

# BRISTOL city leap

BUILDING A CARBON NEUTRAL BRISTOL

## Community Energy Proposition



# Proposition to City Leap JV partners

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2. Why have we formed a steering group?
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# Overview

## Who are the Consortium members?



A partner of Bristol City Leap and an umbrella organisation for individuals and community groups with an interest in energy in Bristol and the surrounding area. . BEN will be engaging communities with the transition to a zero-carbon city and support them in their project ambitions.



Community Benefit Society that has five operational community owned solar projects, including two ground-mounted and three rooftop arrays. Their first project raised its funds through a share offer in 2014 and was completed in 2015.



Founded in 2011, Bristol Energy Cooperative owns £11million of solar and battery assets and has facilitated over £250,000 of community benefit payments to the local community. Projects currently under development include solar, hydro, battery storage and community microgrids.



Bristol-based charity with 70 staff which aims to tackle climate change and end the misery of cold homes. CSE has delivered numerous funding programmes for community energy sector.



Europe's leading ethical bank and has been financing renewable energy for over 40 years. The bank provides both senior debt (project finance) and corporate finance advisory and risk capital raising services to a range of clients – including the community energy sector.



Zero West is a collaboration to accelerate the zero-carbon transition in the West of England. It brings together the commercial sector, the community sector and the four West of England local authorities.



Bristol Green Capital Partnership is the city's environmental sustainability network. Formed in 2007, it is now a community of 950+ organisations from across all sectors working towards a shared vision of a 'sustainable city'

# Overview

## What is the Consortium Group?

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Bristol Energy Network (BEN) has convened a steering group of local organisations to design, structure and deliver support mechanisms for communities to benefit from the city's transition to net-zero carbon by 2030.

**Purpose** – Developing a proposal for engagement and participation with City Leap by having a meaningful stake in the transition to net zero carbon.

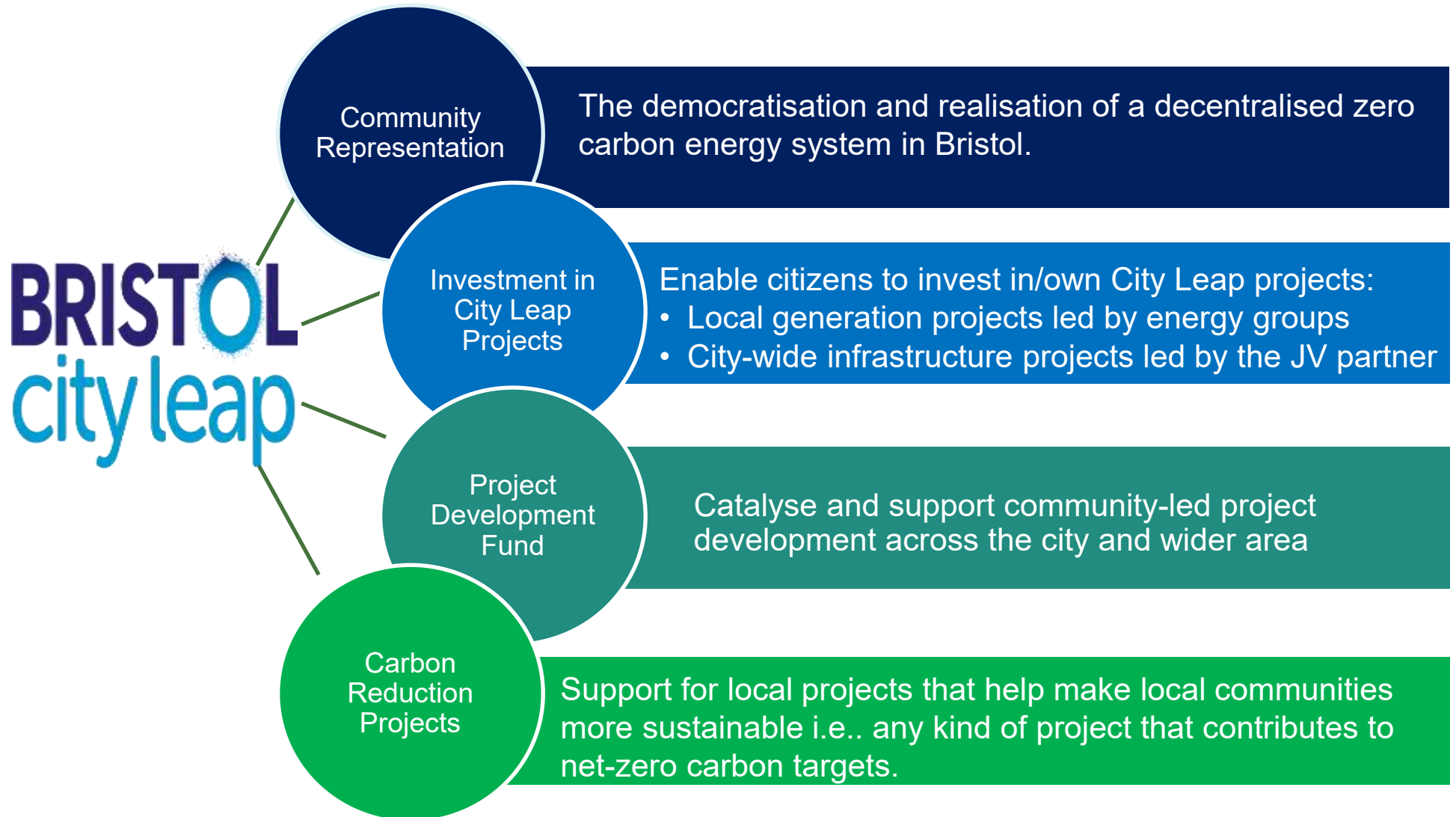
**Aim** – establish a wide-reaching contractual framework with City Leap that delivers a sustainable legacy for Bristol residents.

