#### **DTAS Annual Conference 2025**

# Accelerating Community-Owned Energy







### Agenda

# What we'll discuss today





CARES Programme support
Local Energy Scotland

Community Energy Policy Asks
Scottish Community Coalition on Energy

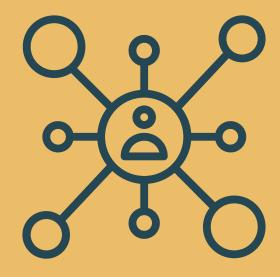
Case Study

Arran Community Renewables

# What is Community Energy?

### **Community energy generation**

- Wind turbines
- Hydro
- Rooftop Solar
- Ground-mounted solar



... 100% community owned & shared ownership with a commercial developer

# What is Community Energy?

### **Community energy demand**

- Energy storage
- > Heat networks
- Building retrofit and energy efficiency
- **EV** charging and transport



# A quick quiz ©

1

What percentage of people would support a commercial windfarm in their area? 40%

2

What percentage of people would support a community owned windfarm in their area? 62%

3

On average, community-owned windfarms provide how much more financial benefit to the local community than commercial windfarms

34 times more benefit

4

What is the Scottish Government's target for community and locally owned energy by 2030? (in GW) (SG target for renewable energy as a whole is approx. 35GW by 2030)

2GW

5

What progress has been made so far towards that target?

1.1**GW** 

6

But how much of the 1.1GW is truly community owned?

100 MW – only 9%

# DEMOCRATIC FINANCE SCOTLAND

Transforming community wealth

# Democratic Finance Scotland

DTAS' programme of support for community led organisations to explore alternative methods of raising finance and funding.

Ensuring communities have the financial control and the democratic power to take ownership of important community assets and run democratic community led businesses

# We support with...

### Local, citizen-driven sources of money:

- Community shares
- Community bonds
- Grassroots legacy giving
- Local philanthropy and donation-based crowdfunding
- One-off community lotteries
- Common Benefit Funds and Common Good Funds

### **Community Shares**



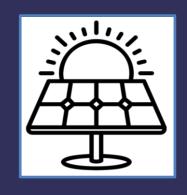
Community Hydro £7.5m raised in community shares 2300+ community investors





Community Wind £1.2m raised in community shares 250+ community investors





Community Solar £4.1m raised in community shares 1300+ community investors



## **Our Support**

### Fully funded and in two stages

### 1. Early Stage

Explore what democratic finance options are the best fit for your community

### 2. In Depth Development

- Governance and legal structures
- Community engagement
- Business and finance planning
- Marketing and PR incl. £5k Micro Grant available

**Local Energy Scotland: Community** 

**Owned Energy** 

Isla Vandevoorde





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CARES





# The Scottish Government's Community and Renewable Energy Scheme (CARES)



The Scottish Government's



Community and Renewable Energy Scheme (CARES)



delivered by Local Energy Scotland

Local Energy Scotland is a consortium comprising:











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**CARES** 





# The Scottish Government's Community and Renewable Energy Scheme (CARES)



Since its inception, CARES has advised over

# 300 organisations

offered funding of over



to over



supported innovation, awareness raising, community planning and decarbonisation, and helped support the installation of













### **Funding and support**



### Funding in 2025/26:

- £8 million Community Energy Generation Growth Fund
- £4.5 million Community Buildings Fund
- £1 million Capacity building and development support
- Including funding from GB Energy











# **CARES – Community Buildings Fund**

- **Objective:** Assist community organisations in reducing their building's energy costs and greenhouse gas emissions by funding the installation of renewable technologies.
- **Example Measures:** Heat pumps, solar PV + battery storage, heat network connection, solar water heating and simple fabric measures
- **Focus:** Heating decarbonisation
- Funding: Grants up to 80% of eligible costs, with a maximum of £80,000.
- **Eligible organisations:** charities, community groups or faith groups based in Scotland
- **Eligible Buildings:** Village halls, community hubs, sports facilities, faith buildings, etc.
- Application Deadline: End of October, or when funds are fully allocated.



