



Llywodraeth Cymru
Welsh Government

MA/RE/1878/25

From:

Energy Division

Cleared by:

Date:

08/09/2025

MINISTERIAL ADVICE - Ynni Cymru Capital Grant Scheme (Year 2 – FY 2025-26)

For decision by: Cabinet Secretary for the Economy, Energy and Planning

Subject	Ynni Cymru Capital Grant Scheme - Approval of Projects and a request to transfer money between Energy BELs
100-word summary	<p>The Ynni Cymru £10,000,000 Capital Grant Scheme for Smart Local Energy System (SLES) projects closed for applications on 16 June.</p> <p>This advice outlines the Approval Board recommendations to award capital grants to a total of 48 projects which will require a total grant award of £12,906,707.</p> <p>This will be funded from the £10,000,000 already allocated to the Ynni Cymru Capital Grant Scheme available in BEL 3775.</p>
Timing	A response if required before the proposed announcement on the funded projects which is provisionally planned for the 15 September.
Recommendation	<p>The Cabinet Secretary is asked to:</p> <ul style="list-style-type: none">• Approve the award of grant to projects outlined in Annex to the total value of £12,907,000. This includes approved capital funding for the project of £10,000,000 from Ynni Cymru Capital BEL and £2,907,000 from Green Energy Capital BEL.• Approve
Decision report	This decision does require a Decision Report, which may be published at any point.

ADVICE

Background

1. Established by Welsh Government in 2023, the Ynni Cymru programme aims to ensure that energy generation benefits are retained locally, promoting community ownership of integrated renewable energy assets as a central strategy in the transition to a low-carbon economy. The programme also aims:
 - To accelerate the transition and deployment of Smart Local Energy Systems (“SLES”) across Wales.
 - To expand locally owned renewable energy used and generated in Wales.
 - To optimise the efficiency and effectiveness of locally owned renewable energy use and generation projects.
 - To facilitate a just transition to net zero, retaining the benefits for Welsh communities.
2. The core focus for Ynni Cymru was agreed in 2023, to be the development and delivery of SLES.
3. A SLES is a way to bring together different energy assets in a local area and operate them in a ‘smarter’ way, which could be more productive or more integrated, whilst seeking to maximise benefits to both local communities and the local energy network.

Capital Grant Scheme

4. This is the second round that Welsh Government has funded following the successful deployment of 32 projects which were awarded funding in the 2024/25 financial year. Welsh Government has awarded £10,000,000 capital funding to Ynni Cymru in the current financial year, to fund the deployment of SLES projects across Wales, see MA-RE-10964-25 for information.
5. The 2025/26 Ynni Cymru Capital Grant scheme was launched on 2 May and closed to applicants on the 16 June. The scheme was open to community energy organisations and groups, public sector bodies, and small and medium sized (SMEs) businesses operating in Wales.
6. This year, reflecting on feedback from year one of Ynni Cymru scheme, two application pathways were created. Pathway 1 is for applications up to £250,000 in value and was designed to be more appropriate for smaller-scale projects with reduced application requirements for applicants. Pathway 2 is for applications between £250,000 and up to £1,000,000 in value and was designed for more complex projects, with some additional requirements and evidence required from applicants. Also reflecting feedback from last year, we modified the level of funding available depending on sector of applicant, to recognise SMEs and ensure that public sector bodies have wider access to alternative funding for projects. As a result, projects could apply for up to 100% grant funding if they were classed as a community organisation, up to

90% grant funding if classed as an SME and up to 75% grant funding if classed a public sector body.

Assessment Process

7. 116 applications were received and were allocated to two separate assessors. SME applications were assessed by two assessors from the Ynni Cymru team and public/community sector applications were evaluated by assessors both from Ynni Cymru and the Welsh Government Energy Service (WGES). The involvement of WGES was to ensure that the public sector/community projects to be funded by Ynni Cymru added value to the existing funding to the sector managed by WGES.
8. In all cases, assessors carried out an independent assessment of each application, against the scheme criteria, to ensure their proposals met outlined thresholds, including being robust, viable and deliverable by the scheme deadline which is by the 31 March 2026.
9. Once the independent assessments were completed, moderation was carried out for those applications where scores differed by 10% or more between assessors, or where one assessor had failed an application, and another had passed the same application. In addition to the moderation carried out, a final quality assurance was conducted.
10. As agreed in the scheme review before launch, projects achieving a pass score above the minimum pass threshold mark of 60% and located in the 20% most deprived areas of Wales (according to the Welsh Index of Multiple Deprivation¹), received a score uplift of 5% to support Welsh Government and Ynni Cymru objectives around a just transition to net zero.
11. Table 1 provides a summary of the applications received. It provides the sectoral split, pathway split, and a breakdown of the number of applications that passed the assessment process.
12. Of the 116 applications which were received, 81 applications (70%) passed the initial assessment process representing a potential total grant award value of £20,697,000. Projects represented a good spread of applications across community, SME and public sectors.
13. These applications were then further scrutinised for their suitability to be grant funded and ranked in order so that the £10,000,000 capital funding could be awarded to the highest scoring projects.

