



Rt Hon Michael Shanks MP
Minister for Energy
Department for Energy Security and Net Zero

Monday 23rd March 2026

Dear Minister,

Re: The Local Power Plan and the Right to Local Supply

As Liberal Democrats, we strongly support the ambition to expand community ownership of clean energy across the United Kingdom. It was through constructive dialogue and agreement between yourself, Minister Hunt and our Spokespeople for Energy Security and Net Zero in both the House of Commons and the Other Place that the GB Energy Act includes explicit reference to community energy. At the time we justified the need for this inclusion because not only is community energy key to achieving the objectives of the Act but also because legislative and regulatory reforms are required to overcome barriers to the right to local supply.

The commitment of up to £1 billion, delivered through Great British Energy, is an important recognition that community power must be central to the transition to net zero.

Our support for community energy is rooted in our longstanding belief in localism, co-operation and community empowerment. We believe that power - both economic and political - ought to be dispersed, not concentrated. As we move away from fossil fuels, the new clean energy system must not simply replicate centralised ownership structures; it must enable communities to generate, own, and crucially benefit directly from the energy produced in their area. We therefore support the objectives of lowering bills, building community wealth, strengthening resilience and ensuring that profits from clean power are reinvested locally. We would, however, welcome clarity and reassurance on several key issues.

1. Funding levels and ambition

While £1 billion represents a significant investment, it falls short of the £3.3 billion previously pledged for community-owned energy under the Green Prosperity Plan.

We look forward to clarification on:

- Whether there are plans to bring funding back up to the originally pledged £3.3 billion.
- The balance between grants and loans within the £1 billion package, and how communities with limited borrowing capacity - particularly rural, coastal and deprived areas - will be protected.
- How success will be measured, including whether targets will be set for new community-owned generating capacity, not solely project numbers.

2. Implementation and grid access

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Community energy groups consistently identify grid constraints as one of the most significant barriers to delivery. Without timely network upgrades and fair access arrangements, projects may struggle to proceed even where funding exists.

We encourage further detail on how the Government will work with network operators and regulators to ensure that community schemes are not disadvantaged in the connections queue, and what practical pre-application support - feasibility funding, legal assistance and technical advice - will be available.

3. Genuine community ownership and local benefit

It is essential that the Plan results in meaningful community ownership and control, rather than community-branded projects with limited local influence.

We would appreciate clarification on:

- Safeguards to ensure that ownership stakes are substantive and that profits remain local.
- The structure and timeline for the proposed review of a mandatory shared ownership offer.
- How regional inequalities in funding access will be addressed.

4. The Right to Local Supply

Perhaps most importantly, we believe the success of the Local Power Plan depends on whether communities are given a genuine right not only to generate electricity, but to sell and share it locally.

More than six months ago, when asked in the House of Commons whether the Government would enable community groups to sell their energy locally, you stated:

“That is exactly what we are determined to do and we will continue to work to make it happen.”

The Local Power Plan reiterates the intention to “make it easier for communities to sell their power”. However, in the months since that commitment was first made, the necessary legislative and regulatory reforms have not yet been brought forward.

More than 100 Members of Parliament have now signed Early Day Motion 2151, calling on the Government to enable community energy groups to sell power locally. This reflects significant parliamentary support for reform.

We therefore respectfully ask:

- What is the timetable for bringing forward the regulatory and legislative changes required to enable local supply models?
- How will the Government reform supply licensing, exemptions and routes to market to ensure that community groups can participate fairly?
- Will communities be given a clear, workable route to supply local households and community buildings directly?



We would also appreciate clarity on how the proposed right to local supply will be embedded within wider electricity market reform - in particular, whether communities will have access to long-term revenue stabilisation mechanisms, how local supply models will interact with Ofgem's regulatory framework, and which forthcoming legislative vehicle will be used to deliver these changes. Without a clear timetable and route through primary legislation, there is a risk that ambition remains aspirational rather than operational.

For many community energy organisations, the right to local supply - whether through community supply licences, peer-to-peer trading, reformed licence exemptions or local tariffs - would be transformative. It would maximise bill savings, increase local buy-in for renewable infrastructure and ensure that more economic value circulates within the community.

If the Local Power Plan is to deliver a genuine democratisation of the energy system, this reform is not peripheral; it is central.

We look forward to your response and to working constructively to ensure that the Local Power Plan delivers meaningful, lasting community empowerment.

Yours sincerely,

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South Cotswolds

Ian Sollom MP
St Neots and Mid Cambridgeshire

Pippa Heylings MP
South Cambridgeshire and Liberal Democrat
Spokesperson for Energy Security and Net
Zero

Adam Dance MP
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Helen Maguire MP
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Vicki Slade MP
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Freddie van Mierlo MP
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St Ives

Mike Martin MP

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Tiverton and Minehead

Will Forster MP

Woking

Bobby Dean MP

Carshalton and Wallington

Monica Harding MP

Esher and Walton

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