

**Response by the Social Enterprise Coalition to the Department for Business,
Enterprise and Regulatory Reform's UK Renewable Energy Strategy Consultation**

Introduction

1. The Social Enterprise Coalition (“the Coalition”) welcomes the opportunity to respond to the Department for Business, Enterprise and Regulatory Reform’s UK Renewable Energy Strategy Consultation.
2. The Coalition was established in 2002 as the national voice of social enterprise. The Coalition represents a wide range of social enterprises, umbrella bodies and networks, with a combined membership reaching over 10,500 social enterprises. These include co-operatives and mutuals, development trusts, housing associations, leisure trusts and Social Firms. Social enterprises are businesses with primarily social or environmental objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners. This response was informed by consultation with relevant members of the Coalition and our member networks.
3. The Coalition has responded below to what we feel are the key points; we would welcome the opportunity to discuss details further with the department. The Coalition is a member of the Department for Environment, Food and Rural Affairs (Defra) Social Enterprise Partners Forum and engaged in discussions with Defra about how social enterprises can contribute to their objectives, especially the role social enterprises can play in delivering energy services.¹ The Coalition commends to the Department the detailed responses from Co-operatives UK, one of our founder members, and Energy4all.
4. The Coalition supports the Department’s ambition to dramatically increase the proportion of the UK’s energy that comes from renewable sources and the government’s decision to set itself a challenging target. We believe that social enterprises can provide innovative solutions to achieve these ambitions most effectively. Our core recommendations set out below are:
 - That the UK Renewable Energy Strategy be understood in the full context of the government’s commitments on climate change and its other strategic objectives
 - That the strategy adopted be aware of the fact that the means by which the renewable energy targets are reached have significant differences beyond their KWh contribution, especially in their effects on communities
 - That the strategy make substantial use of social enterprise models to deliver renewable energy, with multiple benefits, learning from successes domestically and internationally
 - That the specific steps suggested would enable the further development of the UK’s renewable capacity to make the most of the opportunities social enterprise business models provide.

The wider context

¹ More details can be found in the Think piece, “SOCIAL ENTERPRISE AND DEFRA’S OBJECTIVES: AN AGENDA FOR COLLABORATION”
http://www.socialenterprise.org.uk/data/files/Policy/Environmental_sustainability/defra_think_piece_february_2008.pdf

5. Achieving the UK's contribution of the EU target of 20% of energy to be generated from renewable sources by 2020 is an enormous challenge. It will require mobilising resources from government, individuals, businesses and the third sector and marshalling them in the most effective way. Joining government strategy with innovative models of collective action that can harness market forces to social and environmental objectives can both limit the risks associated with such a dramatic change and present an opportunity for enhancing the wider benefits of such a significant programme. Development in renewable capacity through social enterprise models can be a tremendous opportunity for social benefit, such as by increasing skills for those further from the labour market and sustaining communities through a community asset where generation is community owned.

6. The Department makes clear that it understands renewable energy in the context of the wider climate change agenda, especially reduction of carbon dioxide and other green house gas emissions, and reduction in energy usage. A significant and sustained emphasis on reducing overall energy use is welcome and will reduce the amount of new capacity required to meet overall renewable percentage targets. Investment in reduction, especially but not only through energy efficiency, is a more efficient means to reduce emissions than investment to replace carbon emitting generation by renewable, as well as reducing the costs to businesses and consumers. Social enterprises contribute to the reduction of both energy demand and overall carbon emissions in several ways beyond renewable generation:
 - They better engage communities through community level interventions, through various degrees of involvement from being locally based and trusted to community ownership, and so are well placed to delivery behaviour change programmes. Social enterprises also succeed in delivering energy services, especially to those communities which policy makers find hardest to reach, because they already work in and are trusted by those communities, but currently lack the scale to contract with major suppliers who have obligations to provide these services.
 - Social enterprises operating in waste services, especially recycling and reuse, provide carbon reduction and diverting waste from landfill. Social Return on Investment research on community waste and reuse projects sponsored by Defra is due to be published shortly demonstrating the add value of social enterprises in social, economic and environmental terms. Government recognition of the innovation and added benefits of working with the sector is reflected in the investment WRAP (Waste resources action programme) has made in REconomy, a social enterprise.²
 - Several social enterprises operate successful community transport schemes, reducing transport carbon emissions as well as providing transport to those whose needs are not fully met by private and state providers.
 - Social enterprises working to alleviate fuel poverty could be strengthened to mitigate the effect of the increase in energy prices to vulnerable consumers the renewable strategy may cause.
 - Some barriers to further energy reduction are market based, such as limitations in the supply of suitably skilled labour that could bring down the cost of installing equipment such as passive solar heating. This would reduce the profit margin of existing suppliers, but social enterprises that aim to secure decent work for those furthest from the labour market could provide training as a social benefit.

