Net Zero Community (NZCom)

Work Package 5

M5.2 addendum

Community business case

Proposal: Low Carbon Energy Adviser

Version	Written/ Edited	Released	Notes/Changes
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Business Case for a Low Carbon Energy Adviser

1. Addressing the Problem

During the delivery of the Net Zero Community project, it has been evident that there is a significant need for quality advice and guidance on the challenges and opportunities in the transition to a net zero economy. Educating all sections of our community and building confidence in low carbon technologies is a critical element in helping people make the right choices, whether it is making improvements to their homes or considering how to adapt their work life to lower carbon consumptions. While there are a lot of resources accessible online to assist making decisions about low carbon investment, it is often hard to translate generic information to the circumstances of a particular property or the energy consumption patterns of a household; it is also apparent that many people prefer face-to-face support from trusted local agencies.

The project team have had conversations about how to widen the reach of the project as part of the community engagement plan; the public engagement events hosted by the project have generally attracted the 'usual suspects', that is people who have already got some understanding of the issues around net zero/low carbon and who have started the transition journey, with only a small number of interested but uninformed enquirers engaging (the exception to this was the stand at the Royal Cornwall Show in summer '22). This is not unusual, with a lot of similar events across Cornwall attracting those who are already interested in the subject but not from the wider community. Our challenge is to tackle the lack of knowledge and to widen engagement to those who have not considered the impacts of low carbon adoption on their lifestyle. This proposal aims to achieve these outcomes:

1. Demystify the low carbon energy market and technologies

2. Provide consumers with independent whole house assessments and advice to make informed choices

3. Help consumers reduce the cost of carbon reductions through access to grants.

2. Creating an Opportunity

The proposal is to create a dedicated Low Carbon Energy Adviser role for WREN. This individual will be able to provide advice and guidance on these issues to residents and businesses in the Wadebridge and Padstow community network area and to continue the engagement work that has been started through the NZCom project.

It is proposed that the Adviser would:

- Provide advice and support to individual households enquiring about low carbon technologies
- Support local SMEs who are planning investments or are considering the business advantages of net zero practices
- Engage local schools and community groups
- Deliver a programme of advice clinics and public engagement events across the community

- Continue to signpost clients to local installers, and to financial support as and when it is available.

Additionally, the role could

- Carry out domestic energy audits (possibly on a paid for basis)
- Develop a programme of thermal imaging surveys for local residents (again, possibly as a paid for service – based on the C.H.E.E.S.E. project model)
- If the Adviser was also an accredited Domestic Energy Assessor or non-Domestic Energy Assessor, the option for meeting the demand for Energy Performance Certificates, especially related to grant funding could be an additional service.

3. Benefits

Simple NPV calculation setting out indicative benefits and costs. Plus, expected benefits to community.

- Adding this capacity to WREN will allow local residents to grow confidence and explore opportunities to make their homes more sustainable and to adopt low carbon technologies
- Owners and managers of SMEs are more confident in making appropriate investment decisions to adopt low carbon technologies
- WREN grows its recognition as local 'go-to' resource of expertise on low carbon/ net zero issues.

As a grant funded post, the funder will require clear outputs to show value for money from the funding. Subject to agreement with the Board, based on a similar project CEP has delivered, we would suggest the following targets could be achieved, as a minimum, by one Adviser working full time over a 24-month project:

- 48 public events, advice clinics (2 per month)
- 12 talks to local schools and community groups
- 96 full house energy audits providing a transition plan for the household (4 per month)
- 40 local businesses advised on current energy usage and objectives agreed for low carbon transition
- 600 households receiving advice and guidance on low carbon opportunities

- If a thermal camera service is established, 40 households provided with a survey report and further guidance (assumed that this is a winter activity so 20 per year, over two winter seasons covered by the project).

Dependent on the level of engagement and actions initiated, estimates could also be made about both the financial and carbon savings generated due to actions taken by beneficiaries of the support. Additionally, assuming grant support is also accessed to enable installs, a calculation of the additional financial support drawn down as a result of project support can be determined.

Note the cost per household calculation at section 6

4. Timelines

Delivery timescales and timescales for realising community benefits

A two-year project – assuming funding secured from Energy Redress.

Note: Energy Redress normally have four funding rounds each year, and typically deliver an outcome on applications 6-8 weeks after submission.

Given the role is focussed on helping households and business owners start the transition to low carbon, and not wider energy issues, there should be less fluctuation in delivery over a year; for obvious reasons fuel poverty advice services tend to be busier in the winter months.

