

# Community Energy in Wales: A Knowledge Exchange Exercise

## Introduction

A series of community energy knowledge exchange events were held across Wales in March 2018. These events were designed as a means of reaching out to a wider audience within Welsh civil society and local authorities, to explore the community energy (CE) sector – its history, current state and possible future. They were designed to give people in key areas of civil society and within local authorities the opportunity to hear more about the CE sector and contribute their ideas for the furtherance of the sector. The events (and the following report) were organised as part of the secondment of Dr Sioned Haf (Bangor University) with Community Energy Wales (supported by Bangor University ESRC Impact Acceleration Account).

The three knowledge exchange events were hosted by Ynni Ogwen (a CE hydro project in Bethesda, Gwynedd); Awel Aman Tawe (a CE group that has developed community wind and solar projects within the Aman Valley and surrounding areas) and Swansea Community Energy and Enterprise Scheme (a CE solar project in the Swansea region). Guest speakers included representatives from each respective project and external speakers from Ynni Sir Gâr, DEG (Datblygiadau Egni Gwledig) and Community Energy Wales. Participants travelled from a number of regions across Wales and included representatives from local authorities in Ceredigion, Wrexham, Gwynedd, Torfaen, Swansea, Anglesey and Bridgend; representatives of a number of health boards, housing associations and a number of civil society groups. Across the three events, forty-two participants took part.

A key part of these events, was a facilitated discussion session focusing on four key themes. The themes included: the viability of future community energy projects, suggestions as to overcoming the technical challenges facing the sector, how to increase knowledge of the sector, and ideas for a Welsh strategy to support the sector. Some of the suggestions refer to the co-development of local (i.e. local authority led/owned projects) and solely community owned projects. We include a conclusion at the end of this document, based on the ideas accrued from the participants involved in the knowledge exchange events, as to the future direction for the development of the community energy sector in Wales.

The ideas and information collected in these events have been summarised below. The document includes bullet points taken directly from participants. Where several suggestions touched on similar ideas, they have been combined to make one point which encompasses them all.

## The future viability of community owned energy projects in Wales

- Rather than reliance on the (reduced) Feed In Tariff (FIT), a number of ideas referred to the possibility of direct trading - so that CE projects can trade their produced renewable energy (RE) to local businesses, or local consumers directly. One idea was to create a Community Energy Brokerage body – set up to link community generated energy with local users. There were also several suggestions that local procurement of locally and community generated energy, should in some way be linked directly to, or supported by, the Future Generations Wellbeing Act in Wales. One such suggestion included enshrining community energy generation into the remit of the Public Services Boards of each Local Authority.
- A commitment must be made by or set upon local governments and health boards to buy energy locally, potentially boosting the CE sector – i.e. to procure RE from the most local sources, linking up local generators to local use.
- A suggestion was made to ensure that there is a business rate relief for all CE projects in Wales.
- Apart from *supporting* locally owned energy, there should be an active effort in regulating external developments of RE energy (i.e. incentivising and prioritising Welsh community/locally owned energy).
- A need to ensure that the *process* for CE projects is streamlined in Wales (including reduced land rates, access to land for CE projects, cheaper finance, a more sympathetic planning procedure which considers the economic and social benefits of CE).

## Technical issues and possibilities for community owned energy projects in Wales

- Grid connection and access needs to be improved, *if* the CE sector continues to operate within the current energy framework. Rural areas often have the worst grid connection, another issue that hinders the development of the CE sector. Suggestions included, nationalising the grid, upgrading the grid, fining DNOs for obstructive fees for CE project access.
- A focus on a new way of overcoming grid restraints included the need for a distributed energy system – generating and using energy in the place of origin.
- Develop a better way to use energy ‘behind the meter’ – i.e. normalising the linking up of local generation and local use, with the ability to sell electrical energy when most needed (evening) thereby getting more returns. These returns could be reinvested into improved storage.

- A focus on new technology as a means of developing the CE sector (e.g. improving smart meters and take up of the technology, and battery storage facilities). Sharing these developments across the CE sector in Wales could reduce costs.

