



Llywodraeth Cymru  
Welsh Government

PUBLICATION, DOCUMENT

# Clone of Ynni Cymru capital grant

Subsidy reference SC11177 - a scheme to support the delivery of smart local energy systems (SLES) across Wales.

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## Point to note

If you are using this scheme to provide awards of subsidy, you must inform the Subsidy Control Unit – email: [scu@gov.wales](mailto:scu@gov.wales)  
(<https://www.gov.walesmailto:scu@gov.wales>)

## 1. Region

All Wales

## 2. Title of subsidy scheme

Ynni Cymru Capital Grant

## 3. UK legal basis

- Section 60(1) of the Government of Wales Act 2006
- Section 1 of the Welsh Development Agency Act 1975

## 4. Specific policy objectives of the scheme

The Cooperation Agreement between Plaid Cymru and the Welsh Government included a shared ambition to establish a publicly owned energy company for Wales, Ynni Cymru. The current scope for Ynni Cymru is centred around the following core activities:

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- Optimising existing locally owned renewable energy use and generation projects.
- Growing locally owned renewable energy use and generation projects.
- Increasing local ownership in renewable energy projects.
- Aggregating locally owned renewable energy projects to enable access to wider energy markets.
- Developing local energy markets where supply and demand can be balanced and to enable mutual benefit for consumers and generators.
- Delivering SLES across Wales, where renewable energy supply is expanded to meet increased demand and supply is better balanced with demand.

A smart local energy system (SLES) is a way to bring together different energy assets in a local area and make them operate in a smarter way. A SLES can:

- facilitate decarbonisation and accelerate uptake of low carbon technologies
- utilise existing local resources to meet communities' energy needs
- contribute to both local and national delivery of net zero
- create a wide range of economic and social benefits
- de-risk investments in energy infrastructure
- improve local energy resilience
- reduce energy bills and address fuel poverty.

SLES have the potential to create a wide range of both economic and social benefits for local communities, generating wider value which far exceeds their costs. To support the delivery of SLES across Wales, there is a £10 million capital allocation for Ynni Cymru in the current financial year (2024-25). Welsh Government Policy Officials and the Ynni Cymru team have undertaken work to explore options for the deployment of this funding. The proposal is to offer grant funding to eligible organisations which can deliver SLES projects in the current financial year.

**To effectively achieve policy objectives, applications were evaluated, on a competitive basis against other applications, by reference to the following**

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**criteria:** (<https://www.gov.walesnull>)

- Alignment with SLES Principles and Ynni Cymru's broader objectives
- Deliverability
- Impact
- Value for money

## 5. Public authority(ies) authorised to implement the scheme

Welsh Government

## 6. Category(ies) of eligible enterprise

The following organisations, who are headquartered or have an operating base in Wales, will be eligible to apply:

- Community organisations
- Legally constituted Social Enterprises. A Social Enterprise can be, but is not limited to:
  - Community Interest Companies
  - Companies limited by guarantee or shares
  - Co-operative and Community Benefit Societies
  - Industrial and Provident Societies
  - Limited liability partnerships
  - Registered charities
- Legally constituted SMEs, that also employ people in Wales
- Public sector bodies

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## 7. Sector(s) to be supported

Electricity, gas, steam and air conditioning supply.

## 8. Duration of the scheme

30 August 2024 to 31 December 2025.

Please note that projects must be completed by the 31 March 2025 and funding claimed in full by 31 May 2025. The end of the scheme is stated as 31 December 2025 to allow for ongoing post installation monitoring and Welsh Government Scheme closing processes.

## 9. Budget for aid under the scheme

£10,000,000.

## 10. Form of support

All subsidy awarded under the scheme will be awarded by way of grants.

## 11. Eligibility terms and conditions

A robust definition of SLES was included in the Scheme Guidance Notes which details the principles, technologies, and relevant configuration of technologies

necessary to meet the SLES requirements.

- There is a total budget of up to £10 million of capital grant funding
- Projects must be completed by 31 March 2025.
- The minimum grant award for a single project is £25,000.
- The maximum grant award for a single project is up to £1m.
- Match-funding is not a requirement, but applications that do have an element of match-funding will be prioritised accordingly.
- Funding is available to fund new SLES projects, or for elements of a project that result in the creation of a SLES.
- Priority will be given for those projects that can demonstrate a multi vector (power, heat and transport elements) SLES project.
- Collaborative applications are encouraged. For SMEs applicants, collaborative applications between SMEs and community organisations will be prioritised accordingly.

In addition to the cost of the technologies, reasonable enabling works - such as those relating to design and engineering, project delivery, equipment, installation, and commissioning - may also be included provided that they are directly linked to the technologies being installed. External consultancy and management fees associated with the installation/construction of the project may also be included.

100% capital grant for eligible project costs. Paid in arrears based upon submitting an actual grant claim form and providing supporting evidence regarding the deliverability of the project.

## 12. Basis for calculating subsidies

Applicants were required to submit an application by 5pm on 18 October 2024. To effectively achieve policy objectives, applications were evaluated, on a



competitive basis against other applications. As part of the application form, applicants were required to state:

- Ynni Cymru grant funding required by the project, and what proportion of the overall cost of the project this represents.
- Why public funding is required, and the difference public funding will make to the project.

Due to the tight timescale for deployment of this funding and the innovative nature of SLES type projects, it is proposed that 100% grant funding is made available in this current year. The maximum grant award for a single project is £999,999.99.

## 13. Maximum subsidy allowable under the scheme

£999,999.99

## 14. Contact information

### Subsidy Control Unit

Welsh Government  
Cathays Park  
Cardiff CF10 3NQ  
United Kingdom

**Telephone:** + 44 (0)3000 604 400

**Email:** [subsidycontrolunit@gov.wales](mailto:subsidycontrolunit@gov.wales)

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Cymorthdaliadau  
Subsidy  
Control Unit

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