² <http://www.reconomy.org.uk/>

- There is some evidence that even social enterprises operating outside of energy relevant sectors are likely to have better environmental practices than comparable private profit motivated businesses.³
7. The UK renewable energy strategy will have effects on other government objectives to which social enterprises contribute, some of which are energy specific such as addressing fuel poverty, and in empowering and providing employment in communities.
 8. The Department has recognised the important contribution that domestic renewable can make to the UK's energy security, the significance of which is only likely to increase with geo-political complexity and challenging fluctuations in the costs of imported hydrocarbon fuels. From this perspective as well as that of climate change, we would recommend that the focus of the UK renewable energy strategy remains in developing capacity domestically, while learning and benefitting in the exchange and trade in technology and expertise internationally. Support for renewable development overseas should be encouraged, but understood in the context of international development opportunities and the UK's contribution towards all Millennium Development Goals through support for sustainable development in emerging economies rather than reducing the domestic renewable objectives incumbent upon us.

Successful social enterprise models

Examples of successful social enterprise renewable energy in the UK include:

Energy4All

9. Energy4All has been instrumental in the development of six co-operatives which either own or have a stake in operating wind farms. Energy4All was formed following demand for advice following the success of the Baywind Energy Co-operative (a community project launched in 1996 and the owner/operator of a wind farm in Cumbria). Energy4All social enterprises have raised a total of over £12 million of equity through public share offers, largely from people local to the projects. Co-operative members receive an annual share of the profits from the wind farms, which all support local energy conservation funds. Energy4all's model has been recommended as an example of good practice to the DTI and the Renewables Advisory Board by their own research.⁴
10. Projects suitable for ownership by the community have been rare in the UK. As a result, Energy4All has pioneered a unique deal with a developer in Scotland (Falck Renewables) to engage local communities near to major commercial wind farms by buying a stake in the project. This initiative has now created three successful co-operatives in the North of Scotland, with a fourth currently being launched. At a recent seminar for local authority planners in Edinburgh, Falck was cited as an example of best practice in the sector. Energy4All is owned by the social enterprises that it creates and has always sought to be independent of public funding. The 'triple bottom line' benefits are impressive: Baywind alone has generated enough renewable electricity to power 1,300 homes a year

³ <http://www.ssec.org.uk/files/090725TriodosReportFinal.pdf>

⁴ <http://www.berr.gov.uk/files/file38707.pdf>

since 1996, whilst paying an attractive return to its 1,350 members, keeping an estimated £1 million in the local economy and supporting local initiatives, such as the Baywind Energy Conservation Trust.

11. Energy4All has submitted a response to the UK Renewable Energy Strategy consultation. The Coalition and Co-operatives UK support the recommendations made in this response.

Renew

12. Renew Services Ltd ('Renew') is a co-operative energy services company ('ESCO') established in Scotland and operating UK wide. Its purpose is to develop, fund and manage sustainable energy projects in the interests of the communities and customers which it serves as an energy services company accountable to those communities. Its founding members are Fife Council and Ore Valley Housing Association. Most of its projects centre on local energy generation for housing and non-housing needs in a community setting. Renew provides an example of how existing social enterprises serving community needs, such as housing associations, can create renewable energy projects through working relationships with local government.
13. Locally generated district heating and combined heat and power (CHP) has the potential to be a major part of the new energy mix. For instance, the Office of Climate Change has estimated that with regard to district heating: "the maximum cost-effective potential is of the order of 5.5–6.5 million existing households (22–26%) and a large share of non-residential buildings; located generally in major cities." ESCOs are key to local energy delivery and given the long term customer relationships ESCOs require the social enterprise models, such as co-operatives and community enterprises are most capable of attracting large scale take up.
14. One of the early projects promoted by Renew, a biomass CHP project serving a low income community, illustrates the benefits with over 5,000 tonnes per annum reduction in carbon emissions projected whilst also eliminating dependence on gas, offering some protection against ever rising gas prices.

