



# Locally owned renewable energy A call for evidence

Date of issue: 12 January 2018

Action required: Responses by 30 March 2018

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.  
This document is also available in Welsh.

**Overview** Welsh Government is committed to the ambitions set out in our energy policy document, Energy Wales: A Low Carbon Transition. We also set out the Welsh Government vision for local energy in Wales in Green Growth Wales: Local Energy. This described Welsh Government's intent in developing a more sustainable approach to local energy production, distribution and use.

In September 2017 the Cabinet Secretary for Environment and Rural Affairs announced new, ambitious targets for energy generation in Wales:

- Wales to generate 70 per cent of its electricity consumption from renewable energy by 2030
- 1 gigawatt (GW) of renewable electricity capacity in Wales to be locally owned by 2030
- Renewable energy projects to have at least an element of local ownership by 2020

This call for evidence is intended to explore the challenges of meeting the local ownership targets in order to ensure we have the right framework for their delivery.

**How to respond** Please submit responses by email or post, along with the response form at the end of this call for evidence by 30 March 2018. The call for evidence and response forms are available on the Welsh Government's website:

<http://gov.wales/topics/environmentcountryside/energy/renewable/local-renewable-energy-generation/call-for-evidence>

Please provide evidence where you can: it is not necessary to answer all questions if you do not have the information.

**Further information and related documents** Large print, Braille and alternative language versions of this document are available on request.

**Contact details**

For further information:

Decarbonisation and Energy Division  
Welsh Government  
Cathays Park  
Cardiff  
CF10 3NQ  
email: [energypolicymailbox@gov.wales](mailto:energypolicymailbox@gov.wales)

**Data protection**

How the views and information you give us will be used.

Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about. It may also be seen by other Welsh Government staff to help them plan future consultations.

The Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. This helps to show that the consultation was carried out properly. If you do not want your name or address published, please tell us this in writing when you send your response. We will then blank them out.

Names or addresses we blank out might still get published later, though we do not think this would happen very often. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 allow the public to ask to see information held by many public bodies, including the Welsh Government. This includes information which has not been published. However, the law also allows us to withhold information in some circumstances. If anyone asks to see information we have withheld, we will have to decide whether to release it or not. If someone has asked for their name and address not to be published, that is an important fact we would take into account. However, there might sometimes be important reasons why we would have to reveal someone's name and address, even though they have asked for them not to be published. We would get in touch with the person and ask their views before we finally decided to reveal the information.

## Background to this call for evidence

The Environment (Wales) Act 2016 sets a legal target of reducing emissions by a minimum of 80% by 2050 and places a duty on the Welsh Ministers to set a series of interim targets (for 2020, 2030 and 2040) and five yearly carbon budgets. The budgets will limit the emissions in Wales over each 5 year period and allow us to track progress towards the long term target. The Act says we must set the interim targets and first two carbon budgets (2016-20 and 2021-25) by the end of 2018.

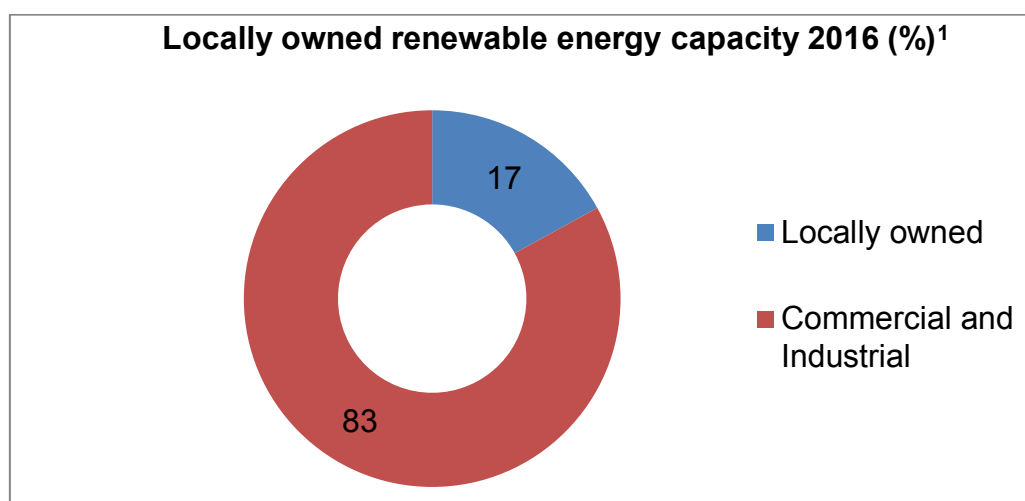
In 2015 the power sector was responsible for 38% of Wales' carbon emissions. Heating homes and workplaces largely uses gas, with some oil and solid fuels and is in addition to this. A key part of delivering our carbon budgets will be ensuring we use energy more efficiently and generate more energy from low carbon sources.

