Divest-Invest: Emissions Impossible Community Energy Briefing

This briefing was developed in partnership with Leeds Beckett Students' Union, with guidance from Solar SOAS. It was written to reorient Leeds Beckett's investment discussions away from large scale corporations and into a project/initiative that forms part of the just transition to a low-carbon world. It intends to be presented to senior management alongside a piece making the argument for Leeds Beckett to commit to joining the global fossil free movement – which nearly half of all UK universities have become a part of.

Introduction

"It is extremely likely that human influence has been the dominant cause of the observed warming since the mid-20th century" (Intergovernmental Panel on Climate Change).

NASA highlights the burning of fossil fuels as a major contributing factor to this warming, with research from UCL concluding that the overwhelming majority of fossil fuels must stay in the ground to avoid catastrophic climate change. Since 1988 just 100 major companies - including Shell, BP and ExxonMobil - have been responsible for 71% of carbon emissions. As such, their contributions to climate chaos cannot be ignored as part of the narrative of decarbonising and trying to limit global warming to the Paris Agreement's internationally agreed 1.5 degrees. But as global carbon emissions increase and the current UK government continues to launch attacks on the renewables sector, whilst subsidising the carbon-intensive, those with reputational power need to challenge this.

This can be achieved by joining the fossil fuel divestment movement. This global campaign seeks to challenge the social license of fossil fuel companies to operate as they currently do by lobbying institutions, organisations and individuals to move their money out of them; taking a stance against an industry that is complicit in both climate chaos and indigenous rights violations. To date, $4.85 trillion has been moved out of the fossil fuel industry by no less than 746 institutions.

This briefing argues that Leeds Beckett University should go fossil free and display this commitment by investing in a community energy scheme on campus. This is as opposed to reinvestment into low-carbon funds, and/or alongside, reinvesting into indigenous owned community energy initiatives based in the Global South, like the Yansa Project. The justifications for Leeds Beckett taking this decision are numerous - including but not limited to solidarity with frontline communities affected by fossil fuel extraction and climate change. Three arguments will be drawn out in this briefing as it is not within its remit to cover them all. Those considered will be: challenging transnational monopolies, issues associated with the large scale renewable energy companies present in investment portfolios and how community energy facilitates the participation of students in the just transition to a low-carbon world. This briefing will also highlight the benefits of such a scheme and how the creation of one responds to Leeds Beckett University's policy commitments.

What is community energy?

The government defines community energy as covering "aspects of collective action to reduce,

purchase, manage and generate energy". These "have an emphasis on local engagement, local leadership and control and the local community benefiting collectively from the outcomes."

Figures about community energy in the UK from Community Energy England's (CEE) State of the Sector report are worthy of note here:

- The UK Community Energy movement is now worth £190,000,000
- At least 30,000 people have invested in community energy groups
- The movement has built 188 MW of renewable energy capacity
- 222 community energy groups now exist across the country
- In 2016, these groups allocated £620,000 to community benefit funds

These figures display not only the rising popularity of community energy initiatives but also their contributions to the wider energy space, alongside their positive benefits to society. Universities are meant for the public good and the establishment of a community energy scheme on Leeds Beckett's campus would fulfil this raison d'etre.

Community Energy vs Low-Carbon Funds

Whilst investment into low-carbon funds is a move in the right direction, this fails to facilitate a just transition which benefits all, because investment funds largely consist of global transnational corporations. Why this financial strategy needs to be challenged is twofold.

Firstly, the inherent nature of the global economic system prioritises investment in such companies, reducing the ability of small scale enterprises and initiatives to receive financial support. By diversifying endowment investments to include community energy Leeds Beckett University can challenge this status quo and the monopoly these companies have over our energy system, whilst supporting the re-distribution of power to people instead. As CEE highlight, the UK energy sector is currently experiencing a shift from a centralised fossil fuel system to one powered by "decentralised renewable generation." As universities can play a major role in this just transition to a low-carbon world - providing microcosms of society within which transformative financing initiatives can take place - Leeds Beckett can take a leading role in both visioning and experimenting with how this future system could work and how that could function at a wider societal level.

Secondly, reinvestment into low-carbon funds which often consist of large-scale renewable energy corporations, is problematic. These companies can, and do, reproduce and echo the colonial behaviour of fossil fuel companies. For example, in Southern Mexico indigenous peoples have been dispossessed of their land in order to make way for the construction of fourteen wind parks, in a process that has involved repression, coercion and the manipulation of information. This is not reflective of the just transition to a low-carbon world that the divestment movement seeks to establish. By choosing to instead invest in community energy projects on our campuses Leeds Beckett can act in genuine solidarity with movements for social justice and universal energy access. This cultivates grassroots ownership of the energy system - challenging the monopoly that transnational corporations have and the disproportionate wealth and power they yield as a result.

