



BRIEFING NOTE: LOCAL POWER PLAN

South West Net Zero Hub

February 2026

INTRODUCTION

The Department for Energy Security and Net Zero and Great British Energy have published the **Local Power Plan**, setting out the government's vision for growing local and community-owned clean energy across the UK and ensuring communities benefit from the energy they help produce.

The vision of the Plan is: By 2030 every community will have the opportunity to own a local energy project

The Local Power Plan is for:

- Local government, including councils and combined authorities
- Community energy groups of all sizes and stages - as well as members of the public who are interested in exploring it.
- Other public sector organisations who could benefit from renewables.

The Plan aligns with the delivery of the Local Net Zero Hubs in supporting the development and delivery of local clean heat and energy projects being developed by local authorities, the wider public sector and community groups. The Plan also highlights how the Hubs have managed and delivered the GBE Community Energy Fund locally - funding over 60 local projects as of January 2026.

The plan includes an **Expression of Interest** process inviting communities and local government to share their project ideas for potential future support and investment - including with their Local Net Zero Hub.

The value of Local Power

The plan states that the benefits of Local power include:

- Solar on community buildings can “cut bills for services like libraries, schools and leisure centres, freeing up money to spend on better facilities”
- Community owned energy generation can also “generate profits which the community can choose to invest in local priorities”
- Strengthening energy security, not only “reducing our exposure to volatile fossil fuel markets” but also, through generating, storing and consuming energy locally we can “increase resilience and reduce pressure during times of high demand”.

Direct Funding and Finance for Projects

The plan sets out the following future funding opportunities:

- **Grants for community energy groups to support early-stage projects** - for example with feasibility studies - similar to previous community energy funds managed by the Local Net Zero Hubs.
- **Partnership grants for local government to develop joint projects with local community groups.**

- Construction and operation loans “to help projects move to the next stage”
- A Local Investment Fund “searching on a project-by-project basis to identify viable investment opportunities”

Capacity and capability building

GBE intends to support local groups with capacity-building, helping to upskill and build additional expertise and resource within community groups, in particular through:

- An advisory service allowing community energy groups and local government to easily access support on a range of topics, such as different technologies or finance. This service will complement existing regional support.
- A range of templates and guidance documents.
- Partnerships with strategic partners such as network operators and NESO.

A long-term plan to unlock wider investment in community and local energy

The Local Power Plan is designed to also catalyse greater levels of private investment into local and community energy, in particular by developing “bankable and repeatable business models”.

Policy and regulatory changes

The Plan also outlines a number of regulatory changes aimed at encouraging local and community energy projects, including:

- Developing detailed proposals on a mandatory shared ownership offer - to be consulted on in 2026.
- Working with Elexon and Ofgem on code modifications such as P441, P442 and P444 which will make it easier to establish local energy organisations and share locally generated power.
- Engage across the public sector to unlock Power Purchase Agreements between community energy groups and public buildings.
- Continuing the grid connection reform process to speed up connections.
- Making it easier for communities to sell their power by updating guidance on Class A supply exemptions (which allow generators to supply up to 5MW of self-generated output without the need for a supply license) to include a definition of a Community Energy Group.