**Ynni Cymunedol Cymru / Community Energy Wales & Ynni Teg Annual report to Welsh Government 2025-2026**

For the budget year 2025/26, CEW & Ynni Teg received a joint grant award from Welsh Government of £430k, a shortfall from our original proposal for £800k. A decision was made to hold over investment in governance enhancements and market research to future years, as a means of managing this budget shortfall.

The award was split £270k for CEW & £160k for Ynni Teg.

Targets were agreed for both organisations to achieve jointly. Meeting these targets that would help to increase capacity across both organisations, improve governance and engagement with both stakeholders and the public and contribute to government targets on locally-owned capacity, including shared ownership.

**Target 1: Produce a Welsh State of the Sector Report**

A bilingual report was published in November 2025. It was launched in the Pierhead Building as part of the Senedd, at an event sponsored by Carolyn Edwards MS.

The report is here:

https://communityenergy.wales/content/publications/SOTS-2025-English.pdf

In Welsh here:

https://communityenergy.wales/content/publications/SOTS-2025-Cymraeg.pdf

The report has been used and will be used as an evidence debate to inform our positions on policy and our priorities as organisations.

**Report Headlines**

*the Welsh Government has set a target for at least 1.5 Gigawatts (GW) of renewable energy capacity to be locally owned by 2035*

If this target is to be met, it will be largely from private *locally owned* not community-owned generation.

Community owned electricity generation was up slightly on the previous year. This was due to existing businesses increasing their capacity, as opposed to new business growth. The limited sector-wide progress reflects the difficult market conditions we are operating under. This evidence has been used to make the case for new business models and for routes to market for small scale, community-owned renewable energy.

Point to note: Change of post-holder. New policy & research officer started March 16th 2026.

**2026/7 target: produce a SOTS report**

**Potential future work with additional funding:**

CEW can provide individual member business reports

Develop member map on our website




**Target 2 - Continued stakeholder engagement to identify, analyse plan and implement actions to influence relevant stakeholders and address the needs of community energy groups**

**Headlines**

**Conference** - our annual two-day conference was held on June 10th and 11th 2025 at the Centre for Alternative Technology, just outside Machynlleth. A report of the conference is here:

Community Energy Wales | From the Conference

A one-day free valleys conference took place on March 18th 2026 (as part of valleys engagement work - see Target 6).

Report / commentary here:

(2) Post | LinkedIn

**All-Agencies Group** - quarterly meetings held & notes submitted in quarterly grant claim reports.

The All-Agencies group has met quarterly. The group is convened and chaired by CEW, which also provides secretariat. Meeting notes have been submitted with the 2025/26 quarterly grant claims The group is made up of representatives from the following:

- Welsh Government Energy Delivery Team
- Welsh Government Energy Policy Team
- Ynni Cymru
- Trydan Gwyrdd Cymru
- Ynni Teg
- CEW
- Welsh Government Energy Service (Community Team)
- Welsh Government Energy Service (Local Team)

It is developing into a valuable forum for sharing information updates, for building relationships between the different agencies working on community and publicly owned energy, for consideration of joint projects and for developing joint tools like the customer journey work. The group meetings have enabled the identification of gaps in service which are critical to the delivery of targets (notably the lack of resource for early start-up and pipeline building), opportunities for new communications on community energy and Welsh Government support have been identified and are close to delivery, and we hope to see the customer journey reflected and available to people across Wales on the relevant Agency websites in the coming year.

**RhanNi** is our subscriber database of people who want to work on or who want to champion community energy in their communities and sphere of influence. RhanNi members receive the monthly newsletter, contribute to CEW campaigns, events and our quarterly Fforwm Datblygu. The numbers increased from 786 in March 2025 to 847 in March 2026.

**Energy Learning Network:** while this is a National Lottery funded UK-wide programme, there is overlap with stakeholder engagement, for example - webinars, working groups, mentoring, quarterly online fforwm datblygu.