# **CARES – Community Energy Generation Growth Fund**



- Supporting organisations to develop their own community renewable energy projects, offering grant funding, advice, and loan funding.
- **Technologies covered:** Onshore wind, Solar PV and Hydro
- Objectives:
  - 1. Contribute to Scotland's target of 2GW of community or locally owned renewable energy by 2030.
  - 2. Support communities to develop and be engaged in energy projects and the energy transition.
  - 3. Deliver concrete economic benefits to communities, while also supporting Scotland's net zero ambitions.
- Projects supported will need to:
  - Install over 50kW of renewable energy, either at a site or over multiple sites
  - Generate and provide electricity through a connection to sell to the national grid or a large local energy user or power the applicant's own building.
  - **OR** be led by a community group that owns and operates its own independent electricity grid because it can't connect to the national grid.
  - OR be an existing renewables project that is repowering.
- Funding Details: Support can be at the feasibility, development or construction stages of a project
- Eligible organisations: Scottish registered and incorporated non-profit distributing organisations

# **CARES – Community Energy Generation Growth Fund**



#### **Milestones**

Funding can be used to help projects meet a key and achievable project milestone by 17<sup>th</sup> March 2026 e.g.

- · a site-specific feasibility study
- · a planning application submission
- · full technical design
- grid connection agreements and payments
- land agreements
- · procurement of contractors, services and equipment
- · installation of renewable technologies

#### Timeline & Key dates

- Mon 8th September application deadline
- Sep / Oct 2025 application assessment
- Oct 2025 applicants notified
- 17<sup>th</sup> March 2026 deadline for project completion and draw-down

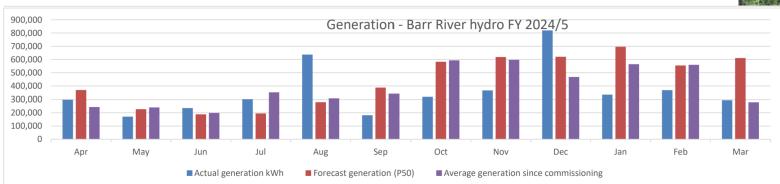
#### Want to apply?

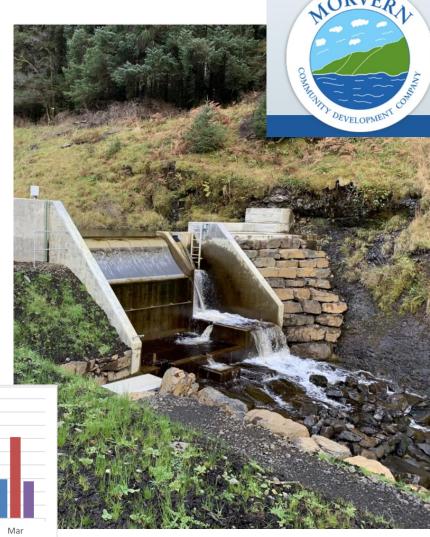
- Read the full guidance on our website
- Fill out an expression of interest on the CARES portal
- Make contact with your local CARES Development Officer

**Case Study: Barr Community Hydro** 

#### Development and construction of a 1.6MW community hydro scheme

- Commissioned 2021
- UK's largest community owned hydro
- Supported by CARES since 2014
  - Feasibility work
  - Project development support
  - Development & bridging loan
- >£6m construction costs (Triodos Bank, Scottish Investment Bank)
- Plan to reinvest profits into community priorities
- Expected to operate for at least 50 years

