



Community Energy

Feasibility Procuring and Scope

SP Energy Networks Guide to Feasibility Study



Feasibility Procuring and Scope

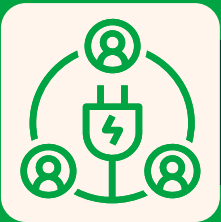
This guide has been created to support communities in their pursuit of community energy projects with procuring an effective feasibility study.

It is designed to inform you about the Community Energy Journey, feasibility studies more broadly and then give practical guidance on how to navigate the process of commissioning a feasibility study and utilising the outputs effectively as you embark on your community energy project.

For more information, please visit:

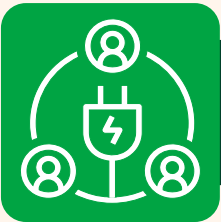
spenergynetworks.co.uk/pages/community_energy_journey.aspx





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1. What is SP Energy Networks Community Energy Journey?

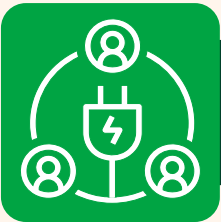
Community energy projects can bring a wide range of benefits to local areas — from generating renewable electricity and reducing carbon emissions to creating income, improving local resilience, and bringing communities together around a shared purpose. However, developing a community energy project can sometimes feel complex, particularly for groups who are at the beginning of their journey.

To help support community groups through this process, SP Energy Networks developed the Community Energy Journey — a step-by-step guide designed to help groups understand the key stages involved in developing a community energy project. The journey has been designed to support communities at different stages of development, from early engagement and idea generation through to feasibility, funding, technical support, and ultimately connecting a project to the electricity network.

The journey combines practical guidance, videos, and supporting resources to help demystify the process and make community energy more accessible. It is not intended to be a rigid pathway, as every project and community is different, but instead provides a flexible framework to help groups understand the questions they may need to consider as their project develops.

These supporting guidance documents have been developed to sit alongside the Community Energy Journey and provide additional detail, examples, and practical advice for each stage of the process.





2. What is Community Energy?

Community energy refers to locally driven energy initiatives such as renewable electricity generation, renewable heat solutions and energy efficiency programmes that are owned, controlled, or delivered by communities for the benefit of local people.

These projects play an important role in supporting the UK’s transition to net zero by enabling low-carbon, decentralised energy solutions while also addressing issues such as fuel poverty and energy security.

By retaining financial benefits within the community and encouraging local participation, community energy schemes help build public engagement, increase acceptance of energy infrastructure, and deliver wider social, environmental, and economic value.



3. What is a feasibility study and why is it important?

A feasibility study is an assessment used to determine the viability of a project, how likely it is to succeed, and the required further steps needed before significant time or money is committed. A feasibility study may also highlight areas that are not viable to pursue further. It is designed to help establish a better understanding of both the opportunities and challenges associated with a proposed project.

For community energy projects, a feasibility study is often one of the first major stages in project development. It helps to understand whether a proposed renewable energy project is technically suitable, financially viable, deliverable within local constraints, and supported by stakeholders.

Depending on the type and scale of project being proposed, a feasibility study may assess factors such as:

- Site suitability
- Energy generation potential
- Grid connection opportunities
- Planning and environmental constraints
- Costs and funding requirements
- Project risks
- Community benefits
- Long-term operation and maintenance considerations



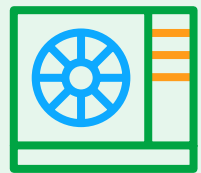
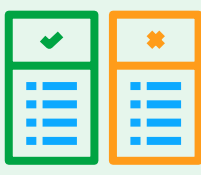
Feasibility studies are normally undertaken by specialist consultants or consultancy teams with experience in renewable energy projects.

It is often the case that larger or more complex projects will require more detailed technical, financial, or environmental analysis.

They reduce uncertainty by identifying potential opportunities, risks, costs, and constraints early in the development process.



A feasibility study can also:

- **Build Confidence:** A well-prepared feasibility study provides evidence that a project has been properly assessed and developed responsibly. This can help build confidence among community members, funding bodies, landowners, and project partners.
- **Support Funding Applications:** Many grant and funding programmes require evidence that a project has been assessed for technical and financial viability before funding can be awarded.
- **Identify Risks Early:** Feasibility studies can identify planning, environmental, technical, or financial challenges at an early stage, allowing opportunities to consider mitigation measures or alternative approaches.
- **Compare Different Options:** A study may compare multiple technologies, locations, ownership models, or system sizes to determine which option is most suitable for the community.
- **Support Better Decision Making:** Importantly, a feasibility study may conclude that a project is not currently feasible. While this may initially seem disappointing, understanding this at an early stage can help avoid committing significant time and resources to a project that may face major challenges.

