Carbon Co-op

Consultation response

Regional Energy Strategic Plan policy framework consultation

Date: October 2024
Authors: Ellie Radcliffe, Natalie Merrick, Jonathan Atkinson, Lorenza Casini, Matt Fawcett
Ofgem call:
https://www.ofgem.gov.uk/consultation/regional-energy-strategic-plan-policy-framework-consultation

Contents

1. Background: who we are, what we do.

Carbon Co-op is a community benefit society and a not-for-profit community energy organisation that helps people and communities to make the significant reductions in energy and carbon emissions we need to tackle climate change.

Established in 2011, we are based in the North West of England but operate across the UK. We have 17 paid members of staff and a householder membership of 343 people.

As well as ensuring we develop the tools, services and models necessary to decarbonise our homes, our founding principles also encompass:

- **Energy Justice** - the principle that those with more resources and better able to take action have a responsibility to do so and those without resources should be supported to take action. Energy justice is often approached through the four tenets of procedural, distributive, restorative and recognition justice - all with a role to play in supporting a just and sustainable future.
- **Collective action** as a means of tackling energy system transition challenges - people more readily engage in collective actions as opposed to individual ones, with an understanding that people can make more of an impact together.
- **Co-operative action** as a way to ensure that those participating in climate action are able to own, control and benefit from the energy transition. We subscribe to the international co-operative principles.[1]

We are members of sectoral bodies including Co-operatives UK, Community Energy England and RESCoop.

Since 2020 we have carried out multiple projects developing an approach which foregrounds communities within energy planning. Through our work on projects such as mPower, we responded to municipal leader questions of how to best include communities in decision-making about the future of the energy system, with a research programme showcasing exemplar city-level projects in this area. We worked with partners, the community and Oldham Council to create the Community-Led Energy Planning (CLEP) approach as a response to this. It has been developed through a number of projects, including:

- Oldham Energy Futures (ICLEI, 2020-2022)
- Oldham Green New Deal Delivery Partnership feasibility study (Innovate UK Pathfinder Places, 2023)
- Net-Zero Accelerator Oldham - working in partnership with Oldham Council to develop the Oldham Green New Deal Delivery Partnership and CLEP approach (Oldham Council/DESNZ, 2024-2026).

[1] International Cooperative Alliance. Cooperative identity, values and principles. Link.

This approach has been particularly significant in shaping our response to this consultation. This is because the proposed approach to RESPs does not recognise key non-technical barriers to decarbonisation, including citizen engagement and energy justice. If it does not take these into consideration, the proposed approach to energy planning will fail to deliver a just energy transition for our people and our places.

We say this having worked extensively with under-represented communities who are disproportionately impacted by energy vulnerability within the current system. Their interests must be represented within energy planning to ensure we deliver the future energy system we need.[2]

It is not possible to deliver a just transition without factoring in the socio-political alongside the technical. While the RESP process focuses on shaping the technical solutions to transition in collaboration, which is commendable and an improvement on the current approach to energy planning, this is still lacking. NESO's technical coordination role, again, is useful but does not factor in the need for a social process around the energy transition.

We feel it is important to highlight the fact that technical choices around the energy transition and the generation and use of data are not politically neutral. These choices are inherently intertwined with the socio-political context in which they are made, and the use and generation of data (and who is or is not involved in this process of creating knowledge) shapes which energy futures are pursued.[3] The RESP is predominantly proposed as a technical process with a heavy emphasis on different forms of top-down and bottom-up data. As such, recognising and factoring in the social and political conditions required for a just energy transition will be critical in shaping the plans so that the delivery of the energy transition can meet the needs of our places and people.

[2] Carbon Co-op, Salford Building In Warmth, Link.; Kellay, A. 'Person-Centred Retrofit': A fuel poverty, vulnerability led approach' report launch, Carbon Co-op. Link.; Kellay, A. Co-designing energy advice services with underrepresented communities, Carbon Co-op. Link.

[3] Knox, H. 2024. Doing place through data: Proliferation, profiling and the perils of portrayal in local climate action. Big Data & Society. Link.; Cowell, R. 2016. Decentralising energy governance? Wales, devolution and the politics of energy infrastructure decision-making. Environment and Planning C: Politics and Space. Link.