5. Financing

Details of how the project is to be financed through development, delivery & ongoing operation. This can include any grant funding

Currently advice services for energy issues are generally undervalued and most clients are unwilling to make a financial contribution for general advice. Therefore, a funding bid to a grant awarding body would be recommended. As WREN are familiar with community benefit funds associated with renewable assets, you will appreciate that a proposal of this scale will likely be too large for the standard grant awarded by these funds. However, some community benefits funds may make awards for elements of this proposal, for example the purchase of a thermal imaging camera, and match funding like this can strengthen a larger funding application.

Initial funding – WREN is eligible to apply to the Energy Industry Voluntary Redress scheme, so the proposal is that WREN make an application to the Energy Redress Carbon Emissions Reduction (decarbonisation) Fund. Importantly, this allows the clientele reached by the project to be all types of energy consumer, including able to pay households, i.e. those not classed as vulnerable consumers by Ofgem guidance. The Energy Redress Main fund restricts clientele to vulnerable domestic consumers only (which would limit the reach of this proposal).

Redress funding is paid quarterly in arrears, so some cashflow facility is needed.

If a bid to Redress were unsuccessful on the first application, we recommend resubmission taking any feedback into account; Energy Saving Trust Development Officers (who manage the Redress funding) are very supportive in this process. Alternative funding routes can also be considered, as the transition to net zero is rapidly becoming a major priority of many funders, trusts and foundation and CEP would be willing to advise on these options.

Generating income

Three possible streams of revenue could be enabled with the provision of capacity from a Low Carbon Energy Adviser which would enhance the delivery of this project, and potentially help shape an exit strategy for work beyond the funding period:

- Domestic energy audits – Low Carbon Pathway report
    - CEP has trialled charging for this type of report, similar to services offered by the Carbon Co-op in Manchester, and CSE in Bristol. This service could be offered to a range of clients from those looking at making decisions about new build properties, to those planning significant property extensions and retrofits.
    - Starting with a basic review of the property to consider insulation, space heating and hot water needs, lighting and other electricity demand, and using an Energy

Hierarchy approach of Reducing demand, Improving Efficiencies, Adopting Low Carbon solutions the outcome is a report that covers the key elements a property owner should consider and an indication of the priorities.
    - Typically generating the report will include 1.5 hours in the property, with 3-4 hours write up time using a standard template of issues addressed.
    - A range of costs have been trialled from £600 in Manchester to £250 in Cornwall; it is not yet clear what the market will accept and is dependent on the depth of expertise and guidance offered. Some caveats need to be included, in terms of being clear that financial decisions based on the guidance of a report is at the client's risk.

- Thermal imaging surveys
    - A growing number of community energy groups are offering thermal surveys as route to engage with households. Low Carbon Ladock offer a survey free of charge, but the C.H.E.E.S.E. project offer surveys from £135 but are free to people in poor housing conditions and in fuel poverty.

- If the Adviser was also an accredited Domestic Energy Assessor or non-Domestic Energy Assessor, the option for meeting the demand for Energy Performance Certificates, especially related to grant funding could be an additional service to offer. Currently in Cornwall EPCs are charged at £60-75

6. Costs

Estimated cost of project + first pass estimate of any deployment costs if known and relevant

Salary costs			**Two-year budget**
Annual Gross salary:	(dependent on qualifications and experience)	£29,000 - £32,000	£64,000
NI & Pensions contribution:		13% of gross salary	£8,320
Line management costs, including reporting to funders:	Energy Redress allow up to 25% for overhead costs but this is based on 15%		£10,000
		Total salary costs	**£82,320**
Project- other costs			
Laptop & IT licenses			£1,500
Mobile Phone:			£600
Mileage	60 miles per month – 1,440 total	@ £0.45 per mile	£648
Recruitment costs:			£500
Marketing budget:	leaflets, advertising, website		£1,000
		Total other costs	**£4,248**
		Indicative project costs	**£86,568**

If a minimum of **600 households** receive support, this equates to £144 per household.

7. Counterfactual

A description of what would happen if the intervention does not go ahead

As noted above, the lack of confidence and awareness of low carbon technologies is a significant barrier to the large-scale transition to a low carbon economy. While some households have been early movers, lack of education amongst the wider public continues to limit the uptake of low carbon technologies. The initial capital costs of heat pumps and electric vehicles are perceived as major barrier to many lower income households so the growing divide between those able to make investments and those unable will continue to widen.