4. What should a feasibility study assess?

When developing your project brief, there are a number of areas that feasibility studies will typically assess. Every project is different, but most feasibility studies for community energy projects will assess a number of common areas. When preparing your project brief or speaking with consultants, it is useful to understand the types of information a feasibility study will typically explore.



Technical Feasibility: This considers whether the project can realistically be delivered from a technical perspective. Depending on the project, this may include site assessments, energy yield calculations, equipment considerations, grid connection requirements, or infrastructure constraints.



Considerations when defining feasibility requirements: The level of detail required will vary depending on the type and scale of project being proposed. Understanding this at an early stage of discussions with chosen consultants is crucial to avoid commissioning unnecessarily complex studies where simpler assessments may be more appropriate.



Stakeholder and Community Considerations: A feasibility study may assess how the project could affect local residents, landowners, businesses, or other stakeholders, alongside opportunities for benefit and engagement of the community.



Risk Assessment: Potential risks, dependencies, and uncertainties should be identified to better understand any issues that may affect project delivery or long-term success.



Financial Feasibility: This considers the likely costs and financial performance of the project. Typical areas may include capital costs, operational costs, funding opportunities, revenue forecasts, and long-term financial viability.



Planning and Environmental Constraints: Projects may need to consider planning permission, environmental designations, visual impacts, ecology, heritage constraints, or local development policies.



Recommendations and Next Steps: Most feasibility studies conclude with recommendations outlining whether the project should progress and what further work may be required.





5. Preparing to procure a feasibility study

Before approaching consultants, it is important to spend time defining the project and understanding what it is you want the feasibility study to achieve.

This does not mean having all the answers at the outset. However, having a clear idea of the project objectives will help consultants prepare more accurate proposals and ensure the study is appropriately scoped.

Areas to consider before procurement include:

Defining the Project Idea

Clearly outline the proposed project, including the technology being considered, possible locations, and the overall aims of the project.

Identifying Key Questions

Consider what the feasibility study needs to answer. For example:

- Is the site technically suitable?
- Is there likely to be sufficient grid capacity?
- Could the project be financially viable?
- Are there planning risks?
- What size of project may be appropriate?

Gathering Background Information

Collect any existing information that may help consultants understand the project. This could include:

- Site maps
- Photographs
- Existing energy data
- Land ownership details
- Previous reports or surveys
- Community energy plans

Establishing a Budget

Before approaching consultants, it is important to consider how much funding is available for the feasibility study and whether additional grant support may be required. Expending the bulk of available funding on a feasibility study with no route map for following streams can stagnate the development of the project.

Defining Required Outputs

It is useful to define what outputs are expected from the study. This may include:

- A written feasibility report
- Financial modelling
- Site assessments
- Technology recommendations
- Indicative layouts
- Grid connection advice
- Next-step recommendations

A feasibility study should not become a document in a drawer; it is foundational work to develop further. Finding appropriate funding streams and resources and understanding appropriate budgets per phase of the project is key to effectively developing it.



6. Selecting the right consultant or specialist team

Choosing the right consultant or specialist team is one of the most important parts of the feasibility process, as the quality of the study can significantly influence future project decisions. It is important to seek consultants with relevant experience, clear communication skills, and an understanding of community-led projects.

Depending on the project scale and complexity, this may involve appointing:

- An individual consultant
- A specialist renewable energy consultancy
- A multi-disciplinary team

To identify potential consultants, you should contact the following groups depending on your location for independent advice:

Group	Where / How
Community Energy England	communityenergyengland.org/contact/
Community Energy Scotland	communityenergy.scot/contact/
Community Energy Wales	communityenergy.wales/contact
Local Energy Scotland	localenergy.scot/contact-us/
Net Zero Hub	liverpoolcityregion-ca.gov.uk/north-west-net-zero



When assessing consultants, you may wish to consider the following:

Relevant Experience

Does the consultant have experience delivering feasibility studies for similar technologies or projects?

Community Energy Experience

Working with community groups often requires a different approach to commercial projects. Chosen consultants should be able to communicate clearly and explain technical issues in accessible language.