2. Summary of recommendations.

Q1. What are your views on the principles (in paragraph 2.8) to guide NESO's approach to developing the RESP methodology? Please provide your reasoning
1.1 Add a 5th principle reflecting the need for a just and equitable transition, e.g: "Be just and equitable - create opportunities for under-represented communities' and worker representation in decision-making around future energy scenarios, focusing on fair processes and sharing the benefits of the energy transition to ensure it is just."
Q7. Do you agree with the framework of standard data inputs for the RESP? Please provide your reasoning.
7.1 The outputs and process of the LAEP should be reviewed if this is going to be a critical piece of local data used for RESP. 7.2 A standardised approach to LAEP should be a requirement of local authorities, with standardised funding and sufficient resourcing for the development of LAEPs. 7.3 LAEPs should include a meaningful social process involving citizens and communities, which can support the identification of locally-backed energy projects and opportunities for the delivery of community benefit/social value. 7.4 Review dataset compatibility across the standard data inputs and develop consistent identifiers to ensure, where possible, datasets can be brought together in a holistic manner. 7.5 Review the use of EV and heat pump ownership datasets within the context of the RESP, and whether alternative datasets are available which better reflect the reality of EV and heat pump use (e.g: whether these appliances are ESAs able to be influenced by external signals). 7.6 Include socio-economic datasets to help shape energy planning and delivery in a way that delivers energy justice. This could be done through the LAEPs.
Q9. Do you agree with the framework of local actor support? Please provide your reasoning.
9.1 Provide local authorities with the resources and training to upskill their workforces so they can engage with the RESP process and deliver on any energy plans produced at a local and regional level.

9.2 Factor support and guidance for the delivery of meaningful community engagement, and consideration as to how this can be resourced, into the framework for local actor support.

9.3 Integrate support for non-technical actors such as fuel poverty charities and energy-relevant third sector organisations to develop the technical knowledge and understanding they may need to engage with the RESP process (representing the interests of under-represented communities).

9.4 Create opportunities to appropriately resource and fund engagement activity conducted by organisations acting as a conduit to different communities, and clear feedback mechanisms where engagement activity is done to "close the loop".

9.5 Provide for the development of documentation to enable stakeholders to incorporate common digital tools into their business as usual operation. This is particularly crucial in relation to regional and local government operations, where a lack of resources is likely to limit the aspirations of the RESP around local accountability (as per previous recommendations).

Q10. Do you agree with the purpose of the Strategic Board? Please provide your reasoning.
Q11. Do you agree that the Strategic Board should include representation from relevant democratic actors, network companies and wider cross-sector actors in each region?
Q12. How should actors (democratic, network, cross-sector) be best represented on the board? Please provide your reasoning, referring to each in turn.

11.1 Include groups in direct contact with communities experiencing energy poverty, representatives of trade unions, or organisations which could bring the voices of different communities, as cross-sector actors within the RESP process.

11.2 Integrate flexibility teams and DSO teams at the earliest stage of RESP development to influence best practice around energy flexibility.

12.1 Create dedicated working groups which focus on engagement and a just transition to integrate the voices and interests of e.g local people, workers and those experiencing fuel poverty.

3. Questions and responses.

Q1. What are your views on the principles (in paragraph 2.8) to guide NESO's approach to developing the RESP methodology? Please provide your reasoning.

Broadly we agree with the principles outlined. However, we feel there is a lack of consideration for energy justice and the delivery of a just transition. When delivering on a RESP these elements will be critical in shaping the energy system in a way that tackles pre-existing inequalities and questions of community and worker buy-in.

National Energy Action estimates that 6.5 million people were in fuel poverty in January 2024.[4] Energy planning which does not seek to address this figure will fail to deliver energy justice. While there are many energy injustices which could be considered within the context of energy planning, we would first advocate for ensuring that under-represented and under-served communities are one of the stakeholder groups represented on the Strategic Board and/or working groups as part of the RESP.

Based on our experience working with communities in Oldham we know that under-represented communities often go unheard when facing changes to their energy infrastructure (such as retrofit and new energy generation and provision). There is a broad recognition at an international level that citizen buy-in and activity will be critical to limit climate breakdown.[5] In line with this, there is a need for legitimacy in the eyes of the public for the scale of interventions needed.

