

**Embargo: For Immediate Release**  
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## **£50 MILLION BOOST FOR COMMUNITY ENERGY PROJECTS**

New Programme will help target Neighbourhood Renewal, Fuel Poverty  
and Climate Change

The Combined Heat and Power Association (CHPA) welcomed today the announcement of the Government's new *Community Energy* Programme. The £50m investment in the refurbishment, development and extension of community energy projects, including CHP, will unlock an additional £200 million of private sector investment.

CHPA Director, David Green, commented:

*"We have estimated that there is the potential for one million homes to be linked to community energy projects with CHP, delivering significant social, economic and environmental benefits to local communities. This programme will help unlock a massive private sector investment which will help drive forward towards that target."*

This was echoed by Sir Jeremy Beecham, Chairman of the Local Government Association:

*"The Government's commitment to investing in the new generation of district energy schemes is significant. It will enable local communities to tackle fuel poverty and improve the environment."*

Encouraging local authorities to get involved, he concluded:

*"I welcome this initiative and urge all those concerned to take full advantage of it."*

David Green added:

*"John Prescott is to be congratulated on this imaginative new initiative. However, there remains widespread concern in the industry that under the new electricity trading arrangements (NETA), many existing community energy projects are finding it increasingly difficult to sell their electricity, hence undermining the long term viability of the projects."*

*"Leicester City Council has already had their CHP electricity sales contract terminated as a result of NETA."*

*"Unless the DTI takes immediate action to provide fair market conditions for CHP-generated power, the delivery of this positive new programme will be frustrated."*

**ENDS**

Notes to Editors:

1. Community heating is the provision of heat to a number of homes or buildings from a central heat source. Community heating is particularly well suited to the inclusion of CHP.
2. The Community Energy programme will help enable local authorities to better deliver sustainable development within their communities, benefiting residents, housing providers, hospitals, schools and universities. The programme will:
  - reduce greenhouse gas emissions, helping fight the threat of global warming;
  - lift 100,000 people out of fuel poverty by providing affordable heat and electricity;
  - alleviate cold related illnesses, reducing bed-blocking in hospitals during the winter;
  - boost local economies by retaining wealth within local communities through lower energy charges, as well creating jobs in the community energy and CHP industry;
  - assist in the regeneration and renewal of towns and cities throughout the UK.
3. 500,000 homes in England are heated this way. A report prepared for the DETR has estimated a potential CHP capacity of 2,000 MWe in community heating. This is equivalent to some one million homes being connected to community heating by 2010, saving 400,000 tonnes of carbon per annum, whilst also tackling fuel poverty.
4. Many North European countries, with much colder climates than the UK's, already make considerable use of community heating and fuel poverty is unknown. The Community Energy Programme will work alongside the Government's recently launched Fuel Poverty Strategy and should start ensuring that more UK households get the benefits that community heating can bring and thus help to eradicate the scourge of fuel poverty.
5. This programme should actively link into other recent Government initiatives including the Fuel Poverty Strategy, Climate Change Strategy, Neighbourhood Renewal Programme, the Urban White Paper, Beacon Councils and RDAs schemes and the Local Authority Well-Being Paper.

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