Wales will need to generate energy from a mix of different technologies and sizes, from community scale to major projects, to meet our future energy needs. We want to drive the energy transition from high to low carbon and from central to distributed generation, in a way that delivers maximum benefits for Wales.

We consider the ownership of renewable energy projects confers a range of benefits on the owners. In our view, increasing the proportion of generation owned by Welsh people and organisations will secure more of these benefits for Wales. Through this call for evidence we want to confirm and add to our evidence base regarding the benefits ownership can convey.

## Current position on ownership

In December 2017 we published a report on [energy generation in Wales](#) using energy data up to the end of 2016. This showed that in December 2016 there were 62,420 locally owned renewable energy projects in Wales, with an installed capacity of 575 MW. This is split between 397 MW of electricity and 177 MW of heat capacity. Locally owned renewable energy capacity makes up 17% of total renewable energy capacity in Wales.



<sup>1</sup>Adapted from [Energy Generation in Wales](#)

Solar photovoltaic is the most common technology in local ownership, and represents 52,431 of the 62,420 locally owned installations. The majority of these are domestic scale installations. However, onshore wind is the technology with the largest installed capacity in local ownership at 160 MW.

The UK Government mechanisms such as the Renewables Obligation, Renewable Heat Incentive, Feed in Tariffs, the Capacity Market and Contracts for Difference are the main policy instruments in this non-devolved area. Collectively these have created a surge of renewable generation between 2010 and 2016 and costs of the technologies have fallen dramatically. UK Government has reduced the level of incentives in response to cost reductions and to control the costs of the support mechanisms. Renewable energy development no longer provides the previous very high rates of return which many had come to expect, although it still makes sense over the longer term. This call for evidence looks to explore the implications of the commitment to local ownership, taking into account the current difficult environment for renewable energy developments as well as their long term benefits.

## **Our aim**

Our aim in exploring local ownership is to gather evidence about how renewable energy generation can secure benefits for Wales and spread this benefit in a more equitable way. We aim to use the call for evidence to help identify the challenges developers, businesses, local authorities, communities and others will need to overcome to deliver more renewable generation in local and shared ownership.

We believe it is possible to design energy developments that local people can support and buy into. A collaboratively designed project, with communities, either groups or local authorities, bringing local knowledge and support and developers bringing their commercial and technical skills, could be an effective way of developing good projects in the right places.

The call for evidence is an opportunity for communities, developers, other businesses and public sector bodies to provide evidence. We are looking for examples of organisations working together to deliver jointly owned projects. We also seek evidence on the specific support needs to increase local or shared ownership of new renewable energy projects. We are keen to hear about experience from within Wales and the UK as well as evidence from across the world.

## **Definitions**

We use the term “local energy” to refer to generation owned by Welsh organisations, which provide benefit to Wales by their contribution to the financial viability or resilience of the owning organisation.

Our proposed definitions are set out in Section 2.

## **Future services**

The call for evidence seeks the views of developers, communities, the public sector and other stakeholders on how we should take forward local and shared ownership in Wales.

Communities and businesses across Wales have benefited from support under the Rural Development Programme, which recognises the role of renewable generation and energy efficiency to the resilience and prosperity of rural areas.

