



Llywodraeth Cymru
Welsh Government

GUIDANCE, DOCUMENT

Ynni Cymru capital grant funding programme 2024 to 2025: guidance

How to apply for Ynni Cymru funding.

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These guidance notes are provided to assist in the completion of the [Ynni Cymru capital grant application form](#).

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 Award Letter 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 you should seek independent legal advice.

Before you start

Before submitting your application, it is the lead applicant's responsibility to make sure:

- that all the information provided in the application is correct
- your proposal meets the eligibility criteria
- all sections of the application are marked as complete
- if submitting a collaborative application, that all partners are signatories to the application.

Background

The Welsh Government through Ynni Cymru is working to support the development and delivery of Smart Local Energy Systems (SLES) across Wales. A capital grant pot of up to £10 million is available to eligible

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organisations to deliver SLES projects across Wales. Funding is for capital works only and cannot be used to cover costs incurred prior to the grant offer. Only one application per organisation will be accepted, and we are happy to accept collaborative applications.

Applications will be evaluated, on a competitive basis against other applications, by reference to the following criteria:

- Deliverability
- Alignment with Ynni Cymru's SLES principles and broader objectives
- Benefits
- Costs and Procurement

The deadline for applications is 5pm on the 18 October 2024 and projects must be completed by the 31 March 2025.

Objectives of Ynni Cymru

The capital grant funding will support eligible organisations to deliver on Ynni Cymru's objectives, which are:

- To accelerate the transition and deployment of 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.

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What will be funded?

- 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 £1 million.
- Match-funding is not a requirement, but applications that do have an element of match-funding will be prioritised accordingly.
- We wish to fund a diverse range of SLES projects across Wales. Funding is therefore available to fund new SLES projects, or for elements of a project that result in the creation of a SLES.
- During evaluation, 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.
- The maximum grant application per applicant organisation is £1 million available to the deliver capital works that align with the SLES principles detailed below.
- Please note that the amount of funding available is subject to subsidy control (please see the Additional information section in the guidance below).

Smart Local Energy System (SLES) principles

A SLES joins up different energy generation, storage, demand, and infrastructure assets in a local area, making them operate more intelligently and deliver local benefits.

- Smart - projects utilise data and controls to ensure that energy is used more

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efficiently and effectively, at the right place and at the right time (e.g. control systems and software for monitoring, automation, artificial intelligence, and/or trading energy).

- Local - projects will be **locally owned**, they will recognise that different places and communities in Wales have different needs, and benefits will accrue locally (e.g. local ownership, carbon, financial and wider environmental and social benefits).
- Energy System - projects use multiple types of technology (e.g. a combination of local renewable energy generation to facilitate renewable power use, low carbon heating, cooling and hot water, ultra-low emission transportation, demand reduction, co-located renewable energy generation technologies, optimised use of grid capacity, and energy storage).

Examples of Smart Local Energy Systems (SLES)

Examples of potential SLES projects are detailed below to help applicants understand how the SLES principles above might be put into practice, but please note that these examples are for illustrative purposes only and are not exhaustive:

Example 1

A building (e.g. office, community centre, leisure centre etc) installs solar photovoltaic (PV) panels, battery storage, air source heat pump and smart controls and meters. The configuration of technologies has been designed to maximise onsite self-consumption and reduce carbon emissions from the building.

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Example 2

A group of SME businesses working with a community organisation to install solar PV, heat pumps, batteries, and electric vehicle charging infrastructure across a small business park. The configuration of technologies has been designed to maximise onsite self-consumption and reduce carbon emissions from the business park.

Example 3

A battery energy storage system (BESS), complementary renewable electricity generator (e.g. a wind turbine), and electric vehicle charging infrastructure co-located with an existing solar farm to deliver both grid flexibility and resilience and a direct use for generated renewable electricity. The system could also access new revenue markets via the BESS.

Note

In each of the examples above, the importance of thorough feasibility work and modelling must be emphasised. Evidence of feasibility, design, modelling (and underlying assumptions) associated with your project will be required to support your application.

Eligible technologies

In line with the SLES principles and examples above (as well as examples from operational SLES projects), the technologies eligible for funding might include a combination of following:

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- Smart systems such as building management systems, smart lighting, smart grid monitoring and smart meters.
- Renewable energy generation technologies such as:
 - Anaerobic digestion
 - Hydro
 - Solar Photovoltaics (PV) and solar thermal
 - Wind
- Technology relating to low carbon heating, cooling, and hot water, such as heat pumps (any type), solar thermal and heat networks.
- Ultra-low emission transportation infrastructure, such as Electric Vehicle Charging Infrastructure (EVCI).
- Energy storage technologies such as battery storage, thermal storage and storage heating.

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.

