

## **Proposal – Welsh Government**

Community Energy Wales is the collective power of community groups and not for profit organisations working together to build a better energy future for Wales. We work to promote both energy efficiency and the generation of renewable energy, electricity and heat. We work to champion, support and deliver projects that can reduce carbon emissions and address fuel poverty.

CEW is company limited by guarantee and over 70 members spread across Wales. It has been core-funded by Welsh Government and is developing a number of other income streams to become fully sustainable in the long term.

## **The Need**

- 1) In Wales we have the opportunity to do things differently. With the removal of the Feed In Tariff (FITs) and the export tariff it is increasingly difficult to develop small scale community owned renewable energy projects. This means our sector will need to develop, larger, increasingly complex projects and will need to be innovative and work in partnership with others through shared ownership projects.
- 2) The Welsh Government's ambitions are demonstrated through the Wellbeing of Future Generations Act, the Environment Act, Low Carbon Pathway and the Welsh Government Energy Service. We therefore need to find a way of significantly increasing the amount of community owned energy to maximise the social and economic impacts of our Renewable Energy Transition.
- 3) The Environment Secretary recently stated an ambition for Wales to be a nation renowned for clean energy<sup>1</sup> targeting 70% of our electricity to be renewable by 2030, delivering 1 MW of locally owned energy and ensuring all renewable energy projects after 2020 have some element of local ownership.
- 4) Community Energy Wales needs to develop further income streams and services to support the ambitions of the sector and become sustainable in the long term.
- 5) Communities are getting involved in other types of energy projects such as transport, heat and energy efficiency. We need to build up our skills, knowledge and expertise in these areas.
- 6) The latest IPCC report states we have 12 years left to get to grips with the climate crisis we are facing. Globally we have to reach net zero carbon by 2050. Involving people and engaging with those that are most committed to resolving this issue will be crucial to be successful and bring people with us.

## **The Opportunity**

Community Energy Wales is working in the following areas and making significant progress, but there are still huge opportunities in Wales for community owned energy.

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<sup>1</sup> <http://gov.wales/newsroom/environmentandcountryside/2016/161206-environment-secretary-sets-out-ambitions-for-wales-to-become-nation-renowned-for-clean-energy/?lang=en>

- 1) CEW has developed the YnNi Teg project which was a 900KW wind turbine in Carmarthenshire. It was an opportunity that arose where there wasn't a local group able to take on the project. Following on from this we are developing a community owned solar farm in North East Wales in partnership with a local community energy group and we are investigating another 500KW wind site in Ceredigion. We are continuing to identify opportunities and our ambition is to develop a community owned renewables development company for Wales as recommended by the recent IWA 'Re-energising Wales' report<sup>2</sup>.
- 2) CEW are developing the first large scale shared ownership project with Innogy. We have negotiated a potential 15% stake in the scheme and are putting together a partnership agreement that others can learn from as they develop shared ownership projects. With the ambition for every project to have an element of local ownership from 2020, this is a massive opportunity going forward and the community energy sector is well placed to develop further similar partnerships going forward.
- 3) The Wellbeing of Future Generations Act is already having a positive impact in the tendering process for options for Renewable Development on publically owned or managed land. In NRW's latest tender for a renewable energy site they specifically encouraged shared ownership and in the latest IWA 'Re-energising Wales' report they recommend public bodies such as NRW specifically identifying sites for community owned energy.
- 4) Our members are still finding it challenging to work with Local Authorities on projects, this is common across the UK not just in Wales. If we are to really scale up Community Energy and locally owned energy in Wales we need to work collaboratively with the public and private sector.
- 5) CEW over the years through its membership and reputation in the sector has developed a strong brand. Following the recent AGM, CEW has a board with a wide range of expertise and experience in delivering projects and support services in the Community Energy Sector.
- 6) The community energy sector is often at the heart of innovation, this has been demonstrated through the Energy Local model where CEW secured funding to try and roll this out to other communities in Wales. With the challenges of decarbonisation communities are starting to deliver in other areas such as transport, heat, energy efficiency and innovative finance. CEW and it's members are keen to be at the forefront of such developments.

### **Our proposal**

CEW is perfectly placed to deliver a number of services for the Community Energy Sector that could help accelerate the growth of Community Owned Energy in Wales and take advantage of opportunities that would otherwise be missed.

We are still committed to the following and have made good progress in these areas over the last year:

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<sup>2</sup> [https://www.iwa.wales/wp-content/uploads/2019/03/IWA\\_Energy\\_WP6\\_Digital-2.pdf](https://www.iwa.wales/wp-content/uploads/2019/03/IWA_Energy_WP6_Digital-2.pdf)

