

SP Energy Networks

Community Energy Annual Strategy 2026-27



What to expect in this Strategy Document

This document outlines SP Energy Networks’ strategy for supporting community energy and details our key commitments.

Our Community Energy team was established in 2024 and, since then, our involvement and support for community energy has grown steadily. Within this strategy, we set out our intention to maintain that momentum through a combination of internal and external initiatives that invite collaboration, innovation and continuous improvement in how we empower communities to meet their energy goals.

Commonly used terms throughout this document:

- **DNO – Distribution Network Operator:**
A company licensed to distribute electricity across a defined area.
- **DSO – Distribution System Operator:**
The DSO is a part of the DNO responsible for maintaining reliability and enabling flexible energy resources such as batteries, EVs and demand-side response. It is an evolution of the traditional DNO role, with greater focus on system balancing and flexibility services.
- **ED2/ED3 – Electricity Distribution Price Control:**
Regulatory periods in which DNOs set investment and service standards for five-year periods. ED2 (current): 2023–2028. ED3 (upcoming): 2028-2033.



Meet the team

Louise Taylor
Community Energy Engagement Manager (SP Manweb), brings over 20 years of experience within ScottishPower, with the last decade focused on connections. She works collaboratively with community energy groups and stakeholders to address barriers and enable local energy ambitions.



Grace McGovern
Community Energy Engagement Manager (SP Distribution), joined in January 2026 with a strong background in community engagement, local authority partnerships and stakeholder consultation. Grace leads on building relationships with community energy organisations, including GB Energy, to connect local priorities with network planning.





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Community energy has reached a defining moment.

As we publish our 2026 Community Energy Strategy, community energy is increasingly recognised as a strategic enabler of the energy transition. Once viewed as a complementary part of the energy system, it is now playing a growing role in connecting local ambitions with national objectives and delivering benefits for communities, places, the network and ultimately all customers.

Community energy organisations play a unique role within the changing energy landscape. Rooted in the communities they serve, they are trusted partners that bring together local knowledge, community priorities and practical action. By working alongside network operators, local authorities, businesses and residents, they can help deliver solutions that support decarbonisation, strengthen local resilience, unlock social and economic value, and make the energy system work better for everyone.

This year is particularly significant because the policy landscape has evolved to place communities at the heart of the energy transition. The launch of Great British Energy’s Local Power Plan sets out an ambition that every community should have the opportunity to participate in and benefit from local energy projects by 2030. Backed by significant investment and support, this represents the strongest commitment to community and local energy seen to date and reinforces the important role communities can play in creating a cleaner, fairer and more resilient energy future.

At SP Energy Networks, we welcome this momentum. As the only network operator serving communities across Scotland, England and Wales, we see first-hand the ambition, innovation and commitment that exists in towns, villages and cities throughout our licence areas. We also see the opportunity for community energy organisations to act as delivery partners, bridging the gap between place-based needs and network priorities while helping communities realise the benefits of the energy transition.

Over the past year, we have continued to strengthen the foundations that enable community energy organisations to succeed through:

- Creating a dedicated Community Energy team
- Providing Zero Carbon Communities resources
- Engaging with stakeholders and partners
- Delivering educational resources, workshops and online tools
- Working closely with Community Energy England, Community Energy Scotland and Community Energy Wales.

Across our licence areas, community energy organisations are already delivering tangible outcomes. They are generating renewable electricity, supporting energy efficiency, helping tackle fuel poverty, creating skilled local jobs, improving resilience and developing solutions that support both communities and the wider energy system. Their contribution demonstrates that community energy is about more than energy projects alone; it is about creating stronger places and ensuring the benefits of the transition are shared more widely.

This strategy sets out how we will continue building this partnership. It reflects our commitment to working collaboratively with communities and stakeholders to unlock the full value community energy can deliver. By supporting community energy as a strategic partner in the transition, we can help create an energy system that is cleaner, more resilient and more inclusive, while delivering benefits for communities, the network and all customers.

I would like to thank the many community groups, stakeholders, partners and colleagues who continue to challenge, inspire and work alongside us. Together, we can ensure community energy plays a central role in delivering a just transition and shaping a sustainable energy future for the communities we serve.

Nicola Connelly
CEO, SP Energy Networks



SP Energy Networks

How it works

This annual Community Energy Strategy is one of the commitments we made as part of Electricity Distribution Price Control 2 (ED2), Ofgem’s five-year regulatory framework covering the period 2023 to 2028. ED2 sets out the investments we will make and the commitments we will deliver for customers, communities and the wider energy system.

In our ED2 Business Plan, we committed to supporting community energy by:

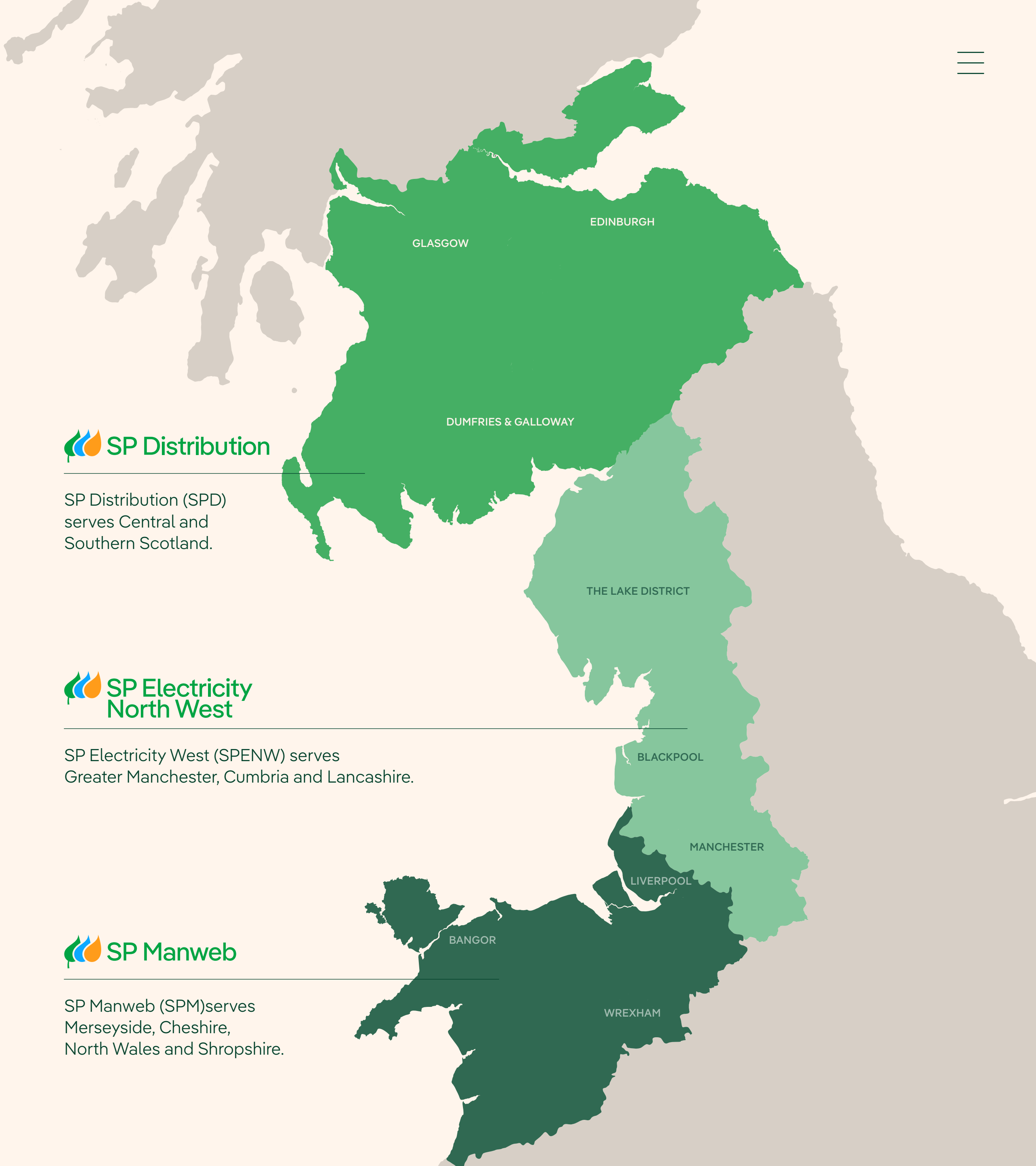
- Working in partnership with local support organisations to deliver community energy awareness campaigns and educational outreach activities at scale, helping communities understand changes in the energy sector and identify opportunities to participate and benefit.
- Embedding community energy thinking across our business and publishing an annual Community Energy Strategy that sets out our approach to supporting community organisations and projects across our licence areas.
- Leveraging our resources and expertise to help community groups develop projects that deliver both local and system-wide benefits.
- Subjecting our approach to independent review, ensuring we continue to learn, adapt and respond to changing community needs, policy developments and opportunities across the energy sector.

While the overall framework and funding for this programme are established as part of the five-year price control, we remain committed to learning, adapting and improving how we deliver our support. This strategy therefore sets out the progress we have made, the insights we have gained and the actions we are taking to maximise the value our commitments deliver for communities, the network and all customers.

This strategy focuses on activity across our SP Distribution and SP Manweb licence areas. As integration with SP Electricity North West continues, we are working to align our approach to community energy and will consider how future strategies can reflect activity across our expanded network footprint.

Alongside delivering our ED2 commitments, we are also looking ahead to ED3, the next price control period beginning in 2028. Through ongoing engagement with communities, stakeholders and partners, we are helping to shape future priorities and explore how community energy can play an even greater role as a strategic delivery partner, connecting place-based needs with network priorities and delivering lasting benefits for communities, places, the network and all customers.

Together, we keep electricity flowing safely and reliably to over **6 million** people across a network spanning more than **172,000km**, **24** hours a day, **365** days a year.





Community Energy

Our role is about far more than maintaining and operating the electricity network. As the energy system evolves, we have an opportunity to work with communities to help deliver solutions that benefit local places, support network needs and create value for all customers.

We see community energy organisations as important delivery partners in the transition to clean power. Through their understanding of local priorities, trusted community relationships and ability to bring people together, they can help connect place-based needs with wider energy system objectives. In doing so, they create benefits that extend beyond energy generation, including improved resilience, reduced carbon emissions, social value, economic development and greater participation in the energy transition.

We believe community energy has a vital role in helping shape a cleaner, fairer and more resilient energy system. By enabling communities to participate in, influence and benefit from energy solutions, community energy organisations can help ensure that the transition delivers positive outcomes not only for individual communities, but also for the wider network and all customers.

We recognise that delivering the full potential of community energy requires more than support for individual projects. It requires genuine partnership. For us, this means engaging communities earlier in decision-making, working together to identify place-based opportunities, improving access to expertise across areas such as Connections, Flexibility and Distribution System Operations (DSO), supporting capacity building, and creating clear feedback loops so communities can see how their insights influence our activities. While the scope of our current ED2 commitments is fixed, we are continually seeking opportunities to strengthen these ways of working and to build the foundations for deeper collaboration in ED3 and beyond.



State of the sector

An overview of SP Energy Networks licence areas.

In 2025 community energy across all SPEN service areas continued to grow, with three newly incorporated organisations and three new FTE roles created. Development funding has more than quadrupled, and community benefit payments have tripled, highlighting the significant benefit of community energy projects to their wider communities.

These figures are drawn from the latest State of the Sector research undertaken by Community Energy Scotland, Community Energy England and Community Energy Wales, and provide a snapshot of community energy activity across SP Energy Networks' licence areas.

New community organisations constituted bringing the total to 90



3

FTEs employed in the community sector with 3 new FTE posts created



130

Members



11,996

Volunteers



1,128

Renewable electricity capacity generating 76GWh community owned electricity



35.6MW

EVs and 88 E-bikes operational



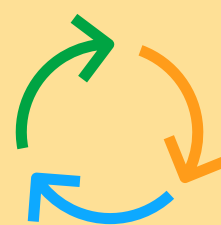
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Development funding secured and £53,455 investment for new projects



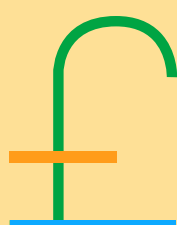
£2.57m

Tonnes of carbon emissions saved



14,000

Community Benefit Spend from 22 community funds



£528k

Our strategic priorities for community energy

Our vision for 2030 is one where communities across SP Energy Networks’ licence areas are empowered to participate in and benefit from the energy transition, helping deliver benefits for communities, places, the network and all customers.



