

# MOTION ON NOTICE

## COMMUNITY ENERGY

City Council: 23 November 2015



### Maintaining support for community energy

Council notes that:

- Plymouth has a national profile for community energy due to the success of Plymouth Energy Community (PEC). Support for PEC has gained PCC national recognition including an MJ Award, the Observer Ethical Awards and a Social Enterprise UK Award.
- PEC has delivered solar roofs to 30 schools and community buildings, offering a tool for teaching and saving £38,000 on school's bills in the first year. These schemes were paid for by £1.4M of social investment raised through the sale of community shares.
- PEC exists to tackle fuel poverty in the 15, 407 fuel poor households in Plymouth (13.4%). They have cleared £118, 316.46 in fuel debt in 174 households, saved tens of thousands through switching energy supplier and supported 100 with home visits and case work. PEC has created two apprenticeships and trained 48 volunteer Energy Champions.
- PEC has raised £672,000 in inward investment through grants and contracts. At present, PEC is majority funded by these grants and support from PCC, but aspires to generate a sustainable income through community energy installations.
- PEC uses the government subsidy – Feed-in Tariff (FIT) - to generate income from community owned solar installations. The Government is drastically reducing FITs from January 2016 and has removed the ability for community schemes to pre-register for the subsidy.
- PEC has been able to attract £1.4M investment in part due to eligibility for Enterprise Investment Scheme tax relief (EIS). This provides investors with 30% income tax relief on their investments in PEC solar schemes. The Government has announced the removal of EIS eligibility for community energy projects.

Council believes that:

- Community energy projects like PEC deliver good value for money due to:
  - The benefits they deliver locally
  - The national funds they are able to leverage
  - The new generation of social investors who decide to invest locally
- The impact of the FiT Review and removal of EIS tax relief will significantly restrict the ability of community energy projects to deliver local energy schemes and tackle fuel poverty. For example, removal of EIS contributed to PEC's £4.1M ground mounted solar scheme facing an uncertain future, after a year of development work and despite overwhelming support from the local community.

- The Government is wrong to implement these changes to the FiT and EIS. These changes will result in:
  - Thousands of job losses in the South West
  - Loss of community income from local schemes
  - Loss of investment in Plymouth
- A steadier reduction in FiT subsidy for solar would enable the industry to respond and follow a pathway to being subsidy free. Continued tax relief is needed in order to attract investment to community energy schemes in Plymouth.

The City Council agrees to –

- (1) Ask the Chief Executive to write to Chancellor of the Exchequer George Osborne to request a reversal of the amendment which removes EIS eligibility for community energy investors.
- (2) Ask the Chief Executive to write to the Secretary of State for Energy and Climate Change Amber Rudd to challenge the FiT review, explain its impact on local investment and seek ongoing subsidy support for community energy.
- (3) Continue to support Plymouth Energy Community through these challenging times for the renewable energy industry and for the community energy sector in particular.

**Proposed by Councillor Chris Penberthy**

**Seconded by Councillor Tudor Evans**