¹ [Welsh Index of Multiple Deprivation | GOV.WALES](#)

Table 1 – initial applications received, passes and unsuccessful

	Total	SMEs	Public sector	Community sector	Pathway 1	Pathway 2
Number of applications received	116	39	12	65	77	39
Number of applications passed the initial assessment process	81	25	12	44	49	32
Number of unsuccessful applications	35	14	0	21	28	7

Approval Panel

14. An approval panel of Welsh Government officials reviewed the assessment findings on 18 July.
15. Of the 81 applications that passed the initial assessment process, 48 have met the requirements to be funded. Of these 48 projects, 38 can be funded primarily out of the existing £10,000,000 capital allocation to the scheme already agreed, with a further 10 projects also meeting the criteria to be funded, which will be bought forward subject to overall confirmation that funds available in the Energy Division's funding allocation can be moved into the Ynni Cymru BEL.
16. The recommended projects for approval are detailed in Annex 2 and split into projects under £250,000 and over £250,000, in line with how the applications were submitted and subsequently scored.
17. Decisions to award funding above £250,000 are to be made by the Cabinet Secretary. As per other programmes, the decision to award funds up to £250,000 can be delegated to officials. None of the projects listed which exceed the £250,000 threshold have been identified as being in the constituency of the Cabinet Secretary.
18. There are 9 projects that received a score uplift based on deprivation.
19. For simplicity, this advice will seek the Cabinet Secretary's agreement to all projects which have met the threshold for grant funding, which is a total of 48 projects which require a total of £12,907,000 capital funding.

20. It is important to note that the confirmed total grant value of Ynni Cymru schemes may be subject to minor changes as further confirmation work proceeds following the announcement of successful projects. Any changes will likely see a reduction in capital grant, not an increase. This is the experience from the learnings in the 2024-25 scheme as projects reappraise what can be delivered within the grant window. Any underspend will be reported in a timely way so that it may be redeployed as appropriate.
21. Prior to grant award, engagement and clarifications with all projects has taken place to confirm the exact eligible grant value. Due diligence of the SMEs proposed to be awarded funding will be undertaken before Grant Offer Letters are issued.
22. Grant Offer Letters will be issued to successful organisations in early September to enable projects to mobilise in readiness for completion by end of March 2026. The letters will state that 'up to value' of the grant will be available unless a variation is requested and approved.

Financial Implications

23. The total costs for this advice are £12,907,000 and can be fully met from the Ynni Cymru BEL 3772 (£10,000,000) and a transfer from unallocated capital available in the Green Energy BEL 1280 (£2,907,000). All are within the remit of as for Energy and all funding has been cleared in the Energy Division Budget MA-RE-1227-25.

Table 2 Currently funds available against BEL 3772 Ynni Cymru

BEL 3775 total capital 2025-26	£10,000,000
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Table 2 – Currently profile for spend against BEL 1280 to accommodate extra Ynni Cymru projects

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Risks

24. There are challenges associated with delivering a capital fund within the financial year, such as contractors not being able to deliver projects in the allotted time, and this could bring risk of underspend. This risk has already been mitigated by scoring deliverability in the assessment process and will be further mitigated by clarifying grant draw down conditions in the Grant Offer Letter.
25. Projects are only being awarded a grant if there is a high confidence in deliverability. Match funding, as outlined in the scheme guidance, is designed to maximise spend of the grant fund, and arrangements for match funding are known to be advanced. Annex 2 details projects and the value of grant and the total project costs, to illustrate the match funded projects.

Subsidy Control

26. This support is a subsidy. Accordingly, awards will be made via the Welsh Government's 'Subsidy Scheme for Local Energy Support (Wales)' SC.11250 to ensure compliance with the Subsidy Control Act 2022.