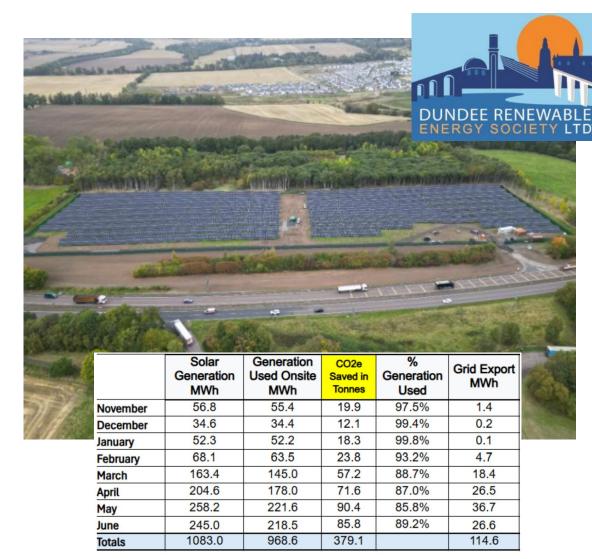




### Case Study: Dundee Renewable Energy Society

#### Development and construction of a 2.6MW solar meadow

- Commissioned in October 2024
- Supported by CARES since 2019
  - ➤ £10,000 feasibility study grant
  - ➤ £17,000 enablement grant
  - > £116,000 loan
- Registered as a Community Benefit Society in 2018
- Contacted by The James Hutton Institute grid unable to support energy use of expanded campus
- JHI expected to utilise 94% of the energy generated power purchase agreement (PPA) in place
- Over £2.7m raised over 2 phases of community share offer
- Expected to generate around £1.4m in community benefit over the 25-year lifetime of the project



### CARES Funding – 2026 and beyond

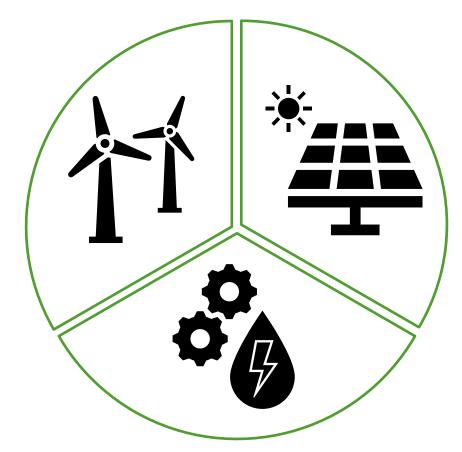


- When / for how long will support be available?
- How much funding will be on offer next year?
- What priorities will be supported?
- Will GB Energy continue to provide additional funding?

### Sign up for updates

Subscribe to receive the regular CARES Newsletter from Local Energy Scotland with articles, events and news on all things local energy.

Sign up 🖸



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**CARES** 





### **Contact Us**





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# Scottish Community Coalition on Energy Policy Priorities

Amanda Grimm, CES Policy Manager









- National charity advocating for community energy
- 'Voice of the sector'; over 450 member groups
- 100 member groups own their own renewables: wind, hydro, solar
- We support community groups to carry out energy projects and engage their communities in the energy transition.





# Scottish Community Coalition on Energy (SCCE)

- Community Energy Scotland, DTAS, Community Land Scotland
- Formed in 2024, in response to the **un**-just energy transition
- Aim: secure a FAIR deal for Scottish communities







# Community-owned energy is popular

- 62% of the public would support a community-owned renewables project in their area, compared to 40% support for a private project.
- Community-owned windfarms provide **34 x more financial benefit** per MW to the local community than private windfarms.
- Community ownership (and credible shared ownership) also gives communities some CONTROL over the energy transition.



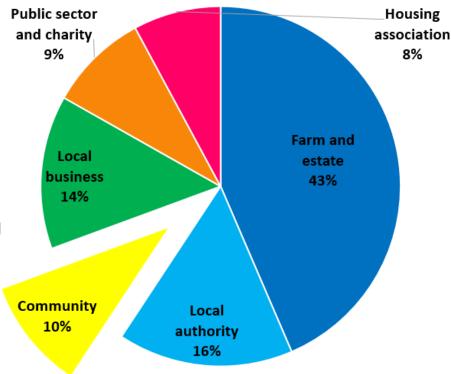






# 1. Targets

 The UK Government has set a target of 8GW of community and local energy by 2030. Scotland should play a key part in meeting that target.



• The Scottish Government has set a target of 2GW of *local and* community-owned energy by 2030. It is currently at 1.1GW, but the vast majority of this is *local* rather than community-owned. (True community ownership = 0.1 GW)





# Recommended targets for Scotland

By 2030: **1GW** of community-owned energy.

By 2040: **25%** of all energy installations in community ownership.

Both can include community shared ownership.







# 2. Community energy on public land

- Give priority to community energy on public land, by encouraging Forestry and Land Scotland and other public bodies to grant leases to community groups.
- This applies to land leased for first time, and to repowering leases for existing windfarms.

