interests?**

The current planning system does not differentiate between privately-owned wind turbines and community-owned wind turbines. Whilst we appreciate that there are various forms of community ownership it is not difficult to define a true community
energy project. As the DECC needs to clarify this definition as part of the FiT review phase 2 consultation it is a perfect time to consider the definition.

Once community wind turbines are defined they must be treated differently by the planning system. Much of the anti-wind argument revolves around the subsidy system. When people understand that the money from their electricity bills is coming back via a community wind turbine they will see that wind turbine differently. Our public consultation of local people showed that although 46% of people still like the idea of private wind turbines the percentage increases to 67% with regards community wind turbines (we interviewed over 550 people, approximately 10% of the population, the results can be seen here dunbarcommunityenergy.org.uk/your-opinion).

Scottish Natural Heritage, local planning officers and the Scottish Government must realise that the visual impact of a community wind turbine is different from a commercially-owned wind turbine. They must take steps to incorporate this into Planning Policy both local and nationally. Our views on the significance of the wind turbines’ ownership on visual impact can be found here DunbarCommunityEnergy-consultation-response.pdf

Finance

Will sufficient funds be available to allow investment in both the installation and development of relevant technologies? What can the Scottish Government do to influence this?

Funding streams such as the Climate Challenge Fund (CCF) and the Community and Renewable Energy Scheme (CARES) have allowed us to develop our community energy project for the installation of a wind turbine and we applaud the Scottish Government for their innovation and support for community energy so far.

CARES is ideal for the development of the project but most commercial lenders will only supply 90% loans against the capital costs of a wind turbine. The sourcing of the remaining 10% will be a major hurdle to many community energy projects. This is likely to be a greater problem within low-income communities. Some form of funding support which provides the remaining 10% of capital costs (at very minimal, if any, risk) can be repaid, with interest, after the wind turbines is operational. This support could take the form of a revolving loan fund.

What will be the impact on consumers and their bills?

All the possible scenarios for energy security over the upcoming decades will have an impact on consumer fuel bills. This is especially aggravating as household incomes are squeezed and job insecurity increases with ‘austerity’ measures kicking in. However, community energy can have a positive impact on people’s bills and carbon footprint through the provision of energy advice and measures, as well as micro-generation opportunities. Community energy can also create local jobs and thus raise people out of fuel poverty and provide a significant stimulus for the local economy. Managing such projects also adds to community cohesion and capacity, helping deliver on the joint Scottish Government/CoSLA Community Empowerment Action Plan. Locally accountable and profit making community assets would also represent a tangible expression of the UK Government’s idea of ‘Big Society’.
Community energy therefore has the potential to deliver significant and diverse social, economic and environmental benefits across a wide range of agendas.

**The other issues**
Many of the other questions regarding supply, grid capability etc would be impacted by community energy.

The BeGreen energy advice service has saved 550 homes an average of 18% on their home energy bills. This amounts to £104,000 worth of financial savings for the residents and also means that they use 2,108 MW hours less energy.

The energy demand reduction that results from a community energy project’s energy advice service reduces the number of wind turbines required. The proposed community wind turbine on Cocklaw Hill would generate 1941 MW hours of electricity each year worth around £200,000.

By reinvesting some of the financial profits from a community wind turbine into an energy advice service you can get the energy savings that equal the existence of a second turbine. Effectively, with community energy, you get two wind turbines for the price of one.

When it comes to engaging with the people of Scotland about this idea we must make the message straightforward and engaging. Everyone understands the concept of BOGOF – Buy One Get One Free.

Dunbar Community Energy Company
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