

August 2018

London Community Energy Fund phase 2 (2018/19) FAQ

- What is different from phase 1?

The first phase of the London Community Energy Fund supported the development of community solar energy projects (solar photovoltaics and solar thermal). The Mayor's Solar Action Plan outlines his approach to putting London on track to achieving 2 gigawatts (GW) of installed solar capacity by 2050.

The London Community Energy Fund 2018/19 will again offer grants of up to £15,000. As with phase 1, funding is for the development stages of a community energy project. Funding could be used, for example, to carry out preliminary viability studies or develop a financial business case. We want to fund work required to get a community energy project 'investor ready', that means ready to be financed.

The main difference with phase 1 is that the scope is now broader than just solar. It can support a wide range of community energy projects, including both clean generation and energy demand reduction.

- Will it fund the installation of measures?

No – we are still focusing on project development support since this has been identified as the single largest barrier to getting community energy projects off the ground.

- Will future phases of LCEF fund capital works?

Potentially – we are keeping this option open depending on the success of phase 2 and the future of national support for small scale renewables. Receipt of a public grant to contribute to capital costs would currently make projects ineligible for the Feed-in Tariff (FiT). We are also investigating the options around providing small loans to invest in community energy projects.

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- What is happening with the FiT?

The national FiT for generation AND export is proposed to close to new applicants from April 2019 and so we encourage groups considering solar PV projects to apply for LCEF support as soon as possible. Funding will be allocated on a first-come first-served basis for solar projects aiming to utilise the FiT before it is closed to new registrants.

- But aren't community groups exempt?

BEIS have proposed that community projects can pre-register for the FiT and have until the end of March 2020 to install to then claim the FiT. However, this is still to be confirmed. Also pre-registration is not currently a guarantee for receiving the FiT (for example the deployment cap might have been reached before a group installs their solar project).

- Where can I find out more information about the FiT?

<https://www.ofgem.gov.uk/environmental-programmes/fit/about-fit-scheme>

- How quickly will solar applications be assessed?

As soon as possible – we will endeavour to respond with a decision within two weeks of receiving a complete application (subject to requests for further information, if necessary).

- How much of the £150,000 will be ringfenced for solar?

We have earmarked around half of the total amount to support solar projects. However, this amount is flexible depending on the number and quality of applications we receive.

- Will phase 2 fund workshops e.g. to promote energy efficiency?

Not as the sole activity, but this may be considered as part of community engagement for a project that will ultimately lead to the delivery of measures that generate clean energy, reduce energy demand or reduce peak energy use.

- Which application form should I use?

Solar PV projects (relying on the FiT) should use application form 1 (solar “fast-track”). The allocation of funding will be based on a ‘first-come first-served’ basis where applications will be assessed individually as soon as they are received. Applications that meet the funding criteria will be offered a grant to enable the community group to start development work as soon as possible so that solar panels are registered or pre-registered for the FiT by 31 March 2019.

All other projects (including solar projects) that are not reliant on the FiT should use application form 2. This will involve a competitive assessment process whereby all applications received by the deadline will be assessed and scored by a panel of experts.

- What is the deadline?

The deadline for all applications is 2 November at 5pm. Timescales are covered in more detail in the Prospectus. Applicants using form 1 (solar “fast-track”) should aim to file their application in as soon as possible as these applications will be considered on a first-come first-served basis.

We will consider running a second round of grant funding in the 2018/19 financial year depending on the success of this phase.

- Does the project need to have some match funding?

Match funding is desirable, since this will help us to support more projects under the LCEF with the funds we have available. However it is not an essential requirement to receive a grant under the LCEF.

- Can we get some of the grant money paid upfront?

The GLA normally pays grant money in areas upon completion of milestones/deliverables and receipt of the right evidence. For LCEF, we understand that some community groups have very limited cashflow and would sometimes need part of their grant money to be paid upfront. We will consider this as a possibility on a case by case basis.

Timing of grant payments will be discussed with successful applicants when developing their funding agreement and as such is not a criteria affecting the application process.

- How do I get in touch with UKPN?

Groups should also visit the UK Power Networks [website](#) for helpful resources on community energy and how to connect to the grid.

There is a contact form on that website.

- Who else can provide support?

Community energy groups starting new projects can receive support from [Community Energy London](#). They can help with planning and advice as well as providing networking opportunities for groups to share their experiences.

Useful template legal agreements are also available upon request from [Pure Leapfrog](#).

If you are considering large community projects you could also look at support available through the GLA's RE:NEW (domestic) and RE:FIT (public sector) programmes. For example if a community group is working in partnership with a local authority on a large solar project requiring procurement, this project could be eligible for free technical assistance via RE:FIT.

More information is available on our website: www.london.gov.uk/renew and www.london.gov.uk/refit

Please email environment@london.gov.uk if you have any questions.