#### COMMENT

Lesley Riddoch: We should be welcoming community wind farm bid

WIND FARMS POLITICS SCOTLAND









### Amendment to Land Reform Bill

- It requires public landowners to:
  - notify local communities before putting a lease out to tender.

• give community groups first refusal on land that is to be leased for

renewables.

- Lodged by Ariane Burgess MSP
- Updates Community Empowerment Act
- Plan B: Try through Community Wealth Building bill.
- Plan C: Update CAT guidance & Scottish Public Finance Manual.







# 3. Increase funding, esp. for capacity building

**CARES** = Community and Renewable Energy Scheme

- This funding should increase to £15m/year, rising each year.
- Include multi-year capacity-building funding for community energy groups to hire Community Energy or Heat Officers
- Areas with higher levels of deprivation should be prioritised.







# SCCE Policy Asks

#### **Scottish Government:**

- 4. Reduce barriers to community groups **repowering** their wind turbines: grid, planning, insurance, business case...
- 5. Improve local **community benefits and shared ownership** offers:
  - Strong update of Good Practice Principles
  - Increase onshore community benefits to 4% of project revenue
  - Use planning powers to \*require\* this for projects under 50 MW
- 6. Support the creation of a Scottish Community Wealth Fund.





# SCCE Policy Asks

### **UK Government:**

1. Prioritise community energy for **grid connections**. ('Designation' by NESO)

2. Establish a **minimum price floor** for community energy sold to the grid (parity with commercial Contracts for Difference).

- 3. Mandate **community benefit funds** and offers of **shared ownership**.
- **4. Fair share of funding** from GB Energy's Local Power Plan should go to Scottish communities.







Community Energy Scotland

# Community-led heating

- Establish a new **Community Heat Growth Fund** for community-led heat projects including district heating. This should include funding for feasibility studies and capital costs.
- Amend the Heat Networks (Scotland) Act 2021 to require new heat networks to be operated on a **not-for-profit basis**.
  - In Denmark 84% of heat networks are owned by consumer co-ops.
  - Non-profit rule means low prices, and high quality infrastructure.





# Don't just decarbonise. Democratise energy!







# What is community shared ownership?

" - any structure which involves a community group as a **financial partner** over the lifetime of a renewable energy project."

Shared ownership is **separate** and **additional** to community benefit funds and 100% community owned energy.

# The ambition for community shared ownership

### 2017 Scottish Government policy statement

"Our ambition remains to ensure that, by 2020, at least half of newly consented renewable energy projects will have an element of shared ownership."

### 2023 Scottish Government policy statement

"We continue to encourage the renewables industry to consider, explore and offer shared ownership opportunities as standard on all new renewable energy projects including repowering and extensions to existing projects."

# Community shared ownership progress

### Did you know?

An estimated 52% of the installed wind capacity in Denmark is owned by local communities through community shared ownership.

### In Scotland...

Only approx. 0.2% of Scotland's installed wind power is owned by local communities through community shared ownership.

# Scottish Community Coalition on Energy

### **Community Shared Ownership Call to Action**

- Proactive mapping of opportunities
- Early-stage awareness raising
- Peer Learning Group
- Scot Gov update to Good Practice Principles
- UK Gov mandate shared ownership
- Community capacity building and standardised frameworks
- Develop funding market

### Glenkiln Solar Farm

Lamlash Isle of Arran

Gavin Steven
Director ACR

ARRAN

COMMUNITY

RENEWABLES

# Arran Community Renewables (ACR) is a Community Benefit Society, founded in 2020 to investigate the construction of renewable energy projects on the Isle of Arran

### Who we are

Since August 2021 ACR have been working with Local Energy Scotland and Scottish Government's Community and Renewable Energy Scheme (CARES) to identify and develop a solar farm on the island.

#### Our aims are:

- To increase renewable energy generated on the island, for the island.
- To create a Community Benefit Fund to further sustainable projects on the Isle of Arran
- To provide an opportunity for local residents to own a stake in ACR projects.



# **Opportunity Overview**

Glenkiln Solar Farm is a proposed 6MW solar farm located near Lamlash on the Isle of Arran. The project will generate approx. 5,600MWh of electricity, approximately 23% of the island's annual consumption.

Land

- 3-year land option and 40-year lease, with the site landowner, Kenny Bone.
- Land rights include access and grid easement.
- Extensive ground investigation work completed.

