



Co-operative Energy Community Energy Strategy

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Introduction	1
Power purchase support	2
Local supply innovation.....	3
Customer and member engagement.....	4
Advocacy and lobbying for good	5

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Introduction

Established in 2010 by The Midcounties Co-operative, Co-operative Energy supplies electricity and gas to over 400,000 domestic customers across England, Scotland and Wales.

From the outset, we pledged to deliver lower carbon energy at fair prices – and in 2016 we reinforced this with fresh commitments to avoid the use of coal and to source three-quarters of electricity from renewable sources over the subsequent three years.

In line with our founding principlesⁱ, we aim to facilitate the expansion of community energy and to be recognised as the UK's leading supporter of locally-generated low-carbon energy.

This Community Energy Strategy sets out our commitments and will be updated annually. We will report openly and honestly on our progress within The Midcounties Co-operative's annual Social Responsibility Reportⁱⁱ.

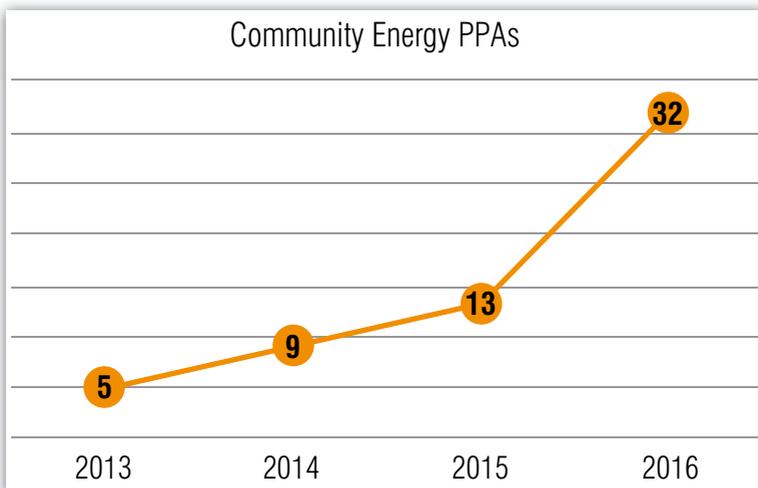
Power purchase support

From inception, a primary aim of Co-operative Energy has been to facilitate the expansion of community energy generation projectsⁱⁱⁱ. Via Power Purchase Agreements (PPAs) we enable fair market access for community energy, with projects including wind, solar-PV and hydroelectric technologies.

The number of Power Purchase Agreements with community energy groups now stands at 40, more than quadrupling the nine we had at the end of 2014^{iv}. This is being delivered via newly strengthened relations with intermediaries such as Energy4All, the Resilience Centre and Sharenergy^v.

We have previously acted as Voluntary FIT Licensee in support of community energy, registering and making payments to, for example, numerous schools and community groups. Given growth in customer numbers, we will progress to Mandatory FIT Licensee in the near future.

- **TARGET:** Double the number of community PPAs supported to 60 over the next three years^{vi}
- **TARGET:** Continue to develop simplified and longer PPA contract terms, with ensuing commercial benefits for community energy groups



Local supply innovation

The UK electricity system is on the cusp of radical change. The development of a smarter, more flexible and user-friendly energy system could save consumers billions of pounds in the coming decades.

Co-operative Energy is supporting the roll-out of Smart Meters and the trialling of innovative new 'time of use' and 'local energy' tariffs. Working with Energy Local, these enable customers to benefit from load shifting at off-peak times and when local, low-carbon generation is active – benefiting customers with substantial cost savings in the region of 10-30%.

- **TARGET:** Help complete SWELL^{vii} Solar-PV project in Oxfordshire and disseminate learnings
- **TARGET:** Help roll-out Cyd Ynni^{viii} hydro project in north Wales to one hundred households and share learnings



Customer and member engagement

Effective customer and member engagement is vital if a transition to a low-carbon economy is to be realised. Uniquely, we offer a User Chooser^{ix} facility that allows customers to control the energy mix of their electricity: this was recognised in 2015 with an EU Renewable Energy Award. We have also experimented with 100% local renewable energy offers, such as new Highlands and Mearns Wind energy tariffs^x.

A Members Advisory Panel operates, which has influenced everything from web portal re-engineering through to bill re-design. We actively promote the Warm Home Discount and, in 2016, launched Co-operative Energy Saving - which sells energy efficient and low-carbon products and services.

- **TARGET:** Revamp User Chooser with expanded community energy offer
- **TARGET:** Roll-out Co-operative Energy Saving offer with expanded range of products and services
- **TARGET:** Work with schools and communities local to Co-operative Energy and pilot a template to disseminate learnings on community energy and related matters

Advocacy and lobbying for good

The UK energy market is skewed toward a handful of large incumbent corporations who control more than 80% of supply. At the same time, the penetration of renewables in UK energy supply is still some of the poorest in Europe. A progressive new entrant such as Co-operative Energy faces an uphill struggle to deliver a fair and sustainable offering.

It is therefore vital that we engage with policy makers and influencers at the highest level and argue for a more balanced legislative and regulatory regime – one that recognises the value of fair, low carbon co-operative solutions. Especially as research shows that there is overwhelming support amongst the public for renewable energy and particularly

community energy^{xi}. It's not just about being in the game or winning the game, but changing the game.

- **TARGET:** We will sponsor the UK's Community Energy Fortnight for the fourth year running in 2017 and deliver our fifth national Community Energy Conference
- **TARGET:** We will continue to support and play an active role with Community Energy England, the UK Community Energy Coalition and the European federation for renewable energy cooperatives (REScoop)

- i. In particular the sixth Co-operative principle of co-operation amongst Co-operatives, which states that Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures. <http://ica.coop/en/whats-co-op/co-operative-identity-values-principles>
- ii. <https://www.midcounties.coop/our-values/social-responsibility/social-responsibility-archive/>
- iii. As well as co-operatives, this includes initiatives owned by charitable trusts and projects with crowd-sourced debt offerings
- iv. Numbers relate to number of distinct sites supported by PPAs, and equate to c.21MW of capacity
- v. <http://energy4all.co.uk/>
<http://www.theresiliencecentre.co.uk/>
<http://www.shareenergy.coop/>
- vi. Assuming there is continued growth in community energy in the UK
- vii. <http://www.energylocal.co.uk/projectswell/>
- viii. <http://www.energylocal.co.uk/cydydni/>
- ix. <http://www.cooperativeenergyhub.co.uk/>
- x. <http://www.highlandsandmearnswind.co.uk/>
- xi. Polling commissioned by The Co-operative Energy (August 2016) found that more than two-thirds (67%) of respondents said they would support local community-owned renewable energy projects, including wind turbines, within two miles of their house (with just 8% against). <https://www.cooperativeenergy.coop/news-and-views/community-energy-retains-overwhelming-backing-of-uk-public-and-increased-support-among-conservative-voters-survey-finds/>



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For more information

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The **Midcounties Co-operative**

Fair Tax 2015-16

