

## **Environment and Sustainability Committee**

Inquiry into Energy Policy and Planning in Wales

EPP 250 - Community Energy Wales

Community Energy Wales  
Cynnal Cymru – Sustain Wales  
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23 September 2011

Lord Dafydd Elis-Thomas,  
Committee Chairman,  
Environment and Sustainability Committee,  
National Assembly for Wales,  
Cardiff  
CF99 1NA.

Dear Lord Elis-Thomas,

### **Re: Environment and Sustainable Committee Inquiry**

We welcome the opportunity to respond to the Committee's inquiry into *Energy Policy and Planning in Wales* and provide the views of Community Energy Wales.

#### **Community Energy Wales**

Community Energy Wales, CEW, is an emerging network of practitioners and representative organisations, who work with and within the communities of Wales to develop energy generation and energy efficiency projects. With the support of organisations such as Groundwork, CAT, DTA, Cylch, WCVA and Cynnal Cymru, this network is being created to bring a single unified voice for those working at community level energy projects across Wales, and promote the successes of enterprises such as Amel Aman Tawe, Cwm Harry, Llangattock Green Valleys, and The Green Valleys amongst many others.

As the Environment Minister recently stated at the launch of Low Carbon Expo, this network will '*fill a clear gap in the energy sector by providing a strong support network and bringing a single unified voice for the Community Energy Sector in Wales*'. We will also work to influence policy-makers and promote the benefits that action at local level can bring to communities who establish their own community-led and/or owned renewable energy projects. As a network, we will be looking to develop sustainable financial mechanisms, such as revolving loan funds, which will be a critical element of driving long-term community-level energy projects across Wales.

This response is therefore based on the joint views of the network and brings together our position on the broader overarching issues of the focus of the Inquiry.

### **Welsh Government Targets**

The Government's ambitions toward a low carbon energy future for Wales, as set out in the current Energy Policy Statement, and to *'maximise energy savings and energy efficiency in order to make producing the majority of the energy we need from low carbon sources more feasible and less costly'* are welcomed by CEW. These are positive steps towards decarbonising the power sector and helping to meet the carbon emission reduction targets in Wales.

To deliver this effectively, we would like to see stronger and more co-ordinated leadership approach from our policy-makers. This must include a long-term delivery plan that brings together respective departments with responsibilities for environmental policy, finance and budgeting, community regeneration and business and enterprise. It would need to be supplemented with clear lines of authority giving guidance on where responsibilities lie with respect to achieving the targets, their ongoing monitoring and reporting, and the delivery of the targets. Most importantly a communication plan which identifies and seeks to actively involve contributors from all sectors of the economy to meet these targets is also much needed.

### **Opportunities for a Low-Carbon future**

Much as the targets for reducing carbon emissions and moving towards low carbon future are challenging, we believe that they also open up considerable opportunities for ways in which to deliver them. The increasing number of domestic and community-led energy generation projects in Wales shows the tremendous interest and enthusiasm of consumers, and needs to be encouraged widely. The introduction of Feed-in tariffs, and very soon Renewable Heat Incentives, are and will be key drivers for this trend. Specifically at community-level we have seen that where the community is involved from inception either through community-owned or -led initiatives, additional benefits have also been reaped. For example, communities are not only contributing towards lowering carbon emissions and increasing renewable energy generation, but are also regenerating communities particularly within rural and marginalised communities across Wales.

Community projects cannot be initiated without local buy-in, a strong vision to enhance their quality of life and wellbeing, and careful financial considerations. So at the heart of these community projects, has been the drive to deliver the benefits sustainably, over a long-term, and with strong financial models to support them. Some examples from our own network which show the positive benefits of community-led initiatives include:

- *Awel Aman Tawe*, a Community energy charity which grew out of a community meeting in 1997, and has since been involved in a number of renewable energy projects including managing the installation of hot water solar panels on local community centres, private dwellings and a cinema; heat recovery systems on 3 projects; two small scale PV/Wind turbine projects; a District heating scheme providing heating for a number of houses from a wood chip boiler; and completion of a school photovoltaic roof.
- *Green Valleys*, a not-for-profit Community Interest Company, where all revenue from community-owned installations is to be reinvested in specific community-based carbon reduction projects, such as electric bike infrastructure or community woodlands that provide sustainably managed wood fuel. To date, it has delivered a 20% reduction in carbon dioxide

across 155 households and four community buildings. Thirteen active community groups have also been established focusing on a variety of activities, including the establishment of allotments.