Carbon Co-op's experience aligns with energy acceptance theory, which highlights that for communities to accept new technologies three things are critical: trust, procedural justice (decision-making), and distributional justice (how costs and benefits are shared from new technologies).[6]

While the proposed approach to hosting political representatives as part of the RESP goes some way to creating an accountable structure, more needs to be done to ensure the needs of communities (and particularly the fuel poor), and the three factors outlined above, are represented within the RESP process (see Q9-12). Integrating community-led energy planning as an approach within the context of LAEPs, and due consideration as to how to deliver benefits back to communities in

[4] Hinson, S., Bolton, P., Kennedy, S. Fuel Poverty in the UK. House of Commons Library. 2024. Link.
[5] Devine-Wright, P. et al. 2022. "Placing people at the heart of climate action". PLOS Climate. Link.
[6] Wüstenhagen, R. Wolsink, M. Burer, MJ. 2007. Social Acceptance of Renewable Energy Innovation: An Introduction to the Concept. Link.

the form of ownership or community benefits relating to renewable energy generation, would be two ways to do so.

In addition, to deliver a just transition RESPs need to connect with other agendas such as the phase out of oil and gas (an area where worker-input will be critical). Platform London's calls for worker-led transition plans delivered in partnership with trade unions is one example of how workers should be involved in discussions around how to plan and deliver a new energy system.[7] As such, trade unions should be represented within the context of the RESPs, possibly through a dedicated working group focussing on just transition.

It is critical that there is meaningful and effective engagement with these communities, or bodies which represent their interests, to ensure their needs and priorities are represented within the context of the RESP development. This means engagement which has an actual impact on decision-making, rather than communities "feeling heard" without their input informing delivery.

Recommendations:

1.1 Add a 5th principle reflecting the need for a just and equitable transition, e.g:

"Be just and equitable - create opportunities for under-represented communities' and worker representation in decision-making around future energy scenarios, focusing on fair processes and sharing the benefits of the energy transition to ensure it is just."

[7] Platform London. Our Power. 2023. Link.; All Party Parliamentary Group for the Green New Deal. 2024. Gamechangers for a Green New Deal. Link.

Q7. Do you agree with the framework of standard data inputs for the RESP? Please provide your reasoning.

We broadly agree with the framework of standard data inputs for the RESP. However, through our experience delivering Oldham Energy Futures and our extensive work on energy flexibility we believe the use of these datasets needs closer consideration based on their consistency and quality.[8]

Challenges with LAEPs

If RESPs are to be effectively delivered there needs to be consistency across datasets provided both by local authorities and other organisations. LAEPs are a prime example of this.

The delivery of LAEPs has fundamental issues if these plans are going to be used to inform RESPs. Because they are not mandated, it is currently a lottery as to which local authorities are able to develop them and they vary hugely in terms of the outputs generated. LAEPs also need to harmonise and inform and be informed by local authority's statutory planning functions.

If LAEPs are to be used as a core piece of evidence, their outputs and process should be reviewed, and a standardised approach to energy planning should be made a requirement of local authorities with standardised funding and sufficient resources for the development of these plans.[9]

In addition, LAEPs should include a social process which involves community and citizen engagement.[10] A meaningful social process as part of the LAEP methodology should help to identify and support energy projects which would receive community backing and potentially create opportunities for new community energy projects or community benefits/social value.[11] Community-led energy planning is one approach which has experimented with developing this social process, and is being further developed and refined through the Oldham Net Zero Accelerator project.[12]

---

[8] Energy Communities Aggregator Service (ECAS) (BEIS, 2018); REScoop VPP Development and testing of open source, energy flexibility solutions by and for the co-operative energy sector. (EU Horizon, 2019-2023); OpenDSR for All feasibility study exploring how our open source demand side response stack complied with PAS 1878/1879 (DESNZ, 2023) ; Socialising Flexibility - exploring the engagement of social housing tenants in energy flexibility schemes. (Energy Redress, 2023-2025).

[9] Regen. Roadmap to RESP: Unlocking regional ambition. 2024. Link.; Britton, J. Webb, J. Planning Works: Local Energy Planning to Accelerate Net Zero. UK Energy Research Centre. Link.

[10] Webb and Britton, Planning Works.

[11] Local Energy Scotland. Community Benefits. Link.

[12] Carbon Co-op. Net-Zero Accelerator Oldham. Link.