Investment in an on-campus community energy scheme would also facilitate student participation in the just transition to a low-carbon world, preparing graduates for a future that will require a shift to carbon emission reduction. This shift is already taking place and is evidenced by the most recent report from the International Renewable Energy Agency (IRENA) which states that the renewable energy industry employs a total of 9.4 million people globally. Part of the reason that students attend university is to bolster employment prospects and to gain vital skills for competing in the global job market. Participation in such a scheme would equip them with the skills required for a low-carbon

world - including various transferable skills, such as project management, as well as the acquisition of knowledge and experience directly related to the energy industry and the setting up of decentralised energy systems.

Solar SOAS' work to get solar panels installed on the roofs of the SOAS estate reinforces the huge learning and realised potential there is for students setting up a scheme like this. In September 2016, following collaboration with the local community, students and alumni, one of SOAS' roofs was fitted with 114 solar panels, as a direct result of the pioneering work undertaken by this student campaign group. Those involved have spoken to the power and opportunity that has been provided to them through their participation in its creation -

Isobel Annan, Co-founder of Solar SOAS said: "We overcame many obstacles and met some hair-raising deadlines over the past two years, as full-time students and alumni endeavouring to do something green and good in a challenging policy environment. We are live and generating, and ecstatic to see those shining panels."

Hannah Short, Co-founder of Solar SOAS, said: "The scheme was a rare opportunity for interested stakeholders to become part of a climate solution. It's also been created and set up by students, all out of care and concern for the future of the planet."

Thus, Leeds Beckett would be facilitating the creation of graduates committed to climate and social justice, as well as the progression and success of their communities at the local and global levels. (The extent of this would depend on the structure chosen which can form the basis of future conversations).

Benefits of a community energy scheme on campus

The benefits of a community energy scheme on campus are abundant. The three outlined below consist of examples that are particularly important to highlight for Leeds Beckett:

1. **Enhancing relationships with the local community -** this project could be set up in cooperation and collaboration with the local community. Not only would this draw on the various skills sets of those in the vicinity of Leeds Beckett, but it would allow for the university to create meaningful links with individuals and organisations in the local area. Research undertaken by the Fabians revealed that there are "up to a third of local residents who want to get involved in environmental projects and decision-making". This reveals the wealth of untapped potential there is in linking up with local people.

   Alongside this, the government's cutting of the Feed-in-Tariff, which incentivised the construction of renewable energy infrastructure and benefitted the community energy sector significantly, as well as the closure of the Urban Community Energy Fund (UCEF), means that the university could fulfil their existence for the public good by plugging this gap with resource and capacity. CEE identify several ways to overcome this which Leeds Beckett could utilise, including amalgamating schemes to reduce risk and enhance financial viability, as well as upscaling projects and combining resources. If linked up with the local community the scale of the scheme could be significantly enhanced, positively contributing to the community within which Leeds Beckett exists.

2. **Reputational benefits -** At present only SOAS have such an initiative functioning on their campus. This was a result of years of student campaigning from Solar SOAS - a group of students who decided to push the university further off the back of their commitment to divest from all fossil fuels in 2015. If Leeds Beckett were to commit to establishing a community

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energy scheme on-campus they would be the first in the UK to fully support such a scheme from its inception. By removing the necessity of students having to lobby the university, this would demonstrate a conception of students as partners in the decisions the university takes by including them in the day to day running of the institution - as opposed to the passive consumers students are too often presented as. Reputationally this would display to both current and potential future students that they really have a stake in the decision-making that takes place at the institutional level and make Leeds Beckett an increasingly sought-after institution to study at.

3. **Financial benefits -** electricity prices often fluctuate, meaning that it can be difficult to make projections and budget for the future. A way to partially circumvent that is by installing renewable infrastructure that can push the institution in the direction of becoming self-sustaining. A community energy scheme at Leeds Beckett would help to facilitate this, securing some fixed electricity prices. SOAS, for example, saw their scheme as a long-term investment (20 years) because they realised that the amount of electricity generated by their solar scheme would, in the long term, cost much less than it would to buy the same amount of electricity from the grid for the next 20 years.

   It would also lessen electricity procurement costs. Lancaster University's installation of a wind turbine on campus in 2012, at a cost of £3.7million, produced 5,042,328 kWh of electricity between the 1st August 2013 and 31st July 2014 - 15% of campus electricity consumption. This saved the institution £750,000 in energy procurement. The turbine will have paid for itself by early 2018, and should generate £15 million of energy over its 25-year life.