**Renewable Energy Sector Deal:** we have gathered the views of CEW members and fed into the process - this work has commanded significant resource. Some changes were made to the final report which reflected community energy sector input. Ongoing involvement in the sector deal process is a risk to CEW without additional funding.

**UK Engagement:** together with Community Energy Scotland & Community Energy England, we have engaged extensively with DSNEZ & GBEnergy, influencing the Local Power Plan, community energy definitions, shared ownership policy, local trading, grid connection issues & more. A news article referencing our submission for mandatory shared ownership and community benefits can be found here:

Welsh communities 'must be at heart of UK's clean energy future'

We will have continued and ongoing opportunities to input into the LPP, GBE and DESNZ policy agenda.

**2026/7 Target:** continued stakeholder engagement as above.

Continue to work with Community Energy Scotland and Community Energy England to assist in the implementation of the Local Power Plan with DESNZ and GB Energy.

Continue to convene the All-Agencies group on a quarterly basis, continue building relationships and working with colleagues in Welsh government.

Grow numbers attending our conferences. Grow numbers of place-based organisations. Grow RhanNi network. The valleys film events have contributed to growth in these areas over the last year and we intend to build on that.

**Potential future work with additional funding:**

Engagement with local authority officers with a view to developing joint projects.

Improve understanding of community energy among key stakeholders in local government.

**Target 3 - Contribute towards the local ownership of energy generation in Wales - target of 1.5 gigawatt (GW) of renewable energy capacity in Wales to be locally owned by 2035.**

2024 saw an incremental capacity increase of 3% in total community energy capacity, which now stands at 33.4MW - a fraction over 2% of the Welsh Government's target of 1.5GW of capacity in local and community energy (58% is privately owned 'local' energy). There is a shortfall of 600MW to reach the Welsh Government's 2030 target." CEW SOTS Report 2025

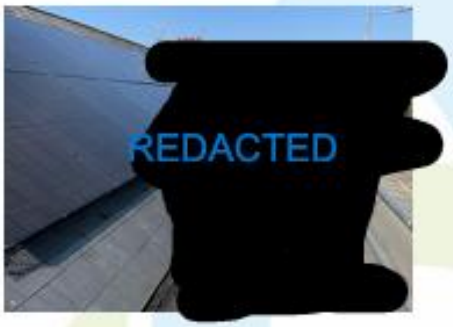
The market conditions continue to be unfavourable towards new community energy projects. We have, however, been contributing to the proposals under consideration by OFGEM to modify P441 (Balancing and Settlement Code – BSC 'Creation of Complex Site Classes), which would make it easier for small scale energy generators to directly supply homes and businesses, resulting in lower bills for consumers and higher income for generators.

Under the existing market conditions, the existing support mechanisms (WGES and Ynni Cymru) have been shaped to focus on larger projects and on capital. Modification of P441 will provide opportunities to reshape support to focus on growing community participation from the grass-roots, achieve replication and scale, a tighter focus on 'community', a better agreed value for community energy projects, and more focus on engaging a pipeline of starter groups, reaching and engaging more diverse communities. Our work in the valleys establishing Valleys Community

Energy is already yielding results which will be built on by the follow-up work to the March 18th valleys conference, which was a significant contribution from the investment in a community engagement officer under last year's funding arrangement.

Separating out "community-owned" from "locally owned" generation will help focus on the community energy contribution to the target.

**Ynni Teg Headlines**




"Ynni Teg has benefited from receipt of the WG grant funding for the financial year 2025-26 in several ways. We have -

- retained our core staff team of 4 members and extended the employment contract for our research officer
- employed a part-time Administration Officer from January 2026 onwards
- been given confidence to recruit a part-time Finance Manager who will start work in April 2026 to enhance the robustness of our financial systems and governance.

Having been able to retain and increase our staff resources has enabled us to expand our project work – the development of new renewable energy generating assets and the provision of support services for the wider community energy sector, including, e.g. the installation of a new wind turbine, the preparation of five feasibility studies for organisations in different parts of Wales, the development of a new business model for SLES-type project work and the ongoing advice and mentoring to communities of interest, e.g. interested parties in RCT that have recently formed the Valleys Community Energy entity".

