

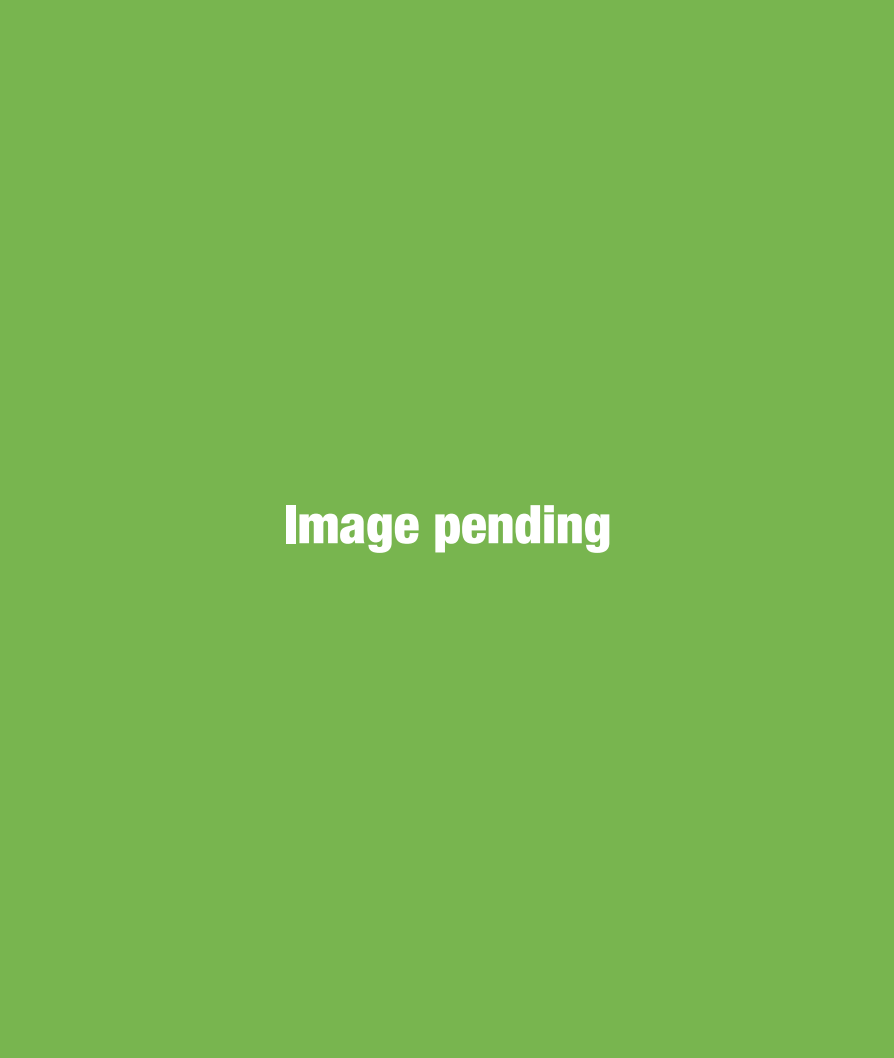


Glasgow's Community Renewable Energy Framework 2024



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Framework Definitions

Renewable Energy Community

When referring to a community, we are talking about the individuals who reside in a specific area. In the context of the Framework, a Glasgow Renewable Energy Community is defined as a group of individuals living within a designated geographical location. The boundary of any proposed Renewable Energy Community is determined by its proximity to a renewable energy project identified in the phase 1 Community Renewable Energy Opportunity Map. The boundary outlines the area within which individuals are eligible to participate, contribute to the management, ownership, fund-raising, and be the beneficiaries of the benefits to the community. A 'Renewable Energy Community' is a legal entity that (a) is based on open

and voluntary participation, is autonomous, and is effectively controlled by shareholders or members that are located near the renewable energy projects owned and developed by that legal entity; (b) the shareholders or members of which are natural persons, Small and Medium Enterprises or local authorities, including municipalities; and (c) is primarily focused on providing environmental, economic or social community benefits to its shareholders or members, or the local areas where it operates, rather than financial profits¹. In the context of People Make Glasgow Communities Renewable and this Framework: a local renewable energy project will start with the setting up of a legal entity designated to serve the benefit of the local community.