Oldham Energy Futures - Community-led Energy Planning

Community-led Energy Planning, developed by Carbon Co-op, implemented and tested in Oldham, is a methodology which generates data by working in close collaboration with communities to understand local issues, challenges and opportunities relating to the delivery of the energy transition where they live. This data can be used by local authorities and other relevant stakeholders to develop effective place-based approaches to energy transition at a neighbourhood and borough level. It also builds capacity within communities to enable people to engage in decision-making around the energy transition where they live.[13]

Recommendations:

7.1 The outputs and process of the LAEP should be reviewed if this is going to be a critical piece of local data used for RESP.

7.2 A standardised approach to LAEP should be a requirement of local authorities, with standardised funding and sufficient resourcing for the development of LAEPs.

7.3 LAEPs should include a meaningful social process involving citizens and communities, which can support the identification of locally-backed energy projects and opportunities for the delivery of community benefit/social value.

Data compatibility

LAEPs do not currently map well onto other local authority datasets due to DNOs (and other energy system actors) and local authorities working across different geographies (e.g ward and district boundaries vs substation boundaries).

There are also significant challenges when working with DNO data and strategic planning due to a lack of consistent identifiers - where some datasets use polygons, some use postcode and others use substation identifiers. The lack of consistent identifiers makes it very challenging to overlay these datasets.

Recommendations:

7.4 Review dataset compatibility and develop consistent identifiers to ensure, where possible, datasets can be brought together in a holistic manner.

Improved/additional datasets

We are pleased to see the recognition of the importance of EV and heat pump ownership datasets, as a community flexibility aggregator access to data on the concentration of such technologies is foundational. However, consideration needs to be given to technical limitations of much of the existing install-base. In our experience the “flexibility potential” of such technologies is often overstated - it is

[13] Carbon Co-op. Energy Futures Toolkit. Link.

important for such datasets to reflect not only what technology is installed, but the extent to which its control can be influenced by external signals.

If RESPs are to be truly holistic in developing regional approaches to transforming the energy system, socio-economic datasets should be taken into account as part of the planning process. As explained in “Background”, technical choices cannot be divorced from the socio-political context in which we are trying to achieve energy transition. Datasets such as the Index of Multiple Deprivation, unemployment data and trends, and fuel poverty should be included to help to shape regional energy planning and delivery resulting from the RESPs. This data could be integrated within the LAEPs to ensure they reflect the socio-economic context in which transition must be delivered in a place, enabling prioritisation not just based on demand growth but also based on delivering energy justice.

Recommendations:

7.5 Review the use of EV and heat pump ownership datasets within the context of the RESP, and whether alternative datasets are available which better reflect the reality of EV and heat pump use (e.g: whether these appliances are ESAs able to be influenced by external signals).

7.6 Include socio-economic datasets to help shape energy planning and delivery in a way that delivers energy justice. This could be done through the LAEPs.

Q9. Do you agree with the framework of local actor support? Please provide your reasoning.

While we welcome the fact that local actor support has been considered within the RESP process, there are significant assumptions that come with the framework outlined. These include:

- Assumptions re: local and combined authority capacity to engage;
- A lack of community engagement or representation from non-technical stakeholders which may especially represent the voices of marginalised communities/underrepresented groups (such as those in fuel poverty);
- A lack of clarity regarding the ownership and governance of digital tools.

Local and combined authority capacity to engage.

Given that the RESP is a critical element of the energy planning system with a focus on accountability, ensuring local and combined authorities have the capacity to engage with it well will dictate its ability to perform this function successfully.

Our experience working with local authorities in Greater Manchester has demonstrated how stretched they are in terms of resourcing. The framework explicitly states that it will not provide funding or personnel for local projects or develop local plans for an area, but for local authorities to have any hope of engaging sufficiently with this agenda they need the funding and resources to do so.

While building capacity at the local level to engage with the RESP process is commendable, local authorities need access to resource and training to upskill their workforces in order to actually deliver on the LAEPs and RESPs which will be produced.

Local authorities have a critical role in delivering an energy transition which connects to other local priorities such as economic development and tackling poverty, and already struggle to overcome siloed working in this space.[14] Developing plans which will be truly place-based will require consideration as to how delivery will be funded and resourced within the context of local government - otherwise they will fail to connect with critical local priorities and strategies which could support communities experiencing energy vulnerability (and deliver wider benefits for local economies).