Grid

- Connection into the 33kV overhead line located adjacent to the site.
- SHEPD will undertake all connection works.
- Currently in the NESO Gate 2 Process

Planning

- Planning permission was granted with minor constraints in March 2025.
- Unusually for Arran, no public comments were made.
- Archaeology trenching taking place

Timeline

- 2025: Secure project finance and a long-term PPA
- 2026: Construction
- 2027: Energisation

# Arran Community Renewables

# As a Community Benefit Society we are not a charity that has strict regulations that must be adhered to when disbursing funds.

We are however a FCA Registered company who must submit to Regulations as a Mutual Society

### Governance

- Constitution developed in conjunction with Co-operatives UK. Established principle of 1 Person - 1 Vote.
- Setting the scenario for Share issue 2026

### **Funding**

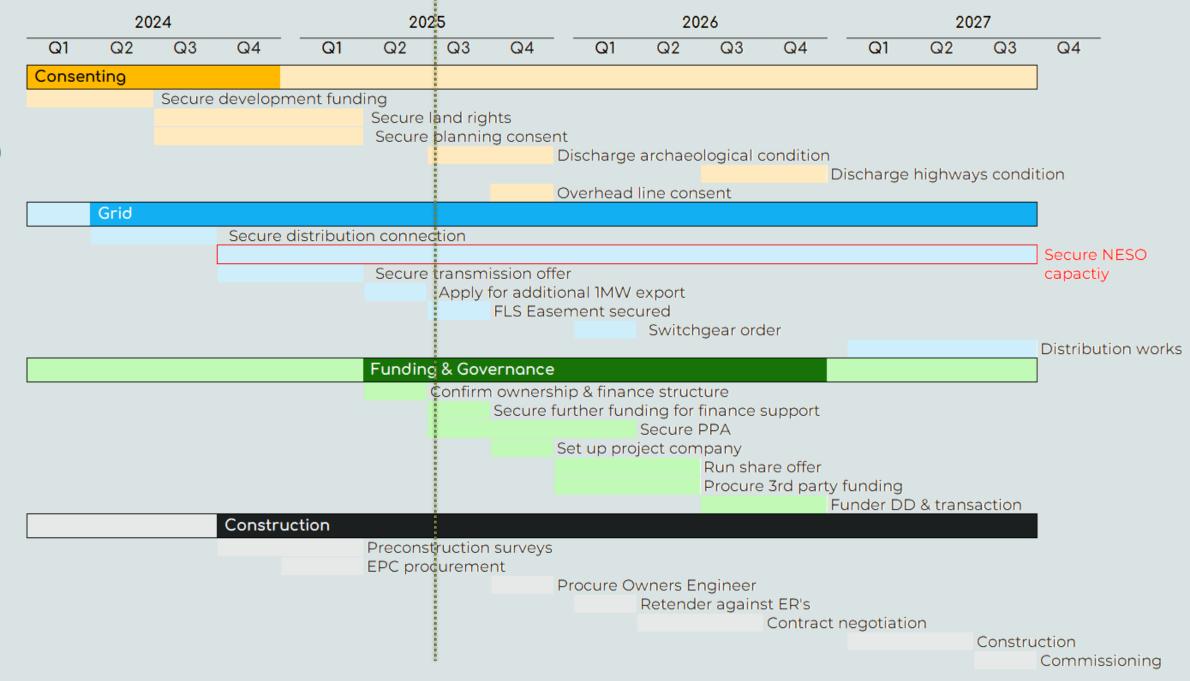
- To date 100% Grant Funded
- CARES Funded Feasibility, SSEN Connection and Development to date
- North Ayrshire Council Grant for Community Engagement

### Community Benefit

- Established in conjunction with recognised charity Arran Eco Savvy
- Initially targeting min of £30,000pa for Community Benefit Fund

### Financing

- Approx £5M Construction Capital Cost
- CARES will Grant fund up to 25% of Construction and provide a Construction Loan for remainder for up to 3 months beyond energisation
- Looking for Long Term CfD or PPA to maximise income.



### Governance

Two tier structure required to allow a bank to finance whilst protecting community interest:





# ARRAN COMMUNITY RENEWABLES

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