Welsh Government is also supporting public sector bodies to develop both energy efficiency and renewable energy projects through the Green Growth Wales Service.

On the innovation front, Welsh Government is working closely with Local Authorities, Universities and Network operators to facilitate Smart Living demonstrators covering place-based and needs-led proposals using innovative technologies, systems and processes to inform the future.

We believe that communities are the least well resourced of all local owners, which is why we have supported them through the Ynni'r Fro and [Welsh Government Local Energy](#) programmes.

Welsh Government is currently considering what support might be needed to increase local generation. The call for evidence will help us address any need through our support services and guidance.

## **Further information**

We will be holding a series of workshops early in 2018 as part of the call for evidence process. If you would be interested in attending these workshops, please email [energypolicymailbox@gov.wales](mailto:energypolicymailbox@gov.wales).

## Section 1: Targets

The Cabinet Secretary for Environment and Rural Affairs has set an energy target of 1 GW of renewable electricity capacity in Wales to be locally owned by 2030 and an aim that by 2020 all new renewable energy projects should have at least an element of local ownership. She has set these renewable energy targets for local ownership to ensure we capture the benefits for Wales from the transition to a low carbon energy system.

Currently the 1 GW target includes only renewable electricity projects. We are conscious this could have a negative impact on heat projects, which are difficult though very important for decarbonisation. The Welsh Government is considering expanding this target to include both electricity and heat.

We are also considering whether there might also be an expectation that other energy projects could be taken forward on a shared ownership basis.

**Question 1: Please provide evidence to support or reject expanding the 1GW target to encompass both electricity and heat projects.**

**Question 2: Please provide evidence on the level of ownership we should consider reasonable to fulfil the requirement.**

**Question 3: Please provide evidence to support or challenge expanding the expectation on shared ownership to encompass other new electricity and heat projects.**

## Section 2: Definitions

### Local ownership

We define locally owned energy as energy installations located in Wales and owned by an individual or an organisation wholly based in Wales or whose principal headquarters are in Wales. This includes the following categories:

- Farms and estates
- Local Authorities
- Registered Social Landlords
- Businesses based solely in Wales
- Businesses whose principal headquarters are in Wales
- Other public sector organisations
- Charities and other third sector organisations
- Households and other domestic scale generation

**Question 4: Do you agree with the definition of local ownership above?**

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

**Please provide evidence to support or amend the local ownership definition.**

### Shared ownership

Shared ownership is a project owned by more than one legal entity. Examples exist where the ownership of a project is shared between a developer and a community group, individuals or a public sector organisation. Shared ownership projects can involve more than one commercial organisation.

However, in order to be considered as a shared ownership project under the target set by the Welsh Government, we would expect one or more of the owning bodies to be one of the organisations or individuals included in the definition of “local energy”.

In our view, shared ownership should involve people who live and work in Wales, and provide benefit to Wales, not only external shareholders. Shared ownership might involve people local to the development from the design stage onwards and offer an opportunity for them to become shareholders in energy projects.

**Question 5: Do you agree with the definition of shared ownership above?**

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

**Please provide evidence to support or amend the shared ownership definition.**

**Community Ownership**

We define a community installation as an energy development located in Wales which is wholly owned by a social enterprise whose assets and profits are legally committed to the delivery of social and/or environmental objectives in Wales.

**Question 6: Do you agree with the definition of community ownership above?**

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

**Please provide evidence to support or amend the community ownership definition.**

Businesses and landowners in particular have been making great progress in deploying renewable generation. However, to meet the 1 GW target we think we will need to support Welsh communities, individuals, public sector bodies and businesses to develop or secure a share of ownership in larger scale developments.

Community energy projects are focused on developing assets owned by the local group or community, using all the benefits it generates to deliver locally beneficial outcomes. Unlike other organisations included in the local definition, they often have little or no access to funding and development expertise. Welsh Government has therefore supported communities to develop renewable energy projects since 2010. We understand, from our close work with groups across Wales, what support is needed to do this. We continue to support communities to bring forward their own generation and to explore ways to use the energy locally.

