



The Rural Community Energy Fund

What is the RCEF?

The Rural Community Energy Fund (RCEF) is a grant that has been made available by the Government. Its aim is to support rural communities in England to develop renewable energy projects, which provide economic and social benefits to the community.

How much funding is available?

In total £10million of grant is available across England. In the North East and Yorkshire and the Humber, a total of £1.45million is available to support projects.

How much grant can be applied for?

At the first stage, a maximum of £40,000 can be applied for. There is no set minimum amount and no match funding is required. This would be used to work with an environmental consultant to look at whether your renewable energy project is workable in terms of technology, planning, finance, legal issues, community group capacity and expertise and that the local community supports the proposed project. Energy efficiency projects can be explored as part of a wider renewable energy project, but RCEF will not support projects that are only considering energy efficiency measures.

If the stage 1 feasibility shows the project stands a reasonable chance of becoming operational, a further grant of a maximum of £100,000 is available to get the project to a position where it is ready to start on site. This includes securing full planning permission, drawing up detailed designs and tendering the work to contractors.

Please note the amounts detailed are the **maximum** that can be awarded. We anticipate some projects will require a much smaller grant award, and would encourage such bids.

Who can apply for the fund?

A whole range of community groups can apply for the fund. These could be parish councils, charities, local groups with a specific interest in the environment, or any legally constituted group with a community focus. The guidance ([link provided overleaf](#)) gives a full range of the types of community groups that can apply.

Delivering a community energy project is a big undertaking, with potentially huge benefits. The only essential attribute of a group is that it is legally constituted, based in a rural area, and committed and enthusiastic about the project. Previous experience in delivering projects would be helpful, as would access to expertise in engineering, finance, law and other relevant skills, but none of these are essential.

What type of technology can projects utilise?

Applicable technologies include but are not restricted to solar power, wind turbines, hydropower, heat pumps and anaerobic digestion. There is a longer list of examples in the guidance, but the key is the technology needs to provide renewable energy.

However, generally it would be expected that projects will be of a size that requires planning permission. It would also be typically expected that projects will generate enough renewable energy for more than one building.

The more buildings or users the project can benefit, the greater the community benefit, and the better the finances of the project will be.

Having said that, there may be exceptional cases where projects do not meet these criteria but can still be considered for support, for example if the technology being proposed is particularly innovative. If in doubt, please talk to the RCEF Project Officer.

How is it paid for?

The RCEF grant will support the upfront costs involved in getting a project to a position where it is ready to start on site. However, it does not pay for the capital costs of the technology, so for example would not pay for solar panels or wind turbines.

So how is this paid for? The community group will need to raise that money themselves. This could be through borrowing money against future income from selling electricity, or from an issue of community shares, where community members and others can invest in and receive returns from the project.

These are tried and tested models, which have been utilised many times by community energy groups. There are many examples on websites such as Community Energy England, and the Centre for Sustainable Energy.

If we are interested, what should we do now?

If you are interested, it is worth reading the full guidance found at:

<https://teesvalley-ca.gov.uk/rural-energy>

It will also be worth getting in touch with your RCEF Project Officer. They can be contacted at:

RCEF@teesvalley-ca.gov.uk

You can talk to them about all aspects of your project, including how best to get a consultant on board to support you.

It is also worth visiting some of the websites mentioned above which have a wealth of information on community energy projects.

We look forward to hearing from you!



The Rural Community Energy Fund is funded by BEIS and Defra, and delivered by Tees Valley Combined Authority on behalf of the North East, Yorkshire and Humber Energy Hub