

REA Decentralised Energy Forum, 23rd April 2026

Attendees: Matt Parry (Secretariate, REA)
Jean=Pascal Boutin (Chair, WFW)
Stephanie Greenslade (REA)
Frank Gordon (REA)
Helen Motwani (REA)
Daryl Bonser (Aggreko)
Claire Hannan (Aggreko)
Matthew Knight (Talan)
Eren Gunuc (London Geothermal)
Nicholas Mead (Infinis)
Tom Cox (Decent Energy)
Graham Bone (Infinis)
Hannah Staunton (Hover Energy)
Thomas Lilleyman (DRAX)
Amy Robson (DESNZ)
Melissa Stark (RICE University)
Victoria Moxham (Elexon)
Mark McLoughlin (DLL)
Simon Homer (Covase)
Sarah Glaser (Hemiko)
Syed Ahmed (Community Energy London)

Minutes

Matt Parry: Welcome all. It's been a busy couple of the months for Decentralised Energy markets since our last meeting, with several major announcements from government, in line with our advocacy efforts. For example, Ed Miliband announced the legalisation of plug-in solar (approx. 800W limit) on a Sunday morning broadcast about a month ago.

We see the move as essentially democratising solar access, particularly for renters and flat-dwellers seeing their first introduction to microgeneration.

Matt Parry: Another major development, since our last meeting, saw NESO update the details of its Demand Flexibility Service to pay homes and businesses to increase usage this summer when supply is abundant. This was a key REA ask, though the group is pushing for more.

Matt Parry: The Warm Homes Plan was updated in January with £15bn earmarked to accelerate solar, storage, and heat pump installations. We though are still concerned that the majority of households in Britain still cannot afford these upgrades without further mechanisms such as salary sacrifice, which we continue to push government on. The government, with GB Energy, has also recently published details of its Local Power Plan, which intends to invest up to £1bn to support local and community-owned clean energy projects — a key REA ask.

Frank Gordon: Pretty hot off the press in the last two days has been the announcement of moving renewable obligation contracts over to voluntary CFDs. Members were invited to share reactions and concerns with the REA team.

Frank Gordon: We recently published our state of the market, REView, report. The key findings were that over 50% of UK power now comes from renewable sources; for the first time, the UK renewable energy industry outstrips offshore oil and gas by 30,000 jobs — rising to 145,000 full-time roles; solar added 1,000 new jobs in 2024 (latest data), followed by offshore wind; UK lags Germany and Denmark on per capita employment – they have over double the UK's rate, attributed to greater deployment and supply chain share; strong growth in UK, but faster growth in European competitors including Poland and Netherlands; projection of 265,000 jobs by 2035.

Victoria Moxham (Director of Customer & Code Management, Elexon) outlined Elexon's expanding role in electricity market reform. Key points:

- CP2030 requires a five-fold increase in consumer-led flexibility — half-hourly settlement, the Market Facilitator role, and the SES Programme are the three key reforms to achieve this.
- Market-Wide Half-Hourly Settlement (MHHS): Migrating ~330m meters to actual consumption data by May 2027. Currently over 25% migrated; ~80% expected by October 2025. New shorter settlement timetables from July 2027 (14 months → 4 months).
- Only ~2.3–2.5% of households are on smart time-of-use tariffs, almost entirely EV owners. Uptake needs to increase rapidly.
- Ofgem estimates net benefit of MHHS at £1.5–4.5bn by 2045.
- Market Facilitator role (live Dec 2025): Elexon is standardising registration and reducing barriers across DSO/NISO flexibility markets. Ten rules published for NISO/DNOs. Flexibility Market Asset Registration Solution (FMARS) due 2027.

- Smart Secure Electricity Systems (SES): Elexon appointed to govern technical standards and cyber security for smart energy appliances. Load Controller licences expected from mid-2025; smart appliance regulations in two phases, 2027 and 2029.