### Approach

- ✓ **Formulate a community led proposition** – on behalf of the whole region's community energy sector which will ensure long term support, community benefit and participation.
- ✓ **A practical solution for discussions and negotiations** – both for the community energy sector (direct representation around a single proposition) and the JV bidders (single point of contact)
- ✓ **A helpful solution for the Council** – signpost JV bidders to a single representative group whose proposition will deliver on many of the Council's wider social equality and community participation objectives.

# Objectives

What are we trying to achieve through City Leap?



# Proposal

## How do we propose to achieve this?



1. A **grant fund pot** to finance feasibility and development of community energy led proposals
2. A **Match funding facility** to a community share or bond issue where a) the project has benefitted from initial grant funding and b) the interest rate on the bonds or shares is [x%] or above.
3. An annual minimum **community benefit fund** payment from Bristol City Leap into a Community Benefit Fund. Work with BGCP on Community Carbon Reduction Plans
4. **Community energy representatives** to be involved in Bristol City Leap's governance structure.
5. All Bristol City Leap infrastructure projects should incorporate an **investment offering** through a community share offer.

# Proposition to City Leap JV partners

## 1. Development Grant Funding



## Bristol City Leap Development Grant Fund

### Design & Structure

- Multi-year [£5m] development grant funding pot available to eligible local community groups designed to address the problem of lack of development funding available to community groups.
- Finance feasibility studies, pre and post planning development and investment readiness for community energy led projects
- Funding for BCEF will be provided by City Leap JV on a drawdown basis over a period of [5] years
- JV partner will sit on the investment committee of BCEF and play a key role in approving viable projects whilst gaining visibility on pipeline and overall community energy project progress

# Proposition to City Leap JV Partners

## 2. Match Funding Facility

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### Match Funding Facility

Community-led projects

#### Design & Structure

- A financing facility to help address the challenge faced by community energy groups of funding investment ready renewable energy, energy efficiency and low carbon projects in a post subsidy environment.
- Typical funding mix is a combination of long-term senior bank debt (c70% of investment requirement) plus a community share or bond issue (balance of 30% of investment) – raising the latter, particularly for larger scale projects is challenging
- JV investment on pari passu terms to a community share or bond issue where a) the project has benefitted from initial BCEF grant funding and b) the interest rate on the bonds or shares is 4% or above





### Participatory Climate Emergency Fund

City Leap JV annual commitment

#### Design & Structure

- Straightforward proposal for an annual participatory budget fund payment from City Leap JV into a Climate Emergency Fund (structure TBC)
- This fund will be exclusively used to fund climate emergency projects, including community resilience, across the city designed to accelerate the transition to zero carbon in an inclusive and community-supportive way.
- The fund would be allocated through a participatory budget process, which would have the added benefit of building capacity and democratic experience in the city. This may be done within each neighbourhood, with a focus on less advantaged parts of the city.



