

Welsh Government Energy Service Community Energy Resource Grant Application Guidance Notes

| | Page |
|---|-------------|
| CONTENTS | |
| Part 1: About this Funding..... | 2 |
| Purpose of this document | 2 |
| Grant Objectives..... | 2 |
| Part 2: Process Overview..... | 3 |
| Who can apply?..... | 3 |
| What can be funded? | 4 |
| Application and Selection Process..... | 5 |
| Evaluation Methodology | 6 |
| Scoring System | 6 |
| Part 3: Completing the application form | 8 |
| Section A – Applicant Details..... | 8 |
| Section B – Activities and Outcomes | 8 |
| Section C – Funding Requirement | 10 |
| Section D – Programme & Risks | 10 |
| Section E - Checklist | 10 |
| Section F - Declaration | 11 |
| VAT Guidance..... | 12 |

Part 1: About this Funding

Purpose of this document

These guidance notes are provided to assist in the completion of the application form for a **Community Energy Resource Grant (Resource Grant)** from the Welsh Government Energy Service. Please note that this document is intended to provide general guidance only and is not intended to have any legal effect.

The legal basis on which grants will be offered and paid is set out in the conditions of grant. The specific conditions that will apply to any offer of grant will be as specified in the formal Grant Offer Letter issued by Energy Saving Trust if your application for funding is successful.

If you are unsure about any provisions in the conditions of grant or the declaration that you are required to make at the end of the application form (see Part 3 below) you should seek independent legal advice.

Grant Objectives

The Objectives of the Community Energy Resource Grant are:

- To provide initial / short-term funding to establish or strengthen in-house capacity and capability of community energy enterprises in Wales to progress their local energy projects
- To strengthen and embed technical and project management capacity within community energy enterprises with a view towards long-term retention of these skills in the local community for future initiatives
- To accelerate the development and implementation of high-quality community energy projects in Wales, particularly those projects already in development that are limited by personnel capacity constraints
- To better enable community organisations to develop high impact projects that deliver positive outcomes for their local communities and for Wales

Part 2: Process Overview

The selection process for this funding prioritises applications which **embed capacity** and lasting skills within community based social **enterprises to develop projects that utilise renewable energy technologies** to deliver benefits to the wider community.

Following a call for Expressions of Interest for funding, the Energy Service will invite shortlisted parties to submit a full application. Full applications will be further evaluated on a competitive basis by reference to the following overarching criteria:-

- Benefits to the local community and wider Wales
- Potential for energy generation and carbon savings
- Deliverability of the project
- Value for money
- Other features in line with current priorities

Applications will be assessed and reviewed by the Community Renewables Team within the Welsh Government Energy Service. Each bid will be scrutinised and scored by two assessors who will make a recommendation to fund or not. Funding decisions will be validated via internal panel moderation.

Please note that funding is awarded via a competitive evaluation process. The funding available is limited and invitation to submit an application is no guarantee that you will be awarded a grant.

Who can apply?

Resource Grants are available to community organisations established in Wales that have a clear community energy purpose and operate along charitable or community benefit principles.

Legally constituted community based Social Enterprises are eligible. A social enterprise can be, but is not limited to:

- Community Interest Company
- Industrial and Provident Society
- Company limited by guarantee or shares
- Limited liability partnership
- Registered charity

but must in all cases fall within the following definition used by the Energy Saving Trust for the purposes of the scheme: -

"an organisation that, in the reasonable opinion of the Energy Saving Trust, is engaged in the carrying on of a business with primarily social purposes (other than the provision of schooling or social housing), meaning that it is involved in some form of trading, but that it trades primarily to support a social purpose (other than schooling or social housing) and seeks to

reinvest any surpluses principally in the business or in the community to enable it to deliver on its social objectives"

Unincorporated associations may be eligible to receive CERG funding, however it is essential that such groups have an established constitution and a suitable banking facility. Additional checks of controlling members are likely to be required prior to any such award.

For the avoidance of doubt, schools and registered social landlords are not directly eligible to receive funding.

What can be funded?

CERG funding is intended to **build capacity** which stimulates **relevant projects** that will lead to **identifiable outcomes** for the community. It is principally to support **revenue costs** (i.e. the costs of employing staff).

