

## Next Generation practical learning guide 3: partnership working with private firms



Images: Brighton Energy Coop/Bolney Wine Estate;



Bath & West Community Energy/Stemy Energy.

### Summary of key points:

Collaboration with private sector companies may not be on every community energy group's agenda. There can be a significant difference in values and perspective. But, where there is sufficient overlap in both parties' interests, it's worth considering collaboration with private sector firms as they can provide access to sites and technological expertise, and can also act as customers for community energy services.



#### Key learning points from the Next Generation programme are:

- If you want to move fast, think about partnering with smaller private companies – they can often move faster than larger public-sector organisations.
- Make sure both sides of the partnership understand each other's motivations – what is driving your and their involvement?
- Be clear from the outset what your community energy group wants from the relationship and aim to establish clear boundaries.
- Set out your organisations' respective roles in a written 'heads of agreement' at an early stage
- Look to develop a personal relationship with key people within the business so that you build up understanding and trust in each other over time.

## Learning from the Next Generation programme:

Several of the community energy groups in the Next Generation innovation programme regularly collaborate with private sector firms. These collaborations involve three main types of partner:

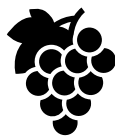
- **Local small and medium-sized enterprises (SMEs)** which can act as customers for energy services offered by a community energy group, or which have buildings or land on which a community energy group can site renewable energy generation (e.g. solar PV, with or without EV charge points), often funded via a community share offer.
- **Landowners or developers** seeking to develop new housing, which can potentially collaborate with a community energy group local to their site.
- **Specialist technical companies**, not necessarily local, which can collaborate with community energy groups on more innovative business models (e.g. those requiring software platforms that can handle battery storage, demand-side flexibility and so on).

The table below highlights the mutual benefits that community energy groups, and firms, can derive from working in partnership.

	What's in it for the community energy group?	What's in it for the firm?
<b>Local SMEs, landowners and developers</b>	<ul style="list-style-type: none"> <li>- Access to land and buildings owned by these organisations.</li> <li>- Quick decision making (SMEs).</li> <li>- Potential to integrate sustainable energy into new developments, advised or possibly owned by a community energy group (landowners/developers).</li> <li>- Potential access to investment capital.</li> <li>- Develop relationships that may lead to future initiatives.</li> <li>- Potential customers for community energy services (e.g. advice on energy efficiency; training; renewable heat or energy measures).</li> </ul>	<ul style="list-style-type: none"> <li>- Know-how on energy projects.</li> <li>- Route to engage with the local community because of the community energy group's local knowledge, network and trusted status.</li> <li>- Access to capital via community share raises.</li> <li>- Access to funding for project development through funds available to community energy organisations.</li> <li>- Contribution to the organisation's net zero targets or plans.</li> <li>- Reputational benefits from being involved with a sustainable, community-led initiative.</li> </ul>
<b>Specialist companies (e.g. technology and software firms)</b>	<ul style="list-style-type: none"> <li>- Access to technology, software and expertise.</li> <li>- Avoids re-inventing the wheel.</li> </ul>	<ul style="list-style-type: none"> <li>- Margin on services provided to customers or to the community energy group.</li> <li>- Route to engage with the local community because of the community energy group's local</li> </ul>

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	<p>knowledge, network and trusted status.</p> <ul style="list-style-type: none"> <li>- Access to the community energy group's social commitment, including protection of vulnerable individuals in the community.</li> <li>- Access to knowledgeable and committed pro-climate individuals within the community.</li> <li>- Access to funding for project development through funds available to community energy organisations.</li> </ul>

While most private firms have a different culture and ethos from the community sector and public sector, they can be easier and more flexible to work with than larger institutions. For example, Brighton Energy Co-op has a long-term goal of developing its relationship with Brighton City Council, but it finds that developing projects with local SMEs is often faster and more productive in the short term.



**Working with Bolney Wine Estate:** [Brighton Energy Co-op](#) has worked with [Bolney Wine Estate](#) in rural Sussex, first to install community-owned solar panels and then – with support from the Next Generation programme - to install community-owned solar-linked electric vehicle charge points for staff and visitors to the estate. Brighton Energy Co-op has an active strategy of approaching local SMEs that have potential for solar PV and/or Electric Vehicle (EV) charge point investments.

Some community energy groups beyond the Next Generation programme, such as the [Low Carbon Hub](#) in Oxfordshire, also offer advice and services to local businesses who are interested in sustainable energy. Low Carbon Hub have worked with Oxford Brookes University and Energy Pro, a specialist technical partner, with funding from the Department of Business, Energy and Industrial Strategy (BEIS) via the BASEE programme, to develop '[Energy Solutions Oxfordshire](#)', an energy services company (ESCO) that can offer energy services to small and medium-sized enterprises. The cost of energy measures and the ESCO service is funded via savings made on SME participants' energy bills. Further examples of service models are provided in **Next Generation Practical Learning Guide 5** on funding community energy activities.



### **Working with Stemy Energy:** [Bath & West](#)

[Community Energy](#) identified Stemy Energy as potential partners via a local contact. Stemy had extensive experience from Spain and were interested in entering the UK market. They wanted to work with community energy organisations, who they saw as vital intermediaries in helping to develop market for small consumers. From B&WCE's point of view, Stemy had the technology they needed and were willing to collaborate. The partnership had to overcome the challenges of distant communication, particularly after Covid restricted international visits, and the challenge of adapting software and technology for a UK context. While Stemy was able to move quickly when needed, the two partners have worked closely to implement high quality standards so that households involved in the trial are well protected from potential problems arising from equipment failure.

Bath & West Community Energy have collaborated closely with a specialist private company, Stemy Energy, in developing their [Flex Community](#) project with support from the Next Generation programme. Stemy Energy has a cloud-based platform and smart control equipment that enables people in the Flex Community to participate in demand-side flexibility trials using their smart heat pumps, EV charge points or electric water heaters. Bath & West Community Energy effectively act as a community aggregator, using their network to bring in potential customers, and to make sure that these customers understand the project and are suitable candidates for flexibility.

Supported by the Next Generation innovation programme, [Burnside Community Energy](#) have also been worked with a local developer and private landowner with the aim of integrating innovative community-led sustainable energy systems into a new housing development. This is not now going ahead. However, [Plymouth Energy Community](#) (PEC) is progressing two similar housing projects, also supported by Next Generation, which could lead to PEC, or a Community Land Trust, being the developer. In all these cases, a key issue has been how potential risks are shared between the community energy group, the developer and landowner, while protecting the interests of future households in the development.

## **To find out more:**

- See **Next Generation Practical Learning Guide 1** about general partnership working by community energy groups and **Practical Learning Guide 2** about partnership working with local authorities.
- See **Next Generation Practical Learning Guide 4** about risk management in innovative business models and **Practical Learning Guide 5** about raising funds for community energy activities.
- Visit <https://www.next-generation.org.uk/innovation> or contact Will Walker at Power to Change to find out more about the Next Generation programme
- Look for guidance on partnership working on Community Energy England's how to pages: <https://communityenergyengland.org/how-to-pages/how-to>.

