

CARES energy project funding: an example

Solar PV, battery storage, smart controls and EV charging

LOCAL
ENERGY
SCOTLAND

The Community and Renewable Energy Scheme (CARES) helps community organisations, non-profit organisations, local authorities, housing associations and rural businesses develop local energy projects. Information about CARES funding and eligibility can be found at www.localenergy.scot/funding. CARES is managed by Local Energy Scotland, and our team can provide advice and funding throughout your project.

As well as supporting organisations to develop their own energy ideas, we support the replication of projects we think have worked well. This is a step by step guide to help you develop a project and funding application for solar photovoltaic (PV) panels, battery storage and electric vehicle (EV) charging. Projects like this can currently receive a subsidy for the electricity generated through the UK Government's Feed in Tariff (FiT). A case study based on Comrie Croft is available [here](#).

The FiT closes soon, so now is a good time to get your project up and running.

Combining solar PV and battery storage with smart controls and managed loads such as electric vehicle charging points can significantly reduce your organisation's reliance on retail price electricity. This can also reduce running costs and carbon emissions, and a CARES Innovation Grant can help with the upfront costs involved in setting the project up.

Applications are open to a wide range of organisations for funding to deliver new projects in this area.

The CARES Innovation Grant provides funding of up to £150,000 for a range of local energy projects, examples of which are noted in our guidance. Community groups, housing associations, local authorities, charities and rural businesses are eligible to apply. A project combining solar PV, energy storage and EV charging can be related to a number of these innovations, for example:

- Co-location and combinations of technologies
- New uses and models for energy storage
- Local system management
- Overcoming barriers relating to grid capacity or curtailment issues
- Piloting smart controls in readiness for energy services and demand side response

Other funding available for renewable energy projects, including the Resource Efficient Scotland (RES) SME loan. This is a low interest loan at 5% that can be used for funding of FiT eligible technologies like solar panels, and other resource efficient measures. The CARES funding, combined with the FiT and other funding like the RES SME loan could provide your organisation with a profitable, reliable, lower carbon, smarter local energy system.

This 10 step plan outlines the key stages in this process:

1. Get in touch with [Local Energy Scotland](#)
2. Get in touch with [Resource Efficient Scotland \(RES\)](#)
3. Complete the Innovation Grant [application form](#)
4. Await Innovation Grant decision
5. Commission feasibility assessment
6. Contract project manager (or appoint an internal project manager)
7. Secure consents, approvals and agreements
8. Installation
9. Commission and secure FiT accreditation
10. Quality control and monitoring

1 Get in touch with Local Energy Scotland

If you have premises that might benefit from a combined solar PV and battery storage scheme, possibly including new electric vehicle charging points or other controlled demand, contact Local Energy Scotland now.

The Feed in Tariff scheme will close to new applicants at the end of March 2019, but projects developed over the next few months will still be able to access this incentive. CARES innovation funding is awarded at quarterly Panel meetings, following application and review. Applications for current Panel are open until the 10th of September and could provide the best opportunity to commission a system before the FiT closes.

If you are installing EV charge points you will need to apply to Transport Scotland for funding. Local Energy Scotland will help with this process.

A member of the Local Energy Scotland team can support you with your application and help refine your project and application details. Get information on funding [here](#), and find your local contact [here](#).

2 Get in touch with Resource Efficient Scotland (RES)

Where buildings are involved, which is very likely to be the case for this type of project, approaching Resource Efficient Scotland to provide an efficiency audit can provide valuable information to support the project and make sure your building is as energy efficient as possible.

As part of the initial stages it is important to make sure the proposed technology is appropriate to the building, and the service provided by RES can help confirm this. It is not necessary to get an audit from RES before applying to CARES, but it is beneficial to engage with RES as soon as possible.

In addition, the RES service can also provide an opportunity to access the [Resource Efficient Scotland SME loan](#), which can be of value to projects looking to secure Feed in Tariffs and the significant long term benefits this brings.

3 Complete the Innovation Grant application form

An initial desktop pre-feasibility assessment may be carried out by Local Energy Scotland for the proposed site, focusing on the solar resource on site, network access available and demand profile. This will help put initial numbers against the project within the application and could include; scale of solar PV and storage, monitoring and control systems, data collection and display, legal and financial advice, grid connection fees etc. Not all are expected in any one project, and approximations would be used where needed to complete the application.

Further feasibility work will confirm all figures once the project is underway.

Your Local Energy Scotland Development Officer will work with you to produce a funding application which provides a detailed overview of the project, the community's aims and objectives and how the project and funding will benefit the community. This application will split the funding being sought from Local Energy Scotland into two schedules of works, with funding firstly being sought to get a detailed feasibility report. If this report proves the project is viable, capital funding will be sought to assist with the installation.

