

INTRODUCTION

The State of the Sector team is delighted to share this year's findings and statistics. This latest report highlights the impact of community energy across the UK focusing on the activities the sector supports.

The State of the Sector in 2024 is relatively healthy. In total across the UK, there have been modest increases since last year's report in:

- community-owned renewables generation
- the number of community energy organisations
- development funding secured
- the number of organisations working on low-carbon transport, energy efficiency and heat

Plus more significant increases in:

- community energy organisational turnover (58% increase)
- value of community benefit funds from community-owned energy (138% increase)

We at Community Energy England, Community Energy Scotland and Community Energy Wales also include our recommendations on how to broaden the appeal and reach of the sector.

The Rural Community Energy Fund ended without replacement in March 2022 so 2024 suffered from the lean times that followed. In 2024, the Conservative government's £10 m Community Energy Fund (CEF) got properly under way and has enabled many projects in England. However very few, if any, projects developed with that fund will feature other than in the pipeline section of this report.

To achieve the government's ambitious targets for 2030 the sector needs to double in size every year as it did between 2014 and 2017. If the government follows through with adequate development funding (not yet happening in 2025) then this uptick in activity should be visible in subsequent State of the Sector reports. But every month of delay makes the mountain to climb steeper.

The next couple of years are likely to be a critical period for the community energy sector. The establishment of Great British Energy and its much-anticipated Local Power Plan presents a huge opportunity for continued growth and diversification. While we wait for the full details, we welcome the clear commitment to back community-led energy and give people a real stake in local projects.

Here's to the continued success of community energy in the UK!

About the research

The Community Energy State of the Sector research has provided insight into the UK community energy sector since 2017 and is a collaboration between Community Energy England, Community Energy Scotland and Community Energy Wales.

This report focuses on progress made in 2024 to provide readers with an understanding of the scale and impact of the sector across the UK, identify evidence-based areas of growth and opportunity, and enable us to advocate more effectively for our members.

Data collection, analysis and reporting was carried out between February and July 2025, and we are indebted to the organisations that took the time to complete the survey, and whose responses provide the basis for this report. The dataset is supplemented by data gathered from other organisations via previous State of the Sector surveys and desk-based research.

The UK State of the Sector 2025 is sponsored by SP Energy Networks and has been developed alongside additional regional community energy research reports on behalf of SP Energy Networks, Electricity North West and National Grid Electricity Distribution. The views in this report are based on findings from the State of the Sector survey and feedback from members of Community Energy England, Community Energy Wales and Community Energy Scotland, and do not necessarily represent the views of the report sponsors.

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Sponsor foreword

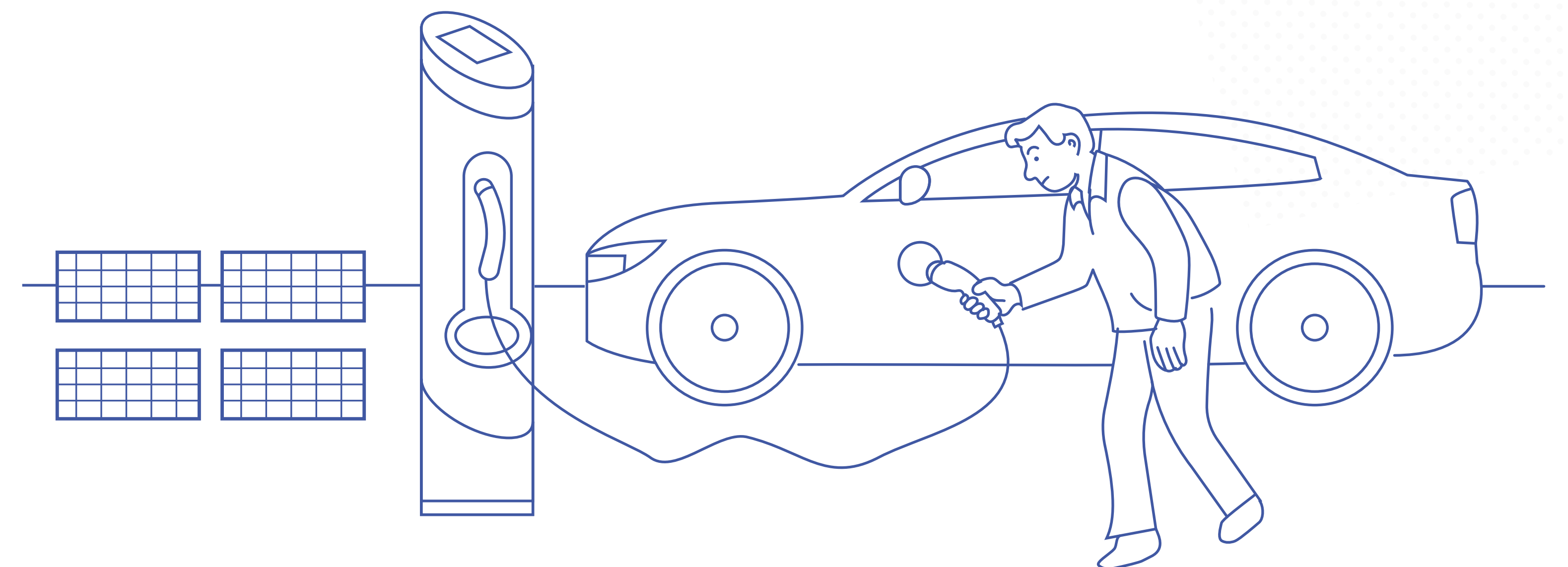
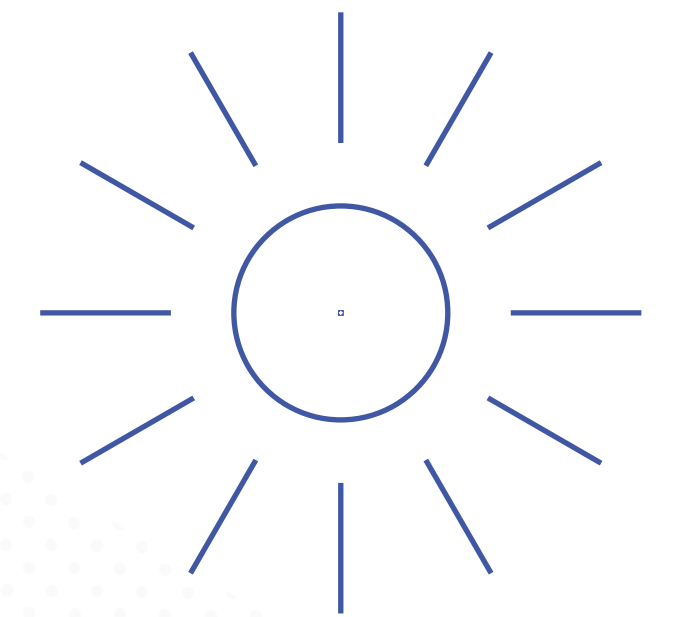