Recommendations:

9.1 Provide local authorities with the resources and training to upskill their workforces so they can engage with the RESP process and deliver on any energy plans produced at a local and regional level.

[14] Radcliffe, E. Murphy, C. Power, H. 2024. Our Places Our Planet. CLES. Link.

Community engagement and non-technical stakeholders.

Currently there is no mention of community engagement in either LAEPs or the RESPs. Local actors who have a stake in the energy system extend beyond local authorities, and the community are the local actors who will be directly experiencing and hopefully benefitting from a greener energy system. They also have significant weight in blocking or opposing new energy infrastructure, and this should not be under-estimated as a factor which will dictate how the RESPs move from planning into delivery.

If the RESP process is to be the main conduit for "bottom-up" input into energy planning, community engagement and considerations as to how this will be resourced and enabled must be factored into the support and guidance provided around them.

Carbon Co-op's Community-led Energy Planning methodology, which is currently being tested and refined as part of the Oldham Net Zero Accelerator project[15], demonstrates how energy planning could connect to different communities and locally trusted organisations to draw up community priorities, wants and needs in an inclusive way. We know through the original Oldham Energy Futures project that citizen buy-in and activity will be critical to deliver on our energy targets. Building legitimacy in the eyes of local people requires more than consultation and efforts need to be made to build mechanisms which enable local people to shape, operate and govern the future energy system.[16] RESPs and LAEPs can support the creation of these functions, but engagement with communities (and particularly communities experiencing the negative effects of our current energy system) should be integrated as part of their process.[17]

We know through our work with the Westwood Hub in Oldham exploring energy advice delivery that good engagement, particularly with those experiencing fuel poverty, is resource intensive and can often be reliant on locally trusted organisations.[18] Good engagement is also consistently under-estimated with regards to how much time and resource it requires (particularly with under-represented groups).[19] Cooperation between trusted organisations and local authorities/other energy system actors will be needed, as well as consideration as to how to resource engagement, if communities are to be taken into account within the LAEPs or the RESPs.

As such, non-technical actors such as fuel poverty charities and energy-relevant third sector organisations should be part of the RESP process in order to integrate just

[15] Carbon Co-op. Net Zero Accelerator Oldham Link.
[16] Carbon Co-op. Why is Community-led Energy Planning needed? Energy Futures Toolkit. Link.
[17] Carbon Co-op. The Local Area Energy Planning Social Process. Energy Futures Toolkit. Link.
[18] Kellay, A. "Co-designing energy advice services with underrepresented communities", Carbon Co-op. Link.
[19] Community Energy for Energy Solidarity. Energy Solidarity Toolkit: Practical ways for energy communities to tackle energy poverty. Link.

transition perspectives and the voices of under-represented groups.[20] These groups will need to be supported to engage with the process effectively. Given the RESP is framed as a predominantly technical process, this means that they may need support to develop their knowledge and understanding of the technical elements they will be engaging with.

Too frequently these groups are used as conduits to the community without sufficient resources and funding - making the processes extractive and eroding trust between the communities, groups and those seeking to gain their input. As such, if these groups are going to be a conduit to the communities outlined above, they will need the sufficient resources and funding to perform this role, and clarity as to how this input will be used (and preferably a way to "close the loop" of engagement).

Energise Westwood

Carbon Co-op worked with the Westwood Hub, a trusted community organisation in Oldham, to deliver a piece of research exploring the barriers for under-represented communities (such as the Bangladeshi community in Westwood) to using Electricity North West's "Take Charge" advice service. We found a range of factors shaping this community's experiences, but importantly the way in which we conducted the research itself demonstrated the importance of collaborating with trusted local organisations to reach the community.[21]

Recommendations:

9.2 Factor support and guidance for the delivery of meaningful community engagement, and consideration as to how this can be resourced, into the framework for local actor support.

9.3 Integrate support for non-technical actors such as fuel poverty charities and energy-relevant third sector organisations to develop the technical knowledge and understanding they may need to engage with the RESP process (representing the interests of under-represented communities).

9.4 Create opportunities to appropriately resource and fund engagement activity conducted by organisations acting as a conduit to different communities, and clear feedback mechanisms where engagement activity is done to "close the loop".

