

100% business rate relief to continue to flow for community hydro projects

The continuation of the grant scheme will enable eligible projects to retain the maximum possible benefit for their local area enabling them to re-invest into their local community.

The scheme was originally launched in February 2018 to mitigate the impact of new valuations for non-domestic rates which came into force on 1 April 2017. The new valuations will apply until 2021.

Almost 50 hydropower projects were supported last year, including seven community owned projects. Up to £308,000 is available towards the continuation of the grant scheme in 2019-20 which also includes support to cap the increase in business rates for non-community owned hydropower projects (to 10% or £1,000 where there was no previous liability).

The scheme is application based and hydro projects will be able to apply for a grant towards their 2019-20 rates liability. Community energy groups can also access a range of support and funding through the Welsh Government Energy Service.

The Minister for Environment, Energy and Rural Affairs, Lesley Griffiths said:

“I am very pleased to announce the continuation of this grant scheme of support for hydropower projects. The grant scheme provided valuable support for almost 50 hydro projects last year.

“Renewable energy is a key part of our vision for a more sustainable future for Wales. Community owned energy projects provide significant local benefit to the communities they are located in and have been identified in the National Strategy, Prosperity for All, as a sector which should be supported.”

One of the community projects supported through the scheme last year was the Ynni Ogwen Community Hydropower Project based in Bethesda in Gwynedd. It is a social venture under the ownership of three Community Councils – Bethesda, Llandygai and Llanllechid. The turbines used in the project capture the power from the flow of the Ogwen River and the energy generated goes directly into the National Grid.

Dr Paul Rowlinson- Founder Director of the Ynni Ogwen project said:

“The Welsh Government’s support for community hydro schemes towards the cost of business rates has been a great help to us, saving us £14,000 over our first two years and ensuring that the hard work of our volunteers in setting up the scheme has borne fruit. I am very pleased that this support will continue after 1st April. This will give us great confidence as we consider whether we can proceed with our second scheme next year.”

Gideon Carpenter, Senior Hydropower Adviser at Natural Resources Wales, said:

“We’ve been responding to a large increase in applications for small hydropower schemes in recent years.

“In 2010 there were 57 licences for existing schemes in Wales but since then we have issued another 301 licences – many for community schemes – and are in the process of reviewing another 20.

“Well designed and operated schemes are a great example of how we can harness the natural resources available to us for the benefit of local communities while making sure we protect the river environment.”

“We are committed to working with the hydropower sector to help the right development in the right place, contributing to meeting Wales’ targets for renewable energy while protecting the river environment.”

Lesley Griffiths added:

“Last year we set ambitious targets for energy generation in Wales, including targets around community and local ownership, to ensure we capture the benefits for Wales from the transition to a low carbon energy system.

“I also set an expectation for all new renewable energy projects to include at least an element of local ownership from 2020. This will help retain wealth and provide real benefit to communities.”

Applications will be accepted from early April. Further details will be made available on the WG website in due course.