1. The legal frameworks for citizen energy communities (CECs) and renewable energy communities (RECs) were established by the Internal Market for Electricity Directive (EU) 2019/944 (IMED) and Renewable Energy Directive (EU) 2018/2001 (RED II), respectively. These frameworks were incorporated into the Energy Community legal framework in November 2021. Energy communities, established as legal entities, are required to comply with specific participation and governance conditions, adhering to democratic principles while delivering environmental, social, and economic benefits to both members and the broader community, which goes beyond mere profit-making. The Community Renewable Energy Framework follows these principles.

This **Community Renewable Energy Framework**, also known as the Framework, outlines the assistance and support available to Glasgow energy communities pursuing community-led renewable energy project. It also specifies the eligibility and policy requirements for applying to the People Make Glasgow Communities Renewable Programme.

The **People Make Glasgow Communities Renewable** programme allows a Glasgow Renewable Energy Community to apply for the lease of a designated site for a community-led renewable energy

project. The programme assists communities in submitting expressions of interest, navigating policy requirements, and overseeing the land lease process.

Additionally, The Community Renewable Energy Opportunity Map will indicate available sites and define their characteristics.



Introduction

Glasgow City Council, building on support currently available through the Scottish Government's Community and Renewable Energy Scheme (CARES), will support Glasgow communities to establish a renewable energy project on selected vacant and derelict land sites across Glasgow. The selected land assets will be transferred to the community with the intention of any income revenue raised being directed back into the community for community benefit. Community outcomes will be reported to Glasgow City Councils Net Zero & Climate Progress Monitoring City Policy Committee on an annual basis.

This Framework will support a wide range of renewable energy projects². These may include electricity generation, which is more mainstream and relatively easy to derive a benefit from, as well as heat projects, which are currently less mainstream and include more challenges to delivery. In doing so, the Renewable Energy Community will play an active part in our city's transition to Net Zero and the city's ambition for, and commitment to, a just transition³.

This Framework seeks to promote community empowerment, energy democracy, and a just energy transition by providing opportunities for the community to learn and develop new skills. The community itself will determine how their renewable energy project will operate for the benefit of the community and its residents.

Framework Purpose

The purpose of this Glasgow Community Renewable Energy Framework is to provide: a clear process for Renewable Energy Communities to progress community renewable energy projects; outline the support provided by Glasgow City Council to help mobilise community renewable energy projects on selected portfolio sites; set out how the People Make Glasgow Communities Renewable application process will be used to process applications to lease Council land for a community renewable energy project; and to detail the policy requirements to be met in support of the application. The Glasgow Community Renewable Energy Framework will also outline support currently available through the CARES scheme.

2. Hydropower and wind turbines (11m tall and above) are not suitable for the sites selected in Phase 1.

3. In its Draft Energy Strategy and Just Transition Plan, the Scottish Government committed to: "maximise community benefit from energy projects, including through community ownership and shared ownership of renewables", and the Community Renewable Energy Framework is embedded in Glasgow City Councils Just Transition Action Plan.

4. There were 27,900 community and locally owned renewable energy installations in Scotland at the end of December 2023, with a capacity of 1,028 MW. The Scottish Government has progressed 51% towards its 2030 target of having 2 Gigawatts (2,000 Megawatts) of operational renewable energy capacity in community and local ownership. Source: Community and locally owned energy in Scotland 2023 report produced on behalf of the Scottish Government.

Legal Basis

The Climate Change (Scotland) Act sets out a legally binding target of Net Zero Emissions of all greenhouse gases by 2045. Scottish Government's national target is 2GW of community and locally owned energy by 2030⁴. The key driver of the Framework is to empower local communities to help meet our ambitious Net Zero target. At a local level, Glasgow's Climate Plan identifies the opportunity to build capacity to support sustainable innovation to unlock Vacant and Derelict Land for greening and rewilding in combination with renewable energy generation measures and reducing flood risk (Action 37). The plan also commits to supporting communities to build capacity to deliver community renewable energy projects (Recommendation 59). The Glasgow Community Renewable Energy Framework is further supported by the Local Energy Policy Statement and the National Community Energy Plan.