However, these wholly community owned models remain relatively small in number. Expecting every group to learn to become an energy developer is a relatively

inefficient way of increasing locally owned generation. This approach is also likely to disadvantage more deprived and less well connected communities. There is an emerging group of social enterprises with a track record of delivering energy projects, some of which are developing assets on behalf of other communities in cooperative and collaborative models.

Shared ownership of larger projects could be an important way of growing the amount of energy generation in local ownership in Wales, and delivering real, lasting benefits to the communities who host these projects. We have little evidence to date of shared ownership projects in Wales, or of what is needed to ensure they deliver the anticipated benefits.

We are supporting Community Energy Wales (CEW), whose Directors include lead figures from many of the community based social energy developers, to work with commercial developers to find new opportunities to develop shared ownership projects in Wales. Natural Resources Wales (NRW) is also working with CEW to identify how we can exemplify this approach to shared ownership on public land.

## **Section 3: Evidence of Benefits of Ownership**

### **Ownership**

Renewable energy projects can provide both financial and non-financial benefits. Any commercially viable project will deliver a profit for its owner. Where the owner is based in Wales (the development is locally owned) we consider this should increase prosperity in Wales.

### **Local economic benefit**

Renewable energy will also deliver employment through its development, delivery, maintenance and disposal. All projects will deliver some element of local employment, which can be more or less profitable.

Some developers work hard to procure local contractors to develop and deliver projects. This depends on the capacity and quality of supply chain being available as well as on the desire of the developer to buy local. In Wales, the local expenditure has principally been in civil engineering such as ground works.

We welcome evidence of local benefit of projects delivered in Wales to date. We also welcome evidence of skills or supply chain shortages preventing developers spending the majority of their development and construction finance in Wales.

### **Community Benefit Funds**

Renewable developments which have been funded through UK Government incentives or subsidy have also tended to provide community benefit packages. Depending on the size of the installation they can be cash funds, generally about £5,000 per MW installed capacity annually. They can also include environmental or social benefits, such as training, education or environmental restoration, often as planning conditions.

Community benefit funds can be significant for an area, particularly with large scale developments. However there is evidence that it will be more challenging to provide significant community benefit funds in an era with low or no Government support mechanisms.

### **Investor Benefit**

Investors in a project are able to benefit from a proportion of the income from the project through the interest they receive. The income can be variable and, as in any investment, can be at risk. Developers generally have some access to their own funds, or have relationships with one or more funding organisations. Securing all their funding from one or two funders is relatively simple in terms of due diligence and contractual arrangements. However we are given to understand that it can be very difficult for individuals or small funders to invest in a project.

## **Share offers**

Communities have tended to raise money from share offers (similar to crowd funding) where an investment proposal is made and people choose to buy in. It is possible to invest as little as £50 in such share offers. However it can take a long time to develop and promote a share offer, and to get the level of investment needed. Share offers generally tend to appeal to individuals able to invest their own money and with a willingness to wait a period of time for the investment to repay.

## **Non-financial benefits**

Many organisations, particularly community groups, do not develop renewable energy projects solely for financial benefit. The non-financial benefits of a locally owned renewable energy scheme can be as follows:

- Community empowerment
- Skills development
- Increase cohesiveness of communities
- Increased understanding of energy
- Potential control of own energy supply
- Tackle local fuel poverty either by supporting energy efficiency measures or reduced fuel costs
- Acceptability of the project within the local area
- Consequential support for other projects within the local area
- Delivery of other local priorities from income received

In theory, shared ownership could bring some of the non-financial benefits listed above to larger projects. This could potentially result in lower capital and revenue development costs and responsibilities for each party, and deliver more non-financial benefits. However it is likely to increase the complexity of the project.

**Question 7: Please provide evidence of benefits already being delivered for Wales from renewable energy projects.**

**Question 8: Please provide evidence of the relative value of the different benefits outlined in the section above. As part of this assessment we would welcome evidence about what the priorities should be for action to secure increased benefits to Wales.**

## **Section 4: Challenges of shared ownership projects**

To help develop shared ownership, the Local Energy Service provides a partnership portal. This is intended to help organisations such as local authorities, developers, community groups and investors to be connected to deliver renewable energy projects, or to share their experiences and offer peer support. However, the portal has not been utilised to its full potential and it is not backed by other support.