Ineligible costs

- Internal revenue costs, such as those relating to staff, operations, or maintenance.
- Measures that do not result in or support carbon savings, examples include:
 - Any primary fossil fuel heating plant e.g. gas boilers, gas CHP
 - Replacement of existing low carbon heat systems still within its useful operating life.
- Costs relating to wider building renovations, such as refurbishment and significant building fabric works.

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- Retrospective work, which has already been started or completed.
- Improvements that are required by law.
- Feasibility or concept work.
- Office related costs, including rental, utilities, office equipment.
- Travel or subsistence costs.
- Recoverable VAT - applicants will need to manage this cash flow aspect appropriately where VAT is paid in one financial year but recovered the next.
- Contingency costs, as any additional cost overrun should be managed by the applicant.

Who can apply?

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 (please see Glossary section for further details relating to SME eligibility)
- Public sector bodies

Collaborative applications between organisations are welcomed. With respect to SME applicants, projects where an SME is working with a community

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organisation or social enterprise will be prioritised.

We are happy to accept collaborative applications from eligible organisations listed above.

Procurement - Value for money

If you need to buy any goods and/or services to deliver the SLES project, they must be purchased in a competitive and sustainable way so as to demonstrate that you have (i) achieved best value in the use of public funds, and (ii) complied with your organisation's conflict of interest policy at the relevant time. We may request evidence from you to demonstrate your compliance with this requirement. Such evidence may take the form of evidence of your:

- compliance with any procurement regulations, legislation or guidance in place from time to time to which you, or any person carrying out a business or function of the same or similar nature to you, is subject; or
- compliance with your procurement policy in place at the relevant time; or
- obtaining a minimum of three written quotations for the relevant goods and/or services.

You must supply such evidence to us promptly following our written request for such evidence.

Application and selection process overview

- Step 1 - Ynni Cymru launches open call for projects: 3 September 2024.
- Step 2 - Online capital grant funding briefing: 12 September 2024.
- Step 3 - Closing date for submission of applications: 5pm, 18 October 2024.

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- Step 4 - Applications will be checked to ensure that they are compliant, complete, and that relevant supporting documentation is attached.
- Step 5 - Compliant applications will be evaluated on a competitive basis against the scoring criteria outlined below.
- Step 6 - Successful applicants will receive a Grant Award Letter (GAL) in December 2024 setting out the maximum grant offer, period of award, grant conditions, and payment schedules.
- Step 7 - The grant must be claimed by the expiry date stated in the GAL using the appropriate claim form and accompanied by any required supporting documentation as specified in the GAL. Specific claim rules will be shared with successful applicants.

Application form and evaluation process

The application form features a number of sections, some of which test eligibility, some of which record important information, and some of which will be used to assess applications by the decision-making panel. Guidance and details for each section is in the table below, which should be read in conjunction with the application form.

Section 1: Eligibility

Questions 1 to 6: A series of questions to confirm the project's eligibility to proceed to application. Please note, Q6 asks applicants to confirm they have a minimum of a 3-year lease on buildings/land. If an applicant is part way through a lease this is acceptable.

Weighting: Pass/Fail

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Section 2: Application details

Questions 7 to 22: Please provide particulars about your organisation (if this is a joint application with another organisation, please provide particulars about the lead organisation).

Weighting: N/A

Section 3: Lead contact

Questions 23 to 28: Please provide particulars about the person who'll be the main point of contact for Ynni Cymru in relation to the project.

Weighting: N/A

Section 4: Secondary Contact

Questions 29 to 34: Please provide particulars about who Ynni Cymru would liaise with should the person named in section 3 be unavailable.

Weighting: N/A

Section 5: Authorising Official

Questions 35 to 40: Please provide particulars about the person from the lead organisation who can approve and be accountable for the finances related to the project, such as a Section 151 officer or Finance Director.

Weighting: N/A

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Section 6: Deliverability

The purpose of this section is to aide Ynni Cymru to assess the delivery confidence associated with this project.

Weighting: 25% of overall mark.

Question 41: Please provide a detailed delivery timetable with clear milestones. Upload in the Supporting Documents part of the application form.

Weighting: 20%.

Question 42: Please provide an outline of the roles in the project team and any relevant experience.

Weighting: 40% - 1,000 word limit.

Question 43: Please set out the top three deliverability risks to the project and how you will seek to mitigate these.

Weighting: 40% - 1,000 word limit.

Section 7: Alignment with Ynni Cymru's objectives

The purpose of this section is to confirm that the project meets the Smart Local Energy System criteria, and to assess the extent to which the project supports delivery against Ynni Cymru's objectives.

Weighting: 25% of overall mark.

Question 44: Please provide a narrative about how components of the project deliver against each principle of a **Smart Local Energy System**. The question

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asks that evidence of feasibility and design work is uploaded as supporting documentation. Please note, the supporting document provided does not contribute to this section's word limit.

Weighting: 75% - 1,500 word limit.

Question 45: Please set out how the proposal aligns with wider **Ynni Cymru's objectives** (see Ynni Cymru objectives section in the Guidance Note).