- 1) Where no community group exists or where a community group does not have the capacity to take on a project, CEW could take on the role of developing that project. If there was another community partner involved this could be in partnership with that organisation. In the long term CEW would look to work with interested local partners to hand over the project to a local organisation. The role of CEW would be to ensure that the opportunity was not missed.
- 2) CEW will continue to look to bring a number of existing Renewable Energy assets back into community ownership. CEW has good relationships with a number of developers who are interested in shared ownership of existing schemes.
- 3) CEW can bring the greatest value to a public or private sector partner in the early stages of any development. CEW will set up a service to support public and private sector developments to incorporate shared ownership into any scheme to enable maximum local involvement and community benefit from any scheme in keeping with the ambitions of the WFG Act.
- 4) CEW will work with the Welsh Government in developing a policy on shared ownership in Wales and through our work develop a number of case studies of good practice. CEW will support the Welsh Government to develop a pathway to deliver the targets set out for Community Ownership.
- 5) CEW will work with its members and other stakeholders to develop new and innovative energy projects which will include other areas such as transport, heat and energy efficiency.
- 6) CEW will work with partners and use its experience from members and projects such as YnNi Teg to develop new and innovative forms of finance for community energy projects in Wales as well as increasing the support for share offers from people in Wales.
- 7) Finally CEW is able to share learning from across the sector in Wales and the UK to develop innovative solutions to create new routes to market for community energy projects. An example of this is the Energy Local roll out that CEW will be delivering to trial the model in other communities in Wales.

CEW has grown its capacity in the last year [REDACTED], largely thanks to funding from Welsh Government as well as through securing other funding and generating income through our membership. In order to deliver our ambitious plans we need to maintain this level of resource for a minimum of a further year and potentially bring in additional resources as and when we develop new projects or initiatives. Without committed resources it will be reliant on limited part time staff and volunteer Directors to deliver this work which is not realistic in the long term.

If we want to see dramatic change then we need to professionalise the sector. CEW has the brand, is a trusted body and represents the sector through its members and Board. It also has the expertise highlighted in Annex 1.

Through the development of Community Energy Assets and services we aim that CEW will be self-sufficient financially within 3 years. However, there is a significant amount of up front work that will be required in order to develop these opportunities and services.

We believe funding of £63,000 over the next year would enable us to commit the resources to enable to continue and grow our work towards the ambitions we originally put to Welsh Government to deliver the following:

- **10+ MW's of Community Owned Energy** (Currently have developed 900kW and are developing 25 MW and potential for 5MW through shared ownership project)
- **Several £million's raised through share offers** (Raised over £500k through YnNi Teg)
- **£500,000 of match funding brought in** (Brought in £270,000 through RDP to date)
- **Pioneering policy and good practice on shared ownership in Wales.** (Developing a cooperation agreement with Innogy)
- **Sustainable income for CEW for 20 years** (YnNi Teg could provide up to £20k per annum and we are increasing membership income)
- **Additional Community Benefits of £2million over 20 years.** (YnNi Teg will provide around £500k over 20 years)

We believe that this is possible as a direct result of the WFG Act and the impact that has had on the market in Wales, as well as Welsh Governments ambitions to support local ownership. CEW are in a great position to take advantage of this opportunity.

### **Track Record**

CEW members/Directors (see Annex) have developed over 50 sites including wind, solar, biomass and hydro, and are involved in local supply trials. They have raised over £20m to build these projects from co-op share offers and bank debt.

## **Annex 1: CEW Board**

*Chris Blake* - Chris Blake is a founding director and current Chair of Community Energy Wales and has been working to promote community ownership of renewable energy in Wales for many years. He is also a founding director of the Ashden Award winning community enterprise The Green Valleys that has designed and built over 35 micro hydro schemes in Wales. (<http://www.thegreenvalleys.org/> and <http://www.tgvhydro.co.uk/>)

*Dan McCallum* – Dan is founder of Awel Aman Tawe which has raised £8.3m for a co-op wind farm due to be completed in December 2016. He is also Director of Egni which has installed 180kw of solar pv on 7 community buildings via a co-op share offer. AAT is contracted to work on the Welsh Government's Ynni Lleol programme and he is a member of the Community Energy Contact Group working with BEIS

*Grant Peisley* - Founding Director of DEG has been heavily involved in the Energy Local pilot project in the Ogwen Valley trialling a system for selling locally produced electricity to local people. DEG has worked with over 40 community groups on energy projects and been finalists in the Wales Green Energy Awards and highly commended in the inaugural Sustain Wales awards for work in Community Energy. (<http://www.deg.wales/?lang=en>)

*Jeremy Thorpe* - Jeremy has been involved with several community energy projects across Wales and England, focusing in particular on promoting the use of and raising awareness of the Registered Societies, financial planning and raising capital through community shares. Shareenergy were a spin out from Energy4All and have supported the raising of well over £6 million through share offers. (<http://www.shareenergy.coop/>)

*Dr Sioned Haf* – Sioned has been involved in the field of sustainability since 2008 – firstly as a campaigner for cultural sustainability, before studying environmental sustainability and management in Bangor University. She has been researching aspects of the community energy sector in Wales, Scotland and parts of Ireland since 2011. Her research has fed into lectures, academic articles and conference talks. In 2017, she developed a community energy teaching resource for schools in Wales and led a series of events introducing the sector to a wider audience in 2018. She is one of the directors of DEG (developing rural energy projects in northwest Wales), and is working as a project development officer with Carmarthenshire Energy from the end of summer 2018.

*Richard Clay* - Economics graduate with 15+ years in energy policy development, implementation and strategic response, largely focussed in the field of renewable electricity generation. He is delivery focussed with a strong track record of developing and / or improving policy instruments to achieve goals, often against a complex and multi-stakeholder environment. His experience spans working closely with Government as well as in a commercial environment as part of a senior management team.