Communications and media handling

27. A press release will be issued once the Grant Offer Letters have been distributed. Officials will liaise with Welsh Government communications team with the intention that you visit a successful applicant.
28. There are proposals to undertake visits to successful schemes awarded in the 2024-25 financial year, to mark the announcement of the successful applications for 2025-26 financial year.
29. September 15th -17th is the provisional date window planned for activities. Suitable press releases and media will be developed to coincide with proposed visits.

Powers

- 30.
- 31.

Legal Issues

- 32.

Programme for Government

33. Ynni Cymru contributes to the following key current Programme for Government commitments and associated wellbeing objectives:

- Work towards the creation of Ynni Cymru, a publicly owned energy company for Wales.
- Expand renewable energy generation by public bodies and community groups in Wales by over 100MW by 2026.
- Build a stronger, greener economy as we make maximum progress towards decarbonisation.

Wellbeing of Future Generations Act

34. Ynni Cymru aligns with the requirements of the Well-being of Future Generations (Wales) Act 2015 and seeks to deliver the following benefits: CO₂ saved, reduction in fuel poverty, extra revenue for locally owned generators, more viable projects, increased Gross Value Added (GVA), socio-economic benefits from jobs, grid benefits, societal health and welfare benefits, from air quality and warm homes, and community involvement.

Annex 1: ASSURANCE AND COPY RECIPIENTS

CLEARANCE TRACKING

Aspect	Tracking	Yes	No	N/A	Clearance no.
Finance	Financial implications over £50,000?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Cleared by Group Finance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Cleared by Budget & Government Business Division?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Cleared by Local Government Finance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Legal	Legal issues?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Cleared by relevant lawyers?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Governance	Novel and contentious issues?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Cleared by Corporate Governance Centre of Excellence?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

DEPUTY DIRECTOR, STATEMENT OF ASSURANCE

In clearing this MA, I confirm that I, xx have quality assured this advice, ensuring it is provided on the basis of evidence, accurately presents the options and facts and I am accountable for the recommendations made

I am satisfied that the recommended decision or action, if agreed, would be lawful, affordable and comply with all relevant statutory obligations. Welsh Government policy priorities and cross portfolio implications have been fully considered in line with delivery of the government objectives.

I have fully considered the statement of assurance contained in the MA guidance to ensure all relevant considerations have been taken into account, appropriate impact assessments have been undertaken and that the actions and decisions take account of regularity, propriety and value for money.

COPY LIST

All mandatory copy recipients (as indicated in the guidance). Additional copy recipients specifically interested in this advice:

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Annex 2 – List of Pass Projects within Allocated Budget**Annex 2a: Projects where Grant Value exceeds £250,000**

*project that has received a 5% score uplift due to WIMD

App #	Lead organisation	Organisation type	Location	Total Grant Request (Total Project Cost)
SLES333	Hyppo Hydrogen Solutions	SME	Neath Port Talbot	£1,000,000 (£2,306,916)
SLES248	Wales Millennium Centre	Community	Cardiff	£910,295 (£916,795)
SLES111	Coleg Cambria Yale	Public	Wrexham	£852,592 (£1,196,795)
SLES255	Cwm Arian Renewable Energy Ltd (CARE)	Community	Pembrokeshire	£820,969 (£978,969)
SLES262	Llanidloes and District Energy Local Club	Community	Powys	£597,210 (£606,460)
SLES106*	Cardiff Council	Public	Cardiff	£551,916 (£1,455,382)
SLES107	Cyngor Sir Ceredigion	Public	Ceredigion	£499,190 (£599,028)
SLES263	Egni Co-op	Community	Newport & Pembrokeshire	£496,800 (£1,144,800)
SLES104	Torfaen County Borough Council	Public	Torfaen	£400,212 (£652,582)
SLES260	Capel Seilo Caernarfon - Eglwys Bresbyteraidd Cymru	Community	Gwynedd	£332,788 (£335,788)
SLES253	Energy Local CIC	Community	Gwynedd	£321,285 (£379,542)
SLES256	Ymddiriedolaeth Nant Gwrtheyrn	Community	Gwynedd	£288,655 (£294,325)
SLES102	Newport City Council	Public	Newport City	£262,593 (£450,124)
Total				£7,334,505 (£11,317,506)