Understanding of Local Constraints

Knowledge of local planning requirements, environmental considerations, and grid connection processes can be valuable.

Quality of Proposed Methodology

Consultants should clearly explain how they intend to undertake the study, what information will be assessed, and what outputs will be provided.

Programme and Timescales

The proposal should outline realistic timescales for delivering the work.

Cost and Value for Money

The cheapest quote is not always the best option. Assessing whether the proposed scope and level of expertise represent good value overall.

Questions to ask prospective consultants

- Have you completed similar feasibility studies before?
- What information will you require from us?
- What outputs will be provided?
- What assumptions or exclusions apply?
- Will specialist subcontractors be required?
- What are the likely next steps following the study?

6. Selecting the right consultant or specialist team (continued)

Procurement Process and Evaluation

A structured and proportionate procurement process helps ensure that the most suitable consultant is selected in a transparent and robust manner. The level of formality should reflect the project size, funding requirements, and organisational governance, but even smaller projects benefit from a clear and competitive approach.

Procurement Approach

For most community energy feasibility studies, it is recommended to:

- Prepare a short brief or Invitation to Quote (ITQ) outlining the project background, objectives, scope of work, expected outputs, budget (if known), and timescales
- Invite proposals from a small number of consultants (typically 3–5) to ensure a balance between competition and quality
- Allow sufficient time for responses (usually 2–4 weeks depending on complexity)
- Provide a single point of contact for clarification questions to ensure consistency across bidders
- For larger or publicly funded projects, a more formal Invitation to Tender (ITT) process may be required in line with procurement rules

Proposal Evaluation

To support fair and consistent decision-making, it is helpful to use an evaluation framework with weighted criteria. This ensures that all submissions are assessed on the same basis and helps justify the final selection.

Cost should be considered alongside quality to ensure that the selected proposal provides best overall value, rather than simply the lowest upfront fee.

Interviews and Clarifications

For higher-value or more complex projects, you may wish to:

- Shortlist the top 2–3 bidders
- Invite them to attend an interview or presentation
- Use this opportunity to:
 - Clarify their methodology and assumptions
 - Assess communication skills and cultural fit
 - Confirm who will deliver the work

This stage is particularly useful for community energy projects, where collaborative working and clear communication are critical.

Documentation and Record Keeping

It is good practice to:

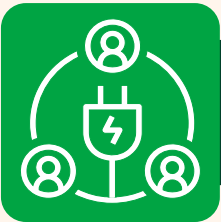
- Keep a record of evaluation scores and decision rationale
- Document any clarifications or changes to the scope
- Provide brief feedback to unsuccessful bidders where possible

This supports transparency and can help strengthen future procurement exercises.

Typical evaluation criteria may include:

Criteria	Considerations
Relevant experience	Track record of delivering similar feasibility studies
Methodology and approach	Clarity and robustness of the proposed workplan
Community engagement capability	Ability to work with and communicate effectively with community stakeholders
Team and capacity	Skills, roles, and availability of the proposed team
Programme	Realism and achievability of timescales
Cost and value for money	Overall value rather than lowest price





7. Managing the feasibility study process

Once a consultant has been appointed, maintaining clear communication throughout the study is important.

To strengthen the delivery of the study it is recommended to ensure that:

- Key contacts are identified
- Responsibilities are clearly understood
- Relevant information is shared promptly
- Project timescales are agreed
- Stakeholders are updated appropriately

Regular meetings or progress updates can help ensure the study remains aligned with the project objectives and that any emerging issues are identified early. The process of a feasibility study relies on a good relationship between the client and the consultant, and responsibilities exist for both to ensure successful delivery of work.

It is also important to be realistic about what a feasibility study can achieve. A feasibility study is intended to inform decision making and identify opportunities and risks. It is not normally intended to provide fully detailed project design or guarantee project delivery.



8. Using the findings of a feasibility study

Once completed, the feasibility study should help to decide how to progress the project, or whether it may not be viable to proceed further.

Possible outcomes may include:

- Progressing to detailed design
- Seeking funding
- Undertaking additional surveys or assessments
- Refining the project scope
- Exploring alternative technologies or sites
- Deciding not to proceed

Feasibility studies can also provide useful evidence when engaging with:

- Funding bodies
- Local authorities
- Stakeholders
- Landowners
- Network operators
- Potential project partners

Importantly, not all feasibility studies result in projects moving forward immediately. In some cases, the study may identify constraints that need to be addressed first or conclude that the project is not currently viable.