Driving Innovation

Glasgow City Council's collective ability to facilitate high-quality community-led renewable energy projects is influenced by both national and local policies, procedures, and funding. The goal of this Framework is to better align these aspects, eliminate existing barriers, such as the availability of land. The Council has identified several locations in the Scottish Index of Multiple Deprivation areas suitable for on-site renewable heat and electricity generation.

The Community Renewable Energy Opportunity Map is an innovative interactive tool for the community, defining the geographical locations of the selected sites together with the community boundary that it will serve, in a three-dimensional map. It provides details such as the site area, proximity and height of surrounding buildings at different times and days of the year, tree canopy cover, site gradient and orientation, as well as visuals of the physical site characteristics. The Community Renewable Energy Opportunity Map will host this Framework, and link to People Makes Communities Renewables application forms, all in one online resource.

4. There were 27,900 community and locally owned renewable energy installations in Scotland at the end of December 2023, with a capacity of 1,028 MW. The Scottish Government has progressed 51% towards its 2030 target of having 2 Gigawatts (2,000 Megawatts) of operational renewable energy capacity in community and local ownership. Source: Community and locally owned energy in Scotland 2023 report produced on behalf of the Scottish Government.

Currently, through Scottish Government's Community and Renewable Energy Scheme (CARES), community groups can apply for funding and upfront costs to develop the business case for their renewable energy project. This business case will also help attract private finance to support capital delivery.

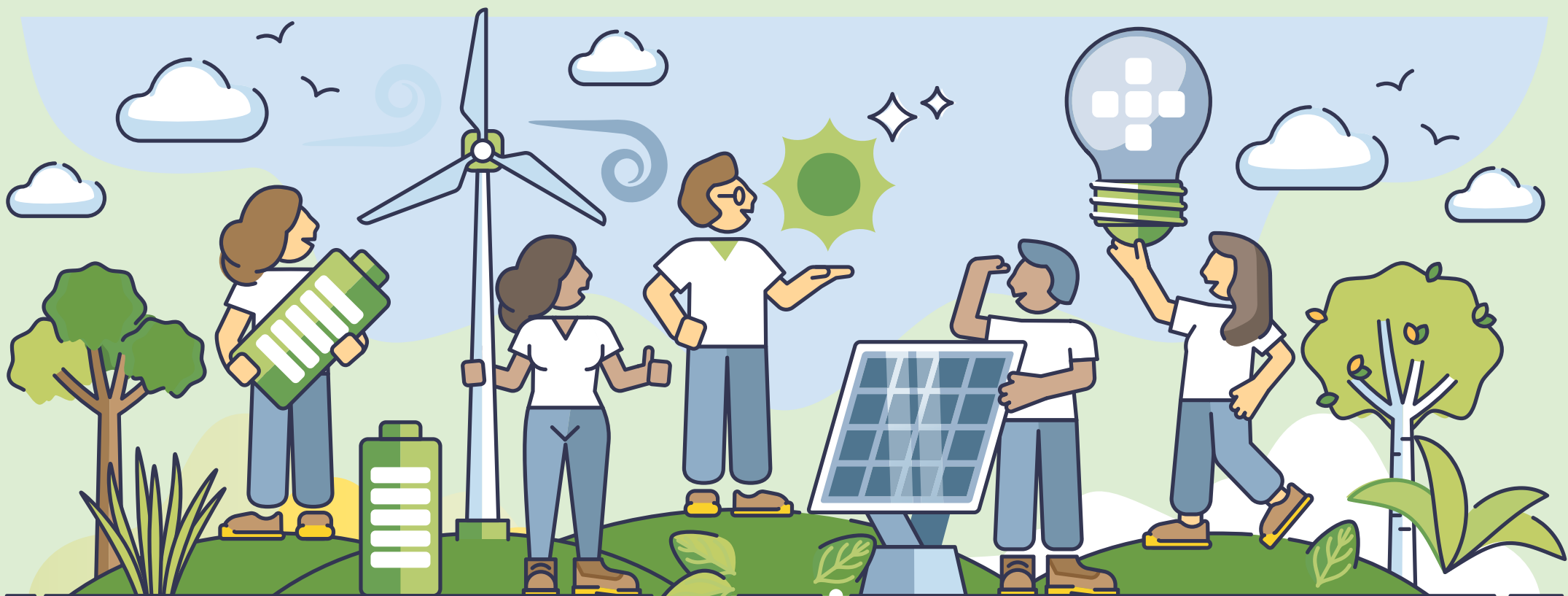
This Framework is defined in three parts:

Part 1: outlines the support available,

Part 2: sets out the Framework policy requirements to be met to acquire the land, and

Part 3: introduces the new People Make Glasgow Communities Renewable programme to support the application process.





Part 1: Outline of Support Available

There are four phases to the delivery of a community energy project and associated milestones. They are project inception, project development, construction, operation, asset management and maintenance, and project conclusion.

Glasgow City Council will support community renewable energy project by (i) Identifying suitable sites categorised as vacant and derelict land, (ii) Streamlining the land lease through the People Make Glasgow Communities Renewable Programme, (iii) Allowing the community to raise capital by purchasing the power to service adjacent council-owned property when feasible, and (iv) Providing planning guidance for obtaining necessary statutory approvals.

Local Energy Scotland administer CARES on the Scottish Government's behalf. Through CARES, a Local Energy Scotland Development Officer can assist communities in applying for funding and advancing their projects through the inception and project development phases of community renewable energy or heat projects.

- **Phase 1: Project inception**
Local Energy Scotland can advise on options to access funding for technical and legal advice.
- **Phase 2: Project development**
Local Energy Scotland can advise on options for funding to cover fees for planning, building warrant, grid connection etc.
- **Phase 3: Construction, operation, asset management and maintenance**
Capital costs might be through a share offer with some grants or soft loans applied for. Local Energy Scotland can advise on options and signpost to support.
- **Phase 4: Project conclusion and decommissioning**
The group will need to develop an end of project strategy (and likely require funds ringfenced by community to cover end of project costs). Local Energy Scotland can advise on options and signpost to support.

An institutional support network already exists for communities seeking to set up renewable energy projects, with various organisations poised to assist communities through the various stages of development.

Alternative Funding Mechanisms

A review of existing community renewable energy projects and available support mechanisms reveal a variety of ways for communities to access funding. In addition to the Scottish Government's CARES mentioned earlier in this Framework, funding sources include Scottish Community Finance, Community Share and Bond Offers, and Community Shares Scotland.

Site Selection

Glasgow City Council has identified a list of Council owned Vacant & Derelict Land sites suitable for renewable energy projects using a Community Renewable Energy Opportunity Map. These sites have been selected based on a thorough assessment of technical and policy constraints, the Community Asset Register, the Vacant & Derelict Land Register, housing supply, flood risk⁵, and current planning applications. Additionally, legal titles and, where available, geotechnical information has been considered in the selection process.

Following approval of this Framework, Glasgow City Council will promote a selection of these sites for phase 1, followed by a potential phase 2 based on the success and demand for phase

1. Phase 2 will also explore the use of Council-owned roof space in conjunction with co-located viable sites. The selected sites will be launched with efforts to inform the local community, including a social media campaign, direct outreach to community groups, stakeholders, and elected members, as well as engagement with community councils, and briefing sessions for Rented Social Landlords to inform local residents.

5. A flood risk assessment may still be required as part of the formal planning application process.

Land Lease

The land will be leased for a minimum of 25 years⁶ to allow sufficient time for the anticipated payback period for any renewable asset, as well as time to generate surplus for allocation to community benefits; together with an initial exclusivity period to test project viability, as well as a decommissioning period at the end of the lease.