CoRE

15. Community Renewable Energy (CoRE) works primarily in the North East of England to develop renewable energy systems that will generate income for communities and provide them with sustainable, low cost, reliable energy supplies. In return, CoRE takes a stake in the companies set up; to recoup costs and to fund the establishment of more community owned renewable energy systems. CoRE works with community based groups to establish two types of companies:
 - Joint ventures between CoRE and a community organisation to establish larger renewable energy systems such as wind turbines or hydro electrics,
 - Co-operatives, involving community based organisations and individuals who combine together, sometimes with fuel suppliers, to set up a number of smaller renewable energy systems supplying members.
16. CoRE has also established an ESCO to set up supply services to these companies. CoRE attracted £380,000 from One NorthEast RDA to fund a regionally based national pilot project over three years, with financial sustainability as the exit strategy. CoRE anticipates that by the end of year three the project will be generating an income of £80,000 - £100,000 per annum. By the end of

year three, CoRE companies are projected to be generating an additional £80,000 - £100,000 cash return for the communities it works with. However, CoRE and its member companies will have a substantial requirement for capital – currently just over £2 million. So far £500,000 has been identified. CoRE states that it has sound, bankable returns on each business model and is seeking both interest free and interest bearing loans, grants, and in the case of its Berwick wind turbine, equity stakeholders. CoRE is also working with urban communities. Part of its work is matching local resources with renewable technologies. In urban settings it has a CHP pilot running on recycled vegetable oil (Linskill centre, North Tyneside) and is developing an Anaerobic Digestion plant with the principal feed stuff being the city stables and urban farm (Ouseburn, Newcastle). CoRE believes that its most important long-term contribution will be the provision of dependable, stably priced, relatively low cost energy to communities; that they manage and control.

International social enterprise evidence

17. As the DTI's Global Watch Mission has reported, government action to support social enterprise renewable energy has been successful in other European countries.⁵ In Denmark, 23% of wind capacity is owned by investor co-operatives with 100,000 members, largely individual citizens, owning over 3,200 wind turbines.⁶ While the example is especially apposite given the Department's emphasis in generating renewable electricity principally from wind, in Denmark about 300 of the 400 district heating networks are also owned by their consumers. The Department is correct in recognising the importance of heat in the renewable energy mix; a substantial contribution could be made by existing social enterprises with community assets, such as Housing Associations and development trusts, as well as new enterprises which should be supported in their development stage.⁷

18. The Danish experience demonstrates that support from local Government such as underwriting investments for biomass projects and share ownership of wind farms has been central to success, providing the kind of large scale support that communities alone often cannot. It provides the enabling environment within which regional and local Government, local communities, and individuals themselves can identify and develop renewable energy projects to match local need.

⁵ http://www.oti.globalwatchonline.com/online_pdfs/36247MR.pdf

⁶ 'Community Energy: urban planning for a low carbon future', p.10, Dodd, N, for the TCPA & CHPA, 2008

⁷ "Denmark contrasts sharply with the UK in its choice of community or district heating rather than piped natural gas to heat its towns and cities. District heating currently accounts for 60% of space heating. This level of market penetration has been achieved over a period of twenty years almost entirely on a retrofit basis.

The 1979 Heat Supply Act was instrumental in stimulating major investment in heating networks. Local Authorities were required to prepare strategic heating plans. They were also given the planning powers to make consumers connect to new district heating networks, starting with the highest density heat loads, and the ability to establish new local community controlled heating companies (similar to ESCOs). Compulsory heating connections were balanced by a requirement for consumer control, not-for-profit operation and price transparency. District heating has had the advantage of allowing cheaper, lower grade fuels than oil to be used, including municipal waste. This has enabled communities to become more resilient to fuel price fluctuations ensuring greater energy security."

http://www.urbed.coop/journal_docs/UrbedReport_LoRes.pdf

Recommendations from reports on Danish development, in addition to national plans and target setting, include:

- The use of planning powers to direct investment.
- Price support such as feed-in tariffs for favoured technologies; the latest comparison of countries renewable energy attractiveness notes that the UK's ROC may be considered less attractive than feed in tariffs of the kind used in other European countries to investors⁸
- Regulation of grid connection charges to support small generators; charges by distance to population also raise significant barriers to entry to generators in rural communities, where the asset may be most needed, and in the areas such as the Highlands in Islands, where wind and hydro are plentiful
- A direct enabling role for local authorities; this could be through Local Strategic Partnerships and support from RDAs
- Smart technology subsidies; grants designed to support different stages of development. It should be noted that social technologies are innovations that can be supported to proof of concept stage.