[20] Carbon Co-ops work with the Westwood Hub in Oldham demonstrated the potential for further collaboration between these types of organisations, gaining insights for Electricity North West as to the barriers under-represented communities face in accessing and using their energy advice service "Take Charge". This research was conducted in collaboration with Citizens Advice and the Energy Savings Trust. Link.

[21] Kellay, A. "Co-designing energy advice services with underrepresented communities", Carbon Co-op. Link.

Ownership and governance of digital tools

We are pleased to see discussion in the RESP of the development of “common digital tools” and “dataset consistency”. We believe this is likely to have greater impact than the current approach of mandating regulated actors (such as DNOs) to provide datasets. Common digital tools used by a diversity of stakeholders, provide the building blocks for an energy system ecosystem which supports fair and transparent competition and encourages the development of a multiplicity of solutions.

We have questions around how such tools will be governed and managed; how they will be promoted and how stakeholders will be resourced to integrate them with their standard business practice.

Our view is that open data, open standards and open source methodologies and approaches are the most effective approach in this area. Open standards promote interoperability and collaborative development to address common energy system challenges. Our experience in home energy management has demonstrated that close, proprietary systems and services can effectively kill a range of applications and the same is true at the other levels of the energy system that RESP will operate at.

Open approaches are likely to result in more robust solutions with greater application and longevity. We recommend engaging with specialists in this area to tailor common, open approaches, most notably LF Energy: https://lfenergy.org.

There is currently no clarity as to who will have access to, and who will own and govern, the common digital tools and data outlined in the framework for support. In addition there is no information given about how such tools will be promoted amongst key stakeholders.

Recommendation:
9.5 Provide for the development of documentation to enable stakeholders to incorporate common digital tools into their business as usual operation. This is particularly crucial in relation to regional and local government operations, where a lack of resources is likely to limit the aspirations of the RESP around local accountability (as per previous recommendations).

Q10. Do you agree with the purpose of the Strategic Board? Please provide your reasoning.

Q11. Do you agree that the Strategic Board should include representation from relevant democratic actors, network companies and wider cross-sector actors in each region?

Q12. How should actors (democratic, network, cross-sector) be best represented on the board? Please provide your reasoning, referring to each in turn.

We agree with the purpose of the Strategic Board as a vehicle for collaboration and accountability. We also agree that the Board should include representation from relevant democratic actors, network companies and cross-sector actors. However, broadening the scope of stakeholders involved in the RESP beyond those involved in network and spatial planning will create greater scope for holistic thinking when developing the RESPs.

The list of cross-sector actors outlined in the framework (utilities, transport providers, businesses, social and environmental bodies) does not currently include groups in direct contact with communities experiencing energy poverty or which could bring the voices of different groups. These groups are needed to ensure equity and justice are factored into the RESPs, and that the perspectives and needs of those who are vulnerable are represented. They should also be supported to engage with the RESP process (as outlined by Regen and in recommendation 9.3).[22]

In our view demand side flexibility will play an increasing role in system planning and our experience to date is that the flexibility potential (particularly as it relates to EVs and heat pumps) is often overstated in terms of both their connectivity and ability to respond to external signals. There is a missed opportunity here, with many developers and social landlords continuing to install assets that do not enable householders to engage in flexibility provision. It is key that UK standards bodies are integrated, particularly those working on asset interoperability; asset registration and flexibility dispatch. From within the DNOs, flexibility teams and DSO teams should be involved at the earliest stage of RESP development to influence best practice.

Beyond democratic and network actors, there should be dedicated working groups focussing on engagement and a just transition to integrate non-technical stakeholders who can represent the voices of local people and groups such as

[22] Regen. Roadmap to RESP: Unlocking regional ambition. 2024. Link.

workers involved in sectors which will need to be phased out and those experiencing fuel poverty.

Recommendations:

11.1 Include groups in direct contact with communities experiencing energy poverty, representatives of trade unions, or organisations which could bring the voices of different communities, as cross-sector actors within the RESP process.

11.2 Integrate flexibility and DSO teams at the earliest stage of RESP development to influence best practice around energy flexibility.

12.1 Create dedicated working groups which focus on engagement and a just transition to integrate the voices and interests of e.g local people, workers and those experiencing fuel poverty.