Although not all clients engaged by this service will take immediate action, the raising of knowledge and confidence will mean when households do consider taking action, they have a better understanding of the options available to them. As many heating systems only get replaced when the former system is either broken or causing problems, it is important to try to help households and business owners to properly prepare for this eventuality, rather than making a quick like-for-like replacement when a system breaks. The lack of available advice at the point of need is hampering the transition process.

The need for an established service, with a trusted reputation in the locality for sound, impartial advice is an essential element in promoting the take-up of these technologies. The absence of such services means people do not know who to trust, and can be reluctant to take decisions if it is perceived to be risky because neighbours, friends, and other trusted members of their community aren't considering the same actions

8. Alternative options

The next best option should be described with the rationale for non-selection and where possible indicative impact on benefits and costs quantified

Community Energy Plus would be keen to support the development of this proposal. In our team, we are already delivering similar activities but would not see this as unnecessary duplication – the scale of the task means we need to grow capacity for good advice services across the county and as part of our charitable objectives seek to support the growth of community energy groups such as WREN.

However, if the main proposal wasn't taken up WREN, there is still the option that CEP could share and support a dedicated adviser, in the same way as we are developing a similar role with Bude Climate Partnership, funded by their bid to the National Lottery.

The advantage to WREN of running the programme is that it gives the group full control over the adviser's work programme; this allows you to adjust delivery in response to local demand and other initiatives by local partners.

9. Sensitivity Analysis

Initial estimated of probability of success. High level description of potential risks to cost estimated

This proposal seeks to build on the work achieved by WREN both from the NZCom project, and your previous delivery through the Energy shop. You have experience of delivering structured programmes of advice so there is a high probability of this post over-delivering against the targets set out in section 3. Demand for this type of advice is growing as households and businesses face the challenge of higher energy costs so there can be a high confidence of achieving the outcomes described.

A number of Community Energy groups have developed similar services: Exeter Community Energy is a good, local example of a group that has grown from a team of volunteers to employing advisers and expanding their offer to their community.

The post described is a peripatetic advisor with no fixed office base or public outlet/contact point like the Energy Shop. Although the Business Models Options report refers to the growth of Climate Emergency Centres, this proposal has avoided that element, as the extra costs of running a fixed outlet, financially and in time, would distract from delivery. The network of local community venues engaged by the NZCom project provides sufficient outlets for the Adviser to be reached, if they arrange regular drop-in advice sessions. There are additional challenges in terms of line managing an employee without a fixed base, but the general use of remote working has given many of us experience of managing staff in this way.

9.1 Skills & Competencies Profile

Recruiting the right person with the appropriate skills to this post is key and failure to identify an individual suitably qualified does pose a risk to the success of this project.

As part of a Person Specification, specifying a candidates have a degree in a relevant subject is logical, but previous experience working in the renewables sector is also important. While recent graduates may have gained technical knowledge about low carbon technologies, experience of installing and running them is invaluable when advising householders.

In common with most energy advice organisations, CEP expects advice team members to achieve City & Guilds Level 3 in Energy Awareness, as part of their initial training. Delivered by National Energy Action this short course provides a good grounding in basic energy advice.

As noted above, an individual accredited as a Domestic Energy Assessor (DEAs) would be a great asset to the project, but note that in producing an EPC, a DEA is not permitted to give written advice, and this would have to be treated as a separate function of the role.

10. Vulnerability Analysis

Ofgem's definition of vulnerability notes that a consumer's personal circumstances and characteristics may combine with aspects of the energy market to create situations where they are significantly less able than a typical consumer to protect or represent their interests and, are more likely to suffer detriment. This definition leads to attention on the provision of advice and support available for consumers that fall within this definition.

In the context of the Net Zero Community project and the aspiration to "Leave No-one Behind" in the transition to a low carbon energy system, this role can potentially make a positive contribution. Localised, impartial expertise accessible from a trusted organisation based in the community, addresses some of the barriers consumers currently face.

It should be noted that this role is not aimed at providing support for those at risk of fuel poverty, or those facing wider financial difficulties; it is hoped that the post-holder would develop relationships with appropriate agencies so that referrals can be made for this type of support.

This proposal seeks to develop a resource available for the whole community and will potentially focus on those household more prepared and financially able to take action. Therefore, the proportion of those households supported that are vulnerable may be small, but potentially by growing community confidence, help will be available when they are able to act.