To achieve this, we are focused on four strategic priorities:

1

Projects

Increasing the number of viable community energy projects progressing from concept to delivery.

We will support communities to develop projects that deliver local benefits while contributing to wider energy system objectives, including renewable generation, flexibility, energy efficiency, storage and smart local energy solutions.

Outcome:
More community energy projects successfully reaching delivery and creating long-term local and system-wide benefits.

2

Navigation

Creating communication and engagement opportunities that result in locally relevant and meaningful community energy opportunities.

We will make it easier for communities to understand the network, identify opportunities and access the information, tools and relationships needed to progress projects.

Outcome:
Communities have the knowledge, relationships and confidence needed to participate effectively in the energy transition.

3

Contribution

Investing in innovation, research and collaboration that support the contribution of community energy to resilience, vulnerability and wider energy system objectives.

We will support initiatives that help communities address local challenges while contributing to a smarter, more resilient and inclusive energy system.

Outcome:
Community energy makes a growing contribution to resilience, vulnerability support and innovation across our licence areas.

4

Embedded

Embedding community energy across SP Energy Networks and identifying opportunities for continuous improvement and future growth.

We will integrate community energy considerations into our business processes, decision-making and future network planning, ensuring community energy remains part of how we deliver benefits for customers and communities.

Outcomes:

- Stronger integration of community energy across SPEN.
- Greater organisational awareness and capability.
- Community energy reflected in future network planning and ED3 development.

Cross-cutting benefits

Together, these four priorities support a shared set of outcomes that benefit communities, the energy system and society as a whole.

Community and place

- Increased local ownership and participation in the energy transition
- Stronger community resilience and social value
- Skills development, economic opportunities and local investment
- Support for vulnerable and underserved communities.



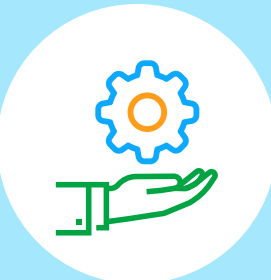
Network and system

- Greater participation in flexibility services
- Better utilisation of existing network capacity
- Support for renewable and low-carbon technology connections
- Innovation in smart local energy systems and local energy markets.



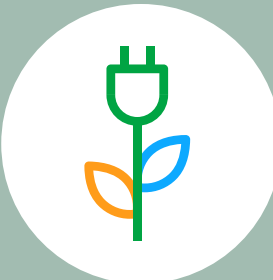
Customers

- Greater awareness and understanding of energy opportunities
- Increased access to low-carbon technologies
- Lower energy use through advice, efficiency and retrofit initiatives
- More opportunities for customers to participate in and benefit from the energy transition.



Decarbonisation

- Increased renewable energy generation
- Reduced carbon emissions from homes, businesses and transport
- Greater uptake of low-carbon technologies
- Progress towards regional and national clean power ambitions.



These benefits demonstrate how community energy can act as a bridge between local priorities and system-wide needs, delivering value for communities, places, the network and all customers.

How community energy adds value across SP Energy Networks

Community energy delivers value far beyond individual projects. By connecting local priorities with network and customer needs, it helps SP Energy Networks deliver a range of strategic objectives across our business.

Delivering social impact



Community energy is one of eight commitment areas tracked through SP Energy Networks’ Just Transition Strategy and is a named delivery strategy within the Sustainable Business Strategy.

Community energy organisations create social value by building local capacity, supporting community participation, strengthening resilience and helping ensure the benefits of the energy transition are shared more fairly across society. Impact is measured through the same Social Return on Investment (SROI) framework applied across SP Energy Networks.

Supporting vulnerable customers and communities



Community energy organisations are often trusted local partners with strong connections to households that can be difficult to reach through traditional channels.

By working alongside local organisations, community energy can help deliver energy advice, energy efficiency initiatives, retrofit programmes and support for vulnerable customers, contributing to the objectives of both our Consumer Vulnerability Strategy and Stakeholder Engagement Strategy.

Achieving clean power



Community energy supports the transition to a cleaner energy system through renewable generation, energy efficiency initiatives and the promotion of low-carbon technologies such as electric vehicles, heat pumps and battery storage.

By enabling local participation in decarbonisation, community energy contributes to SP Energy Networks’ Clean Power commitments while helping communities share in the benefits of the transition.

Enabling smart and flexible networks



Community energy can support a smarter and more efficient network through participation in flexibility services, local energy management, storage and demand-side response initiatives.

These approaches can help maximise the use of existing network infrastructure, support the connection of new low-carbon technologies and reduce pressure on the network at peak times.

Our Flexibility Team has a target of securing **20MW of flexibility capacity from community energy projects by 2030** and has published a dedicated guide to help community organisations participate in flexibility markets. View the guide here: [SPEN Community Energy Guide 2025](#).

Leveraging land and assets



SP Energy Networks’ Sustainable Business Strategy identifies community energy as one of the intended uses for suitable non-operational land holdings.

Through collaboration with communities and stakeholders, we are exploring opportunities to unlock network and transmission assets that can support local energy schemes and create lasting value for communities.

Building skills, capability and local opportunities



Community energy helps develop the skills, knowledge and leadership needed for a successful energy transition.

Through education, youth engagement and capacity-building activities, community energy contributes to local employment opportunities and supports SP Energy Networks’ ambitions to develop future talent and build a more inclusive energy workforce.

Improving data, insight and transparency



Community energy activities generate valuable insights into community needs, project development and emerging energy trends.

Initiatives such as GIS mapping, stakeholder engagement and State of the Sector reporting contribute to the wider transparency, digitalisation and evidence-based decision-making commitments across SP Energy Networks.

Shaping ED3 and the future network



As we look towards ED3 (2028-2033), community energy has an important role to play in shaping the future energy system.

The next price control period will see significant investment in electricity networks as demand for clean electricity continues to grow. Community energy organisations can help ensure that investment reflects local priorities, supports place-based solutions and delivers benefits for communities, the network and all customers.

Through ongoing engagement, innovation and collaboration, community energy will continue to be an important delivery partner in creating a cleaner, fairer and more resilient energy future.

Community energy and flexibility services

Supporting local communities to earn revenue and support the just transition

Community energy organisations can play an important role in supporting a smarter, more flexible electricity network while creating new revenue opportunities for their projects. Through SP Energy Networks' Flexibility Services, organisations with assets such as solar PV, battery storage, electric vehicle charging, smart heating systems, or other flexible demand technologies may be able to provide services that help manage local network constraints.



