

A Smarter Energy Future for Wales? Evidence paper from Alun Hughes

- **How is it best to engage communities in the smart energy agenda?**

A majority of the public by now have an appreciation of what is meant by “green energy”, however it is doubtful if the concept of smart energy is understood by the general public.

The best way to engage with communities is at a community level and to achieve meaningful engagement requires adequate funding in terms of providing the necessary human resources and training to deliver this.

- **What is the most appropriate geographical scale (local neighbourhoods, cities, city regions)?**

The appropriate geographical scale will depend on the nature of the locality, however to be effective it needs to be “local” and by that it means what those who live there perceive as being local to them. This could be a village, wards or towns.

- **What are the motivating factors for local community groups?**

Each community group will have their own motivating factors dependent on a number of factors, however main factors would be fuel poverty, helping the green agenda by reducing the carbon footprint of the community, providing sources of income to address local social and environmental issues.

- **What are the main obstacles to community energy co-operatives and how can they be removed?**

The main obstacles to community energy projects are:-

- the lack of human resources, there is a dependence of projects being delivered purely on a voluntary basis;
- lack of “hands on” advice in terms of administrative and technical

matters;

- the complexity of the consenting procedures i.e. consents required from a number of bodies including LPA's, NRW, DECC as a minimum.
- Access to funding to start up projects and easier access to capital funding to deliver the end product.

Grid constraints can also be a problem, especially in terms of the high costs of upgrades. WG could assist for example funding an Esco type organisation to be first mover on grid improvements as the DNO because of their regulation can't unilaterally reinforce grid to enable multiple community energy companies to develop their projects (model being developed in London) this ultimately means that the first mover as they are called community does not have to take on all the grid cost which would enable others to connect in later but bankrupt their own project.

- **What sources of funding (e.g.: community banking loan schemes) could be made available?**

Many funders are risk averse and do not understand community projects. They tend to treat community energy schemes as they would any commercial operator. There needs to be therefore loan schemes tailored to community projects which are operated by people who understand community needs and capabilities.

- **What role should businesses, local authorities and the Welsh Government play in this transformation?**

The Welsh Government has made a start in this respect through their Ynni'r Fro program and it is understood that this is to be continued. However, the timescale in the delivery of community projects from inception to completion can be a number of years and therefore any programme needs to be long term and adequately funded. In addition, it would be of considerable benefit for communities to have a "programme officer" or the like who would be able to parachute in to assist in the more complex and time consuming issues which arise.

It is appreciated that local authorities' resources are stretched and are

having to face cutbacks at present, however local authorities could assist through making loans available from their capital assets at a local level as has been done in a number of authorities already.

Businesses can also assist and benefit from community energy projects through things such as power purchase agreements.

- **What skills development and training is needed?**

Whilst skills development and training would assist local groups, the delivery of projects is still heavily reliant on unpaid volunteers and not all communities have the luxury of having people who are willing to give up the 1000's of unpaid hours that are required. The main issue is therefore one of human resources.

- **What are the successes and limitations of the Ynni'r Fro programme?**

In terms of our experience the feasibility and development funding was crucial to the delivery of the project as was the assistance of the local development officer.

The main limitations of the scheme were the length of the programme itself and the number of officers available to cover Wales so as to be more hands on in projects.

- **What can Wales learn from elsewhere on how best to engage local communities with this agenda?**

In our development stage we took considerable advice and steer from projects in Scotland where they appear to be years ahead of both Wales and England in terms of the development of green energy and community energy.