Victoria Moxham: To achieve CP30 ... flexibility has to go from being an exception for consumers to being the norm for many. We can't underestimate how difficult it's going to be to convince large amounts of people to take up flexibility offers.

Jean-Pascal Boutin: asked about complex site class creation for community schemes and netting of imports/exports.

Victoria Moxham: this is currently with the authority; a mid-June decision date was cited as the latest available estimate.

Mark McLoughlin (Country Commercial Manager, DLL) spoke on financing barriers to decentralised energy deployment:

- 83% of businesses expect energy consumption to increase over the next 12 months; 62% say volatile energy costs are already hitting profitability.
- Finance is too often seen as a complication rather than an enabler — early engagement with finance providers is critical.
- Operating leases allow businesses to refresh technology over time, removing the 'what do I do in 7–10 years' problem.
- Energy efficiency should be tackled first before over-specifying generation.
- On tax incentives: the annual investment allowance doesn't apply to solar panels at 100% (only 50%). Enhanced capital allowances no longer exist. Mark called for government to reinstate something similar to stimulate investment.
- Minimum transaction: realistically £10–15k upwards, but no upper limit. Covers solar, batteries, EVs, building management systems, and energy efficiency measures.

Simon Homer (Managing Director, Covase) made the case for extending salary sacrifice to domestic solar PV, battery storage, and heat pumps, drawing on the EV precedent:

- The 2020–21 drop of Benefit-in-Kind on zero-emission cars to 0% transformed the market: company car fleet is now 41% full electric.
- 226,000 EVs delivered via salary sacrifice — up 125% year-on-year. Crucially, 48% went to basic-rate taxpayers (NHS staff, teachers, social workers etc.).
- For home energy, the mechanism already exists technically, but the 2017 Finance Act reforms mean employees are taxed as if they'd taken the cash, leaving only a small NI saving (~8%) rather than the 30–40% saving seen on EVs.
- Extend the carve-out approach we saw in the 2017 Finance Act to three more items — domestic solar PV, domestic battery storage and domestic heat pumps.
- Addressed the Treasury's two stated concerns (fiscal cost and distributional fairness) using real EV data, and noted that every solar/battery/heat pump install through salary sacrifice is a flexible grid asset from day one, bundled with smart controls, energy tariffs and data infrastructure.
- Suggested a short meeting with Treasury colleagues to walk through the mechanism and submit an economic case ahead of the Budget.

- Conversation with asset finance providers on underwriting at scale.
- Employers in the room invited to pilot a scheme now, structured to flip into full tax efficiency if/when the carve-out is extended.

Amy Robson (Head of Delivery, Mission Control for Clean Power 2030, DESNZ) gave an update on the government's plug-in solar programme:

- Germany has 1.1m plug-in solar units installed (likely higher as many go unregistered). An 800W setup costs ~£400 and could save ~£110/year.
- Core safety review completed mid-March; phase two (grid interaction testing) due to complete in May. Results so far are “very positive.”
- Government has earmarked £25m for a trial targeting those who need it most (renters, social housing) — scheme design still to be confirmed.
- Workstreams include: grid/DNO connections; IET electrical wiring standards; permitted development rights (current PDR rules were designed for rooftop solar and don't cover balcony/ground-mount configurations); product standards; and retailer engagement.
- Retailers have modelled the business case and “see a real opportunity.” Germany registered ~460,000 units last year; government hopes UK uptake will be comparable.

Hannah Staunton (Director of Partnerships, Hover Energy) introduced the company's integrated microgrid model:

- Turns the built environment into its own energy source — combining solar, wind, storage, waste-to-energy, and existing grid in a bespoke, AI-managed stack (developed with IBM's Maximo platform).
- Proprietary rooftop horizontal-axis wind turbines (enclosed, low-noise/vibration, ~36kW each) designed for urban buildings where conventional turbines are impractical.
- Agentic AI micro-management system (MMS) optimises the energy mix in real time, delivering ~15–20% efficiency gain (equivalent to adding an extra generation input).
- Current UK pipeline: three live projects in East London docks (including University Technical College, Royal Docks, and the listed Compressor House); ~25 turbines planned for installation by end of year.
- Typical commercial model: Proper Energy owns and maintains the assets; customer pays for energy as a service, starting at ~10% below their previous tariff.
- 80% of buildings standing in 2050 have already been built — retrofit is essential.