Communities are not resourced in the way developers, public sector bodies and other businesses are. In relation to shared ownership, we have heard anecdotally about reluctance on the part of communities to work with larger developers due to the difficulties in getting a community consensus that this is the right thing to do, a lack of trust or a potential power imbalance between partners with differing capacities and resources. It is possible that also developers are also reluctant to involve community groups due to increased complexity, cost and challenges in accessing finance. All partners are likely to need support to take forward shared ownership projects.

**Question 9: Please provide evidence of specific challenges in relation to shared ownership projects. As part of this assessment we would welcome evidence about whether shared ownership itself represents a barrier to deployment of renewable energy projects.**

**Question 10: Please provide evidence about where a challenge or barrier to shared ownership has been successfully addressed.**

## Section 5: Ownership Models

Renewable energy projects may be owned by and operated by a single person or organisation, with that person or organisation receiving all the benefit. Ownership models with a single legal owner include the following:

- **Individual Ownership:** an individual owns the project e.g. domestic installation.
- **Owner Operator (including 100% community ownership):** a project wholly owned by a business, public body or other enterprise. The owner fully controls the project and receives all the benefits.

Shared ownership models share benefit between two or more parties. These can include a commercial developer, a public body, a landowner, individual, business or community group. The principal types of models with an element of shared benefit are as follows:

- **Joint venture** – the commercial operator and other organisation work together to create a joint venture to develop, own and manage the renewable energy project. Usually a new company is formed to develop and manage a new generation project, with shares in the company being held by each partner.
- **Shared/Split ownership** – where a scheme is divided into two or more separate generating systems, each of which can then produce energy for the benefit of the owner. For example, a community organisation or local business might get the revenue generated from one or more wind turbines in a multi-turbine project. This could be **commercial developer led** (project development and construction is led by a commercial developer, with the community being offered or gifted an investment stake/shares in the shared ownership project) or **local developer led** (project development is led by the business, public authority or community and a developer is approached to construct and invest in the shared ownership project).
- **Shared revenue** – the commercial operator develops the project and offers a revenue share to another organisation which invests a financial stake in the development in return for a share of the profits. However the other organisation does not own a physical asset, but buys the rights to a future virtual revenue stream, calculated on the basis of a specified proportion of the output of an installation, less agreed operating costs and generally less virtual debt service. This is calculated as if the other organisation had acquired the underlying infrastructure.

The following types of legally constituted community organisations have been identified:

- **Community Benefit Society:** people in the local community become members of the society and buy shares to finance the project. **Community charities:** usually take the form of an association with charitable status that provides or runs facilities for the local community. Such charities can also have trading arms for community interest companies to provide local services such as management of energy projects.
- **Trusts:** used to represent communities' interests in community ownership.

The case studies below demonstrate how different approaches have been used in Wales.

### Case Study 1

**Project:** Bro Dyfi Community Renewables

**Location:** Machynlleth in Mid-Wales

**Technology:** Wind Turbine

**Size:** 575 kW (2 turbines)

**Generating:** generate enough electricity to meet the domestic need of 195 homes a year

**Ownership:** 100% community owned co-operative



Bro Dyfi Community Renewables (BDCR) is a community-led, community-owned renewable energy co-operative in the Dyfi Valley. Using refurbished wind turbines, BDCR provided an opportunity for people of the Dyfi Valley to own and operate two turbines located on the hills above the Centre for Alternative Technology.

BDCR promotes renewable energy generation, energy efficiency and carbon saving to Members and the wider community through the local Community Energy Fund. They also support the local sustainable development NGO, ecodyfi. Established in 2001, BDCR are Wales's oldest established community energy project and over 65% of their share holders live in the local SY20 - 23 postcode areas.