   Therefore, whilst this is a big upfront investment, in the long-term it will save the institution money in a number of ways - bringing lots of positive media for the institution whilst doing so.

Support for community energy schemes in Leeds Beckett University Policy

Within the Strategic Planning Framework 2016-2021 the vision articulated for the institution is "to be an excellent, accessible, globally engaged university contributing positively to a thriving Northern economy". Creating a community energy scheme on campus would be a practical and effective way to enact this as not only would it allow for Leeds Beckett to be "globally engaged" - allowing for climate change concerns and the violation of indigenous rights to be partially removed from the powering of the institution - it would also contribute to the local economy if the community outside of the university were able to buy shares and thus receive dividends from their investments.

Both the Carbon Management and Estates Strategies state that Leeds Beckett intends to use renewable energy - desiring "97% of all electrical energy" to be from renewable sources". The creation of a community energy scheme on campus builds upon this, pushing Leeds Beckett in the direction of becoming self-sustaining.

Already Leeds Beckett has articulated aspirations to install renewable infrastructure, with the Carbon Management Strategy committing to the installation of "a photovoltaic array on the Carnegie Research Institute (CRI)" and the conducting of "feasibility studies to install photovoltaic arrays on all new builds detailed in the Estate Strategy". By making these renewables community owned it adds an extra layer to the institutions commitment to the just transition to a low-carbon world and

economy, and potentially to the local community.

Furthermore, behaviour change initiatives in the Carbon Management and Estates Strategies involve the rolling out of NUS' "Green Impact Scheme across the University". The powering of the union and the university by on-campus renewables is an aspect of the new Green Impact scheme and a community owned version would bolster scoring in other criterion - evidencing the commitment of Leeds Beckett to the student body and the local community, as well as their positive relationship with the Students' Union.

The creation of a community energy project would also be in keeping with Leeds Beckett's Sustainability Policy, which includes the reduction of "carbon emissions in line with [...] carbon management strategy and international regulations through the effective use of space, utilities, goods and services", working "pro-actively with the local authority, other universities and the community at large to progress sustainable initiatives" and supporting "the principles of sustainable literacy in relevant course curriculum, research and work experience". The installation of a community energy scheme certainly responds to these, especially enhancing the "sustainable literacy" of those who study at the campus and are a part of setting up the scheme.

It is evident that Leeds Beckett has a variety of policies that would be fulfilled by a community energy scheme. This would make the mission Leeds Beckett has about wishing to create a truly sustainable campus a reality. A reality that ensures the use of the institution's "knowledge and resources [to] make a positive and decisive difference to people, communities and organisations".

Conclusion

Leeds Beckett are well placed to support a community energy scheme with feasible spaces for the scheme to be placed, financial security and the knowledge that exists within the institution to overcome barriers. Leeds Beckett do not face the upfront funding issue that most local community groups do, as the endowment can provide some support and then students, staff, alumni and local people can buy into shares the scheme raises - CEE identify share raising as the dominant form of fundraising for project investment.

Whilst the structure of such a scheme can be of concern, campus community shares or bonds, where staff, alumni and students co-invest, are often preferred to crowdfunding, as they strengthen community ownership, involvement and energy democracy. Ownership models used in community-owned renewable schemes vary, with Solar SOAS opting to raise investment to purchase the panels through a mix of shares and reward-based donations, in order to lower administrative costs, with the students' union and the institution providing the remaining value. Whilst these long-term projects require institutional commitment to ensure the student team or social enterprise registered for purpose can continue a timely pay-out of dividends it is worth noting that the NUS is working on a national trust structure for universities wanting to establish community energy projects on campuses to overcome this.

A community energy scheme is preferable to investment solely into low-carbon funds, due to the unethical nature of transnational companies and the need to push for a just transition that benefits everyone. Additionally, the gaps there are in research around community energy provides an opportunity for Leeds Beckett to fulfil an important role in the community energy space - conducting an exploration of how it can be financially viable in a post-subsidy world.

Proposals & moving forward

1. Leeds Beckett University to explore the feasibility of renewable energy generation on-campus and/or in the local community.
2. If renewable energy generation on-campus is feasible, Leeds Beckett University to explore whether this infrastructure could be community owned.

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3. Explore potential local partners and organisations to link with, such as the Centre for Sustainable Energy and White Rose Energy.
4. Leeds Beckett University to work with the Students' Union on advancing the above three proposals.

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