Rural businesses, Community Groups, Housing Associations, Local Authorities, Charities and other organisations are eligible to apply for up to £150,000 to cover feasibility, project development costs and capital funding under the CARES Innovation Grant. It is a condition of the FiT that no grant funding is used for the generating technology. In this example case, and subject to timing and specific circumstances, the project is expected to be funded by at least **60% match funding**. The elements of the project related to the solar PV installation would not be grant funded, but the management and

control system, battery storage and electric vehicle charging infrastructure could be funded at a higher rate to achieve up to 40% awarded funding overall. The additional funding can be secured by using your own funds, getting private funding, or accessing the SME loan.

4 Await Innovation Grant decision

Once the Innovation Grant application form has been submitted, a short period of review will take place before the Local Energy Scotland funding panel's own review, meeting and decision. If a project is unsuccessful or is deferred, the Local Energy Scotland team will help the applicant to address the Panel's feedback and work on next steps. Some awards are made with conditions, and this means the project can progress and the funds will be available subject to satisfaction of those conditions. Local Energy Scotland staff will support all applicants through this stage, which should not cause undue delay to the project.

During this process of review and decision on a CARES award, continued contact with RES is advised to ensure the report is available and any other cost effective energy efficiency opportunities are understood and actioned.

5 Commission feasibility assessment

If funding is secured, the grant recipient will appoint a technical expert to do a more detailed feasibility study. This will focus on:

- Assessing the grid requirements of the site,
- Producing a detailed demand and resource assessment,
- Investigating any planning barriers or requirements,
- Undertaking a project planning exercise developing a timeline for the project works,
- Contacting and ascertaining the best route for the community to provide an EV charging facility,
- A financial assessment and business case report, and
- Producing a high-level costing for the whole project to competition.

Output from a RES report can contribute to the feasibility work.

We have a range of existing Local Energy Scotland resources to support the procurement, with a number of tools being available through the existing [CARES Toolkit](#).

Further funding would not be available if Local Energy Scotland concluded the project was inappropriate after reviewing this feasibility work.

6 Contract project manager (or appoint an internal project manager)

If the feasibility study shows the project is viable and has a sound business case, the next step is to appoint or contract a project manager. This role will oversee the development of the energy system, working with stakeholders, contractors and Local Energy Scotland to ensure smooth project delivery. For smaller projects this can be the renewable energy installer of the equipment (you should use an [MCS accredited installer](#)).

7 Secure consents, approvals and agreements

This step is coordinated by the Project Manager.

When progressing an energy project, it is important to consult the relevant authorities, like building standards, planning departments and local network operators. This process can take up to 12 weeks, depending on the project's requirements. Council approval might be needed for building alterations to accommodate the battery storage system or for the installation of an EV charging point in a car park. It is important to consider get in touch with relevant authorities early to make sure any project deadlines are met.

The local network operator will need to approve any change to the existing electricity import agreement for the site. Reinforcement works might be needed, depending on the type and age of connection the existing building and network point has.

These works should be identified during the feasibility assessment, agreed with Local Energy Scotland and need to be done before moving to the installation stage. This would be a breakpoint in the funding process and require a project review.

8 Installation

This step is coordinated by the Project Manager or by another party, such as a lead contractor.

Once all the permissions and financing arrangements have been completed for your project the building phase can begin. You might need to let building standards, local authorities, your DNO and other related consultees know when the building phase begins. Each part of your energy system should be delivered to meet the requirements of the funding body. For example, the solar PV element should be installed to MCS standards and if an Innovation Grant has been awarded, the requirements should be met when installing the battery and EV charging equipment.

Where the project is coordinated by a contractor, facilitation of an independent inspection can be provided.

9 Commission and secure FiT accreditation

An MCS installer should be chosen to install all FiT eligible technology, like solar PV. Once installation is completed, the installer will give the group a commissioning certificate.

Once the system has been commissioned the group will need to secure FiT accreditation. This involves sending a completed application form, MCS certificate and EPC certificate, and several checks will be undertaken to ensure you have met all necessary eligibility criteria. Once confirmed the group will receive payments calculated from quarterly meter readings. The installer can support this process.

10 Quality control and monitoring

Once the project has been completed, processes should be put in place to make sure the system is performing as expected from the feasibility report. Any differences should be investigated.

We are keen that learnings from successful projects can be shared and replicated to support other projects, so it is expected that applicants will support a case study report to help share learning. Where energy use data is made available through the installed system, it is anticipated that Local Energy Scotland will be given ongoing access to this data, which then will be anonymised and used to inform future projects and learning.

Please note:

1. **An independent panel will assess all innovation grant applications. An application for the innovation grant funding stream does not guarantee funding will be awarded to any or all applicants.**
2. **This model has time limited CARES grant funding that's been provided to test the model develop examples and learnings to put model on a more commercial footing.**