This should still be viewed as a positive outcome, as the study will have helped make an informed decision based on evidence.



9. What happens after the feasibility study?

Once a feasibility study has been carried out, completing a thorough review of the work and considering what the most appropriate next steps are for the project is appropriate. Having clear communications with both SPEN and the consultants is important, as their advice on preferred routes, next steps and practical ways of making an informed decision on project development is something that should be considered. The study may identify opportunities to progress the project further, highlight areas where additional work may be needed, or identify constraints that could affect delivery.

Depending on the outcome of the feasibility study, you may wish to consider the following next stages:



Community Review and Decision Making: It is important that the findings of the feasibility study are reviewed by the project group and relevant stakeholders. This can help ensure there is a shared understanding of the opportunities, costs, risks, and recommendations identified within the study. It is important to consider whether the project continues to align with local priorities and whether there is sufficient support and capacity to progress further.



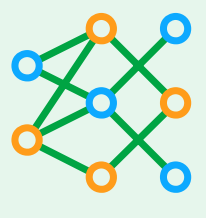
Additional Technical Surveys and Assessments: Feasibility studies will often identify areas where further technical work may be required before a project can move forward. Depending on the type of project, this could include structural surveys, ecological assessments, site investigations, statement of significance for listed buildings or more detailed electrical design work.



Funding and Financial Development: At this stage, you may wish to begin exploring funding opportunities to support the next phases of project development and delivery. This could include grants, community share offers, loans, or partnership funding arrangements. Feasibility studies are often used to help demonstrate project viability when applying for funding.



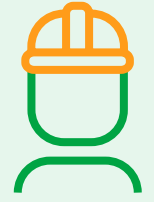
Planning and Regulatory Discussions: Some projects may require further engagement with planning authorities, statutory consultees, or other regulatory bodies. Early discussions can help to form a better understanding of planning requirements, environmental considerations, and any local constraints that may affect the project.



Grid Connection and Network Engagement: For electricity generation projects, grid connection considerations can play an important role in determining project costs, viability, and delivery timescales. You may wish to continue discussions with SP Energy Networks regarding connection applications, export capacity, or potential network constraints identified during the feasibility stage.



Ownership Structure and Governance Development: As projects develop further, you may need to review whether their existing governance and ownership arrangements remain appropriate. Different legal structures can influence funding eligibility, decision making responsibilities, and the long-term management of the project.



Procurement and Delivery Strategy Development: You may also begin considering how the next stages of the project could be delivered. This may involve appointing further consultancy work, contractors, or specialist advisors to support detailed design, planning, or project delivery activities.



Deciding Whether to Proceed: Importantly, not all feasibility studies will conclude that a project should progress immediately. In some cases, studies may identify technical, financial, or planning challenges that need to be addressed first. While this may initially seem disappointing, identifying these issues early can help to make informed decisions before committing significant additional time or resources.

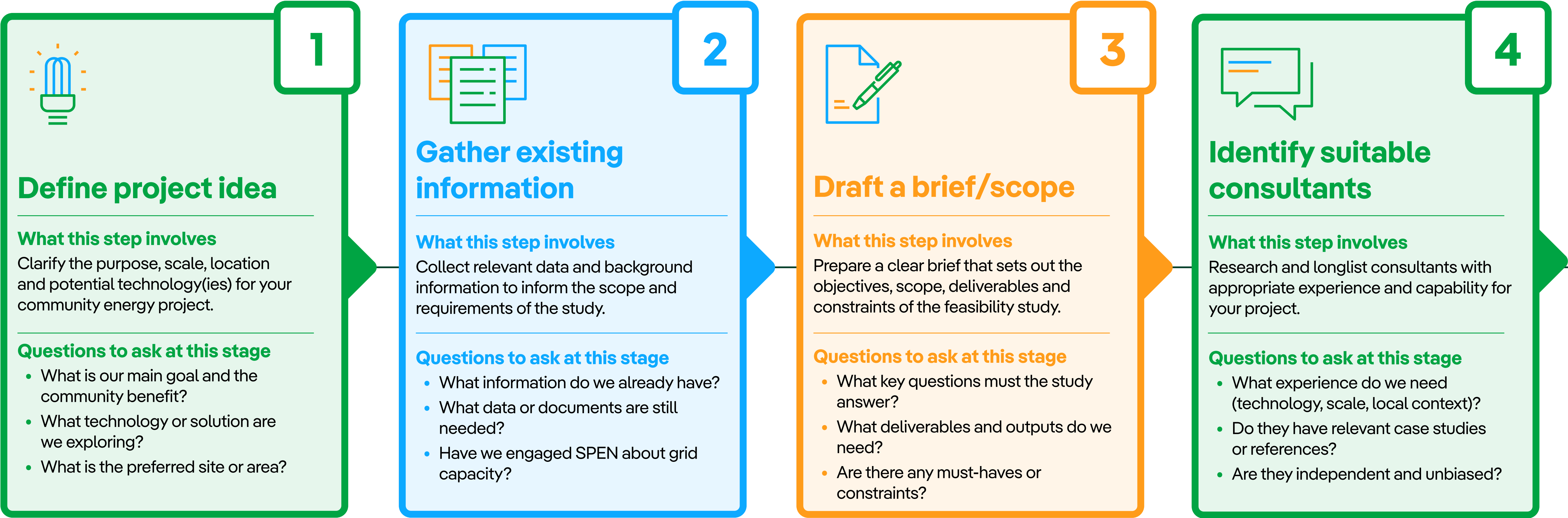
10. Typical feasibility procurement process