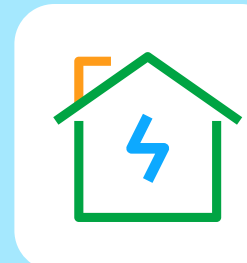
Why participate?

- Potentially earn revenue from community assets
- Support local energy resilience and network efficiency
- Enable greater use of renewable energy
- Contribute to a smarter, lower-carbon energy system.



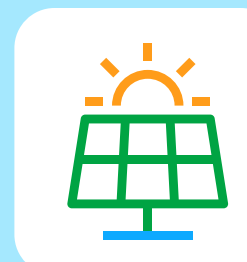
Examples of participation

Here are some real-world examples of how community groups can contribute:



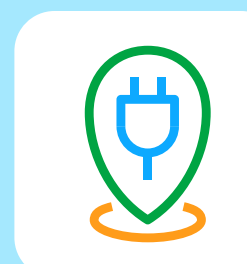
Battery storage discharging during peak times

If your group has a battery system, you can release stored electricity back to the grid when demand is high. This helps reduce pressure on the network and supports local energy needs.



Solar PV adjusting output based on grid needs

Solar panels can be set up to either increase or reduce the amount of electricity they send to the grid depending on what the network needs at that time.



Community buildings reducing demand during high-use periods

Community centres, schools, or other shared buildings can reduce their electricity use during busy times – for example, by turning off non-essential equipment or shifting usage to quieter periods.

How to get involved

Explore flexibility opportunities

Review current and future flexibility requirements across our network. Identify where your assets could support local electricity system needs.

Read our participation guidance

Access SP Energy Networks' Participation Guidance to understand: Eligibility requirements, Service types, Tendering processes, Provider obligations, and payments.

Speak to our team

We are keen to support community energy organisations that are interested in flexibility services. Book a call with our flexibility team for advice on participation routes and opportunities.



Email us at:
flexibility@spenergynetworks.co.uk



Find out more:
[Flexibility Services – SP Energy Networks](#)



The journey so far

Our approach to supporting community energy is shaped by direct feedback from communities and backed by evidence.

Community energy groups told us they needed clearer guidance, easier access to the right people, stronger collaboration and greater confidence that community energy is embedded across SP Energy Networks. Here is how we responded:

You said, we did

You asked for clearer guidance

We developed community-specific guidance covering connections, solar PV and flexibility, supported by workshops on technology, funding and the connection process, helping groups understand their options and navigate complex technical and commercial decisions.

Providing guidance

Sharing learning and good practice

We expanded our library of guidance and case studies, supported national and regional State of the Sector research, and used conferences, campaigns and workshops to share learning across the sector, working closely with Community Energy England, Scotland and Wales.

You asked for easier access to support

Our Community Energy Team provided a dedicated contact mailbox and improved our website, bringing guidance, case studies and self-service resources together in one accessible place.

Providing support

Local power plan Q&A clinic

We convened a dedicated Q&A clinic with Great British Energy on 19 May, giving community groups, local authorities and stakeholders the opportunity to explore what the Local Power Plan means for local and community energy. A recording is available, with a written Q&A resource in development.

You asked us to demonstrate commitment

Community energy is now supported through a dedicated team collaborating with Connections, Flexibility and Strategic Optimisation. Activity is represented in executive discussions and in SP Energy Networks’ engagement with other network operators.

Demonstrating commitment

Energy learning network

We are supporting the Community Energy Wales / Energy Learning Network mentoring programme, helping developing groups access experienced mentors, shared learning and practical support, responding to evidence that sustained mentoring improves community capability and project outcomes.

You asked us to work collaboratively

We strengthened relationships with Community Energy England, Scotland and Wales, Climate Action Hubs, local authorities and wider networks.

Working collaboratively

Listening across SP Energy Networks regions

A focus group representing England, Scotland and Wales provided feedback on the Community Energy Journey, the accessibility of the website and the development of this strategy, ensuring our support reflects different regional contexts and user experiences.

“It’s people that make things work... getting the right medium and model to workwith people makes things work better and faster.”

SPEN Community Energy Insights Report, April 2026

“It’s an open conversation because they’re not precious. Even though they are the experts in this two-way relationship, you don’t have fear of asking a dumb question because you know you’ll get an honest answer.”

Community energy organisation, SPEN connection process

The Community Energy journey

In March, we launched our Community Energy Journey – a resource developed to support community groups who are thinking of, or planning, a community energy scheme. It provides a step-by-step decision-making system to take customers from an initial idea through to getting connected to the network.

The six-stage journey is supported by short videos, practical guides, checklists and case studies covering different technologies and stages of project development. Additional toolkits and resources will be added throughout this year.



Visit the [Community Energy Journey webpage](#) to access the full Journey, videos and supporting resources.



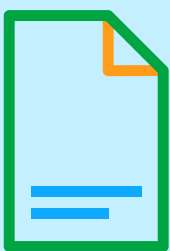
Delivering social impact

Community energy generates real, measurable social value across our licence areas.

The metrics opposite represent the reach and impact of SP Energy Networks community energy support over the past year. Final figures will be confirmed and published as part of our annual reporting.

890+

Downloads of our Community Energy Journey since launch in March 2026



2,600+

Number of stakeholders that visited our website



6

Community energy events sponsored and attended by our dedicated team across Scotland, England & Wales



745+

Downloads of our case studies and guidance documents





What communities told us

Strong appetite – but practical barriers hold projects back

166 stakeholders across SP Energy Networks’ licence areas shared their experiences and support needs.

1. Strong foundations

64%
positive impression
of community energy

54%
see it as very or extremely
important to their community

44%
are already developing
or delivering a project

Among active respondents,
84% are involved in two
or more projects.

2. Persistent delivery friction

66% say the connections process
has been a challenge

Top barriers

Data and information	62%
Planning and regulation	60%
Uncertain revenue models	57%
Grid connections	56%

3. Make support easier to use

77% are aware of
SPEN support
but only **11%** have accessed it

Communities asked for

- Clear, regularly updated guidance
- A transparent connections journey
- Training and technical support
- A named contact and faster responses
- Help with funding and partnerships

How our communities think we’ve done

We ran a Community Energy Stakeholder Survey to capture the experiences, levels of awareness, and perceptions of community energy, and to help identify opportunities to develop the guidance and support offered to communities interested in community energy. The results of this survey were received in July 2026.



