

SBF ALUMNI		Beneficiary group supported	Geography	Loan value
Plymouth Energy Community		Individuals and families in area of economic deprivation	Plymouth	£3,962,000
Verdant Community Energy CIC		Local community in an area of economic deprivation	Weston Super Mare	£13,077,085
Gridserve WBC York Ltd		Disabled people and people living with long term health conditions in Warrington. Individuals with learning difficulties plus local schools, colleges and social enterprises in York	York	£11,000,000
Gridserve WBC Hull Ltd		Disabled people and people living with long term health conditions in Warrington. Local schools and colleges, social enterprises and wildlife organisations, young students & disadvantaged people in Hull	Hull	£6,500,000
Ferry Farm Community Solar CIC		Local community in an area of deprivation	Selsey	£5,850,000

Why we need community energy

As 2020 draws to a close, governments across the globe are focusing in on their strategies for building a green economy to tackle the twin emergencies of the COVID-19 pandemic and climate change. The UK Government is no exception.

The Government's promise to 'build back better' is now underpinned by the Ten Point Plan,¹ the Spending Review² and the Energy White Paper,³ and will be supported by a UK National Infrastructure Bank.⁴ It's a welcome recognition for the entire clean energy sector that there are only 'wins' in accelerating the deployment of renewable electricity generation, which is increasingly cheaper than new electricity capacity based on fossil fuels.

We are now in the 'decisive decade' for actions needed to put us on the pathway to achieve net zero by 2050. Given the scale of the climate challenge and speed needed to reboot the economy, the emphasis so far has been on offshore wind, big infrastructure and private sector

delivery and technical innovation through hydrogen production, and carbon capture and storage. But let's take a moment also to consider community renewables and the important role the community sector is playing to benefit hard-hit communities and achieve the Government's legally-binding targets.⁵

In recent years, it has been the community energy sector that has led much of the innovation and new business models for decentralised local energy solutions, including mini-grids and micro-grids. For example, it is the community sector leading the charge in a collaboration with Network Rail (the UK's largest energy consumer) on decarbonising our electric railways by making it possible to directly connect solar

generated power to the rail network.⁶ It is also the community sector leading partnerships and collaborative initiatives at the local level to alleviate fuel poverty, increase energy efficiency, improve biodiversity, and raise environmental awareness.

Throughout my career advising on investment into clean energy projects, I have been struck by the commitment and innovation of community-led renewable projects. Often these projects are developed and led by the unsung heroes of our society, who recognise the impact potential of community renewable projects and work hard to implement and manage these initiatives. For this reason, I was delighted to join the SASC Renewables Investment Committee (IC) in 2020.

1. <https://www.gov.uk/government/publications/the-ten-point-plan-for-a-green-industrial-revolution>
 2. <https://www.gov.uk/government/publications/spending-review-2020-documents>
 3. <https://www.gov.uk/government/publications/energy-white-paper-powering-our-net-zero-future>
 4. Announced by the chancellor Rishi Sunak in the Spending Review
 5. See WPI Economics Report (2020). The community sector has delivered over 250MW of renewable energy generation capacity. <http://wpieconomics.com/site/wp-content/uploads/2020/01/Future-of-Community-Energy-20200129-Web-Spreads.pdf>
 6. <https://uk.reuters.com/article/idUKLBN2193CK>

The community energy sector is a small but crucial part of the larger renewable sector and can help address wider issues such as fuel poverty and supporting left-behind communities



Since 2014, SASC has been empowering community groups to develop innovative energy projects through their Community Investment Fund and Third Sector Investment Fund. In 2020, they built out their community renewables portfolio with the acquisition of Leapfrog Bridge Finance, now called SASC Bridge Finance. The combined entity has funded more than 20% of the UK community renewables market and has an opportunity to play a significant role supporting the growth of this sector in the coming years.

In the lead up to the COP26 conference in Glasgow in 2021, there is an opportunity to send a clear signal to government that community-led projects can play a vital role as part of the multiple solutions needed to tackle climate change and ultimately help create a more inclusive and resilient economy.

The sector needs an enabling framework and viable financing solutions so it can forge ahead. Without this support, the community sector is less likely to achieve its distributive growth potential. This is where SASC can play an important role, enabling investment in smaller projects which can be replicated and scaled up. The right type of funding could help to remove some of the barriers to entry in the development phase of new projects and address the significant issue of power price risk in a post government subsidy environment.

Using an impact lens can lead to alternative financing mechanisms. There are similarities here with how SASC went about solving the investment gap for charities operating in the supported housing market through its successful SASH fund. The community energy sector is a small but crucial part of the

larger renewable sector and can help address wider societal issues supporting left-behind communities.

I am looking forward to joining the SASC governance structure and together with my fellow Renewables IC members, I hope we can help drive forward SASC's work in this important sector at a decisive moment in our planet's history.

Louisa Cilenti
SASC Renewables
Investment Committee
member and Partner,
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