## A Welsh strategy for community owned energy projects in Wales

- A future target for RE needs to consider changes in future energy requirements (e.g. electric cars, data processing etc).
- The strategy should protect the CE sector from short term financial/political cycles and avoid stop/go approaches – stability is needed for the sector to progress.
- Within the overall 1GW target of locally owned RE by 2030, a certain percent should be *wholly* community owned. CE schemes, due to the benefits that they accrue (financial and social) should be favoured.
- A Local Authority Renewables target should be set, with community owned energy contributing a certain percentage of that target. This links into the need for more cross-sectoral relationships (e.g. with housing associations, councils and council buildings, health boards, YMCAs, private sector etc.). Again, this would be possible through the Public Service Boards.
- A link is needed to bridge gaps between different policy developments in Wales (e.g. the Local Energy Strategy, Natural Resource Wales (NRW) planning and energy policy, the Future Generations Act and the review of the Wales Planning Policy).
- Conditions on planning consent can be prohibitive, therefore a planning policy that is consistent, and incorporates a shared strategic vision in Wales, is necessary.
- The link between community groups and local authorities should be improved – with possible development officers working as ambassadors between the two. There is also a wealth of untapped expertise amongst the CE sector, expertise that could feed into the co-production of local energy plans, particularly linking up to the Public Service Boards and the Future Generations Act. Councils could also commit to purchasing any energy produced from local CE projects.
- Tackling fuel poverty in Wales should be central to the development of CE or locally owned energy projects.
- Further devolution of energy powers (a possibility of creating a Welsh feed in tariff?)
- Individual home owners will be important in meeting 1GW target. CE groups could help encourage the further take up of micro-renewables within their communities.

## Awareness & Support

- More information is needed to promote the CE sector in Wales – particularly for local authorities (officers and councillors) and civil society groups – highlighting the benefits that accrue from the sector. Local partnership links should be encouraged, and a champion of CE based within each local authority. Other ideas included: more PR campaigns for the CE sector, including better advertising about the possibilities that are currently available (e.g. the Ynni Lleol grants for feasibility studies) and that will be available in the future. This could help to increase both interest and uptake.
- Linking issues, i.e. highlighting the relationship between issues within the CE sector – e.g. local energy generation and other sustainability issues (conservation of resources, local economies, local procurement).
- More awareness is needed across Wales regarding community finance and shares – ensuring that more money stays within Wales and within her communities. Also, the redirection of funds into the CE sector, such as public pension funds, and University pension funds (divesting from fossil fuels) etc.
- It was suggested that a champion is needed at Welsh government level, to tell the story of community energy (and local energy), along with champions at local government level.
- CE education programme is needed which explains the idea of local ownership – this includes within schools, colleges and universities. Such an approach within the education system could also then contribute towards developing the relevant skills needed to support the CE sector in future.
- Awareness about the Welsh energy balance (how much is generated, where does it come from, how much is used) needs to be increased within the public. Lack of awareness, leads to a lack of understanding and trust of the RE sector as a whole. There's a need to tell the story, so people understand community energy and the good practice that occurs within communities, including taking into account the social and economic benefit.
- Invite Scottish colleagues to share experience and governance of CE energy.

## Other ideas

- Planning Policy Wales (reviewed in May 2018) also needs to consider the CE sector as a part of its revision.
- Definitions of community energy and local energy need to be clear, including the differences and benefits accrued from both.

## Conclusions

The main issues, and suggested solutions, that were raised by participants in these knowledge exchange events point towards the need for a more robust strategic support of the CE sector in Wales. Participants were interested and enthusiastic for the furtherance of community energy, and how local authorities and groups within the wider civil society in Wales, could play a supportive role. Many spoke of the need for champions to spread the word and raise awareness of the sector in future. Doing so could raise national awareness towards the benefits of community ownership of local energy projects. There was also a desire to see an improved working relationship between local authorities and CE projects, particularly in developing the potential for linking local authority energy use to locally generated energy.

Consideration of the level of expertise that has been accrued at grassroots level through existing CE projects is also vital – and how best to ‘tap into’ such expertise for the future growth of the sector. This is of particular relevance to local authorities where specific expertise in energy project development and community engagement could be lacking. There is also scope for more civil society groups to become more engaged with the potential of community energy – lending their expertise (in funding, project development, community development, tackling fuel poverty etc.) to the CE sector.

Many spoke about the need for a consistent level of support, departing from the fluctuating nature of energy governance, regulation and aid given in the past. This included bridging gaps between government departments, such as economic development, planning and energy. Participants also suggested the need for the CE sector to be a central consideration within the Future Generations framework in Wales, with the potential of community projects being incorporated within the Public Service Boards of Local Authorities in future. A Wales specific strategy could address many of the points raised in these knowledge exchange events, and provide the support needed for community energy to play a pivotal role in local energy developments in the future.

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