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Ymgynghoriad ar asedau cymunedol
Consultation on community assets
Ymateb gan: ARUP
Response from: ARUP

ARUP

By email
24 June 2022

Local Government and Housing Committee
Welsh Parliament
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Dear Sir/Madam,

Inquiry into Community Assets

Wales has a commitment to tackle climate change and transition to a net zero economy by 2050. Carbon budgets and targets are clearly set to: ensure that regular progress is made towards this goal; provide long term economic predictability; and act as a stimulus for green growth. Our Arup strategy is to deliver a sustainable future, and we understand the role that Community Assets can provide in delivering a just energy transition.

Gower Power is an exemplar in developing renewable energy projects, putting those projects into community ownership and providing asset management and administrative services. We would like to share further experience and lessons that can be learnt from beyond the Welsh border.

Around the world, the idea that communities install, own, and enjoy some of the benefits of renewable energy is growing fast and has underpinned the energy transition in countries like Germany, Denmark, and the US. In Germany for example, over 50% of renewable energy being installed is in community ownership.

Another community energy success story is the Danish power system, which has moved from a 98% reliance on imported oil in the 1970s, to currently sourcing close to 60% of its electricity generation from decentralised renewables, predominantly wind power. The Danes have even invented a word to describe the basis of its energy transition, the 'community'. The commons are used to serve the community, with regulations ensuring community support, including at least 20% of ownership in a wind farm is offered to local residents.

In many countries however, political stalemate, energy incumbents and public opposition provide road blocks on the path towards a low-carbon energy system. Take Australia for example.

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Community energy is still on the fringe but it is starting to gain momentum in spite of slow moving legislation and government intervention in an energy market struggling to cope with the pressures of population growth and ageing infrastructure. Solar panels have long been a common sight in Australian suburbs, but these provide energy to independent houses.

Now Australia are seeing a strong bottom-up approach to community energy taking shape where an apartment building, a neighbourhood or an entire town band together to generate energy that benefits the whole, not just the individual. The numerous paths taken by Australian communities can serve as inspiration for communities across the globe, with models ranging from:

- Traditional co-operatives where people come together to jointly invest in and seek funding for a solar, wind or bioenergy project to power the local community;
- Not-for-profit community organisations using economies of scale to make rooftop solar and storage easy and affordable for the community through bulk-buys;
- Solar saver's programs, where vulnerable communities are able to access solar through rate financing from local councils;
- Solar gardens, shared solar arrays with grid-connected community subscribers, billed through virtual smart net metering via so called peer-to-peer trading;
- Digital solutions opening up solar power for renters through a scheme that divides the savings between landlords and tenants; and
- Whole neighbourhoods or towns coming together towards a transition to 100% renewable, locally generated energy in a micro grid.

There are so many options to embark on a renewable energy future for communities, and I would encourage the Welsh Government to start exploring what could be possible to take charge of the energy transition. With the arrival of economical battery storage solutions and smart technologies, communities have the potential to take ownership of their energy and greatly reduce their reliance on, or even switch off, the conventional grid.

A viable energy future is one that is owned by all of us. Exploring and further opening up the potential for a substantial level of community ownership will not only move us towards an energy system that is just, sustainable and prosperous for all, it will also accelerate the energy transition.

Yours faithfully,

Dan James

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