## **Case Study 2**

**Project:** Transition Bro Gwaun – Abergwaun Community Turbine

**Location:** Fishguard, Pembrokeshire

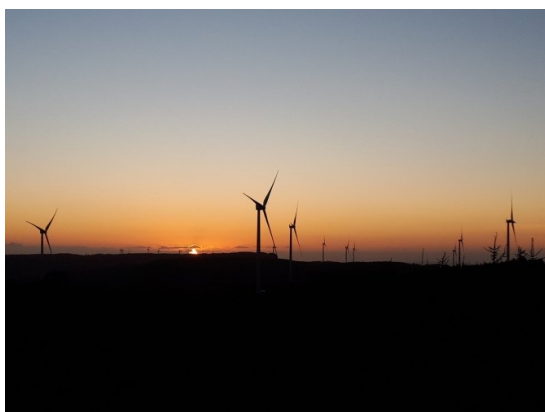
**Technology:** Wind turbine

**Size:** 225 kW

**Generating:** 590,000 KWh per year, equivalent of powering approximately 140 homes a year.

**Ownership:** Joint ownership venture equally split between community and land owner

Transition Bro Gwaun's share of the profit will be used to help fund other low carbon community projects through a Low Carbon Community Regeneration Fund. Grants would be awarded to projects that can demonstrate significant carbon reduction.



### **Case study 3**

**Project:** Pen y Cymoedd Wind Energy Project

**Location:** Neath Port Talbot/Rhondda Cynon Taf

**Technology:** Wind Turbine

**Size:** 228 MW (76 turbines)

**Generating:** Generates enough electricity to meet the domestic need of 188,000<sup>1</sup> homes a year, the equivalent of 15% of Welsh homes.

**Ownership:** 100% developer owned (Vattenfall).

Pen y Cymoedd Wind Energy Project is the largest onshore wind farm in England and Wales. £220 million of the £400 million cost was spent in Wales, securing over 1000 jobs and resulting in 23 full time, locally based posts.

The Pen y Cymoedd Community Fund represents direct local community investment from the Pen y Cymoedd Wind Energy Project into the area hosting the project in the upper Afan, Cynon, Neath and Rhondda Valleys. The fund will be the largest wind energy community fund in the UK, making available around £1.8m annually for the operating life of the wind farm of around 20 years. More than 3000 residents, groups and organisations of the upper Rhondda, Cynon, Afan and Neath Valleys have helped shape the vision for the fund. The fund will be managed by a Community Interest Company, established by Vattenfall, to deliver maximum benefit. The Board was appointed earlier this year through an open recruitment process.

**Question 11: Please provide evidence of developments using other ownership models not included above.**

**Question 12: Please provide evidence to demonstrate the most useful models in delivering shared ownership and local benefit.**

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<sup>1</sup> <http://www.renewableuk.com/page/UKWEDEexplained>

## Section 6: Finance

Current evidence suggests that the main sources of capital funding for renewable developments are provided by traditional commercial lenders: high street banks; lenders providing finance specifically for renewable energy projects; public sector funding sources such as Public Works Loan Board; charitable bodies and national lottery funding; the Development Bank for Wales; and the Welsh Government's Sustainable Production Grant, Local Energy Fund and Green Growth Wales finance offers. There are local or regional groups providing capital grants to finance projects in their area. Community funds from large renewable projects, such as Windfall and Pen y Cymoedd Community Fund, are now starting to provide regional funds.

### Case Study 4

**Project:** Windfall (Mid Wales Community Energy Trust)

**Location:** Mid Wales

**Nature:** Community benefit fund

**Annual income:** currently £20,000 a year

**Legal status:** Company limited by Guarantee

**Official aim:** For the benefit of the community and the protection of the environment, to promote and facilitate sustainable energy and energy efficiency.

**Contact:** [www.windfall.org.uk](http://www.windfall.org.uk)

Windfall collects a proportion of the revenue from energy generation in Mid Wales and redistributes it as grants for energy efficiency and renewable energy projects to communities near contributing wind farms. The area of Montgomeryshire receives the benefit, particularly the Community Council areas of Carno, Caersws, Trefeglwys, Dwyriw, Llanbrynmair and Llanerfyl. Amegni, owner of Carno 2, is the major donor.