Title conditions and clawbacks are sometimes used when land is transferred, particularly if the land is leased at a discount. Glasgow City Council will endeavour to ensure that title conditions and clawback arrangements are appropriate and proportionate and exclude any that could have an adverse impact on the viability or sustainability of businesses, community projects or other activities on the land.

Exclusivity Period

By providing communities with long-term leases on council owned vacant and derelict land sites, Glasgow City Council will enable development of community renewable projects. Glasgow City Council will grant a community organisation 12-24 months exclusivity to the site and where applicable agree the terms for the right to sell Glasgow City Council energy to a named building/ buildings. This will allow the community to undertake feasibility work, detailed design, and ensure governance is correct before all parties incur legal costs relating to securing the lease.

Agreement for the land lease will be conditional on planning and other statutory consents, obtaining finance, and entering into a power purchase agreement, if applicable. The exclusivity contract would have a date by which the conditions had to be fulfilled and on completion of the conditions, the lease would be granted. If conditions are not fulfilled by the end of the exclusivity period, the council would then have the option of terminating the agreement.

6. A land lease is an important part of the renewable energy project development process. Before reaching financial close, which allows capital elements of the project to be purchased and installed, project investors, financing organisations and power purchasers will want to be sure the lease provides clear, unimpeded rights to use of the land over the expected life of the project. A standard lease will run for a period of 25 years.

The lease will be direct to a Renewable Energy Community legal entity such as community associations and/or charitable organisations where the lease will enable the renewable energy plant to be owned and developed in a sustainable way for the direct benefit of the local community.

Power Purchase Agreements

Since the end of the Feed-in Tariff subsidy in 2019, it's has been difficult for new community scale stand-alone projects to be financially viable, particularly in providing income for the community. The Feed-in Tariff provided a guaranteed income for every unit of electricity generated over a set period. Without that guaranteed income, the potential revenues are often unlikely to be enough to cover the cost of developing, installing, and financing a project.

Glasgow City Council can potentially provide a stable income for community energy projects through a Power Purchase Agreement (PPA). Engaging in a long-term Power Purchase Agreement with communities or supporting them to secure a long-term PPA with other large energy consumers (e.g., an NHS Trust), will provide

the community with a steady income to pay back the capital for the development and installation costs of the renewable energy plant.

The terms of Glasgow City Council Power Purchase Agreement; together with the terms of the land lease, could enable local community energy groups to either develop their own projects or have the option to work with a large community renewable cooperative, should they wish to do so, whilst also ensuring the community asset and community benefits stay with the community.

Power Purchase Agreement Pricing

Glasgow City Council would expect the provider to provide power to the Authority at a fixed price per kWh, reviewed annually in line with CPI and/or energy market dynamics. Furthermore, Glasgow City Council would expect the pricing agreement to have a mechanism to limit the price paid by the Authority so as not to exceed the current price from the authority's supplier and maintain best value. The pricing mechanism would need to ensure that the Authority is not at a pricing disadvantage compared to its 'standard' pricing offer from its centrally procured supplier. The Council will disclose its current energy costs to a community project developer to assist in the building of their business case.

Planning Guidance

Planning guidance will be provided for the Framework sites to minimise the risk of otherwise viable projects failing to obtain planning permission giving confidence to project investors. The planning and approvals process can significantly delay or terminate an otherwise viable community renewable project. It can be assumed that community actors are unfamiliar with the statutory approvals processes and may not have the capacity

to submit a successful application or deal with complications arising from unforeseen planning issues.

Planning guidance will be provided stating the planning requirements and constraints to be considered after an expression of interest is made by the community. This will include consideration of the visual impact, biodiversity net gain, lifecycle emissions, decommissioning conditions, boundary treatments, site access and security. Planning guidance will provide clear requirements to be included in the project and financial forecasting.

Project Completion and Decommissioning

Glasgow City Council's requirements for any decommissioning of renewable energy plant or in certain circumstances for transfer of ownership of the renewable energy plant to the Council at the end of the lease period will form part of the discussions on the lease terms. It is likely that a Section 75 agreement will be required as a condition of the grant of planning permission to provide for a bond to ensure adequate funding is available for the decommissioning, removal, or relocation of the renewable energy plant at project conclusion.

