IWA Re-energising Wales tender document: community and local ownership of renewable energy schemes

About Re-energising Wales

The Institute of Welsh Affairs 'Re-energising Wales' project is a 3 year project (April 2016-April 2019) that will deliver a plan to enable Wales to meet its projected energy demands entirely from renewable sources by 2035. There are 6 core work packages to the 'Re-energising Wales' project. Further information about the project can be found here.

Introduction

Work package 4 of the IWA 'Re-energising Wales' project deals with social and community ownership of renewable energy assets. Its terms of reference include an assessment of the values behind community engagement in energy saving and generation, and the barriers to increased participation. This work package has been broken into two parts, and this tender refers to part 2. The IWA are seeking to tender part of this work to an organisation or consultant to deliver.

Context

In 2017 the Welsh Government announced targets for 1 GW of renewable electricity generation capacity to be locally owned by 2030, and for all renewable energy projects to have an element of local ownership by 2020.

By December 2016, 575 MW of locally owned renewable energy capacity had been installed across Wales, made up of 397 MW of electricity and 177 MW of heat. This includes domestic installations.

The Welsh Government has previously published a call for evidence on locally owned energy, including definitions of local ownership, as well as the benefits and impacts we can expect from increasing the amount of locally owned energy generation.

EU funding programmes, which have provided significant amounts of funding to energy projects in Wales, look likely to close in 2023. The UK Government have also

introduced a [Control for Low Carbon Levies](). These and other factors combine to create a lack of certainty regarding the level of future renewable energy subsidies.

Meanwhile, our energy system is in a process of massive change: it is becoming cleaner and smarter. This has [been referred]() to as 'hard' and 'soft' qualities in sustainable energy transitions. The 'hard path' relies on the expansion of complex, large-scale electricity generation technologies (e.g. nuclear power), which usually marginalizes the role of citizens. The 'soft paths' entails more serious consideration of energy efficiency and the pursuit of renewable energy technologies, which deliver more flexible, decentralized and locally tailored energy systems, with greater accessibility to citizens and more dispersed risks. Our interest through this piece of work is in the potential of 'soft' decentralised and locally tailored solutions.

Work Package 4 Part 1

Work package 4 is split into two pieces of work. The first part is being delivered by the Wales Institute of Social and Economic Research, Data and Methods (WISERD). It captures the experiences of community and local renewable energy projects across different geographical locations in Wales.

This assessment considers the values behind community engagement in energy saving and generation, and the barriers to increased participation including perceived community and local reluctance to embrace existing (and new) technologies.

It has also included an initial collation of views from a range of organisations classed as 'local' including local authorities, registered social landlords, community groups and others, on the barriers and opportunities for community and local energy schemes to flourish. This will be available to the successful candidate or organisation who undertakes part two of this work package.

Work Package 4 Part 2

The second part of this work package will draw on findings from the first piece of work and build on them, applying learning from best practice, to propose ideas to protect, promote and achieve scale in the community and local ownership of renewable energy schemes working towards 2035. It will also build on the recent report [Re-energising Wales: 'A Framework for Action: Next steps for Regulatory and Policy Powers over Energy in Wales' report]() which presents a framework for action outlining the key regulatory and policy powers that we need to use in Wales to maximise renewable energy.

This research will build on the actions, policies and structures necessary for community and local business models **to scale-up** beyond individual initiatives and thrive.

This includes **Welsh specific levers and actions** that can drive increased local and community ownership of renewables. This should include ownership of not just energy efficiency and renewable energy generation, but also potential ownership of infrastructure such as energy grids for example.

This work should draw on examples of best practice internationally and consider whether community and local ownership of renewable energy schemes in Wales can operate at the scale needed to achieve challenging climate change targets and the renewable energy scenarios set out in previous 'Re-energising Wales' work packages, particularly the '[Swansea Bay City Region : A Renewable Energy Future](#)' case study[1].

It will address key questions such as:

- What best practice in the UK and internationally can Wales draw upon to deliver the required community, shared or local ownership at the scale expected and needed by 2035?
- What are the benefits from the models which exemplify good practice? What criteria can be used to identify and, if possible, measure these benefits?
- At what scale can Wales' 'locally owned' renewable energy operate by 2035, and how do we accelerate this now deploying the relevant levers?
- What actions, policies and structures are needed to overcome the barriers to upscaling community, shared or local ownership, using each of the identified good practice models? This should draw on findings from work package 4 part 1.
- For each of the identified good practice models, what might be a realistic yet ambitious timescale for the measures needed to make their adoption possible be?
- How could understanding best be diffused, of the benefits of good practice models and of how to adopt them?
- What measures need to be put in place to ensure that local communities and local organisations benefit from locally-generated energy? (This should include benefits beyond owning the renewable energy generation, such as, for example, benefits from buying cheaper energy)
- How could we ensure that further innovative trials (such as those [raised here](#)) are undertaken in Wales? (The potential of new local energy supply models

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[1] Models such as the [ENERGY4ALL](#) model are a good example of how to start getting scale at a local cooperative level

such as microgrids, peer to peer trading, demand side management and the role of blockchain should be considered here i.e. how we draw value from these services and maximise local benefits from these approaches)
- What can we learn from other community structures/sectors that have scaled up?

This work needs to include clear SMART recommendations which take account of:

- decision makers and the levers available to them in Wales (for instance local authorities, public service boards)
- levers and mechanisms at different levels of the ownership pyramid, for example, fully owned community ownership down to shared ownership between a community group and a commercial developer
- actions to catalyse a step change in local and community ownership to the scale required
- The contribution that energy decarbonisation can make to tackling fuel poverty and social injustice.

This analysis should draw on the best available practical know-how and theoretical understanding from across the community and local energy sector and wider field of community development, including best practice from across the UK and further afield. It will bring together policy and market perspectives with grassroots experiences (captured during work package 4 part 1).

Resource and Structure

Amount for organisation/consultant: **TBC**

The IWA are seeking to tender part of this work to an organisation or consultant to deliver. The organisation/consultant will initially work with the IWA in finalising the research scope. Other key requirements would include identification of existing core research reports via a desk based review, test propositions with key stakeholders/experts and the write up of a draft report in the IWA house style with key findings and recommendations. The IWA will then work with the organisation/consultant to finalise the report ready for launch. The organisation/consultant will be expected to attend one launch event.

Timescales

- Scope to be agreed by end of November
- Research to be carried out during December

- A discussion and agreement of key findings and recommendations early January
- Draft paper to be submitted mid January
- Final report to be submitted by end of January