



Alternative Local Energy Plan (ALP)

A practical framework for cutting energy bills, improving resilience, and putting communities in control of clean power

Prepared as an alternative while the Government's Local Energy Plan remains unpublished



Executive Summary

In November 2024, the Secretary of State for Energy told the House of Commons that the Government's Local Energy Plan was being prepared "at pace". In practice, it was deprioritised.

The imbalance is not inevitable. A functioning energy system must support both large-scale infrastructure and local power. At present, it does not.

While the Government's Local Energy Plan remains unpublished, this document sets out an Alternative Local Energy Plan (ALP): a practical, deliverable framework designed to cut household energy bills by hundreds of pounds a year, improve resilience, and give communities genuine control over their own power.

This is a top-level strategic plan. A subsequent technical paper will set out detailed costs, rates of return, and deployment scenarios.

A. Power built locally, delivered at scale — Aggregation of large numbers of small clean energy assets into coordinated programmes, enabling fast-track (NSIP) treatment and system-level delivery.

B. Use local power locally — then sell the surplus freely — Local-first supply as the default, with the right to sell surplus energy to anyone, including neighbours.

C. A fair choice at every home — The right to have two suppliers at a single address where one is off-grid, allowing direct competition with the grid.

D. Power that keeps running when the system fails — The right to design local systems with controlled islanding capability.

E. Delivery that actually delivers — Professionally governed system entities combining aggregators, investors and communities, with three participation tiers.

F. Ending silent blockage by default — Clear duties on DNOs to respond within 30 days and provide direct data access.

Alignment and Divergence

Where Government / GBE policy aligns with — and diverges from the Off-Grid Alternative Local Energy Plan.

Issue	Government / GBE	Off-Grid
Clean energy deployment	✓	✓
Need to scale local energy	✓	✓
Skills shortages	✓	✓
Aggregation of small assets	✓	✓
Fast-track (NSIP) treatment for aggregated local programmes	✗	✓
Local-first use of energy	✗	✓
Right to sell surplus power locally (incl. neighbours)	✗	✓
Competition with the grid at household level	✗	✓
Ability for neighbours to trade power directly	✗	✓
Islanding / autonomous operation	✗	✓
Ownership and control	✗	✓
Speed of delivery	✗	✓

Operating Framework

A1. Aggregation of Local Energy as Strategic Infrastructure

Aggregation allows thousands of small clean energy assets to be planned, financed and delivered as a single coordinated programme, avoiding asset-by-asset delay and high transaction costs.

Aggregated local energy programmes should qualify for fast-track (NSIP) treatment, enabling proportionate system-level assessment.

B1. Local-First Supply and Open Surplus Trading

Local generation should serve local demand first, with surplus energy sold freely, including to neighbouring properties.

Compulsory routing through wholesale markets is unnecessary for local supply.

C1. Dual-Supplier Arrangements and Retail Competition

Current rules limit households to a single electricity supplier.

ALP introduces a bounded exception where one supplier is off-grid, enabling competition with the grid.

D1. Islanding and Autonomous Operation

ALP establishes the right to design local systems with controlled islanding capability.

This enables continued operation during grid outages.

E1. Delivery Architecture and Governance

ALP enables professionally governed delivery entities combining aggregators, investors and communities.

Three participation tiers allow communities to choose their level of involvement and return.

F1. Network Operator Duties and Data Access

Distribution Network Operators should provide formal responses to local energy plans within 30 days.

Direct access to network data reduces delay and cost.

Sections A1–F1 together define a complete and workable operating framework for local energy and establish clear criteria against which the Government's Local Energy Plan can be judged when published.

To close the gap between strategy and delivery, the Government should commit £5 million to build and operate one 5 MW micropower station as a national Proof of Build. If successful, the same model should be replicated across ten further sites, creating a scalable national micropower template.

Responses to Likely Objections

A2. Fast-track treatment is inappropriate

Objection:

Fast-track treatment replaces repetitive asset-level assessment with proportionate programme-level scrutiny. It does not remove oversight.

B2. Direct local sales undermine markets

Objection:

Direct local sales improve price signals and reduce losses without removing access to national markets.

C2. Two suppliers will confuse consumers

Objection:

This is a bounded, opt-in exception limited to off-grid supply, with protections retained.

D2. Islanding is unsafe

Objection:

Controlled islanding is established engineering practice and improves resilience.

E2. Community delivery is weak

Objection:

Aggregation and professional governance address historic weaknesses.

F2. DNO response times are unrealistic

Objection:

Predictable timelines reduce speculative applications and improve system planning.