Part 2: Framework Policy Requirements

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To be eligible to apply and operate a community renewable energy project on public land leased by the council, the renewable energy community must meet the following policy requirements:

A Legal Entity Requirements

The Renewable Energy Community will start their renewable energy project with the setting up of a legal entity such as a Community Benefit Society or Scottish Charitable Incorporated Organisation. A legal entity will need to be properly supported. There will be the initial funding and capacity building to form the legal entity and as the Renewable Energy Community attempt to develop the renewable energy project they will have to have the capacity to obtain funding, procure and manage construction projects and then become competent at selling the energy generated via power purchase agreements.

Legal Entity Requirements

Any proposed renewable energy plant that is to be delivered on public land through a People Makes Glasgow Communities Renewable lease agreement, will require the renewable energy plant to be owned by the local community and the Renewable Energy Community to provide direct benefits to the community. The benefits can include, but not be limited to, ethical and affordable investment opportunities, profits invested directly back into the communities, and capacity building in the community to transition to net zero. Benefits to the community need to be clearly set out at start of project and must be evidenced to Glasgow City Council by way of an annual report to Glasgow City Council's Net Zero & Climate Progress Monitoring City Policy and/or Contracts & Property Committee for the life of the project.

Six key policies should be highlighted:

- 1. Eligibility to participate:** regardless of the form chosen, only local groups, local authorities (including municipalities) or local Small & Medium Enterprises can participate as members. Large community renewable cooperatives are a key stakeholder in the sector and in partnering with large cooperatives, communities will sacrifice some income and risk losing autonomy to an external actor. If communities' partner with large cooperatives whilst receiving a leasing agreement with Glasgow City Council and/ or CARES support, they must clearly demonstrate that the community is the primary beneficiary and owner of the project. The identified benefit will require to be evidenced to Glasgow City Council on an annual basis.
- 2. Control and democratic decision making:** the legal entity created to run the project must be controlled by members that are within the boundary of the Renewable Energy Community of the renewable energy projects proposed. In addition, the legal entity created to run the project must be 'autonomous': no individual member (in particular, a company or financial institution) can exercise disproportionate influence over decision-making. All organisational documentation is to be provided to the council as part of the application.
- 3. Open and voluntary participation:** the Glasgow Renewable Energy Community must be open to all eligible members based on non-discriminatory criteria, and there must be a clearly defined mechanism in place to allow members to exit. This is to ensure that local citizens are not prevented from joining the community, while also ensuring that they are free to leave. All organisational documentation is to be provided to the council as part of the application.
- 4. An alternative purpose to profit-making:** the Renewable Energy Community must, as its primary aim, provide its members, or the local community in which it operates, with environmental, economic, or social benefits. Members of the community may receive a financial return on investment, but the community itself should not be profit oriented. Many of these are operative principles of cooperatives or social enterprises. As such, the definition provides a unique opportunity to advocate for renewable energy communities to take these types of legal entity so that our energy system can work for people and the planet. All financial documentation is to be provided to the



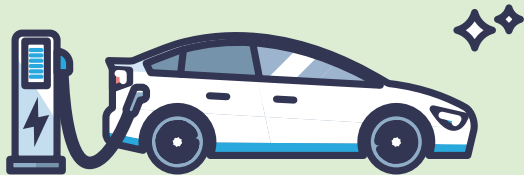
Community social space



Community food growing

Benefits to the Community

Developing solutions to meet local needs that involves local people



Electrical vehicle charging

Image pending

Support for local clubs

Image pending

Community bike schemes

council as part of the application, leasing, and or/ power purchase agreement. Annual revenue and spend will require to be evidenced to Glasgow City Council on an annual basis.

5. Energy Communities Broadening Access to Renewables for

All: The Renewable Energy Community will develop and/ or promote schemes to help vulnerable members with their energy bills, by sharing knowledge with their local community on reducing their consumption and using revenue from renewable energy generation to improve the living standards of vulnerable and low-income households. An approach with defined aims, which are acceptable to the council, for this service is required to be provided to the council as part of the application.