SP Energy Networks is delighted to sponsor the Community Energy: State of the Sector report for the fourth consecutive year. Over this time, the community energy sector has demonstrated remarkable progress, innovation, and resilience—clearly reflected in the findings of this report.

Communities across the UK have continued to drive forward local, renewable energy initiatives, despite facing increase socio-economic pressures and the withdrawal of several key support mechanisms. From solar PV and wind to hydro schemes, these community-owned projects are not only generating clean electricity but are also delivering tangible benefits to the people they serve.

As a network owner and operator, SP Energy Networks plays a central role in the UK's energy infrastructure—enabling the flow of clean, renewable power from generation to homes and businesses across the country. These networks are fundamental to achieving the UK's climate goals. Reaching these targets requires a collective shift in how we think about and use electricity—both as individuals and communities.

By supporting community energy, we empower local groups to take active roles in their energy future. This includes everything from generating green power locally, improving energy efficiency, developing low-carbon transport solutions, to expanding access to EV charging. These initiatives are not only advancing the transition to net zero, but also delivering lasting social, economic, and environmental value where it matters most—in our communities.

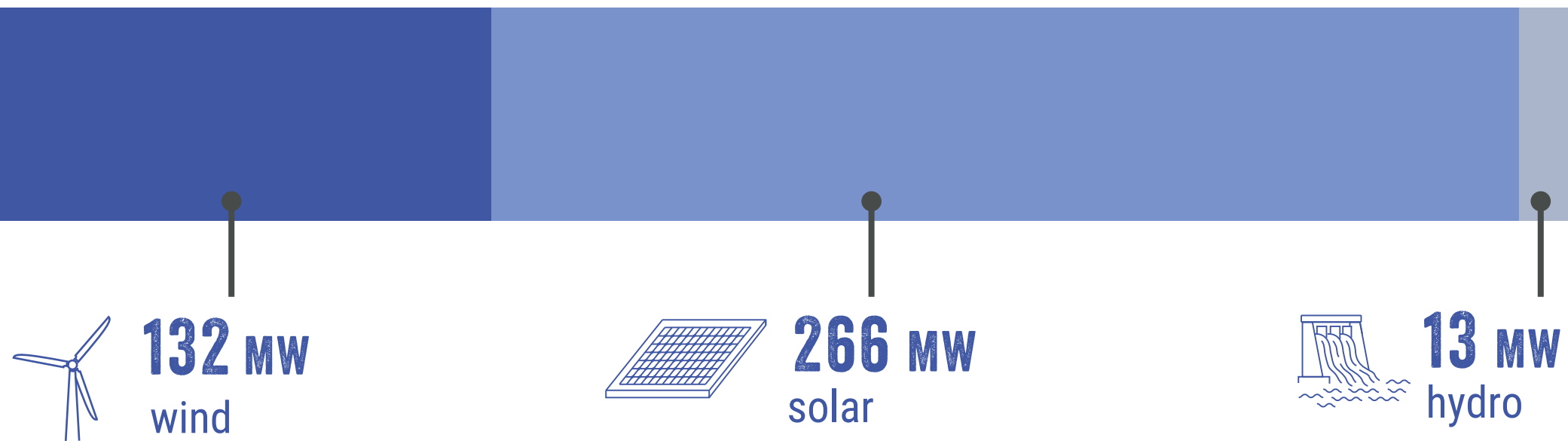


Community energy in the UK 2024

