

State of the Sector 2019

Community Energy in Wales

The community energy sector in Wales benefits from a number of supporting mechanisms, organisations and policies not available elsewhere in the UK. The Welsh Government has actively recognised the economic, social and environmental benefits of local and community energy, setting a goal of 1 gigawatt (GW) of community or locally owned energy in Wales by 2030, as well as for all new projects to have an element of local ownership by 2020.

In October 2018, the Welsh Government launched the new Welsh Government Energy Service, building on support previously offered through the Ynni Fro and subsequent Ynni Lleol support frameworks. The new service provides financial and technical support to help public sector and community groups across Wales to develop their own renewable energy schemes.

Whilst the community energy sector in Wales receives greater support than in England, the sector has still been greatly impacted by recent changes to the policy landscape in the UK.



Ynni Teg

- Co-operative
- Community Interest Company (CIC)
- Community Benefit Society
- Unregistered / Unincorporated
- Charity
- Other



Low Carbon Communities

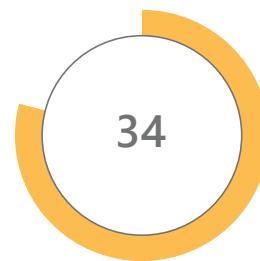
In 2018, 43 community energy organisations in Wales were involved in low carbon and renewable energy projects, representing 11% of all groups identified within the State of the Sector Report 2019. In total, 54 full time staff (FTE) were reported in Wales, supported by funding streams such as the Rural Development Program, EU INTERREG and cross-community funding. These organisations are supported by 5,655 members and investors throughout Wales and the rest of the UK.

In terms of energy generation, community energy organisations have developed projects with a total of 10.9 MW of operational electricity generation capacity. This includes 3.3 MW solar PV, 7.0 MW wind and 0.6 MW hydropower generation capacity. In 2018, these projects generated 22.2 GWh, offsetting 6,500 tCO₂e of carbon emissions. Just 92kW of new generation capacity was installed by community energy organisations in 2018 including solar PV and micro hydro schemes.

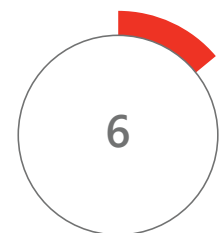
In total, 0.2 MW of heat energy generation was found to be community-owned across Wales, with no new projects installed in 2018. The sole operational project was reported to be Narbeth Energy's 200 kW community owned biomass boiler, which provides heat to a local swimming pool alongside electricity from solar PV.

12 Welsh community energy organisations were found to be involved in low carbon transport, including Datblygiadau Egni Gwledig (DEG), which is developing a business plan to support a local EV car sharing club and community-owned infrastructure. A further 11 groups were reported to be involved in developing, or deploying, energy storage projects, including Gwent Community Energy, which has installed a total of 28 kWh of small-scale battery storage systems for use by community centres and domestic customers.

17 community energy organisations conducted energy efficiency projects in 2018, including providing energy efficient lighting, and offering community educational events and advice. These organisations engaged 8,000 local people and conducted 13 events in 2018.



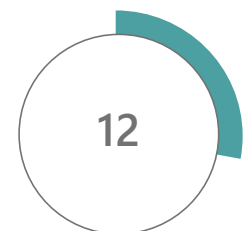
Electricity Generation



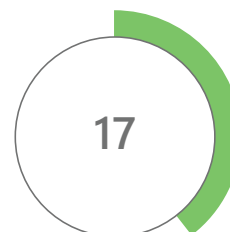
Heat Generation



Energy Storage



Low Carbon Transport



Energy Efficiency

YnNi Teg

YnNi Teg is a Community Benefit Society with a 900kW wind project in Carmarthen, South Wales, and has been operating since August 2017. The project was made possible through a community share offer worth over £500,000, supported by a large number of local investors, in addition to a £1.3m loan from the Development Bank of Wales.

Alongside this, YnNi Teg provides grants and workshops to community buildings and schools, to aid with energy efficiency and energy awareness. Ynni Teg is now looking to develop a solar site of up to 30 MW, with possible inclusion of battery storage, in partnership with another local community energy organisation.



Funding & Impacts

In 2018, community energy organisations in Wales were supported with £660,000 in funding, 33% of which was sourced from the national Ynni Lleol support programme. Further funding sources included the Rural Development Programme (£119,000), EU funding (£60,000) and the Big Lottery Fund (£85,000).

Community energy organisations raised £9.4m in project finance in 2018, including £4.6m in community share investment including in Awel Co-op's wind project, which was installed in 2016. A further £3.6m in loans and £1.1m grants supported projects, including solar PV on the Gower Peninsula and a 500-kW wind development near Lampeter in Ceredigion.

Community energy organisations with successful projects were found to have spent £150,000 in community benefit funding in 2018, supporting projects for local economic development - such as job creation - and providing education and awareness raising in their local communities.



Challenges in 2018

Whilst Welsh organisations have benefitted from additional support not available in England and Northern Ireland, they were greatly impacted by the reduction and removal of the Feed-in Tariff. Alongside this, community energy organisations reported a lack of time and organisational capacity as major constraints to their energy ambitions. Improved subsidies, funding and reduced cost and complexity in planning and grid connection processes were highlighted as necessary for the future success of Welsh community energy.

Into 2019

Whilst community energy organisations throughout the UK have been negatively impacted by recent changes to the policy support landscape, 37% of Welsh community energy organisations still plan to develop low carbon projects in 2019. Many community energy organisations planned to develop projects prior to the Feed-in Tariff scheme closure in March 2019, with many more investigating more innovative approaches to energy generation storage and use, such as local supply models, energy local clubs and investment in existing generation schemes.

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