What this means for our strategy

- Make support easier to find and use
- Clarify the connections journey
- Build project capability
- Embed community energy expertise across SP Energy Networks

Source: SPEN Community Energy Stakeholder Survey, July 2026. Indicative survey of 166 respondents recruited through SPEN events and LinkedIn; findings are not representative of every community.



Looking ahead

Addressing remaining barriers

While acknowledging the hard work already done to ensure our communities are supported on their project journey, we recognise there are still barriers to be overcome. As such, we commissioned two studies.

1

A Rapid Evidence Assessment (REA) through the University of Strathclyde to understand the current drivers and barriers to community energy in the UK.

2

A report by Rege examining the experiences of community energy organisations in their interactions with SP Energy Networks throughout their energy project journey.

The reports have offered valuable insights on how we can improve our own internal processes, while also supporting in addressing those barriers common to communities across the UK. There are common threads across these regarding what community groups consider to be the key barriers. These also mirror some of the challenges identified in the Community Energy Stakeholder survey.





Looking ahead: aligning with strategic priorities

Grid connection applications – SP Energy Networks internal

1 Barrier

Groups called for improvements to online guidance materials, greater resource availability for pre-application support and standardisation of processes at early stages of development.

2 How we will respond

We will work with our Grid Connections team to implement these improvements, with a focus on clearer signposting and earlier engagement.

3 Strategic priority alignment

Supports Strategic Priority 2
Improvements to how our customers experience the grid connections process, with clearer signposting and resources from application through to connection.

Supports Strategic Priority 3
Providing more information in the early stages of a project will allow communities to understand their options for how their projects could improve local resilience.

4 Actionable steps

- Host one or more Q&A clinic sessions focused on Grid Connections, informed by recent stakeholder feedback highlighting this as a priority area.
- Participate in site visits across licence areas, offering resources to demystify grid connections, delivery timelines and network processes through open, place-based engagement.
- Work with Ofgem, DESNZ and GB Energy through working groups to influence and enable positive change for communities.

Grid connection process – SP Energy Networks internal

1 Barrier

Groups sought more clarity on grid connection design decisions, costs, changes to timelines and flexibility of payment arrangements.

2 How we will respond

We are reviewing our communications at each stage of the connection process and will introduce clearer milestone updates for community applicants.

3 Strategic priority alignment

Supports Strategic Priority 2
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Looking ahead: aligning with strategic priorities

Community Energy Group support and internal upskilling – SP Energy Networks internal

1 Barrier

Groups asked for increased engagement, clearer internal contact structures and availability of one-to-one support.

2 How we will respond

We are committed to internal upskilling and have improved contact structure clarity in this strategy. We are also planning site visits and growing our team to enable more dedicated support.

3 Strategic priority alignment

Supports Strategic Priority 1
Better support across a project lifecycle from more informed colleagues with ED3 commitments in mind will offer communities a clearer path from project concept to delivery.

Supports Strategic Priority 4
Ensuring community energy is thoroughly embedded in our ED3 business plan and key business strategies.

4 Actionable steps

- Host internal workshop sessions and develop resources for SP Energy Networks teams – including Connections and Flexibility – so they can better support communities at all stages of their energy project journey.
- Participate in site visits across licence areas, engaging directly with community energy groups.
- Grow the Community Energy team to enable more dedicated one-to-one support.
- Continue involvement in the Energy Learning Network (ELN), providing funding for six mentors who work with communities to support the launch or growth of their energy projects.

Industry engagement – SP Energy Networks internal

1 Barrier

Groups called for more collaboration opportunities and incentivisation of community energy projects through ED3.

2 How we will respond

Our ED3 Business Plan process is underway, with our Community Energy team contributing heavily to ensure community energy projects are appropriately considered and the right mechanisms are in place.

3 Strategic priority alignment

Supports Strategic Priority 1
Better collaboration across the industry will offer communities a clearer path from project concept to delivery.

Supports Strategic Priority 4
Ensuring community energy is thoroughly embedded in our ED3 business plan and key business strategies.

4 Actionable steps

- Contribute heavily to the ED3 Business Plan process to ensure community energy projects are appropriately considered and the right mechanisms are in place.
- Collaborate with Ofgem, DESNZ and GB Energy to influence and enable positive change for communities through working groups and other initiatives.
- Continue to sponsor the national State of the Sector report, using findings to directly refine and improve the support provided across all regions.



Looking ahead: aligning with strategic priorities

Grid Connections and curtailment – Wider UK

1 Barrier

Connection and reinforcement costs, alongside long application queues, continue to challenge community energy projects.

2 How we will respond

We will work with Ofgem and other DNOs to implement positive changes that improve access to connections for community energy schemes.

3 Strategic priority alignment

Supports Strategic Priority 1
Involvement in the discussions and decisions around Connections Reform and related industry initiatives will support communities not just in our licence area, but all over the UK, paving an easier path to project delivery.

4 Actionable steps

- Work with Ofgem and other DNOs to implement positive changes that improve access to connections for community energy schemes.
- Collaborate with Ofgem, DESNZ and GB Energy through working groups to influence and enable positive change for communities.
- Work with colleagues in the SP Energy Networks Connections and Flexibility teams to improve resources and communication with communities around the challenges and opportunities impacting them and their projects.

Regulatory support and community energy strategy – Wider UK

1 Barrier

Market and licence complexities can be difficult for community energy projects to navigate.

2 How we will respond

We will support the discussion around and development of regulatory pathways to enable community energy to participate in energy markets and will commit to delivering our Community Energy Strategy as set out in our ED2 Business Plan.

3 Strategic priority alignment

Supports Strategic Priority 1
Influencing positive change across regulation will remove complex barriers for communities, thereby paving an easier path to project delivery.

4 Actionable steps

- Support the discussion around and development of regulatory pathways to enable community energy to participate in energy markets.
- Draw on community energy project experience to advise relevant stakeholders on challenges with existing regulation.
- Collaborate with Ofgem, DESNZ and GB Energy to influence and enable positive change for communities through working groups and other initiatives.

Looking ahead: aligning with strategic priorities

Finance and support mechanisms – Wider UK

1 Barrier

Lack of access to finance options and business models for community energy projects, which is exacerbated in areas of high deprivation.