Weighting: 25% - 800 word limit.

Section 8: Benefits

This section will help Ynni Cymru to understand the benefits that each project will deliver, and enable evaluation of value for money between different projects.

Weighting: 25% of overall mark.

Question 46: Please describe the key benefits that this project will directly deliver, and the level of benefit. Benefits must extend beyond the applicant organisation, and we are looking for projects that demonstrate wider social (e.g. addressing inequality), economic (e.g. energy cost savings) and environmental benefits (e.g. carbon savings).

Weighting: 100% - 1,400 word limit

Section 9: Project Costs and Procurement

This section asks applicants to share costs details with Ynni Cymru in order to help evaluate value for money between different projects.

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Weighting: 25% of overall mark.

Question 47: Please note the level of Ynni Cymru grant funding required by the project, and what proportion of the overall cost of the project this represents. The information and rationale you provide in answer to Questions 50-61 will be used by the evaluation panel to score Q47.

Weighting: 34% - 500 word limit.

Question 48: Please outline the steps you will follow to procure goods and services, and how these steps are conducive to providing value for money.

Weighting: 33% - 500 word limit.

Question 49: Please outline any additional sources of funding secured for the project, why public funding is required, and the difference that public funding will make.

Weighting: 33% - 500 word limit.

Questions 50 to 64: This suite of questions asks for a detailed breakdown of your costs.

Section 10: Supporting documentation

Questions 65 to 67: Please add any evidence of consents such as planning, building leases, feasibility work, and any quotes, soft market testing, etc.

Weighting: N/A

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Section 11: Declaration

Question 68: Please sign this declaration before submission, ensuring that the person named in Section 5 has approved submission.

Weighting: N/A

Section 11: Data protection

Question 69: Please sign this declaration before submission, ensuring that the person named in Section 5 has approved submission.

Weighting: N/A

Submissions will be scored using the following scale. A mark of 1 for any scored question will permit the evaluation panel to cease marking the application and disqualify it entirely.

Excellent

Demonstrates clearly and convincingly how all requirements will be delivered, with full supporting details provided. Provides full confidence of excellent delivery.

Score: 5

Fundable: Yes

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Very Good

Demonstrates how all requirements will be delivered, with full supporting details provided. Provides confidence of very good delivery.

Score: 4

Fundable: Yes

Good

Demonstrates how most requirements will be delivered, with some supporting details provided. Minor reservations or weaknesses.

Score: 3

Fundable: Yes

Acceptable

Demonstrates some requirements will be delivered, with limited supporting details provided. Some reservations or weaknesses.

Score: 2

Fundable: Yes

Poor

Provides limited assurance that requirements will be delivered, with insufficient supporting details provided. Response is considered non-compliant with the requirements.

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Score:1

Fundable: No

How to apply

The **Ynni Cymru: capital grant funding programme 2024 to 2025** application must be submitted by 5pm on the 18 October 2024.

Additional information

- This guidance note provides general guidance but holds no legal status.
- Any advice/assistance provided by Ynni Cymru is provided on a no-liability basis.
- Neither Ynni Cymru nor the Welsh Government will have any liability to you for any loss, damage, costs, expenses or other liability arising out of or in connection with the provision of any advice or assistance of this kind and/or any reliance placed by you on that advice or assistance.
- Funding is awarded via a competitive process. The funding available is limited and there is no guarantee of funding award to any organisation. All awards are discretionary and there is no appeals process. For any SME applications, priority will be given to collaborative applications between SMEs and community organisations.
- As a public sector funding provider this fund should not undertake any activity which displaces or distorts existing market provision. Focus will be upon investments that either cannot access or have difficulty in accessing other forms of more conventional investment. Additionally, applications will be considered in the context of other available Welsh Government funding, and applicants may be directed towards alternative or mixed funding as appropriate.

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- Ynni Cymru and the Welsh Government do not support certain activities that are likely to give rise to controversy about appropriate use of public funds and therefore will not fund any organisation or activity which, in our opinion, could bring Ynni Cymru or the Welsh Government into disrepute.
- Awards will be made on the basis of a small subsidy scheme following the guidance in Annex 2 of UK Subsidy Control Act (2022). Please be aware details of each award will be published on the UK Subsidy Transparency Database in line with Welsh Government's subsidy control commitments.
- Activities which have already commenced are considered out of scope for this grant.
- VAT registered organisations - If the organisation is VAT registered, they will only be allowed to claim for the net value. Therefore, VAT registered organisations must 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 Ynni Cymru but would not be able to claim back the VAT from HRMC.
- We are happy to accept collaborative applications.
- We will only accept one application per organisation.
- We are committed to ensuring that our application process is accessible so please contact us directly if you would like to request reasonable adjustments: YnniCymru@localpartnerships.gov.uk.

This document may not be fully accessible.

For more information refer to our [accessibility statement](#).

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