Eligible costs are:

- Direct wages / salary costs against a clearly identified role(s)
- Associated on-costs (including National Insurance, Tax and Pension)
- Specific training relevant to the role(s)
- Other associated costs such as recruitment

Projects must have a community energy focus. Priority will be given to initiatives which support outcomes in line with the following Ministerial Ambitions and the current Programme for Government.

- 70% of Wales electricity consumption to be renewable by 2030
- 1GW of electricity generated in Wales to be locally owned by 2030
- All new developments from 2020 to have an element of local ownership
- Expand renewable energy generation by public bodies / community groups by over 100MW by 2026
- Support innovation in new renewable energy technology

In line with the above, projects with a focus on supporting the development of the following renewable energy technologies will be prioritised:

- Wind turbines
- Hydro turbines
- Solar Photovoltaics
- Heat pumps
- Anaerobic digestion
- Biomass
- Marine technologies

Other energy measures such as storage, EV charge points, energy efficiency improvements, advice services can be included as part of a broader renewable energy plan, but deployment of renewable energy technologies should be the principal focus of the application.

Do note however, that the CERG **will not support** capital purchases or external project development costs including, but not limited to:

- Energy generation equipment or associated project hardware
- Costs associated with scoping, planning applications, grid, EIAs, legal or financial advice
- Office related costs, including rental, utilities, office equipment
- Travel or subsistence costs

Please contact the Energy Service for information on other funding which may be available to support such other costs.

Application and Selection Process

Step 1 - Send in your completed grant application form by the submission deadline:
11/11/2022

Step 2 - The application will be checked to make sure that it is compliant, has been fully completed and that all the required documents are attached. Properly completed applications will then be evaluated against the criteria as set out under

Evaluation Methodology and Scoring System below.

Step 3 - Successful applicants will receive a Grant Offer Letter setting the maximum grant offer and period of the Award and specifying the conditions of grant that will apply.

Please note that the grant offer is subject to change if any of the information regarding the project as detailed in the original application changes. Failure to inform the Energy Saving Trust (either directly or via your nominated Development Officer) of any changes to, or delays in completing your project may put your grant at risk.

Step 4 – The grant MUST be claimed by the expiry date stated on your Grant Offer Letter using the appropriate claim form as specified by the Energy Saving Trust, and accompanied by any required supporting documentation as specified in the GOL. More specific claim rules and guidance will be shared with successful applicants, however this will generally encompass:

- Evidence of the costs incurred (e.g. redacted payslips, bank statements or relevant invoices). Note that these must be dated within the grant period
- Evidence that the activity funded has been undertaken e.g. a copy of key deliverables (as agreed in Grant Offer Letter)

Evaluation Methodology

CERG funding is intended to build capacity which stimulates projects that will lead to identifiable outcomes for the community.

- We are seeking ambition and scale
- Innovation is encouraged
- Partnerships with other social enterprises and local governance organisations are welcomed

Note that this must be additional to 'Business as Usual' activity.

These are reflecting key strategic and policy objectives of Welsh Government. Alignment with and impact against Welsh Government / Energy Service objectives will be the key basis for assessment:

- Well-being of Future Generations, Climate Change Regulations & Environment Act
- Prosperity for All / Net Zero Wales / Programme for Government
- Relevant recommendations from the Renewable Energy Deep Dive

We encourage applicants to consider the 'wider benefits' that projects can achieve (i.e. beyond generation capacity installed, kWh delivered and CO₂ emissions savings). This could include for instance:

- Impacts on fuel poverty
- Supporting local economic outcomes
- Optimising use of network assets
- Enabling transition to decarbonised heat or transport solutions

Priority will be given to organisations:

- With project(s) that are already in development, but which are essentially reliant purely on volunteer availability and goodwill
- That are seeking to initiate activity and commence funding draw-down within the current financial year, 2022-23.

