

# Local Electricity Bill Overview

# Background

- **2008: Climate Change Act** - reduce greenhouse gas emissions by 80% by 2050 compared to 1990 levels
- **2019:** Strengthened legal commitment to Net Zero by 2050
- Electricity accounts for 11% of UK greenhouse gas emissions
- **2021: Net Zero Strategy** – Plans to decarbonise all sectors of economy:
  - Community Energy schemes identified as way for local communities to contribute to local and national targets

# What is Community Energy?

‘The delivery of community-led renewable energy, energy demand reduction and energy supply projects, whether wholly owned and/or controlled by communities or through a partnership with commercial or public sector partners.’

Community Energy England

**FAREHAM**  
BOROUGH COUNCIL

# Power for People

- Not-for-profit organisation, campaigning for UK rapid transition to 100% clean energy and for this to benefit local communities
- Current legislation holds back development of Community Energy:
  - Blocks buying electricity from local renewable sources eg local schools with rooftop solar PV
  - Significant costs associated with becoming an energy supplier regardless of the size of generation scheme
  - Energy sold to large energy companies for a lower price than what could be achieved if sold locally

# Local Electricity Bill

- **Power for People** drafted **Local Electricity Bill**
- Private Members Bill presented first in 2021
- Aims to establish a framework to support the growth of community energy schemes

# Local Electricity Bill: Measures

- **A Community Electricity Export Guarantee:** A right for sites that generate low carbon electricity below 5 megawatts to export their electricity to an existing supplier at an independently set minimum export price
- **A Community Electricity Supplier Services Scheme:** A requirement for existing larger energy suppliers to work with community schemes to sell the power they generate to local customers. Existing suppliers could charge a fee for doing this, but that fee must be reasonable.

# Recent policy developments

- **January 2023:** Independent Review of Net Zero Strategy published recommendations:
  - Commit to Local Electricity Bill and publish a Community Energy Strategy
  - Addresses regulatory, legislative, funding and capacity barriers in the sector
- **March 2023:** - Powering up Britain - Government rejects review recommendations as already expressed support for community energy in original Net Zero Strategy and subsequent updates

# Latest Update

- **May 2023:** Latest version of the Local Electricity Bill had 1st reading then prorogued
- 326 cross party MPs and 112 Local Authorities support the Bill
- **October 2023 - Energy Act** receives Royal Assent:
  - Creation of £10m Community Energy Fund
  - Commitment to consult on barriers to Community Energy
  - Regulatory environment stays the same for Community Energy schemes