Delivering multiple benefits: as means of generating renewable energy,

19. Combating fuel poverty:

- District heating in particular has the potential to address the damaging effects of rising fuel prices on low income households. Aberdeen Heat and Power and Shetland Heat and Power in Lerwick and other projects in Dunfermline, Falkirk and Clydebank and many other projects provide examples of local energy generation and supply providing affordable warmth keeping heating bills below 10% of net income. A case study of the Beaumont Rd estate (Waltham Forest, London) gas CHP system serving 686 homes reports average fuel price reductions of 39% along with CO2 emission reductions of 52%.
- Renew is working collaboratively in two areas with new build private housing developers and housing associations with existing stock to develop district heating. One project is set to serve around 700 homes, the other around 5,000. The projects will be owned by the community through the Renew co-operative.
- Community wind can help address fuel poverty in a quite different way. Where the project is wholly or partly owned by the community then income can be used, at the community's discretion, to address fuel poverty amongst other pressing priorities which each community may have: if they are in control, the choice is theirs. Social enterprise renewable generators affiliated to Energy4all support local energy efficiency measures as part of their social and environmental purpose.

20. Overcoming local opposition

Evidence shows that through engaging various local interest groups at an early stage in the development of a project, models of community ownership can be effective at avoiding and solving potential conflicts, including opposition to planning permission. However well supported social

8

enterprise renewable generators are after they have demonstrated their benefit to the community, the high cost and time to gain planning permission remains a substantial barrier to entry.

21. Developing support for renewable energy

There is evidence to suggest that where communities are involved in local renewable energy projects, knowledge and confidence gained translates into improvement at an individual household level. Social enterprises with existing support in their community entering into renewable energy supply as a diversification of their social and environmental purpose, and a source of sustainable financing to provide social benefit, would increase this support.

22. Creating markets

Since they are motivated by social and environmental objectives, social enterprises can enter new areas where purely profit motivations do not provide sufficient incentives. For example, district heating has not so far been attractive to the private sector. Schemes that have succeeded have done so because of support from local Government. Set up by the local authority, Aberdeen Heat and Power owns and operates a district heat network serving schools, houses and local authority buildings: it now serves over 25% of city council housing stock. It does not have shareholders, but members (including Aberdeen City Council, the Combined Heat and Power Association and Energy Action Scotland) ensuring it remains accountable to the people of Aberdeen. There is potential for social enterprises to expand into new areas of renewable delivery as market developers, as they have done in many areas of recycling, so long as the support and income streams enable them to be sustainable and grow.

23. Unlocking local demand

In many communities people want to take action against climate change and see renewable energy as a positive way that they can achieve this. Current initiatives are often oversubscribed.

24. Keep rural communities economically sustainable

Many rural communities face declining populations and poverty, due in part to food price fluctuations and the scarcity of suitable employment. Social enterprise renewable energy presents an opportunity for them to turn their natural resources into employment and diversify the community's income stream. Where a wind farm, for example, is kept as a community asset, profit that would be expropriated by a mainstream energy company is kept in the local community through payment to local owners or reinvestment in the community.

25. Promotes embedded energy supply

There is an environmental and economic benefit from co-operatives creating energy close to usage, usually termed 'embedded generation'. This is largely due to reduced transmission losses on the Grid. Distribution losses from traditional centralised electricity power stations are very high and these are largely avoided in the case of, for example, local CHP schemes.

26. Community empowerment

Community ownership of and engagement with renewable energy social enterprises can deliver both financial and social empowerment. Community ownership can require that a greater number of

local people participate in the management of an organisation than is the case with private ownership, enable individuals to feel that they are practically engaged and making a tangible difference to addressing climate change and ensuring the economic development of their community.

27. Social cohesion

Community participation or ownership organisations bring people together to share in the creation of a new enterprise, developing and strengthening social relations.