RENEWABLE ENERGY GENERATION

UK TOTAL RENEWABLE ELECTRICITY CAPACITY

411 MW capacity



UK TOTAL RENEWABLE ELECTRICITY GENERATION

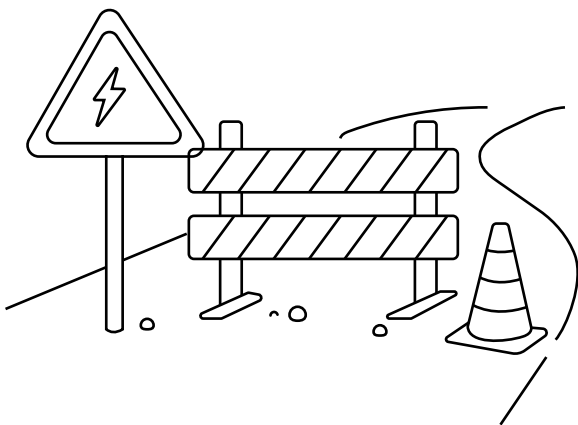
575 GWh produced in 2024

equivalent to powering
212,963

domestic households for a year

STALLED RENEWABLE ENERGY

379 MW stalled capacity

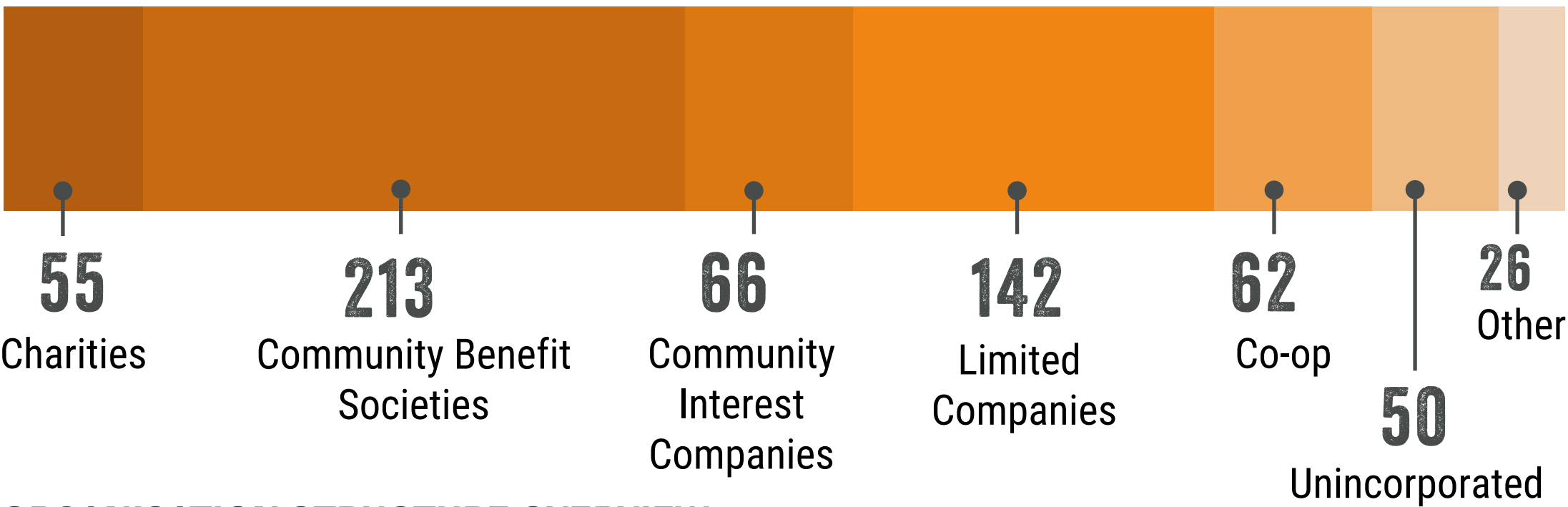


ORGANISATIONS AND PEOPLE

COMMUNITY ENERGY ORGANISATIONS IN THE SECTOR

614 organisations

+24% since 2021

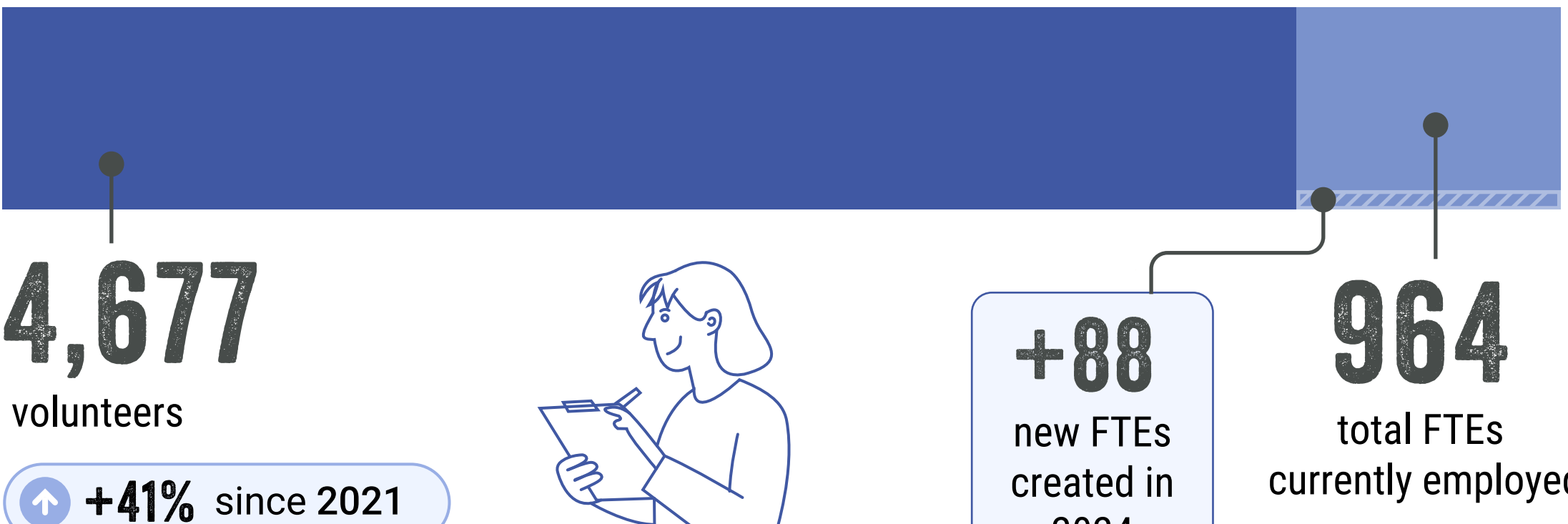


ORGANISATION STRUCTURE OVERVIEW

212,960 members

+46% since 2021

WORKFORCE



+41% since 2021



FINANCE

TOTAL ORGANISATIONAL TURNOVER

£68.5 million turnover

TOTAL INVESTMENT SECURED

£24 million secured



FINANCIAL CONTRIBUTION TO LOCAL ECONOMY

£24.5 million contributed

to local economies from organisational expenditure and community benefit funds



ENERGY EFFICIENCY

£1.86 million in bill savings



Community Energy Impact

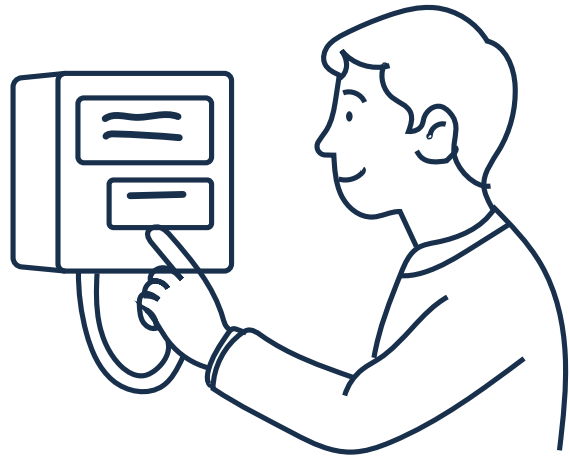
LOCAL COMMUNITY ENGAGEMENT & IMPACT

In 2024 the community energy sector continued to have large direct and indirect social, environmental and economic impacts on local communities:

Engaged

61,370

individuals/communities
via energy efficiency initiatives

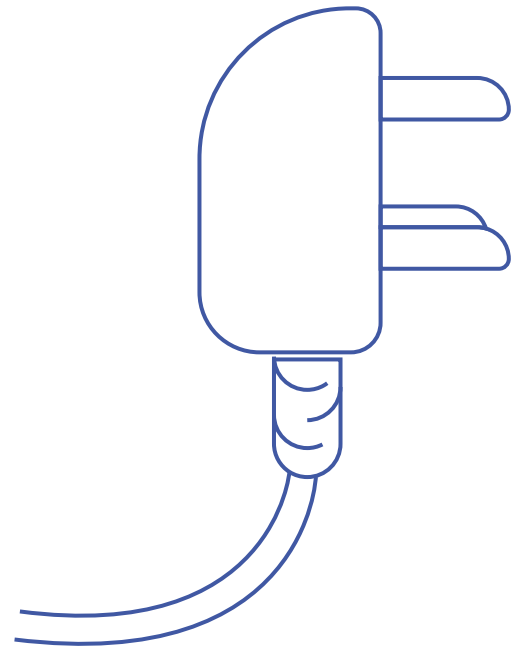


ENVIRONMENTAL IMPACT

at least

120,000

tonnes of carbon saved



COMMUNITY BENEFIT

140

organisations
manage a community
benefit fund and
distributed

£3.97 million

from these to enable communities to
deliver important local services,
restore community buildings, build
new assets and provide training and
employment opportunities

