

## **Local Power Plan Summary for Community Energy Scotland members**

### **What is the Local Power Plan?**

The Local Power Plan is a joint Great British Energy (GBE) and UK Government Department for Energy, Security and Net Zero (DESNZ) document that sets out how they will work together with each other and partners to grow local and community owned clean energy across the UK, ensuring that communities will directly benefit from the green energy transition.

### **Overarching vision**

The vision set out within the Plan is that “By 2030, every community in the UK will have the opportunity to own a local energy project.” It lists a number of reasons why this is important, including cutting bills, creating local jobs, and strengthening the energy system. In order to achieve this vision, GBE has set a number of other targets including:

- Supporting over 1000 local and community energy generation projects, and boosting shared ownership
- Developing scalable business models for community energy
- Acting as a market maker and strategic investor
- Grants and loans increasingly focussed on underserved areas and communities new to the sector

### **Working with devolved governments**

GBE is committed to working with devolved governments to ensure that any support and funding is complementary to existing schemes such as the Scottish Government’s Community and Renewable Energy Scheme (CARES).

### **Funding**

GBE has dedicated a total of £1bn for the next three years. The exact details of what funding will be available and to which communities will be confirmed in the GBE Capital Toolkit that will be launched in Summer 2026. However the expectation is that the funding will break down into:

#### **1) Emergence and Development grants:**

- The Great British Energy Community Fund for community energy groups
- A Partnership Fund for joint projects between local government and community energy orgs

#### **2) Construction and operation loans to cover:**

- The costs of construction of community owned projects
- Buying a stake in shared ownership projects

#### **3) Local investment funding providing direct investment in local projects**

### **Capacity building**

The Local Power Plan commits to three core functions to bolster the capacity of the sector:

- 1) Working with a range of partners regionally and nationally
- 2) Establishing in-house and regional support
- 3) Developing templates and guidance documents – a so-called ‘Community Energy in a Box’ toolkit

### **Developing viable and replicable financial models**

GBE investment alone will not achieve the scale of change envisaged within the plan. GBE commits to:

- 1) Exploring different revenue models including virtual Power Purchase Agreements (PPAs), Smart Local Energy Systems (SLES) and different forms of local and consumer-led flexibility.
- 2) Developing a new ‘Local Energy Platform’. Not much detail is given about what exactly this will include.

### **Policy and Regulatory support**

Within the Plan, DESNZ commits to undertaking the following policy and regulatory change within 2026-27 to support the overarching aims of the Local Power Plan:

- 1) **Developing detailed proposals on how mandating private developers to offer shared ownership opportunities** to communities would work (building on the primary legislation in the 2015 Infrastructure Act) and consulting on these proposals in 2026.
- 2) **Supporting fair access to energy markets by:**
  - Working with Ofgem and Elexon to make it easier to establish local energy markets and share energy generated locally (through code modifications P441, P442, P444 and P415)
  - Engaging with the public sector to unlock opportunities for PPAs between community groups and public buildings
  - Collating evidence on how communities are disadvantaged by current market arrangements, and making the case for future reforms, including price support for community projects if needed.
- 3) **Developing a definition of a “Community Energy Group”** which is an important process to define eligibility criteria for any support mechanisms specifically targeted at community energy
- 4) **Make the grid connection process faster and easier for communities by:**
  - Convening new working groups with Ofgem and Distribution Network Operators (DNOs) to explore tailored support for community energy projects looking to secure grid connections
  - Collaborating with Ofgem, the National Energy System Operator (NESO) and DNOs to look at ‘whole system optimisation’ models within the Regional Energy Strategic Plans (RESPs)
  - Taking action to address the additional barriers presented by the lower Transmission Impact Assessment thresholds in Scotland.
- 5) **Unlocking the potential of Smart Local Energy Systems** for community energy by building an evidence base and identifying cost effective models, and consulting the sector on implementation options.
- 6) **Issuing a Call for Evidence to assess the role of community batteries** and how to scale their deployment.
- 7) **Developing scalable whole place-based net zero solutions**, working with the devolved governments.

### **Expression of Interest form**

GBE is encouraging community energy organisations to fill out an expression of interest form – you can either just sign up for updates, or share details of a specific project that you have in mind to take forward. This will be added to their database and they may get in contact if they are able to provide specific support:

<https://www.gbe.gov.uk/form/proposal-form>

Community Energy Scotland, Community Energy England and Community Energy Wales will soon start our annual State of the Sector survey. We would also encourage all members to complete this survey this year, as the more comprehensive the data that we hold on your existing projects, the barriers you face and your future plans, the better that we are able to advocate on your behalf to make sure that the support programmes developed by GBE and DESNZ meet your needs.