2 How we will respond

As a DNO we cannot directly create financial support mechanisms, but we can draw on our community energy project experience to advise relevant stakeholders and lobby on behalf of communities for improvements in funding options and business models.

3 Strategic priority alignment

Supports Strategic Priority 1
Influencing positive change across regulation will remove complex barriers for communities, thereby paving an easier path to project delivery.

4 Actionable steps

- Work with our Vulnerability team to ensure hard to reach communities areas are not left behind.
- Draw on community energy project experience to advise relevant stakeholders on funding options and business models.
- Lobby on behalf of communities for improvements in funding options and business models.
- Collaborate with Ofgem, DESNZ and GB Energy to influence and enable positive change for communities through working groups and other initiatives.
- Continue to sponsor the national State of the Sector report, using findings to directly refine and improve the support provided across all regions.

Capacity and capability – Wider UK

1 Barrier

Capacity pressures and limited advisory capability are recognised as a key barrier to providing the support necessary to guide communities through their project journey.

2 How we will respond

We are committed to upskilling our teams internally so we can offer more comprehensive support to community energy projects across their full lifecycle, from concept to delivery and operation.

3 Strategic priority alignment

Supports Strategic Priority 4
Upskilling and augmenting our internal teams with training and resources to provide the assistance needed by communities will ensure community energy is embedded across our business.

4 Actionable steps

- Host internal workshop sessions and develop resources for SP Energy Networks teams – including Connections and Flexibility – so they can better support communities at all stages of their energy project journey.
- Grow the Community Energy team to enable more dedicated support.
- Continue involvement in the Energy Learning Network (ELN), providing funding for six mentors who work with communities to support the launch or growth of their energy projects.



The year ahead

Our 2026-2027 commitments

We have set out actionable steps to meet our Strategic Priorities for 2030. Below are the commitments we will make in 2026-27 to work towards this.

Community engagement and information

Community energy site visits

Our Community Energy team will be participating in several site visits across our licence areas, where we will engage with community energy groups. As a priority, we will offer resources to demystify grid connections, delivery timelines and network processes through open, place-based engagement.

Q&A clinics

Our Community Energy team will continue to host Q&A clinics where communities can ask questions and access the resources they need to make their energy projects a success. We will determine the most useful topics to focus on from feedback. Priority will be given to Grid Connections, identified as a key remaining barrier.

Information and resources

We will continue to add useful resources to our webpage, including more information on our recently launched Community Energy Journey.



Industry engagement and information

Thought leadership

We will sponsor, attend and provide thought leadership at industry events, including the Community Energy Scotland, England and Wales annual conferences.

Community energy advocacy

Work with Ofgem, DESNZ and GB Energy through working groups to influence and enable positive change for communities across regulation, markets and the deployment of the Local Power Plan.

State of the sector

We will continue our involvement in the State of the Sector research and work with stakeholders and policymakers to ensure we empower communities and deliver effective policy programmes.



Research and outreach

Ongoing support to mentorship programmes

We will continue its involvement in the Energy Learning Network (ELN) where we provide funding for six mentors who work with communities and support launching or growing their energy projects.

Up the Energy

We will continue to provide support through sponsorship of the Up the Energy campaign. This is a UK-wide campaign led by Community Energy England and its partners, aiming to unlock the benefits of community energy and involve communities in delivering the Clean Power mission.

Cross team events

We will collaborate with other internal SP Energy Networks teams (Connections, Flexibility, Strategic Optimisation) and attend each others' events to offer more value to our customers and stakeholders.



Feedback and continuous improvement

Actioning feedback from stakeholder surveys

We have shaped this strategy around stakeholder feedback and will continue to respond to our stakeholders needs through regular engagement.

ED3 preparation

We will continue to engage community energy organisations as part of our ED3 planning, gathering evidence on connections, access to information and the wider support required to enable projects to progress.

Internal upskilling on community energy

We are committed to internal upskilling across our teams. We will host events and clinics and develop resources for other teams so that they can better support communities at all stages of their energy project journey. We will also strive to grow the Community Energy team to enable more dedicated one-to-one support.



Case studies

Edinburgh Solar Co-Operative (SPD)



Edinburgh Community Solar Co-operative (ECSC) is a community-owned renewable energy organisation that develops, owns and operates solar photovoltaic (PV) installations across Edinburgh. The co-operative has built a portfolio of 30 solar installations with a combined generating capacity of approximately 2.1 MW, primarily located on Edinburgh City Council schools, community centres and leisure facilities.

The organisation combines local investment, renewable energy generation and community benefit funding, creating a model that delivers both environmental and social value.



Community impact

Beyond clean energy generation, coop members receive interest on their initial investment (estimated at around 4-5% per year). ESC then directs excess profits into community benefit programmes that support:

- Sustainability projects.
- Renewable energy initiatives.
- Local environmental improvement activities

Our role

SP Energy Networks works in partnership with ESC to navigate the challenges of the grid connections process, particularly in constrained city centre locations.

Key lessons for aspiring energy co-operatives

Organisations considering community energy programmes can draw several lessons from the Edinburgh model:

- Community ownership can accelerate public support for renewable energy projects.
- Public-sector estates provide valuable opportunities for large-scale solar deployment.
- Community share offers can diversify funding sources and reduce reliance on grants.
- Renewable energy projects can be structured to deliver environmental, social and financial benefits simultaneously.
- Reinvestment of profits into local priorities helps maintain stakeholder support and strengthens long-term impact.

Ashton Hayes (SPM)



Ashton Hayes Going Carbon Neutral is a community-led decarbonisation initiative based in the rural Cheshire village of Ashton Hayes, a community of approximately 1,000 residents. Established in 2006, the project set an ambitious goal of becoming England's first carbon-neutral village through local action, behavioural change and community-owned energy infrastructure.

Over nearly two decades, the initiative has evolved from a grassroots awareness campaign into a recognised model for community climate action, incorporating renewable energy generation, energy efficiency measures and community ownership.

Community wealth building

The initiative has demonstrated how local ownership can retain economic value within a community. Examples include:

- Creation of a community-owned energy company.
- Community investment in local infrastructure.
- Reinvestment of energy revenues into village assets and activities.
- Support for local facilities including the school, sports field and community-owned pub

Our role

SP Energy Networks offered initial support on how to realise their ambition and then provided grid connections support, including a local transformer upgrade.

