



Great British Energy Community Fund – Feasibility Report Structure 'Type A'

Background

Under Stage 1 of the Great British Energy Community Fund (GBECF), eligible organisations can receive funding to investigate the feasibility of successfully developing a community-scale, community-owned energy related Scheme. The results of this investigation must be presented to your Local Net Zero Hub in a feasibility report. The strength of the feasibility report will be a key factor in evaluating projects for further funding at Stage 2. To assist communities in gathering this information and to ensure a consistency of information across multiple projects, we have provided guidance on what your feasibility study needs to cover.

Using this template

The following guidance sets out the basic structure for compiling the feasibility report for Stage 1 of GBECF. You should include all information that is relevant to your project.

Report length: There are no restrictions on report length, but please note that the report should only contain information which is of direct relevance to the project. Appendices can be used to include reports received from external consultants relating to specific aspects of the project.

Format: The report should address all sections listed below. Please answer the specific questions as well as adding any further information that will help assess the viability of taking the project forward to Stage 2 and beyond. Please also attach any relevant documents, maps, quotes, surveys, etc. undertaken as part of the feasibility study.

Key points to producing a feasibility report: Remember that a feasibility study is a formalised, written approach to evaluating your proposed Scheme. It can help you identify:

- What the needs of the community are
- Whether your idea is technically and financially viable or not
- Useful facts and figures to aid decision-making
- Alternative approaches and solutions to putting your idea into practice.

Outline structure: Your report should include, as a minimum, the following sections:

1. Executive Summary
2. Statement of Need and Location
3. Options Assessed and Preferred Solution

4. Land Rights, Planning, Permits and Consents
5. Community Engagement
6. Community Benefits
7. Financial Projections
8. Operation, Legal Structures and Governance
9. Scheduling
10. Conclusions and Next Steps

The detail on the following pages provides more depth to the elements you will need to cover in your report.

1 Executive Summary

1.1 Project summary

Please provide a short summary of the background to the project.

- Who is the organisation receiving GBECF funds, and which community is involved?
- What legal structure does this organisation currently have?
- Who are the key players involved?
- What technology options have been explored?

1.2 Feasibility summary

Please provide a short summary of your findings.

- Is the technology suited to the location and proposed installation?
- Is there adequate community support for the project?
- Is the project likely to secure the planning and permitting required?
- Is the project likely to meet the requirements to raise suitable capital investment?

1.3 Case study statement

Please provide a summary 'case study' paragraph (approximately 200 words) which can be used to highlight the outcomes of the project's feasibility study. It should be suitable for use in promotional literature for GBECF. A named quote from the organisation receiving GBECF funds or a community-based partner should also be included. If possible, a photograph relevant to the project should be included.

2 Statement of Need and Location

Please summarise the requirements of the community that the proposed Scheme aims to meet. This should take any relevant output data from any technical assessment to provide specific information, for example electricity or heat demand, number of buildings to be served etc.

Where there is a specific energy asset (e.g. wind turbine, heat centre) please give an overview of the reasons for choosing the proposed site. Information should be provided on:

- the legal status and cost of securing the land
- cost of connecting to the national grid and any expected constraints or time delays
- means of distribution to users.
- suitability of the site for the proposed technology

- restrictions on the site's usage (e.g. Site of Special Scientific Interest (SSSI) protection, Area of Outstanding Natural Beauty (AONB), National Park)
- requirements for support from any neighbouring landowners who could object to the use of the site or deny access

More detailed analysis for the proposed outcome for each of these factors will be covered in the sections below. In this section you should summarise these at a high level to support the selection of the chosen site.

3 Options Assessed and Preferred Solution

Please outline what technologies have been considered and which technology or technologies have been selected to take forward by the organisation receiving GBECF funds. Key things to cover:

- What is the preferred technical solution?
- What investigations have been carried out into the suitability of this technical solution to the proposed location?
- Have any alternative technical solutions to the preferred option been considered?
- What limitations to the technical solution have been identified (e.g. potentially limited times of operation, seasonality of operation, resource limitations, applicability constraints)?