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Depending on the outcome of the feasibility study, you may wish to consider the following next stages:

Feasibility study procurement process

Key steps and questions to ensure a smooth transition from idea to next steps



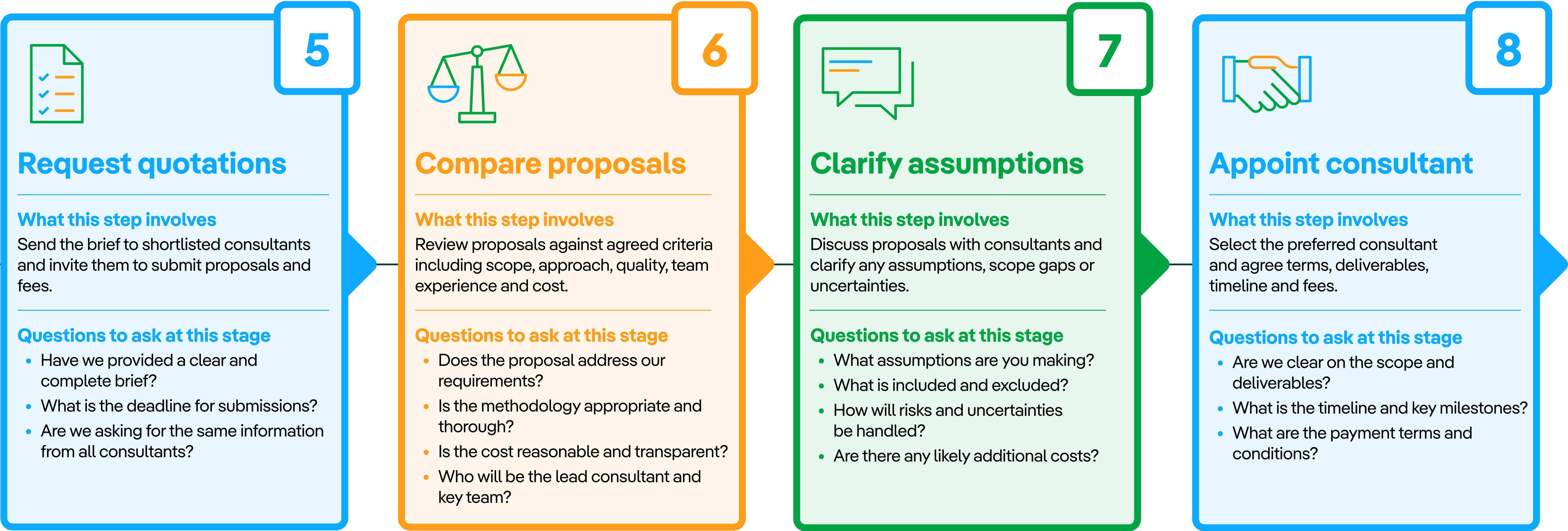
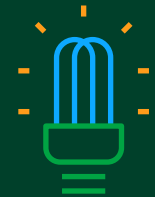
10. Typical feasibility procurement process (continued)