**2026/7 target** - contribute to the ***community*** ownership of renewable energy generation.

**Potential future work with additional funding**

Research to contribute to new government targets for community ownership, shared ownership and community benefits.

**Target 4 - Build governance strength across Community Energy Wales and Ynni Teg**

What was originally envisaged here was reduced as a reflection of the lower funding offer.

**Headlines**

A Memorandum Of Understanding between Community Energy Wales board & Ynni Teg board has been agreed by both boards. Ongoing joint board meetings will oversee the implementation of closer staff collaboration in joint teams and the newly approved ways of working.

A follow-up joint board meeting is planned for late summer.

We have made three joint appointments & now have joint staffing teams on projects, engagement, business and asset development.

Ynni Teg has appointed a new Finance Manager who will start in April.

A joint project committee is being developed which includes directors and staff from both organisations.

The Community Energy Wales board now at full capacity (11 members), while Ynni Teg has some vacancies which will be open to recruitment.

**2026/7 Targets:** Bring Ynni Teg board up to full complement. Continue to develop joint working across the two organisations.

**Potential future work with additional funding**

CEW to appoint a Company Secretary / lead governance manager and senior finance manager

Detailed legal advice on governance arrangements for closer working across the teams and related scrutiny (ensuring that shadow directorship risk is managed).

**Target 5 - Increase capacity for sectoral asset development including shared ownership**

We have recently appointed a new Commercial and Asset Development Manager (started Jan 26th 2026). He will be working with Ynni Teg on the project pipeline, on shared ownership projects and business models for projects with newly constituted community energy enterprises.

Shared ownership has remained a challenging area, which constantly draws on resource but with only long-term returns. Policy developments in Westminster, aligned with a Welsh renewable energy sector deal, may make this a more constructive and productive ambition to pursue.

Progress on shared ownership has been mostly in the sub 25MW scale, with 2 significant wind cluster prospects under negotiation. Three larger shared ownership proposals continued to develop in the period (Alwen Forest, Waun Maenllwyd and Waun Fawr).

**2026/7 target:** Establish the asset development function across Community Energy Wales & Ynni Teg

**Potential future work with additional funding**

Grow this function & grow a base of community owned energy assets.
Grow the team of people working on commercial and asset development, especially on shared ownership with developers at a range of scales

**Target 6 - Increase capacity for community engagement and activation at the grass roots**

Our engagement officer has been holding public events throughout the valleys using a documentary (made & funded externally) as a way to introduce the concept of community energy and to serve as a talking point.

This work is contributing to the building of a database of people interested in getting involved with community energy with a view to developing geographic based businesses and projects in the valleys.

A valleys community energy conference was held on 18th March in Pontypridd. All of the people on the database were invited to come together with people in existing community energy businesses and organisations like Cwmpas and Coalfields Regeneration Trust who can help with incorporation and project development. The conference was over-subscribed. Placed-based interest groups will be formed which will be supported to develop projects.

Further work in this area includes incorporating Valleys Community Energy as a CLG (launched at the conference) and developing a new valleys micro-hydro working group.

We are looking to take the learning from the work in the valleys to expand our engagement work to the north-east & the Powys border (Hay on Wye), depending on the outcome of a lottery bid.

**2026/7 target** - follow up on the Valleys Conference to set up place-based groups of energy community champions that can be supported by CEW & YT to develop community energy projects or shared ownership opportunities.

**Potential future work with additional funding**

Spread engagement work into more areas.

Develop a "new starter pack" for people interested in getting involved in community energy.

Develop a new starters handholding service with engagement and governance support from YCC and opportunity mapping and project technical guidance from Ynni Teg.

Ynni Cymunedol Cymru
Community Energy Wales

YnNi Teg

Polling to develop a better understanding of public attitudes towards community energy.

Work to develop a series of pilots of energy communities / substation level micro-grids in the valleys.