Sarah Glaser (External Affairs Manager, Hemiko) provided an overview of heat networks and the policy landscape:

- Government target: 20% of UK heat demand from heat networks by net zero. Current share: ~3%.
- Est. £100bn private investment needed; 35,000 jobs to be created.

- Hemeco has unlocked £1bn in private investment (via CBC Diff) for heat network infrastructure to 2030, focused on town/city-scale projects.
- Heat sources used across their portfolio: air source heat pumps (Greenwich, Worthing), water source heat pumps (Bristol), energy from waste (Cardiff), and waste heat from data centres (new West London scheme).
- Thermal stores allow the grid flexibility benefit that Denmark exploits — charging heat stores when electricity is cheap/negative price, releasing heat when prices are high.
- Government should reinstate/expand the Public Sector Decarbonisation Scheme (PSDS) to fund anchor loads (hospitals, public buildings) that make early-phase projects viable.
- Government should extend the Boiler Upgrade Scheme to cover heat network connections.
- Efforts need to be made to rebalance gas/electricity prices or introduce time-limited revenue support to make heat networks cost-competitive with gas.
- Finally a stable long-term policy framework is required to unlock private investment in multi-year infrastructure.

Syed Ahmend (Director, Community Energy London) outlined that Community Energy London (CEL) is an umbrella organisation for ~40–50 community energy groups across London. Key points:

- ~300–400 community energy projects now active in London (target: 1,000 by 2030).
- CEL's freely available potential map identifies 12,000 community buildings in London with ~1GW of solar potential.
- Funded primarily through the London Community Energy Fund (8 rounds completed, ~£3.5m total) and individual London borough funds — ~£3m/year now flowing to projects.
- Estimated £120m needed to reach the 1,000-project target.
- Welcomed Local Power Plan grants and new finance mechanisms from GB Energy; progression of the Smart Export Guarantee to make small-scale projects financially viable; Warm Homes Plan local area-based delivery partnerships; and parity of heat pump support for community-scale buildings

Melissa Stark (Professor, RICE University) presented on the lessons the UK can learn from the US using a case study from the hugely successful Kit Carson Electric Cooperative case study. Kit Carson is a rural member-owned cooperative in Taos, New Mexico (~31,000 members, 24% below national average income). In 2016, facing doubled electricity prices and a contract cap of 5% solar, the cooperative broke from its coal-heavy supplier (Tri-State G&T) at a cost of \$37m and pursued 100% daytime solar, achieved in 2022. Power costs are now 37% lower than if they had stayed; member bills are down ~25% and fixed for 15+ years.

Six capability areas identified as transferable to other energy communities:

- Contracts & partners — negotiate for flexibility and learning; their Guzman Energy backup contract is now on its 7th revision.
- Asset management — 20 solar/battery farms; right-size residential solar (700 homes, behind-the-meter) to fit into a 95% front-of-meter system.
- System resilience — 3 microgrids being built in fire-risk areas; 6–10 hours decision-making time for first responders.
- Long-term energy planning — own the plan even if using external modellers; metering upgrades are essential.
- Communications, data & technology — treat comms infrastructure as equally important as solar or batteries; local talent pipeline via high schools and junior colleges.
- Member engagement — speak to every community group’s specific motivations (cost, environment, sovereignty); be radically honest; take a whole-systems view that doesn’t stop at the meter.

If Kit Carson Electric Cooperative can do it, any energy community — I promise you — can do this. Full case study available on Melissa’s Rice University website and published in the World Economic Forum’s Future Power Systems Playbook.