4 Land Rights, Connection, Planning, Permits and Consents

Please provide details of any requirements to obtain land rights to deliver the proposed scheme. This may include leasing land for installation of equipment or wayleaves to connect across third party land. Please provide information on the status in each case (for example exclusivity agreement or draft lease).

Please provide details of the grid connection that the Scheme will require. Provide evidence of consultation with the relevant Distribution Network Operator to establish the budget cost for the connection required and the timescales to achieve this connection.

Please give details of required planning and permitting for the installation as well as a view on the likelihood of achieving planning permission. This is of particular concern when the project involves wind turbines, large solar arrays or hydro installations. We expect that, as part of the feasibility report, discussions take place with the Local Planning Authority and any stakeholders who have the power to influence the outcome of planning applications. Your report should include screening for local constraints, information on any relevant local precedents and an assessment of the likelihood of receiving planning consent.

If the proposed installation will require Environment Agency permits, we expect to see evidence of consultation with them.

5 Community Engagement

Community Engagement is a vital part of the Feasibility Study and it is expected that significant effort will have been put into building awareness and support for the proposed Scheme within your community.

Please detail the engagement work undertaken and the numbers of committed supporters. Please provide a description of the level of support for the project in the community more generally. This will help determine some key aspects of project feasibility such as the likelihood of obtaining planning permission, opportunities for income generation and the required scale of installation. Key things to cover:

- How much support is there for the proposed installation within the community?
- How many members of the community have indicated that they would invest in, purchase energy from or otherwise support the proposed installation?
- What methods of community engagement have been undertaken? Please attach minutes of community meetings, surveys, petitions etc.
- Have there been any strong objections raised, either by members of the community or those outside of it?
- Have you identified the key stakeholders within the community (for example, the local authority, adjacent land or building owners, etc.)? If so, please list them here.
- How have you engaged with local stakeholders and what support do you have?

6 Community Benefits

Please detail the type and scale of benefits to the community that the Scheme will provide. This needs to cover both the general benefits (e.g. jobs created, reduction in local pollution) as well as the specific financial benefits and identify exactly who within the community will receive these benefits.

7 Financial Projections

Please outline the financial model for the installation. It is important to get an idea of the financial viability of the project as far as possible at this early stage. This will be a key consideration in the decision to advance further funds.

For Type A Projects, the financial model needs to include:

- Forecast development costs to bring the scheme to investment readiness (including planning and permitting costs and grid connection deposit)
- Forecast capital expenditure to build and commission the scheme
- Forecast operating costs of the scheme
- Forecast income from the scheme
- Resultant margin and any community share

Based on this financial information, the report should summarise the planned route to raise funding for the Scheme.

8 Operation, Legal Structures and Governance

Please provide details of who will be responsible for overseeing the delivery and ongoing management of the project. For Type A Projects, this will be a key consideration of banks and other investors in making funding decisions about the project.

The proposed legal structures should be explained which may include Power Purchase Agreements, Heat Supply Agreements etc. and also the overall ownership structure for the scheme.

With respect to the key people involved, provide information on their relevant skills and experience. It is also helpful to have a succession plan in place to ensure the Scheme remains actively managed over its lifetime.

9 Scheduling

Please provide an overall schedule for the next stage in the development or implementation of the project. This should include the meeting of project milestones such as delivery of technical reports, the gaining of planning, gaining of permits, identification of contractors, start of construction phase. This will be contingent on timing of receipt of finance but should offer a realistic forward forecast to include any lead times such as provision of a grid connections, grant of planning or completion of fund raising.

10 Conclusions and Next Steps

Following the feasibility study, what are your next steps. Bear in mind that if your proposed Scheme was found to have feasibility issues, this may involve a change of direction or even going back to the drawing board.

If your Scheme is broadly feasible, what is required to progress to Stage 2 (i.e. receiving GBECF funds successfully) and to develop the Scheme through to completion, i.e. a fully operational renewable energy installation?