6. Benefits to the Community: Through the assessment of the legal entity that Glasgow City Council contract with; the lease agreement should ensure that the community conducts business solely for the benefit of the community, as set out below, and profits are not distributed among members or external shareholders but returned to the community, with defined aims which are acceptable to the council, and an 'asset lock'.

Community-led action can often tackle challenges more effectively than government alone, through developing solutions to meet local needs, that involves local people. Putting communities in control of the energy they use can help maintain energy security and tackle climate change; helping people save money on their energy bills; and have wider social and economic



benefits. Benefits to the community should include but are not limited to:

- Combining the construction of Renewable projects with measures to increase biodiversity and recreational outdoor space.
- Bringing stakeholders together to help vulnerable people access support and advice, including energy efficiency measures.
- Using local contractors to build and maintain the renewable asset- to benefit the local economy and supply income for local investors.
- Bringing stakeholders together to identify local needs and develop solutions collectively.
- Engaging elected members directly with climate action work.
- Support renewable energy training.
- Knowledge sharing through creating and sharing case studies to spread good practice and producing regular community communications to develop a culture of action.

- Contribution to the Community Wish List.

A plan setting out how benefits to the community are distributed, monitored, and evaluated and publicly reported will be required to be evidenced and submitted to Glasgow City Council as part of the application, and on an annual basis following successful delivery of the project and commissioning of the renewable energy project.

Part 3: People Make Glasgow Communities Renewable

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The involvement of communities in the development, management and delivery of local services and venues is already a key priority of Glasgow City Council. People Make Glasgow Communities is the mechanism by which local groups and organisations can express an interest in being more involved in the delivery of community services. The addition of People Make Glasgow Communities Renewable to the programme follows the same principles and process; tailored to support communities with an interest in a community-led renewable energy project.

The addition to programme includes dedicated resource to guide the community to provide the necessary documentation, to navigate the land lease process and to set out the conditions of the land lease and assess the capacity of a community to deliver and manage the renewable energy project over time.

People Make Glasgow Communities Renewables follows a similar process to People Make Glasgow Communities whereby a community lodges their expression of interest in land or a building identified in the Community Renewable Energy Opportunity Map, and Glasgow City Council will work with the community to check if there are any obvious title or other restrictions on the use of the site which would preclude any form of transfer of responsibility.

If another party comes forward, both proposals will be considered and assessed. The rest of the steps follow the People Make Glasgow Communities process, signposting to CARES for support in building the business case and sourcing funding support, providing the policy requirements in Part 2 can be met.

Qualifying Types Community Renewable Energy

Types of renewables considered but not limited to are:

- Community Ground Mounted Photovoltaic solar panels
- Community Microgeneration Wind Turbines (Below 11m and subject to planning conditions)
- Community Heat Networks (e.g., Community Heat Pumps)

Application Criteria

The application criteria will be based on specific criteria that the authority will consider when assessing the applications together with any defined minimum financial contributions made payable, for example, a contribution of a minimum of 5,000 £/MW/year for each renewable development, ringfenced for direct benefits to the local community, and/ or including non-financial societal benefits or community outcomes. Furthermore, forecasting that there will be substantial benefits to be derived from the sites let to community bodies under this project; the application will need to set out what the realistic aims are, and how those will be monitored.

Equal and Fair Application Evaluation

The People Makes Glasgow Communities Renewable programme will ensure that if more than one Renewable Energy Community comes forward to compete for a single site, each application will be assessed on an equal footing, against the application criteria. Glasgow City Council will have considerable discretion over exactly how they do this. The Programme will provide the Renewable Energy Community with the application requirements

to include how to submit an expression of interest; further information on the community-based bidding criteria; details of the required supporting documentation, and the application window for the first phase.

More details on the People Make Glasgow Renewable application process and Expression of Interest forms are available [here](#).

Framework Launch

The Community Renewable Energy Framework launch will be held in Autumn 2024 to share the sites, discuss the application process, and provide details of the support being provided.