### **Governance Representation**

#### **Bristol City Leap JV**

#### **Design & Structure**

- Given the overarching ambitions of Bristol City Leap there is an opportunity for citizen participation, strengthening democracy and building capacity in the city. Additionally, given the impact that it will have on the public and the community it is appropriate to have representation in the governance structure of the JV.
- This could be through a citizen accountability board that is advisory to the JV, and which is made up of representatives of citizens of Bristol, with resource to enable inclusion of marginalised voices, and to support occasional wider engagement e.g. through citizens assembly style events.
- This would coordinate with existing democratic structures, such as neighbourhood partnerships and planned citizens assemblies.

# Proposition to City Leap JV Partners

## 5. Community participation in JV projects

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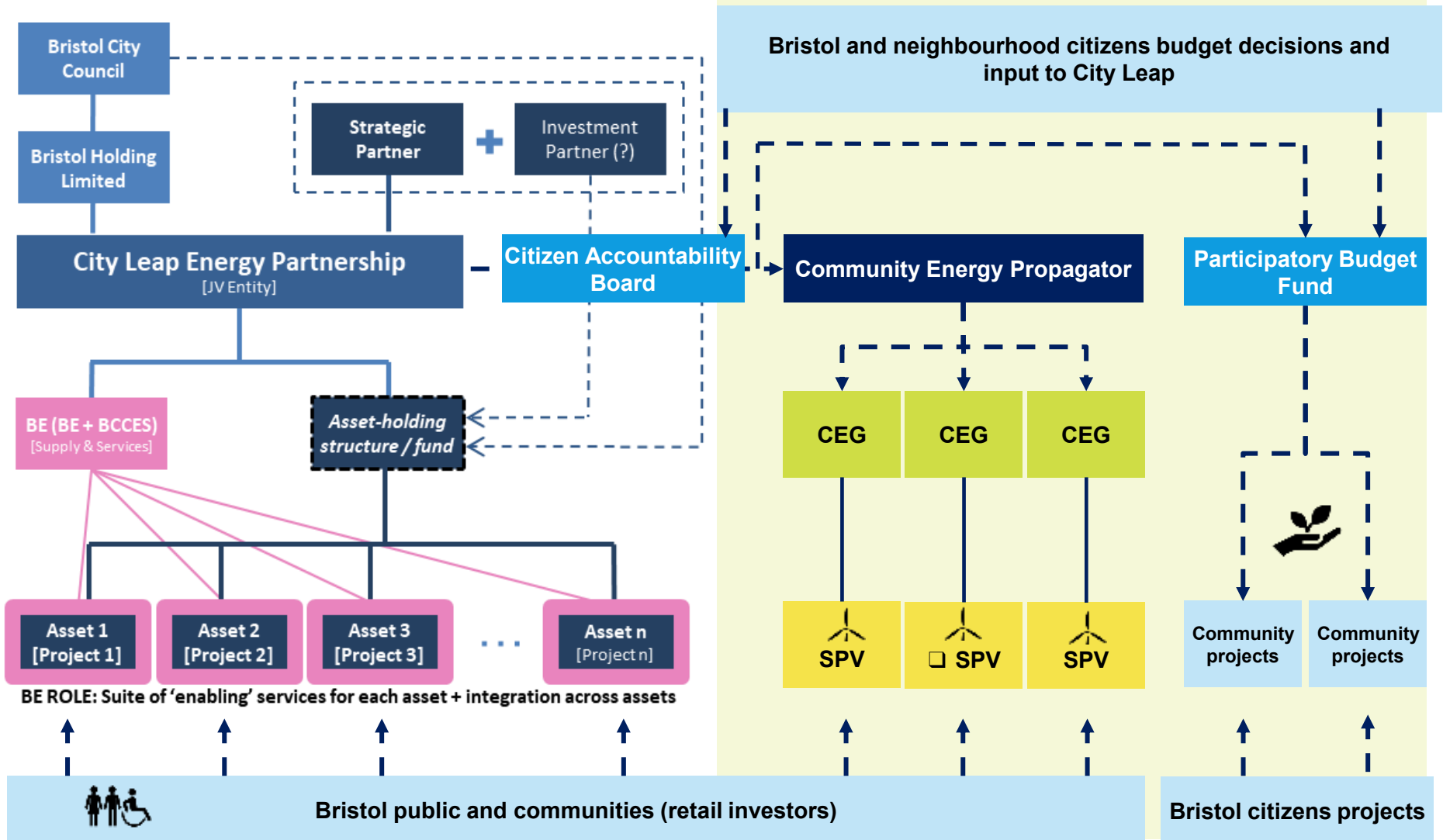