Raised

£24 million

investment for new projects across the UK

Helping save an estimated

£1.86 million

from people's energy bills



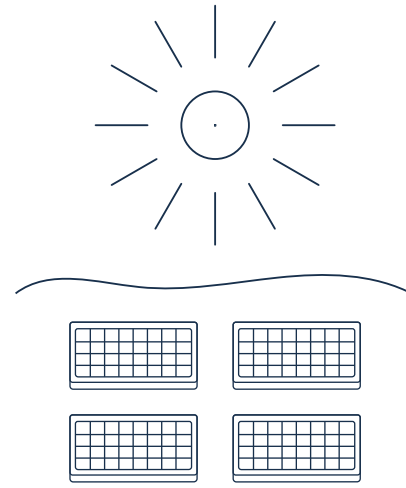
GROWTH

Installed

22 MW

of new renewable
electricity capacity

31



new community energy
organisations identified

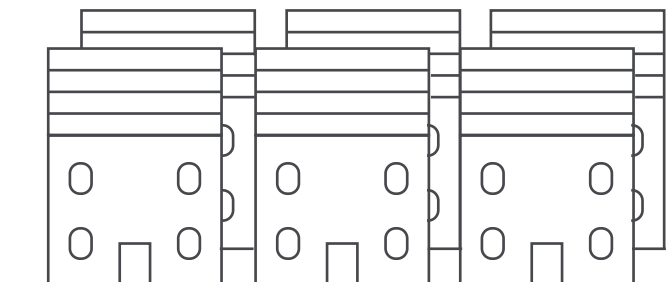
Created

88 new full time
equivalent jobs

Enough community owned
electricity generated to power
the equivalent of

212,960

UK households



boosted local economies by
spending

£20.5 million

of organisational income locally

Community Energy Activities

ACTIVITIES

RENEWABLE ENERGY GENERATION

411 MW

Total renewable electricity capacity

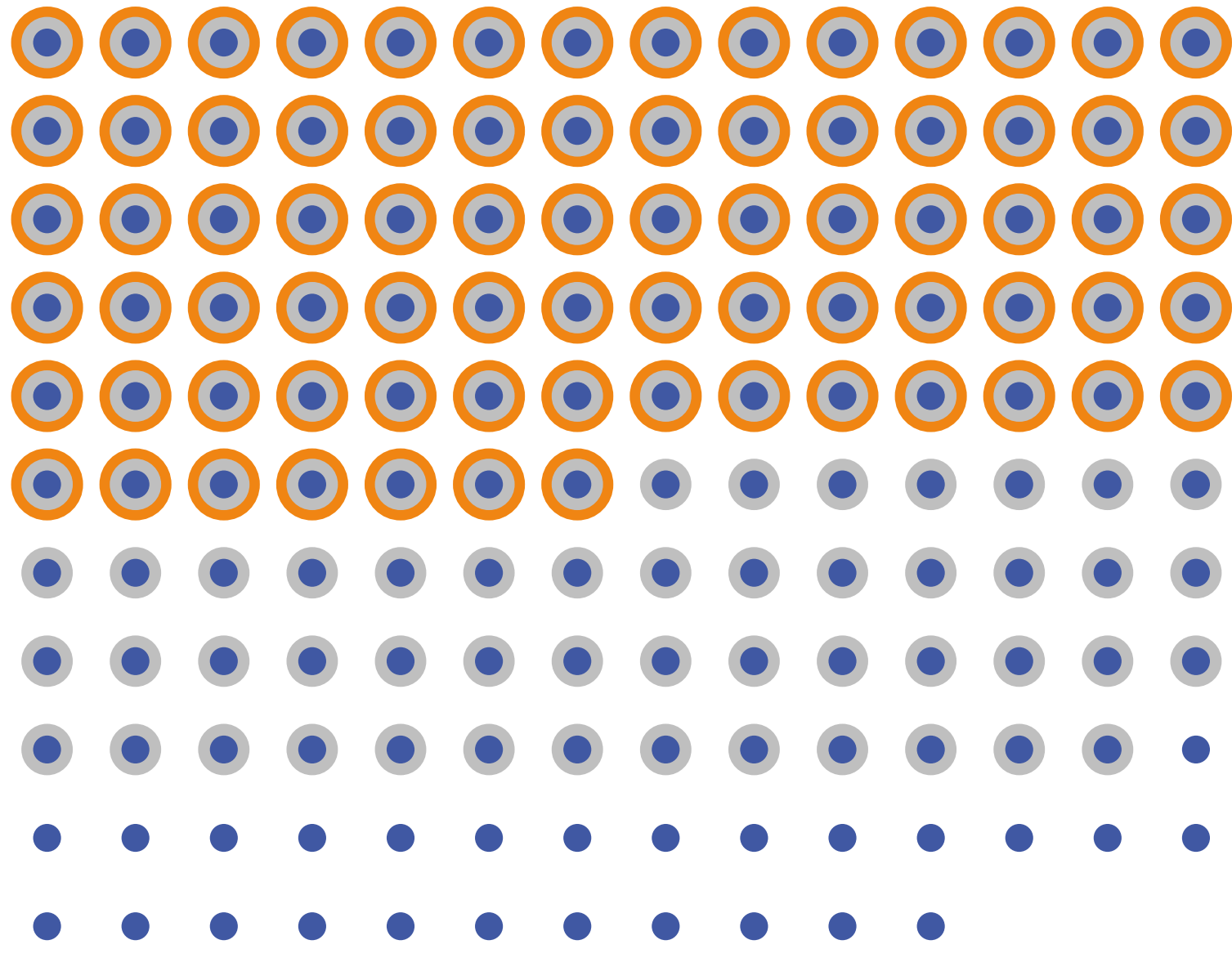
266 MW
solar PV

132 MW
wind

13 MW
hydro

0.25 MW
anaerobic digestion

ENERGY EFFICIENCY



151 organisations

providing energy efficiency and fuel poverty alleviation measures to local people and businesses supporting communities to combat fuel poverty.



of which there are:

77 organisations

providing advice and guidance about the energy system and reducing energy use.

125 organisations

delivering retrofit services

LOW CARBON HEAT

4.7 MW

community-owned heat generation capacity.

Implementing community scale heat networks and stand-alone renewable heat systems such as air-source and ground-source heat pumps, and developing heat-as-a-service models.

LOW CARBON TRANSPORT & ACTIVE TRAVEL

Installing electric vehicle (EV) charge points, operating e-bikes schemes and other forms of active travel, providing car-sharing, EV education and infrastructural improvements.

233 E-bikes

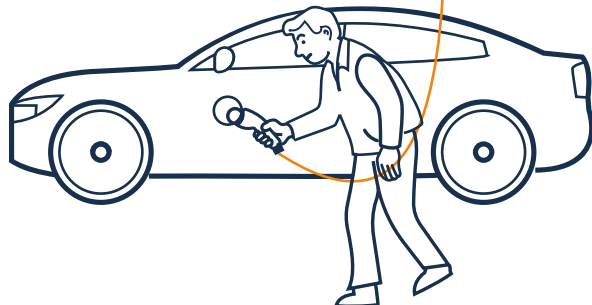


401 charging points



113 projects

107 EVs



ENERGY STORAGE & FLEXIBILITY SERVICES

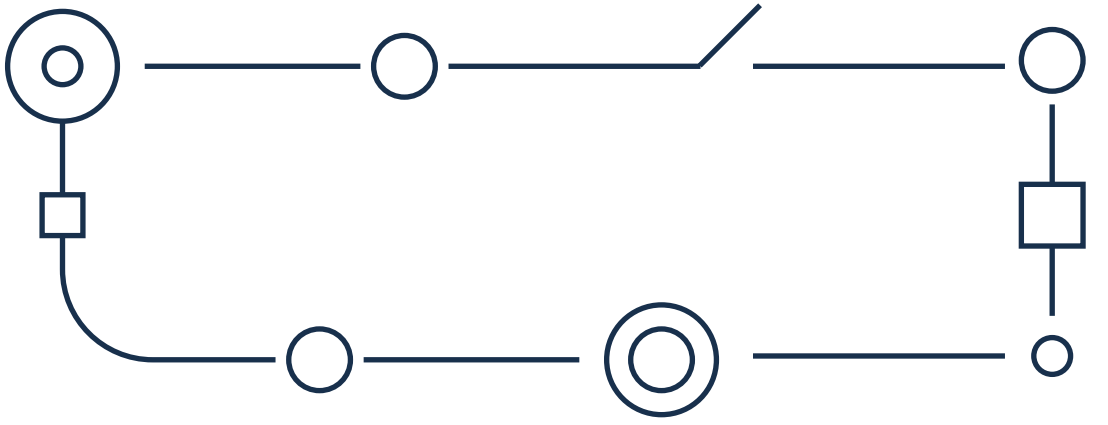
Providing "flexibility" services to the electricity grid by increasing or decreasing demand when required, and working on innovative means to use technology and engagement to improve the efficiency of the energy system.