Recommendations

- 28.** The Department's discussion of centralised electricity notes the importance of planning, in addition to finance, information and support. A planning system which is responsive to the wider social need for renewable energy and the community advantages of social enterprise renewable generation is particularly important for onshore wind below 50MW, as this will not be covered by the new Infrastructure Planning Committee. The Renewables Advisory Board has identified community benefit as a priority issue, renewable businesses that are owned by or run primarily for community benefit such as social enterprises are a more secure and direct form of community benefit than reliance on Community Infrastructure Levies and the 'largess' of private profit businesses. The Department should include recognition of the benefits of social enterprise solutions, including co-operative community ownership, in the proposed training programme for planning practitioners in renewables, and information on social enterprise models into the content of a Renewables Advisory Service or other body working with Local Authorities on renewable development. Further investigation of formal embedding of community benefit into the planning process should consider options such as extending prior approval to community renewable energy projects, subject to site and appearance approval, and encouraging community asset transfers to Development Trusts and Community Land Trusts. The Coalition recommends that this is done in co-operation with experts and representatives of the movement. If Regional Spatial Strategies are to include regional renewable energy targets, it will be important not only that they are resourced to set and monitor targets correctly, but that proposals are not rejected because they fall outside of areas identified for regeneration (as per 3.3.20).
- 29.** The community benefits delivered by social enterprise renewable energy generators need to be made clear to communities from the planning stage and before. As a model with internalises community benefits already, rather than a business treating them as an imposed externality, social enterprise should be promoted where possible as a more effective route to community benefit than Community Infrastructure Levies on private profit businesses. For the opportunity for communities to develop renewable energy social enterprises that would contribute towards multiple Departments' objectives, and for the benefit towards BERR's strategy to be fully realised, BERR and other government departments should work with the social enterprise movement to provide information to key stakeholders. These would include potential social enterprises and supporters, such as local government agencies, and be tailored to target communities of interest, for example:
- the farming community: information should be provided on how to develop co-operatively run energy projects such as biomass plants, in partnership with organisations such as the Plunkett

Foundation and the Scottish Agricultural Organisation Society (SAOS) which have a proven track record of working with this stakeholder group;

- rural communities: information should be provided on how to develop community owned energy projects such as wind farms, in partnership with organisations such as Energy4All, CoRE, the Plunkett Foundation and Action for Market Towns;
- urban communities: information should be provided on how to develop community owned energy projects such as district heating, in partnership with organisations such as Renew.

- 30.** As part of improving community benefits by reducing barriers to entry for generators that most benefit their community, the department should consider the prioritisation of renewable suppliers for grid connection under the EU draft Renewable Energy Directive.
- 31.** While understanding the risks in changing schemes, the department should investigate further supporting social as well as technological diversity in the structure of either feed in tariffs or banding the Renewables Obligation. The department notes that many of the differences between obligation or quota systems and tariff systems may be small in practice, for instance both are likely to require deeming rather than measurement at small scales. However, they also note that the Renewables Obligation system does not always deliver full value to small generators dependent on trading certificates with large suppliers. An obligation system functions as a driver on large, existing suppliers whereas a feed in tariff may be better at driving smaller generators to supply and enter the market. Small generators are likely to be more risk adverse in the face of fluctuations in the market price of certificates.
- 32.** Heat is rightly identified as hugely important in the consultation document, and the potential for impact by reducing absolute demand is arguably greater than in decarbonising production. Decentralised, smaller scale models are even more important than with electricity, since transmission as heat is clearly very limited. Good Quality Combined Heat and Power and renewable heating, on district and domestic scales, offer great opportunities many of which are yet not covered by incentives as the EU Emissions Trading Scheme covered only very large users and the zero carbon requirements for new dwellings post 2016 will apply to only a small fraction of homes by 2020. These are energy models particularly well suited to social enterprise applications as they can simultaneously address existing social concerns, such as fuel poverty, and make use, in part, of existing social assets, such as Housing Association stock and Development Trusts, approximately 75% of Danish District Heating Networks are co-operatively owned. Though the lowest marginal cost to switching is likely to be in those who are currently off the gas grid, social involvement or ownership may help promote willingness to switch and reduce the relative cost increase for consumers who are connected. In raising awareness of renewable heat and overcoming local opposition it will be important to emphasise the benefits of social enterprise models and to inform consumers, Local Authorities, RDAs and communities. If there are to be central government training and information programmes, the Department should work with practitioners and representatives of the social enterprise movement to include social enterprise. Whether via a Renewable Heat Obligation of Tariff, an incentive to community investment in renewable heat, coupled with greater community and planner awareness of social enterprise models and the planning system recognising community and environmental benefits, could make a significant contribution to renewable energy capacity additional to that produced by profit investment alone.