Feasibility study procurement process

Key steps and questions to ensure a smooth transition from idea to next steps

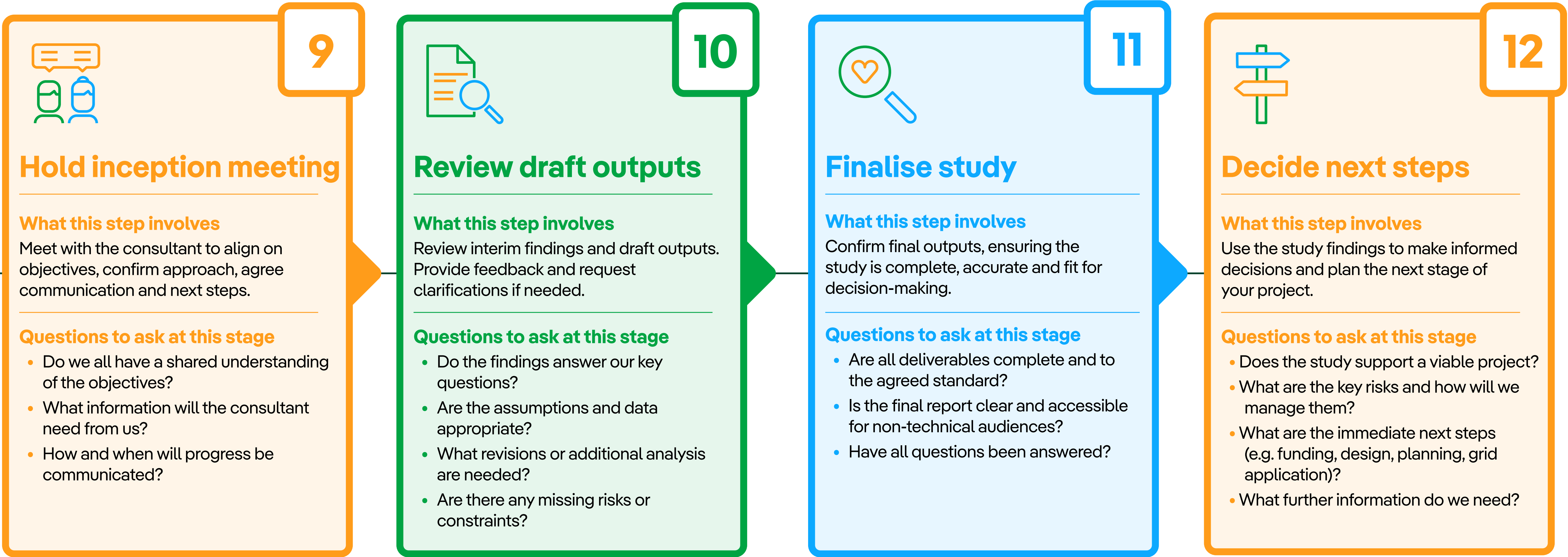
Top tip

Maintain clear communication and documentation at every stage. Early engagement with SP Energy Networks can help identify potential grid constraints and save time and cost later in the process.



10. Typical feasibility procurement process (continued)

Feasibility study procurement process
Key steps and questions to ensure a smooth transition from idea to next steps





Additional Resources

Other guides relating to Feasibility Studies

Community Support Feasibility Studies Guide

spenergynetworks.co.uk/userfiles/file/Community_Support_Feasibility_Studies_Guide.pdf

SP Energy Networks (SPEN), Feasibility Support - Guidance and support information for feasibility studies, including eligibility, scope, and expectations for early-stage project development.

spenergynetworks.co.uk/pages/feasibility_support.aspx

Community Energy England, Community Energy Fund – Stage 1 Guidance - Community energy resource toolkit with guidance materials on feasibility stages, funding, and engagement.

communityenergyengland.org/guidance/

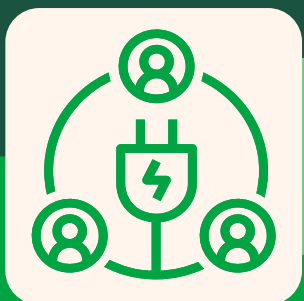
Scottish Community Projects Fund, Feasibility Studies: A Guide to Good practice - A series of topics to help community groups and their consultants promote successful community projects.

dtascommunityownership.org.uk/resource/feasibility-studies-guide-good-practice/

Energy Systems Catapult, Public Sector Decarbonisation Guide: Feasibility and Design - Guidance for undertaking feasibility and design studies, including information on the different types of studies and how to ensure they support funding applications.

es.catapult.org.uk/tools-and-labs/public-sector-decarbonisation-guidance/design-and-feasibility/





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