- *Groundwork Wales* have helped communities save 5910t of CO<sub>2</sub> emissions, enabled communities to divert over 1430t of waste from landfill, supported 660 groups with placements & energy advice, worked with over 285 schools on sustainable development, and delivered over 209 environmental management systems.
- *Llangattock Green Valleys*, with the beginning of the group in 2008, a group of local residents united with a view to reducing their community's carbon-footprints whilst developing a model that develops a strong community asset base through renewables with sustainable development being achieved long term breaking the dependency of grants. Considerable results have been achieved so far, including installing a borehole and solar-powered pump for irrigation at the Allotments; installing PV panels on the school roof and residential dwellings; bringing local woodlands back under productive management and providing a sustainable supply of wood-fuel for residents; establishing a litter picking group to drive communities to take more pride of their surroundings; progressing the installation of five micro-hydro schemes with four of the schemes having community buy in with income raised to fund other sustainable community projects; with a proposed Anaerobic Digestion, Biomass and District Heating Main Scheme that will see 700 homes including transport being carbon neutral and a 30% Equity stake for the Community Interest Company with an overriding vision to make Llangattock a Carbon Negative Community by 2015.

These are some of the many examples of positive action at community level, using smaller-scale renewable technologies, which have the potential to be replicated widely across Wales. We would be happy to discuss further these and other projects within the network that are endeavouring to lead the way for a low-carbon future in communities across Wales.

### **Barriers to development**

It is important to note, however, that these achievements had been attained despite a number of barriers along their way. These barriers can principally be categorised into three areas: i) consents and the permission processes which can be time-consuming and expensive; ii) costs associated with purchasing the systems, and skills needed for their installation, and maintenance; and, iii) long-term sustainable finance, where currently there is a great lack of clarity on if, and how, state-aid rules regarding grant-funded schemes affect income generated from FITs.

We believe that these issues are creating real obstacles at community-level which could lead to significant delays or even withdrawal of projects that may be at planning or implementation stages. We would therefore look to local and national government to provide strong and strategic leadership and bring, where possible, clarity to their guidance, and a more standardised approach to decision-making that are outcome-focused and objective. This could include expanding the Clause in TAN8 to support community-level energy applications in and around the current Strategic Search Areas (SSA), as well as ensuring that a proportion of the community benefits from commercial wind schemes are put towards further reductions in carbon emissions at local level.

Moreover there is also a critical need to improve and enhance the skills of local groups through quality training that is specific to the needs of community-led energy projects. Some of the issues outlined above could be addressed by reviewing and prioritising the focus of existing Government-led community-focused programmes.

#### **Looking Forward**

The Welsh Government has estimated that 0.9% of its 3% annual reduction target will come from '*wider contribution of others in Wales*' (Ref: Climate Change Strategy Delivery plan Strategy for Wales, <http://wales.gov.uk/docs/desh/publications/101006ccstratdeliveryemissionsen.pdf>). We firmly believe that there is a key role for the community energy sector in this, with the contribution it can bring towards helping to meet the national targets for carbon emission reductions, whilst at the same time regenerating communities across Wales. The Energy Policy Statement is a first and important step in this delivery, however a more detailed delivery plan backed with strong leadership and buy-in from key governmental departments and local government would be the necessary next step to help deliver these targets. We would welcome the opportunity to meet with you and the Committee members to discuss our response further. If you require any further information, please do not hesitate to contact me directly via email at [rita@cynnalcyrmru.com](mailto:rita@cynnalcyrmru.com).

With regards,

**Rita Singh**  
**Project Co-ordinator**  
**Community Energy Wales**