Key takeaway

Ashton Hayes demonstrates that community-led action can be a powerful driver of decarbonisation. By combining behaviour change, local ownership and renewable energy investment, the village has created a replicable model that delivers environmental benefits while strengthening community resilience and local wealth creation.



Case studies continued



Ynni Ogwen (SPM)

Ynni Ogwen is a community-owned renewable energy initiative based in the Ogwen Valley, Gwynedd, North Wales. At the heart of the project is Hydro Ogwen, a hydroelectric scheme developed to harness the power of the River Ogwen and generate renewable electricity for the benefit of local communities. The project was initially established by Partneriaeth Ogwen (Ogwen Partnership) and subsequently developed and operated by Ynni Ogwen Cyf, a Community Benefit Society created to build, own and manage the hydro scheme.

Community wealth building

The project represents a community wealth-building approach to energy generation, where renewable energy revenues are retained locally and reinvested into wider environmental and community initiatives across the valley.



Our role

SP Energy Networks supported through the development stage and with the grid connections process.

Insights for community energy groups

The Ynni Ogwen experience demonstrates several important lessons for community energy development:

- Community ownership can maximise the local value created by renewable energy assets.
- Renewable energy projects can provide both environmental and economic benefits when profits are reinvested locally.
- Natural resources such as rivers can be used strategically to support place-based decarbonisation and community resilience.
- Community Benefit Societies offer an effective governance model for delivering long-term social value.
- Renewable energy infrastructure can become a catalyst for wider community regeneration and environmental improvement.



Lessons, reflections and emerging questions

What we have learnt

Community energy thrives when it is supported by trusted, long-term relationships – not just transactional interactions. Dedicated, named contacts within SP Energy Networks make a tangible difference to how groups experience the process.

Peer learning and mentoring consistently outperform one-way information provision. Groups learn best from other groups who have faced the same challenges.

Flexibility and responsiveness matter as much as structured programmes. Being willing to adapt our support as projects evolve builds trust and reduces friction for communities at critical decision points.

Questions we are exploring

As we develop our approach, we are keen to better understand the following issues. As understanding deepens, we can tailor our activities more effectively:

- 1 How can community energy projects most effectively contribute to network resilience, particularly for vulnerable customers during extreme weather events?
- 2 What is the most effective model for providing technical pre-application support to early-stage community groups?
- 3 How can SP Energy Networks' internal tools and data – such as GIS mapping and social value frameworks – be made more accessible to community energy organisations themselves?
- 4 What opportunities exist to align community energy outcomes with the SP Electricity North West integration, building coherence across the expanded licence area?

Community Energy Resources

Here are some of the key national, devolved and regional organisations and resources available to community energy groups across Great Britain.

GB-Wide and National



GB Energy
Publicly owned energy company accelerating clean energy. Publishers of the Local Power Plan, backed by £1bn of funding to unlock local and community projects.



Community Energy England
National body representing and supporting community energy organisations in England.



Community Energy Scotland
Supporting communities in Scotland to develop and own renewable energy projects.



Community Energy Wales
Supporting community-owned energy across Wales.



Community Energy Go
Connects community groups with free expert advice and hands-on support to make their community energy projects happen.



Energy Learning Network
Mentoring and peer learning for developing community energy groups.



Ofgem
For information on DNO regulation and the RIIO-ED3 business plan process.

Regional resources



Energy Saving Trust
Providing advice and support on energy efficiency and renewables.



Local Net Zero Hubs (England)
Each region in England has a Local Net Zero Hub where communities can access support from local authorities in developing Net Zero projects.



North West Net Zero Hub
Regional Net Zero support for the North West of England.



Local Energy Scotland/CARES
Manages the Scottish Government's Community and Renewable Energy Scheme (CARES), supporting communities to engage with and benefit from the energy transition.



Climate Action Hubs (Scotland)
Regional hubs supporting community-led climate action across Scotland.



Home Energy Scotland/ Welsh Zero Carbon Hwb
Devolved energy support programmes for Scotland and Wales respectively.

How our teams work together for your community



Getting in touch with us

Our Community Energy team works closely with several internal teams across the business. Knowing which team to contact can make a real difference to how quickly and effectively your enquiry is resolved. Use the guide below to find the right starting point.



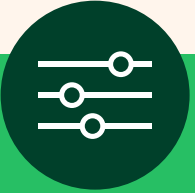
Community Energy Team

Your primary point of contact for community energy questions, guidance, project support and signposting. Reach us at our dedicated mailbox for all community energy enquiries.



Connections

For enquiries relating to connecting an established project to the electricity network, grid capacity, connection offers and the application process.



Flexibility

For specific questions about flexibility services, demand-side response and how community assets might participate in local flexibility markets.



Consumer vulnerability

For projects or partnerships focused on supporting vulnerable customers, fuel poverty, warm spaces and community resilience.



Strategic Optimisation/DSO

For enquiries about network planning, local area energy planning and how community projects interact with broader network strategy.



Sustainability

For questions relating to SP Energy Networks' overarching sustainability commitments, ESG reporting and social value measurement across the business.

Links, resources and how to register

A quick-reference guide to SP Energy Networks' community energy resources, external reports and how to get in touch or stay updated.



Reports and insights

Access the State of the Sector reports, our Rapid Evidence Assessment, community energy insights reports and other research publications through our Community Energy webpage.





Guidance document

Download practical guides on connections, solar PV, flexibility and the community energy journey – all available on our Community Energy website.





Webinars and workshops

Access recordings of previous Q&A clinics, workshops and conference sessions. Register your interest in upcoming events through our Community Energy mailbox.





Case studies

Explore real-world examples of community energy projects across our licence areas – covering solar PV, battery storage, wind, EV infrastructure and more.





Register as a Stakeholder

Community energy groups, local authorities and wider stakeholders can register directly with our Community Energy team to receive updates, invitations and resources. Contact us via our dedicated mailbox.





Share your feedback

We are always looking to improve our support. If you have suggestions, questions or feedback on any aspect of our community energy work, please get in touch via our Community Energy mailbox.



Glossary

A comprehensive reference guide to the terminology used throughout this strategy document and across the community energy sector.

Balancing
Keeping supply and demand of electricity equal on the grid.

Capacity
The maximum amount something can contain or produce (e.g. energy).

Capacity building
Helping people or groups gain skills and resources to do something better.

Carbon emissions
Release of carbon dioxide into the atmosphere, often from burning fossil fuels.