Annex 2b: Projects where Grant Value is below £250,000

*project that has received a 5% score uplift due to WIMD

App #	Lead organisation	Organisation type	Location	Total Grant Request (Total Project Cost)
SLES257*	Congress Theatre Company	Community	Torfaen	£245,532 (£245,532)
SLES339*	Ospreys Rugby Ltd	SME	Swansea	£201,601 (£397,687)
SLES112*	Neath Port Talbot Council	Public	Neath Port Talbot	£165,898 (£429,700)
SLES234	Cambrian Aquatics Centre CIC	Community	Flintshire	£150,000 (£162,439)

App #	Lead organisation	Organisation type	Location	Total Grant Request (Total Project Cost)
SLES230	Boomerang Cardiff	Community	Cardiff	£150,000 (£150,000)
SLES216	The Community of the Many Names of God	Community	Carmarthenshire	£149,999 (£416,766)
SLES215	Vineyard Church Cardiff	Community	Cardiff	£146,199 (£175,895)
SLES233*	The Gellideg Foundation Group	Community	Merthyr Tydfil	£145,621 (£145,621)
SLES305	Club penybont Ltd.	SME	Bridgend	£134,989 (£179,986)
SLES321	Drim Farm	SME	Pembrokeshire	£131,120 (£174,826)
SLES316	Plumstone Trading Ltd.	SME	Pembrokeshire	£127,076 (£151,021)
SLES109	University of Wales Trinity Saint David	Public	Carmarthenshire	£126,404 (£314,162)
SLES324	L A Davies & Co	SME	Ceredigion	£96,250 (£128,333)
SLES218	Nantymoel Boys & Girls club and Community centre	Community	Bridgend	£84,190 (£84,190)
SLES214	Maenclochog Community Hall	Community	Pembrokeshire	£82,488 (£82,488)
SLES224	Llanfwrog Community Association CIO	Community	Denbighshire	£75,600 (£75,600)
SLES222	Ynni Teg	Community	Cardiff	£72,800 (£73,800)
SLES206*	Llandudno football club in the community	Community	Conwy	£71,300 (£85,560)
SLES328	Gwesty Ventures Ltd	SME	Pembrokeshire	£69,392 (£88,861)
SLES210*	Rhyl Community Association	Community	Denbighshire	£63,900 (£63,900)
SLES226*	Small World Theatre	Community	Ceredigion	£58,944 (£58,944)
SLES329*	Blackened Teeth Ltd.	SME	Rhondda Cynon Taf	£58,175 (£64,639)
SLES223	Neuadd Goffa Llandudoch	Community	Pembrokeshire	£46,080 (£46,080)
SLES229	Awen Cultural Trust	Community	Bridgend	£45,000 (£54,386)
SLES327	H.G. Bryer & Sons Ltd	SME	Carmarthenshire	£26,822 (£31,117)
Total				£2,725,380 (£3,881,532)

Annex 3 – List of Other Fundable Projects

NB please note that these other fundable projects will only be awarded grants if funding becomes available (e.g. subject to changes in grant values awarded and/or project withdrawal from the list of projects in Annex 2).

Annex 3a: Other fundable projects where Grant Value exceeds £250,000

*project that has received a 5% score uplift due to WIMD

App #	Lead organisation	Organisation type	Location	Total Grant Request (Total Project Cost)
SLES338	Pulse Plastics	SME	Ebbw Vale	£849,028 (£1,358,445)
SLES105	Aberystwyth University	Public	Ceredigion	£808,058 (£1,080,078)
SLES336	Tilon International Ltd	SME	Blaenau Gwent	£317,446 (£423,261)
Total				£1,974,532 (£2,861,784)

Annex 3b: Other fundable projects where Grant Value is below £250,000

App #	Lead organisation	Organisation type	Location	Total Grant Request (Total Project Cost)
SLES249	Valleys Veterans	Community	Rhondda Cynon Taf	£208,584 (£208,584)
SLES259	Capel Seion	Community	Carmarthenshire	£170,782 (£270,082)
SLES225	Welsh Islamic Cultural Association	Community	Swansea	£146,394 (£146,394)
SLES201	Barmouth Oasis Community Group	Community	Gwynedd	£126,500 (£126,500)
SLES315	GT Davies Ltd	SME	Powys	£119,360 (£132,623)
SLES240	Cardigan Squash Club	Community	Ceredigion	£75,624 (£79,604)
SLES247	Nant-Y-Cwm Steiner School Limited	Community	Pembrokeshire	£25,047 (£25,457)
Total				£872,291 (£989,244)