36 battery projects

4,500 kWh
of battery storage capacity

15 organisations

providing flexibility services to the electricity grid



Reach, engagement & partnerships

PARTNERSHIP AND COLLABORATION

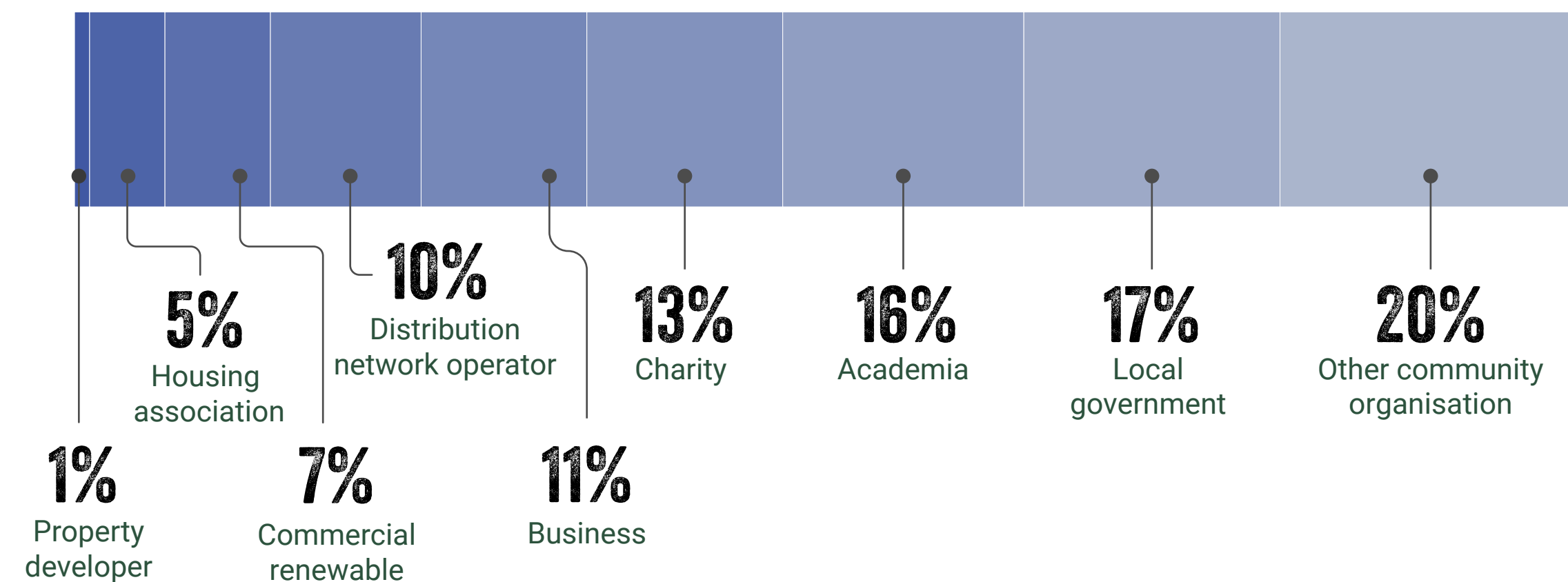
The sector continues to reap the benefits of building strong partnerships and working collaboratively with other community energy organisations, local authorities, network operators, commercial energy companies and other service providers:

25 organisations currently involved in **shared ownership** generation projects

70 organisations planning **shared ownership** projects

Community organisations partnered with a range of different sectors

There were **455** active partnerships in 2024

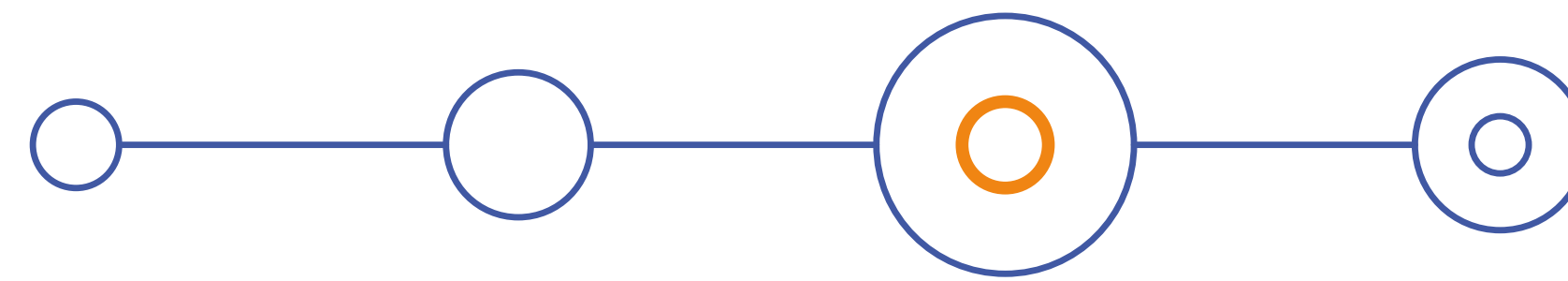


FUNDING

Organisations used their networks to secure

£4.5 million

of local community share investment for energy projects



COMMUNITY OUTCOMES

Community organisations are well placed to engage local people in the energy system



Build local ownership

promoting ownership and higher rates of participation in local schemes



Support low-carbon choices

encouraging them to adopt low-carbon technologies



Co-design energy solutions

working with them to co-design practical and relevant energy solutions

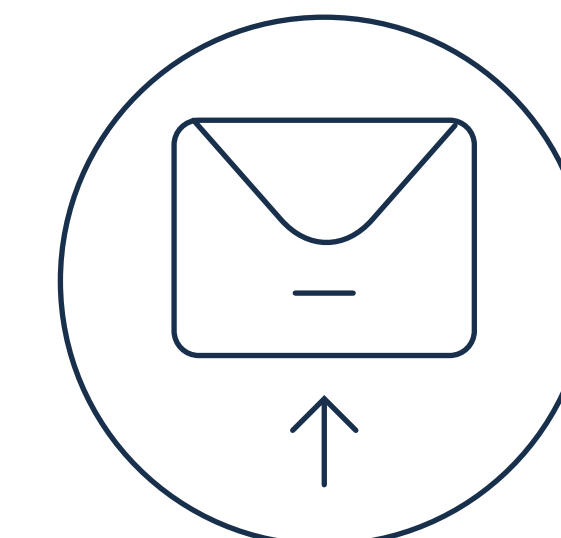
REACH AND MENTORSHIP

74 community energy organisations

have provided mentorship to other community energy organisations

The sector reported having

29,000
on mailing lists



84,553
members



engaged with
85,890
individuals and organisations.