Beneficiaries have included Trefeglwys school (PV), other schools (educational projects), and Carno Community Centre (wood pellet heating, heat management and PV).



Most community projects have also raised finance through share offers. In many cases these share offers have been launched during or after the build of the projects. The share offer has then been used to pay off debt finance.

Shares in a community energy scheme almost always replace what would have been commercial debt finance from outside Wales and are often the route to equity for a community group. Where shares are bought by local people, the dividend

payments will deliver local wealth retention. However it is difficult to restrict share offers to a geographic area.

The rationale for local ownership set out earlier in the call for evidence was based on benefits being directly related to the ownership of projects. We asked questions previously about whether the ownership of the project or ownership of the capital conveyed more benefit. If benefits are related to ownership of the capital, there may be a need to raise more Wales based capital.



### **Case study 5**

**Project:** Egni Wales Solar PV Co-op

**Location:** Community buildings in the South Wales Valleys

**Technology:** Solar PV

**Size:** 119kWp

**Ownership:** Co-operatively owned

Egni Wales Solar PV Co-op is a co-operative set up to put solar panels on community buildings. The Share Offer raised £171,000 from 94 members. The money raised was used to pay for the installation of solar panels. The community buildings receive free electricity generated by the solar panels, whilst the income from the Feed In Tariff goes back into the co-op and is returned to members. In 2016 60kw of solar were installed on two new sites with bridging finance from Robert Owen Community Banking. A new share offer is planned in 2018 to repay Robert Owen and fund additional installations. Egni's existing sites are:

- Awel Aman Tawe, Cwmllynfell
- Dove Workshops, Banwen
- Glynneath Training Centre
- Ysgol y Bedol, Garnant
- Seven Sisters Community Centre
- Phoenix Centre, Swansea
- Trimsaran Leisure Centre

**Question 13: Please provide evidence of the types and sources of finance used to develop energy projects in Wales. Evidence to support or challenge the continuation of Welsh Government finance offers would be helpful.**

**Question 14: Please provide evidence of the impact of shared ownership models on access to or cost of finance.**

## Section 7: Role of investment mechanisms and Energy Company

Earlier this year Welsh Government collected evidence and views about the potential for a 'not for profit' energy company for Wales. We held a series of consultation events in March. These events looked at an energy supply company specifically. However, it also gathered opinions on additional functions needed to support the delivery of energy policy or social justice outcomes in Wales, which could involve establishing a not for profit energy company.

The process developed a clear consensus around the risks, challenges and tensions inherent in Welsh Government setting up and running an energy supply company. Many people involved in the consultation felt government had an important trusted neutral voice, which could be lost if participating in the market. Overall, it was felt the risks of creating a Welsh Government supply company would heavily outweigh the potential benefits. An [independent report](#) on the events was published in August.

A [Written Ministerial Statement](#) was issued in August which set out that we do not believe a strong case has been made for establishing an umbrella supply company for Wales. However, we have undertaken to evaluate whether there is a potential role for not for profit energy companies in encouraging more shared ownership of renewable energy projects through this call for evidence.

It has been suggested that a Wales-wide investment mechanism might be useful to raise Welsh funds to help fund locally owned projects, perhaps on a not for profit basis. Such a mechanism might enable individuals to invest in central fund, and raise funds in advance of the need for investment. This could reduce the need for construction finance, or might spread project risk across a portfolio, reducing the risk to individual investors. There is little evidence whether this will actually increase the local retention of benefit, impact on current market provision, encourage additional investment or enable larger portfolios of projects to be developed.

There may be other roles in delivering the ownership targets, which would be best delivered by formation of a not for profit energy company.

We are therefore seeking further evidence in relation to the not for profit energy company for Wales concept before deciding whether to pursue these further.