Scoring System

| Criterion | Threshold? | Weighting | Notes |
|--------------------------|------------|-----------|--|
| Organisation Eligibility | Yes | Pass/Fail | Is the organisation established in Wales? Does it have not-for-profit / community benefit / social enterprise purposes? Are appropriate governance structures and funding safeguards in place? |
| Funding Eligibility | Yes | Pass/Fail | Is the funding for staff related costs? (funding requests for e.g. capital or third party services are not eligible) |
| Project Purposes | Yes | Pass/Fail | Is this funding request for a relevant community energy outcome? |



| Location | Yes | Pass/Fail | Is this to fund a person(s) based in Wales? Are the outcomes of benefit to Wales? |
|--------------------------------|-----|-----------|--|
| Alignment | No | 10 | How does the project relate to the Well-being of Future Generations Act and/or other policies / ambitions of Welsh Government? Is it helping to respond to strategic priorities such as a just transition to net zero, or other energy sector challenges? |
| Overview and Expected Outcomes | No | 10 | Is the concept reasonable? What is(are) the expected outcome(s) from this funding? Do the proposed activities support the aims and outcomes? Is there evidence, experience or foundation activities which point to likely success? |
| Plan & Approach | No | 20 | Does the plan seem credible? Do the proposed role(s) and tasks to be undertaken appear to support the timely delivery of the expected outcomes? Note that delivery may rely on mobilising volunteers or partner organisations. Does the plan adequately address this? Have key risks been identified and suitable mitigation measures considered? |
| Ambition | No | 10 | Is there an indicative capacity or other measurable outcome described? How significant is(are) the targeted project outcome(s) in relation to WG priorities? Is the ambition commensurate with the funding requested? |
| Innovation | No | 5 | Is the project seeking to address something which is novel or early stage in terms of Wales's community energy sector's experience? (e.g. novel technology or application, or a new delivery approach) |
| Pace | No | 5 | Is the activity expected to commence within the current financial year? What is the timeframe for outcomes Activities that are ready to proceed are preferred over those that will only commence in FY23/24 or later. |
| Additionality & Necessity | No | 10 | What evidence is provided to indicate this is accelerating delivery beyond Business as Usual? Is there a reasonable justification for why CERG funding is required? Why can the organisation not fund this role / these activities itself? |
| Legacy | No | 10 | How does the organisation intend to build lasting capacity legacy, beyond the initial award period? How will the knowledge and skills supported be embedded within the community? |
| Value for Money | No | 20 | How well has the funding request been justified? Are the salary package and costs appropriate for the identified role(s) in the marketplace? Do the proposed outcomes appear to warrant the funding requested? Is the CERG leveraging any other match funding? |

Part 3: Completing the application form

Section A – Applicant Details

Please complete all sections, even if this information has not changed since completing the expression of interest form.

About the applicant organisation

Please tell us briefly about your organisation, including its legal status (e.g. community interest company, industrial & provident society, company limited by guarantee), its activities and why you consider it constitutes a "social enterprise" or an "SME" for the purposes of the scheme.

Please also tell us about any project management or other relevant skills among the controlling members and volunteers of your organisation, and the governance structures that will safeguard use of any funds awarded.

Please also give an overview of the specific role(s) which the funding will support and explain why CERG funding is necessary at this time.

Authorised Signatory Form & Constitution & Accounts Request

Please complete this section by providing two authorised signatures and provide the organisation constitution report along with the most recent AGM meeting minutes. Please also provide the organisation accounts for the last year and a current bank statement (partially redacted is acceptable).

De Minimis / Small Amounts of Financial Assistance (SAFA)

Please provide details of any EU de minimis aid and small amounts of financial assistance over the last two fiscal years.

Please be aware, SAFA support can be variously referred to by any of the following names:

- SDR aid
- UK de minimis
- 'Small Amounts of Funding Exemption' (SAFE)
- 'Minimal Financial Assistance' (MFA)

If you have been in receipt of funding under any of these titles, you should include it in your statement of eligible support received.

Section B – Activities and Outcomes

Project Summary

Note that this section relates to the outcomes that the resource (staff) funding is intended to enable, rather than the staff role(s) itself. For instance, if the purpose of the role is to be the

community representative leading on the development of a community wind turbine or solar farm, in this section we want to know more about the energy project (i.e. the wind turbine or solar farm).