### **Pre-emption Right** Investment in JV-led projects

#### **Design & Structure**

- We recognise that many of the larger renewable and low carbon infrastructure projects will be initiated and financed at City Leap JV level e.g. multi-million £ district heat network projects requiring large institutional funding.
- For these projects we think that members of the public and the community should have an option to invest on arms length/ market conforming terms.
- We appreciate there are issues around valuation, transparency and retail investment financial promotion rules here, but we are keen to discuss and structure this option with bidders as the process progresses

# Proposed Structure



# Community Engagement

## How can people get involved?

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**Individuals** – offered the opportunity to invest in local generation, become members of community energy groups, determine how community benefit funds are spent through a city-wide democratic structure and switch to a local renewable energy tariff



**Communities** – engaged by local community groups to create low carbon development plans



**Community Energy Groups** – supported the new City Leap Development Fund including a network of advisers, specialists and local businesses

## Next Steps

### What are our immediate priorities?

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1. Get feedback from the Bristol Region Community Energy sector with a one-to-one consultation in the next few weeks
2. Determine a pipeline of projects that we can support from year 1
3. Produce evidence that bidders can include in their tenders by July 2021
4. Set a framework for deeper discussions with the winning bidder

# Community Energy Models

Identify projects your community might like to deliver with City Leap



- Rooftop Solar PV



- Community Solar Farm



- Community Hydro



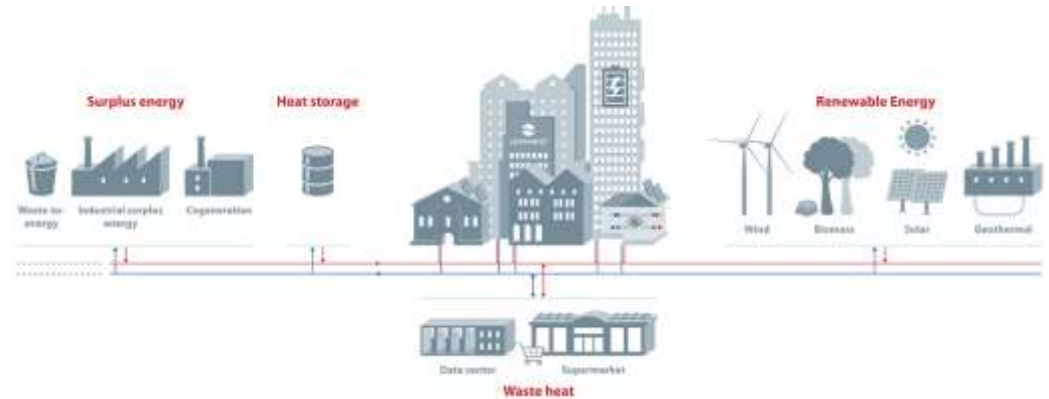
- Community Wind Farm

# Community Energy Models

Identify projects your community might like to deliver with City Leap



- Microgrids



- District heating networks



- Community EV charging points



## Collaboration & Innovation

### Working with Bristol Energy Network & BCC case study

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- Warm Up Skill Up Project - Re:Work, The C.H.E.E.S.E Project, Energy Tracers C.I.C.
- WHAM
- Ambition Lawrence Weston Solar Farm, Bristol Energy Cooperative, Ambition Lawrence Weston
- Ambition Lawrence Weston Wind Turbine Project - Ambition Lawrence Weston
- Solar on Community Buildings - Bristol Energy Cooperative

### New Projects & Collaborations being explored

- Sonnet - Exploring ways communities can invest in their buildings
- Bristol Energy Wallet - Bristol Credit Union, BEN members
- Electric Vehicles - New business models for community groups  
Lawrence Weston Community Transport
- Skill for a NetZero Bristol

## Previous Case Studies & Examples

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- Warm Up Skill Up Project - Re:Work, The C.H.E.E.S.E Project, Energy Tracers C.I.C.
- WHAM
- Ambition Lawrence Weston Solar Farm, Bristol Energy Cooperative, Ambition Lawrence Weston
- Ambition Lawrence Weston Wind Turbine Project - Ambition Lawrence Weston
- Solar on Community Buildings - Bristol Energy Cooperative

Case studies here & [www.bristolcommunityenergy.co.uk/](http://www.bristolcommunityenergy.co.uk/)  
[www.bristolenergynetwork.org/projects/bristol-community-energy-fund/case-studies/](http://www.bristolenergynetwork.org/projects/bristol-community-energy-fund/case-studies/)