Policy context

The community energy sector is uniquely placed to address the overlapping crises of the climate emergency, fuel poverty and constrained public finances. Community ownership of energy generation transforms communities from grant-dependent to income generating. This enables many communities to proactively meet their own needs where public provision is insufficient, across housing, transport, food, leisure and community activities. All community energy organisations engage the public in the energy transition and facilitate the take-up of new technologies and behaviours that are essential for meeting Clean Power 2030 and net zero targets.

In order to meet the UK Government's ambitious target of 8 GW of community- and locally-owned energy by 2030 and the Scottish Government and Welsh Government targets of 2 GW and 1.5 GW respectively, there must be a step-change in support and policy changes to substantially grow the pipeline of community energy projects.

This initial investment in community self-reliance and entrepreneurship will yield large returns in mobilising private investment in projects that deliver local energy, community engagement in carbon saving and long-term social and community benefit.

While the State of the Sector in 2024 looks relatively healthy, some key figures signal a potential downturn:

GENERATION CAPACITY

the amount of generation capacity in the project pipeline has **decreased by more than 50%**

↓ from **209 MW** in 2023 to **99 MW** in 2024

PIPELINE INVESTMENT RAISED

the level of investment to be raised for pipeline projects has also **decreased by two-thirds**

↓ from **£157 million** in 2023 to **£53 million** in 2024

STALLED GENERATION CAPACITY

stalled generation capacity has increased substantially

↑ from **270 MW** in 2023 to **379 MW** in 2024

RENEWABLE ENERGY ORGANISATIONS

the number of organisations working directly on renewable electricity generation is down by 7%

↓ **7%**

We see two major challenges:

1 Enabling new and small organisations to develop

The vast majority of new generation has been developed by established organisations with considerable expertise. The policy environment makes it much harder for smaller, newer community energy organisations to deliver projects and risks stifling the growth and diversity of the sector by relying too heavily on a small number of players. It also means that the sector will struggle to establish itself in

geographical areas where it does not currently have a strong presence.

New, emerging community energy organisations need access to multi-year funding opportunities, particularly development funding, so they can retain and hire staff, develop skills and knowledge and take on more ambitious, longer-term projects. Funding for pre-feasibility, capacity building and core costs would be particularly impactful, enabling organisations that rely on volunteers to professionalise.

2 Policy barriers limiting opportunities for growth

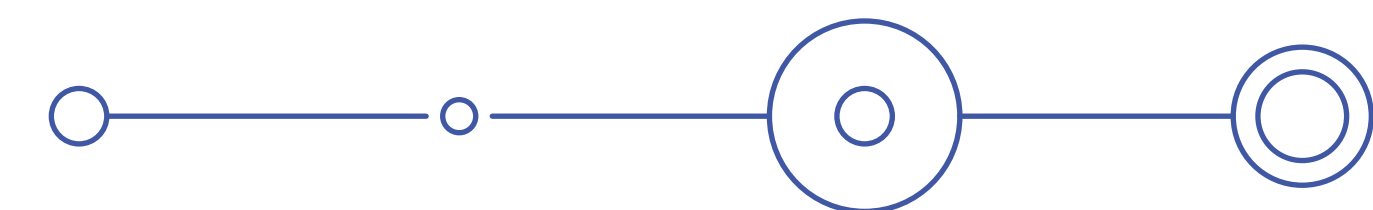
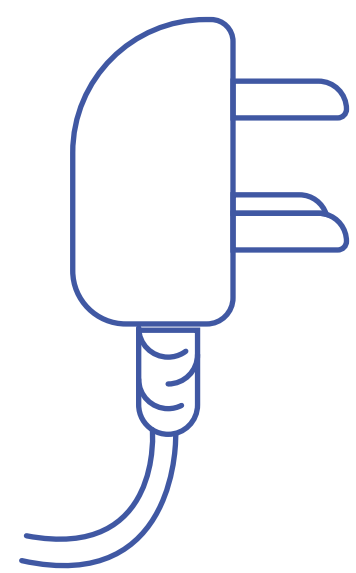
Barriers to delivering community energy generation projects have not been addressed, causing projects to stall (particularly in England) and fewer new projects to be proposed (particularly in Scotland and Wales).

Barriers include the long wait and high cost for a grid connection, lack of 'routes to market' and routes to local supply, and

lack of confidence, support or agreement from local authorities, public bodies and other landowners.

The government should recognise the significantly better social and community value delivered by community energy projects than, for instance, from government capital grants to put solar on schools and hospitals. It should work to remove barriers and invest now to enable the sector to grow and spread rapidly.

➤ Failure to support new organisations and new projects, and to remove barriers for projects already in the pipeline could cause a slump in the growth of the sector from which it will be very difficult to recover to achieve the 8 GW target and fulfil community energy's full potential and vital role in delivering net zero.



1

The Local Power Plan and the Warm Homes Plan must include increased funding for the community energy sector, particularly for development and capacity building, to enable the sector to grow exponentially. This should include funding for community heating solutions and retrofitting, and all funding increases should be fairly reflected across the whole of the UK. Any funding from these Plans to local authorities should be conditional on collaboration with community energy organisations.