- 33.** While we recognise that large scale, especially offshore, wind has advantages from economies of scale and higher predictability of supply, the Coalition concerned that insufficient emphasis is being placed on small scale, distributed generation of energy. The multiple benefits that social enterprise renewable generation can provide cannot readily be extended to large scale wind farms, but can be maximised by utilising sites and technologies that can keep generation within the reach of communities and entrepreneurs, and which can be disbursed to the places that would benefit most. Community distributed energy has the advantages of promoting diversity of supply, greater speed of installation, greatly reduced transmission loss, more directly addressing heat and fuel poverty and providing other community benefits as outlined above. If Act on CO2 is to be the primary information hub to promote distributed renewable energy, it should be encouraged to work with the social enterprise movement to promote social enterprise models, to empower communities by producing additional renewable capacity and to increase penetration into communities for multiple benefits. The target audiences should extend beyond the householder scale, to include existing bodies that could benefit such as Development Trusts and Housing Associations as well as potential entrants, such as those who might take part in co-operative share issues of the kind promoted by energy4all. Given the economies of scale over household level generation, interventions such as the Low Carbon Buildings Programme should be made accessible to social scale energy projects as well. Lessons from countries that have achieved a significant deployment of decentralised community energy show that projects work best if they operate on a 'more-than-just-profit' basis, taking a long-term view on investments and developing beneficial relationships with stakeholders that create value for the wider community. Particularly, projects have been found to have more community support when under some form of community ownership and control.⁹
- 34.** At smaller scales, the advantages of feed in tariffs over existing Renewables Obligations are clearer, both with regard to the differential effects of the administrative burden (perceived and real) and the disproportionate effects of risk on smaller ventures. Whether feed in tariffs or a micro band for obligations are chosen, the regime will also need to support access to capital for installation costs; in addition to the options discussed, the Department could consider support for community share issues. Not one of the offerings under energy4all's guidance has been subscribed, but with additional support many more communities could take advantage more rapidly.
- 35.** In considering the mechanism for providing incentives to retro fit existing housing stock, it should be born in mind that not all are home owners, and that opportunities exist to increase capacity by working with, for example, Housing Associations.
- 36.** In considering renewable transport, while crops for fuel can be a boon to rural communities, emphasis should be placed upon second and third generation bio-fuels which do not derive from human food sources, given the effect of rising food prices both domestically and internationally. Likewise, biomass should be sourced in ways which are genuinely sustainable. Social enterprises working in sustainable woodland management (Hill Holt Wood) and waste services (members of

⁹ 'Global Watch Mission Report: Co-operative energy: lessons from Denmark and Sweden', Co-operatives^{UK} for the DTI, October 2004

community recycling and composting networks) are exemplars of good practice in their fields that are already economically sustainable and run for environmental benefit, and could inspire genuinely sustainable biomass solutions.

37. In considering the role of innovation in meeting the objectives of the Renewable Energy Strategy, the Coalition recommends that innovation is understood not only as high technology research and development, which is of course crucial, but also innovative social technological interfaces and means of achieving behavioural change. Supporters of innovation such as research councils and the UK Environmental Transformation Fund should work with organisations such as the Coalition and its member networks to encourage support for innovation and Knowledge Transfer within the social enterprise movement and the wider third sector.
38. In addressing the business benefits of the Renewable Energy Strategy and the wider transformation to a low Carbon economy, it is important to understand social enterprises as Third Sector Organisation which do business. In relation to the business beneficiaries of the strategy, as organisations which trade for social or environmental benefit, they may be considered to be a sector of 'competitive advantage' when seen from the perspective of overall government policy and society, rather than merely shareholder value. As recipients of business support and employers of those who want to develop their skills for more than personal benefit, the Department, RDAs and Sector Skills Councils should work with the movement.
39. Although the 28 day rule has been relaxed by Ofgem, social enterprise environmental services providers rely on long term contractual relationship, and often would like to have supplier relationships with their communities and local owners. Clear powers to retail both renewable energy and heat through long term contracts would facilitate raising capital to implement energy projects.
40. A significant opportunity exists in social enterprises delivering energy services from the six major suppliers in fulfilling their social programmes spending. Social enterprises already have great understanding of, and trust from, communities of the kind that suppliers find hardest to reach, but currently lack the scale to contract directly. The Coalition hopes to work with Defra and others to investigate models to facilitate this and would welcome BERR's involvement.

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