Technology Outcomes

Please tell us about any targets for measurable indicators such as additional number of systems to be installed, total generation capacity, annual energy generation or carbon savings that you expect to deliver as a result of this resource grant. We are similarly interested to know if you are enabling multiple distributed generation systems within your community, metrics such as the number of households or community buildings you intend to assist. Timeframe for delivery is also relevant, so please attempt to give an indicative time-based analysis of your installation targets.

Other Strategic Outcomes and Wider Benefits

Please explain how your project contributes to the Well Being of Future Generations Act and other Welsh Government policy or strategic objectivesⁱ

Please also highlight how the wider community will benefit from the intended project. For example, you may describe expected impacts on fuel poverty, how the initiative supports local economic outcomes (e.g. job creation or youth training, or expected retention of local value), optimised use of network assets, transition to decarbonised heat or transport solutions, and so on.

Innovation

Please describe any particularly innovative aspects of your initiative. This need not be restricted to the use of new technology(ies), but) but could relate (for example) to a new approach towards energy communities in Wales.

Legacy value

Explain how you anticipate ensuring that the capacity and skills deriving from this support will be retained within the organisation and/or the local community(ies).

Rationale

At this point we want understand how the resource funded via this application will support your initiative. Why is the initiative necessary and why do you believe your activity plan (described at Section D) will work? If you have evidence of need for this initiative, that should also be explained.

Value for Money

The CERG funding is to support capacity development, i.e. staff resource. To understand value for money, we will look at the role(s) for which you are seeking funding against the activities that will be delivered and will determine based on your responses and the wider market whether the salary level is appropriate.

Note that for an overall Value for Money measure, we will also consider the funding request alongside other applications in relation to the technology outcomes and wider benefits that you expect to deliver through the project(s) the resource funding enables.

Section C – Funding Requirement

Staffing Costs

Please give a breakdown of the funding you are seeking for the direct payroll costs for each role that is to be funded, indicating the full-time equivalent (FTE) ratio for each role.

Other relevant costs

You may include a request for eligible costs associated with the staff appointment, such as recruitment and training.

External Contributions

If you have secured or are expecting any third-party funding or if you are contributing match-funding from own reserves, please describe these here. You may also include in-kind contributions, such as existing paid staff time that will be required to recruit or manage the new staff. These contributions will reflect on the Value for Money consideration.

Please use precise figures where they exist (rounding up to the nearest whole pound). In case figures are indicative, you may round to the nearest £100.

Section D – Programme & Risks

Please give an overview of the major activities that you expect to be undertaken both to appoint the new person(s) and post-recruitment to deliver the identified project outcomes. An example is provided in the top row of the table.

Please describe any early risks associated with this project and how these risks will be managed. For example, these may relate to recruitment and staff churn, community engagement, capacity of existing resources, organisational risks or competing priorities. You may also need to consider the quality of installations, data protection issues, safeguarding of staff and clients and health and safety issues (not an exhaustive list).

Section E - Checklist

Supporting Documents Checklist

The checklist is to assist you in ensuring you have completed and gathered the required information before sending in the application.

Section F - Declaration

Declaration

By signing the form, you will be acknowledging and agreeing to the matters set out in the Declaration. Please read this part of the form, including the Data Protection statement below the signature boxes, carefully before signing and dating the application. Electronic signatures (scanned image) inserted into the application form are acceptable.

Please return the signed and dated application form via email to:

communityenergy@energyservice.wales (Please also cc enquiries@energyservice.wales)

Postal Address:

Welsh Government Energy Service
Energy Saving Trust
33 Cathedral Road
Cardiff
CF11 9HB

VAT Guidance

VAT Registered Organisations

If your organisation is VAT registered you will only be allowed to claim for the net value.

Please ensure that the VAT registered organisations have sufficient funds to cover the VAT cost for the work.

Non VAT registered Organisations

If the organisation is not VAT registered, then you can claim the full cost including VAT from EST but would not be able to claim back the VAT from HRMC.

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Community Energy in Wales - policy context

The Welsh Government has ambitious targets for reducing carbon emissions and for generating locally owned renewable energy. It is committed to maximising the wider benefits for Wales from the transition to a zero-carbon economy, ensuring a fairer and healthier society for all.