2

Introduce a mechanism to provide a minimum floor price for community electricity sales. This would provide long-term security of income for community energy projects, to enable communities to build a business case and access finance. The mechanism could be a community energy export guarantee or a simplified Contract for Difference (CfD) for community energy.

3

Reduce barriers to community energy projects connecting to the grid. Designate community energy projects as 'needed' in the Project Designation Authority, to give them higher priority in the grid connection queue.

4

Enable local supply. Local energy markets mean better rates for energy generators and cheaper bills for energy users, leading to a profound change for people living in fuel poverty. Incentives should be introduced for demand and generation to be matched as much as possible within a local energy market, allowing small-scale generators to develop viable business models, and reducing the need for large scale infrastructure upgrades.

Recommendations

to unlock the potential of the community energy sector...

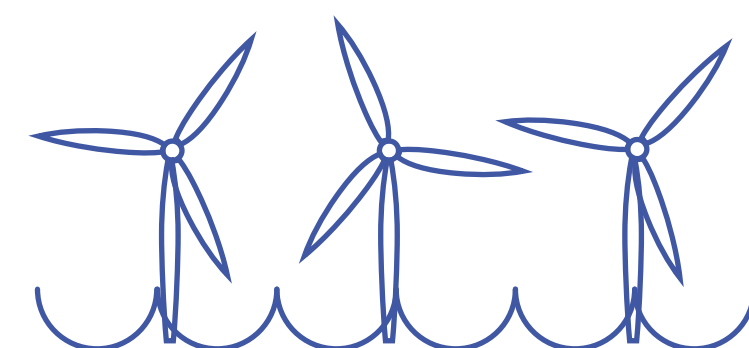
5

Change national procurement frameworks to enable and/or require public bodies to buy at least some of their electricity from local community energy organisations.



7

Reduce barriers to the repowering of community energy projects by working across Governments, departments and agencies to find bespoke solutions, to avoid losing the community energy that currently exists.

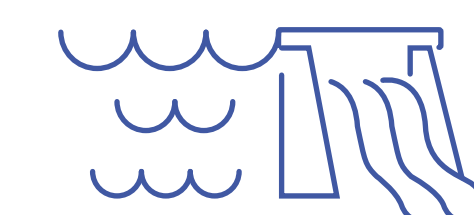


8

Allow devolved Governments to prioritise community-owned energy through their planning and consenting systems.

9

Require clean energy developers to provide community benefit funds, offer shared ownership and pay into a Community Wealth Fund for the nation where the project is located. This would provide a source of finance for community energy organisations wishing to develop or repower their own renewables or take on shared ownership.

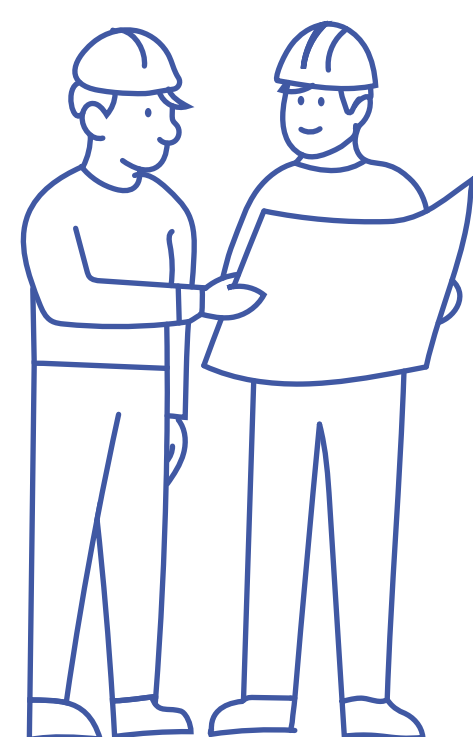


10

Increase support and access to finance for community shared ownership: where community organisations own shares in private energy developments, have voting rights, and reinvest returns into the community. GB Energy or the UK Government should secure loans that communities borrow to take up a shared ownership stake. GB energy could initially buy the stake intended for the community and transform it into an affordable loan once agreements are signed.

6

Give community organisations priority access to public land and rooftops and leases for renewables. Support community energy organisations to take on leases for existing developments at the point of repowering through Community Asset Transfer.



About us

We invite all organisations working on or supporting community energy to join us, to strengthen our collective voice and enable us to represent you in our work to develop and support the sector. Details of how to join us can be found below.



Community Energy Scotland

Community Energy Scotland is a community energy specialist dedicated to providing communities across Scotland with independent and ongoing support to develop their own energy projects.

Our membership is free for all Scottish community energy organisations and individual supporters, and provides opportunities for organisations to consult with our team, network with other member organisations, and receive regular community energy-related information.

Contact us for more information:

- ☎ 07920 182308
- ✉ info@communityenergy.scot
- 🦋 [@cescotland.bsky.social](https://www.bsky.social/@cescotland)
- 🖱 www.communityenergy.scot/membership



Community Energy England

Community Energy England is the voice of the community energy sector in England, helping to create a supportive policy landscape for community energy. We also help active community energy organisations to connect, collaborate, share expertise and overcome obstacles, and facilitate new collaborations and investment into the sector.

Join us to demonstrate your support for the broader interests of the sector and our work to create the conditions within which community energy is able to thrive and scale.

Contact us for more information:

- ☎ 033 3303 4126
- ✉ info@communityenergyengland.org
- 🦋 [@commenergyengland.bsky.social](https://www.bsky.social/@commenergyengland)
- 🖱 www.communityenergyengland.org/pages/membership



Ynni Cymunedol Cymru Community Energy Wales

Community Energy Wales is a not-for-profit membership organisation that provides assistance and a voice to community groups working on energy projects in Wales. We want to help create the conditions in Wales that allow community energy projects to flourish, and communities to prosper.

Our vision: People should be at the heart of the energy system.

Our mission: To support and accelerate the transition to a fair, low carbon and community-led energy system.

Contact us for more information:

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- 🖱 www.communityenergy.wales/register