**Question 15: Please provide evidence to support or challenge a role for a 'not for profit' energy company for Wales to help deliver local ownership targets.**

**Question 16: Please provide evidence of the need for an investment mechanism to increase availability of Wales based capital for investment in energy projects.**

## **Section 8: Next Steps**

The evidence we receive as a result of this call for evidence will determine the action we take. We hope it will confirm our view that increasing local ownership of energy generation will contribute to increased prosperity in Wales as well as reconnecting people with the sources of the energy we use at home and at work. This understanding and connection is fundamental to achieving a low carbon future.

We may wish to review the targets on ownership as a result of evidence received. We will definitely use the information in continuing to evolve our service provision in support of the targets. There may also be need for more guidance, either from government or from sector bodies.

We will publish a summary of the evidence received, and follow this publication with an update on any further action necessary.

## **Consultation Response Form**

**Your name:**

**Organisation (if  
applicable):**

**email / telephone  
number:**

**Your address:**

**Are you:**

- |                          |                          |
|--------------------------|--------------------------|
| <b>An individual</b>     | <input type="checkbox"/> |
| <b>Community group</b>   | <input type="checkbox"/> |
| <b>Social enterprise</b> | <input type="checkbox"/> |
| <b>Developer</b>         | <input type="checkbox"/> |
| <b>Public sector</b>     | <input type="checkbox"/> |
| <b>Third sector</b>      | <input type="checkbox"/> |

**Please provide some information about your interest in this area.**

## Section 1: Targets

**Question 1: Please provide evidence to support or reject expanding the 1GW target to encompass both electricity and heat projects.**

**Question 2: Please provide evidence on the level of ownership we should consider reasonable to fulfil the requirement.**

**Question 3: Please provide evidence to support or challenge expanding the expectation on shared ownership to encompass other new electricity and heat projects.**

## Section 2: Definitions

**Question 4: Do you agree with the definition of local ownership above?**

☐

Strongly Agree

☐

Agree

☐

Neither agree nor  
disagree

☐

Disagree

☐

Strongly Disagree

**Please provide evidence to support or amend the local ownership definition.**

**Question 5: Do you agree with the definition of shared ownership above?**

☐

Strongly Agree

☐

Agree

☐

Neither agree nor  
disagree

☐

Disagree

☐

Strongly Disagree

**Please provide evidence to support or amend the shared ownership definition.**

**Question 6: Do you agree with the definition of community ownership above?**

☐

Strongly Agree

☐

Agree

☐

Neither agree nor  
disagree

☐

Disagree

☐

Strongly Disagree

**Please provide evidence to support or amend the community ownership definition.**

### **Section 3: Evidence of Benefits of Ownership**

**Question 7: Please provide evidence of benefits already being delivered for Wales from renewable energy projects.**

**Question 8: Please provide evidence of the relative value of the different benefits outlined in the section above. As part of this assessment we would welcome evidence about what the priorities should be for action to secure increased benefits to Wales.**

## **Section 4: Challenges of shared ownership projects**

**Question 9: Please provide evidence of specific challenges in relation to shared ownership projects. As part of this assessment we would welcome evidence about whether shared ownership itself represents a barrier to deployment of renewable energy projects.**

**Question 10: Please provide evidence about where a challenge or barrier to shared ownership has been successfully addressed.**

## **Section 5: Ownership Models**

**Question 11: Please provide evidence of developments using other ownership models not included above.**

**Question 12: Please provide evidence to demonstrate the most useful models in delivering shared ownership and local benefit.**

## **Section 6: Finance**

**Question 13: Please provide evidence of the types and sources of finance used to develop energy projects in Wales. Evidence to support or challenge the continuation of Welsh Government finance offers would be helpful.**

**Question 14: Please provide evidence of the impact of shared ownership models on access to or cost of finance.**

## **Section 7: Role of investment mechanism and Energy Company**

**Question 15: Please provide evidence to support or challenge a role for a 'not for profit' energy company for Wales to help deliver local ownership targets.**

**Question 16: Please provide evidence of the need for an investment mechanism to increase availability of Wales based capital for investment in energy projects.**

**Question 17: We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them.**

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here: ☐