



# An overview of the Energy Local pilot

Josh Brown

Renewables Manager, Co-op Energy





## Introduction

- Overview of Midcounties Co-op and Co-op Energy.
- Overview of the Energy Local model.
- The Bethesda pilot.
- Challenges/Successes with the model.
- Lessons learnt.





## The Midcounties Co-operative

- Trace roots back to Swindon Co-operative Society and 1853.
- Largest independent co-operative in the UK, with a turnover of over £1.5 bn.
- Operates in Energy supply, Food retail, Travel, Healthcare, Childcare, Funeral, Telecommunications and others.
- The Midcounties Co-operative has won many awards:
  - Queens Award for Sustainable Development
  - EU Renewable Energy Award Winner
  - First Fair Tax Mark reaccreditation, now on 6<sup>th</sup>.
  - Voted 'Co-operative of the Year' in 2015 and 2018!!
  - 100% score in Business in the Community's Corporate Responsibility Index
- Parent of Co-op Energy.





# Co-op Energy



## Background

- Nationally launched in 2011, to provide alternative to Big 6.
- From outset, actively sought power from community generation initiatives through supporting market access via Power Purchase Agreements (PPAs).

## Today

- Now the largest Energy Co-operative in Europe with more than 340,000 energy customers, delivering 2.2 TWh electricity per annum.
- 100% green electricity across all tariffs since April 2017.
- Took on GB Energy as Supplier of Last Resort. Purchased Flow Energy in May 2018.
- More than 500 UK staff in centres from Walsall to Ipswich.
- Member customers enjoy a share of profits and say in how we are run.
- We offer our customers a Community Power tariff.





## What is Energy Local?

- Energy Local is a social enterprise that wants to link local renewable energy generation with local members of the community.
- Involves the creation of Energy Local Clubs (ELC), who Energy Local manage.
- Has been active since 2015, first carrying out a trial in Oxfordshire called SWELL, where 48 households trialled demand matching/shifting.
- Then moved on to hydro, with the Bethesda pilot (more later).
- <http://www.energylocal.co.uk/>





## How does it work?

- Uses a supplier (supplier hub principle!).
- PPA is established between the supplier and generator.
- Local community form an Energy Local Club (ELC) – agree pass-through rate with generator.
- All members of the ELC become customers of the supplier.
- When customer usage is matched to generation, customers pay the agreed rate, which is passed on to generator (through the PPA). If too much generation then power is spilt to the grid under PPA, if less than customer usage then customers revert to a half-hourly time of use tariff.
- Requires customers to have advanced meters, and for a complex site to be set up.



## The Bethesda Pilot

- Live since November 2016.
- 100 customers.
- Pass-through rate is 7p/kWh (£70/MWh).
- Generator is Berthen Hydro, owned by National Trust (100 kW).
- Since it started, the Generator has been paid £10k more through ELC matching than what it would've received through the standard PPA.
- Required advanced meters, all paid for by Co-op Energy.
- Matching levels are excellent, currently at 64%. Always rising!
- Customers saving between 14-25% on their bills.
- 25 of 100 participants had never switched energy supplier before.
- Fuel poverty in Gwynedd is between 15-30%



## Challenges

- As with all innovative schemes, has raised a number of challenges:
- **Meters!** SMETS2 obligation – advanced meters don't count.
- **Industry processes** – onboarding/stakeholder issues/COMC/billing.
- **Complex site** – aptly named!, issues with Elexon, currently still not achieved.
- **Current Govt thinking** – do not want costs avoided – *“putting all costs on old lady at end of street”*.



## Current situation / Lessons Learnt

- Still seeking for a derogation on advanced meters.
- Still attempting to gain complex site status for the site.
- Looking to onboard up to another 160 participants, as well as another hydro scheme (Ogwen Hydro) to the project.
- The current energy system really struggles to deliver an innovative project such as Energy Local.
- Amendments to SMETS2 rules will also make a big difference in delivering innovation projects.
- Some forthcoming changes could make a big difference, including the proposed BSC amendment (P379) which would allow for multiple suppliers.





# Thank You

**Josh Brown**

[Josh.brown@cooperativeenergy.coop](mailto:Josh.brown@cooperativeenergy.coop)

07854 558 088

[www.cooperativeenergy.coop](http://www.cooperativeenergy.coop)