CARES – Community and Renewable Energy Scheme
The Scottish Government’s programme, managed by Local Energy Scotland, providing funding and support to communities engaging with the energy transition.

CO₂
Carbon dioxide: a greenhouse gas released by burning fossil fuels.

Co-operative Society
A business owned and run by its members.

Community-led
Run or directed by local people.

Community Benefit Society
A type of organisation that runs for the benefit of the community.

Community Interest Company
A company set up to benefit the community, not private owners.

Decarbonisation
The process of reducing carbon emissions from energy and industry.

Decentralised
Spread out, not controlled by one central authority.

Distribution
Delivering electricity from the grid to homes and businesses.

DNO – Distribution Network Operator
A company licensed to distribute electricity across a defined geographic area. SPEN operates as a DNO across Scotland, Wales and parts of England.

DSO – Distribution System Operator
A company (typically a DNO) that actively manages a complex, decentralised grid where homes and businesses are both consuming and generating electricity.

ED2/ED3 – Electricity Distribution Price Control
Regulatory periods in which DNOs set out their investment and service standards for a five-year period. ED2 (current): 2023–2028. ED3 (upcoming): 2028–2033.

ELN – Energy Learning Network
A mentoring and peer learning programme run by Ashden, supporting community energy groups to develop and grow their projects across Great Britain.

Engagement
Involvement or participation in something.

Feasibility
How possible or practical something is.

Flexibility
Ability to change energy use or supply to help the grid.

Gigawatt (GW)
A unit of power equal to one billion watts.

GIS
Geographic Information System: a tool for mapping and analysing locations.

Grid
The network that delivers electricity from producers to users.

GWh
Gigawatt-hour: a unit of energy equal to one billion watt-hours.

Infrastructure
The basic systems and services needed for a society or organisation.

Innovation
A new idea, method, or device.

Just Transition
Ensuring the move to a low-carbon economy is fair for all.

Kilowatt (kW)
A unit of power equal to one thousand watts.

Megawatt (MW)
A unit of power equal to one million watts.

Net Zero
A target to balance greenhouse gas emissions with removal from the atmosphere.

Network monitoring
Watching and measuring the performance of the electricity grid.

Non-firm connections
Electricity connections that may be interrupted or limited at times.

Ofgem
Office of Gas and Electricity Markets: UK energy regulator.

REA – Rapid Evidence Assessment
A structured research methodology used to synthesise existing evidence quickly and systematically. SPEN commissioned an REA through the University of Strathclyde on CE barriers and drivers.

Renewable
Energy from sources that are naturally replenished, like wind or solar.

Resilience
Ability to recover from difficulties or adapt to change.

SPD
SP Distribution: part of SPEN, covering Central and Southern Scotland.

SPEN
SP Energy Networks: the company distributing electricity in certain UK regions.

SPM
SP Manweb: part of SPEN, covering North Wales, Merseyside, Cheshire.

Self-service tools
Online resources that let users do things themselves.

SROI – Social Return on Investment
A methodology for measuring and accounting for the social, environmental and economic value created by an activity, programme or organisation.

Stakeholder
A person or group with an interest in a project or decision.

Stakeholder Led Improvements
Changes or actions based on feedback from people or groups with an interest in the project.

State of the Sector Report
A report summarising the status and progress of community energy projects.

Strategic Optimisation
Planning to make the best use of resources for long-term goals.

Appendix 1 – Performance against last year’s commitments

Our 2025 strategy set out six core commitments across group engagement, information, internal collaboration, community energy bodies, workshops and our dedicated webpage. Here is a summary of progress made.



Engagement & Information

CE Group engagement

We now have dedicated Community Energy Managers covering both the SPD and SPM licence areas, providing a central contact point for groups navigating teams and processes across the business.

Information & Resources

Our webpage now brings together the Community Energy Journey, guides, case studies, videos and connections information. Further supporting documents are being added on an ongoing basis.

Internal Engagement

We continue to work with Connections, Flexibility, Vulnerability, Innovation and Stakeholder Engagement teams to improve the consistency of information and support available to community energy organisations.

CE Bodies

We hold regular meetings with Community Energy England, Scotland and Wales to share updates, discuss sector challenges and identify opportunities for collaboration.

CE Workshops

We have delivered workshops, Q&A clinics, conferences and engagement sessions to support knowledge-sharing and provide community groups with access to relevant expertise.

CE Webpage

Promotion of our Journey, guides and case studies has been increased through social media, campaign activity, conferences and partner communications.





Appendix 2 – Performance against last year’s commitments

Research & Outreach

CE Bodies & Research

We continue to sponsor the national State of the Sector report and associated regional reporting. We are three years into a four-year sponsorship, improving our understanding of the CE landscape across our licence areas.

Project Case Studies

We have increased the number of case studies captured, covering different technologies, project types and locations across our licence areas. GIS mapping activity has not yet been fully delivered and will be reviewed within the new strategy.

Sector Research

We continue to work with sector organisations and research partners to improve our understanding of barriers, opportunities and support needs affecting community energy.

Engagement Plan

A structured programme has been delivered across both licence areas through conferences, sponsorships, working groups, clinics, surveys and direct engagement with community organisations.

CE Youth Engagement

This has not developed as a standalone programme as originally anticipated. However, our emerging virtual reality content and school-focused material may provide an opportunity to reframe this commitment.

Events & Comms

We continue to sponsor and attend national and regional community energy conferences and campaigns across England, Scotland and Wales, including Community Energy Fortnight.

Feedback & Continuous Improvement

Feedback

Regular feedback is gathered through community energy body meetings, working groups, direct engagement, events and surveys, helping to shape future priorities and improve the support we provide.

Sharing

We participate in the DNO Community Energy Working Group, sharing learning and working towards greater consistency across network operators ahead of ED3.

Data Analysis

We are improving the way we capture and assess engagement, feedback and sector information, although this remains an area that could be further strengthened within the new strategy.

Strategy Analysis

Our Community Energy Strategy and associated activity are reviewed internally to ensure priorities remain aligned with stakeholder needs and wider business objectives.

ED3 Preparation

We are continuing to engage community energy organisations as part of our ED3 planning, gathering evidence on connections, access to information and the wider support required to enable projects to progress.

Strategy Survey

A sector-wide survey has been undertaken to gather feedback from community energy groups and stakeholders, with findings directly informing the priorities set out in this new strategy.

