

**PWYLLGOR STRATEGAETH A CHYNLLUNIO  
STRATEGY AND PLANNING COMMITTEE**

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	30 October 2025
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Prince Philip Hospital Private Wire Solar Farm Connection Update
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Lee Davies, Executive Director of Strategy and Planning
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Paul Williams, Head of Property Performance

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Er Gwybodaeth/For Information

**ADRODDIAD SCAA**

**SBAR REPORT**

Sefyllfa / Situation

This report will update the Committee on the current status on the scheme to benefit from a private owned solar farm project being developed near Prince Philip Hospital (PPH).

The project concept was to arrange an electrical supply through the connected infrastructure from a planned 9MW private solar farm project being planned circa half a mile from PPH site. Hywel Dda University Health Board (HDdUHB) made early representation and provided an expression of interest to secure an optimum supply, subject to the agreement to the technical and commercial offer.

A report was presented to the Strategic Development and Operational Delivery Committee (SDODC) on 9 December 2024 to provide awareness of the work ongoing on this programme of work.

The report will update the Committee on the current status and summarise the position.

Cefndir / Background

HDdUHB has held numerous meetings with the developer and their team to develop a scheme that works for both parties. There were three key enablers to progressing with the project:

- Securing the capital funding to support connection works on the PPH site.
- Agreement of a Power Purchase Agreement (PPA) setting out the commercial offer to procure electrical supply to PPH from the private wire solar farm located near the hospital.
- Development of the technical arrangements to enable the electrical supply connection to the PPH site.

The expectation on this type of opportunity that HDdUHB would benefit from reduced energy cost savings, provide a net zero carbon supply, and provide wider resilience and cost certainty benefits.

## Asesiad / Assessment

Since previous updates the developer has secured planning permission approval for the solar farm and confirmed a supply option with a nearby industrial unit. The current position with the HDdUHB option is outlined below:

### **Funding**

HDdUHB submitted a funding bid through the Welsh Government (WG) Targeted Estate Fund (TEF) to secure the investment to enable this scheme. Approval was confirmed at £600k to deliver the scheme split equally across 2025/26 and 2026/27 financial years. As the scheme is already delayed by circa eight weeks, and due to issues raised in this report, an early decision has been made to move the £300k allocated monies in 2025/26 into 2026/27 and replace with the TEF approved Chiller plant project at PPH, as a recent failure has required this scheme to be brought forward into 2025/26. In addition, an agreement to allocate circa £25k to arrange EV charging survey works in 2025/26 to enable the scheme delivery in 2026/27. This will ensure that the £600k is available in 2026/27 to progress this project, if a solution can be found or alternatively reallocate to different carbon benefit schemes. This will be subject to internal review and WG agreement.

### **Commercial offer**

Negotiations have been ongoing to agree the terms of a PPA with the developer, through an open book approach with the developer. The key terms include:

- A proposed 20-year term, with a mutually reviewable break clause at year 15.
- A fixed base rate per kWh plus Vat to be charged for electricity supplied to PPH, representing the minimum rate required to recover infrastructure investment.
- This rate will be subject to periodic reviews (e.g., every three years) to reflect inflation and market conditions.
- Provide direct Carbon benefits.

The issue for the Health Board, is that the supply cost is broadly in line with the current electrical supplied grid costs and whilst there may be longer term financial benefits to shield HDdUHB from future volatility in the market, this is difficult to predict with any certainty and poses a risk to any future return, or indeed a risk that these supply costs with inflation applied may be higher than the grid cost at this level.

We were also offered the alternative financial models through an option to purchase 10% stake in the development. We considered the possibility of HDdUHB purchasing a stake in the scheme beyond the existing approved funding with Welsh Government Energy Services (WGES) through a grant or low interest loan, but with the concerns raised with the viability of this project this was not progressed as an option.

While the carbon benefit remains a positive opportunity and we did assess the cost per unit of carbon saved, it's challenging to justify this as a standalone benefit given the scale of investment required. There are alternative, more direct methods available to achieve carbon reduction. Therefore, if the scheme does not progress, HDdUHB will aim to redirect the funding towards other carbon reduction initiatives

### **Technical offer**

The approved TEF funding would enable HDdUHB to carry out the installation of new cabling from the National Grid substation to the PPH site's electrical infrastructure, along with connection works to enable supply from the solar farm. These works are being scheduled

ahead of the planned High Voltage and Low Voltage scheme, which will be delivered through Major Infrastructure funding, to ensure future integration. The developer is covering all cabling from the solar farm to the substation—over a mile of installation—as part of their offer.

The developer informed HDdUHB that they required a minimum of 2,000 MWh per annum commitment, with an expected supply of 2,500 MWh per annum and capacity for up to 3,000 MWh per annum to support future growth (e.g., EV infrastructure), to justify the costs of the project. Based on our submitted data to the developer our current demand falls short of this minimum capacity requirement, necessary to make this project financially viable.

As for future capacity growth the developer required commitments to increase the electrical supply over an agreed period. The feedback was that whilst it continues to be our ambition to decarbonise our site through targeted electrification technologies and renewable energies to ultimately decarbonise our site, we could not provide the required assurances regarding the scale and the timescales around this ambition, as it was highlighted this will require significant investment in the hospital site infrastructure. We have also committed to retaining our Combined Heat & Power unit (CHP) for a further seven to eight years to allow us time to deliver on this ambition.

### **Summary**

At the outset of this project, it was expected that this project would deliver on the key commercial and carbon benefits experienced by other PPA agreements in the public sector including our own solar farm on the Hafan Derwen site. The key difference is that this is not a public sector funded opportunity, but a private development funded project with investors that require a return on investment.

At this stage the connection to the PPH site is not viable for both parties, but of note the developer is continuing with the wider project. For the developer the issue around expenditure linked to the cable costs and the minimum capacity needed to justify the level of investment in the short and medium term. From a HDdUHB perspective, there are two key issues, firstly the electrical capacity required by the developer to meet current minimum or future levels of supply. Secondly the financial benefit as current offer is similar to current grid costs, and whilst there could be longer term financial benefits, this cannot be predicted so a potential risk to committing to a long-term arrangement.

The developer has agreed to review the position so the recommendation is that funding is retained in the short term, with the expectation that unless there is a change in the position from the developer, the project will not be progressed and funding should be allocated to support wider carbon focused projects in 2026/27, subject to internal and WG approval.

There may be an option to engage with the developer in the future, so dialogue will continue in this respect.

Of note HDdUHB is continuing to deliver on its carbon commitments through the Energy Performance Contract, at PPH site the following measures being arranged, subject to WG approval, LED lighting (3,715 new light fittings), heat distribution system improvements (pump upgrades in three plantrooms, valve upgrades in eight plantrooms), pipework insulation (in 15 plant rooms), EC air handling unit fan motors (54 fans), EC chiller unit fan motors (50 fans), Building Management System (BMS) control upgrades and optimisation (in 16 locations), roof insulation (442m<sup>2</sup>).

In addition, within future phases of development the option to benefit from other solar projects including on site rooftop or car park solar canopies will be explored.

## Argymhelliad / Recommendation

The Committee is asked to:

- **NOTE** the position on the Prince Philip Hospital Private Wire Solar Farm Connection Project.

### Amcanion: (rhaid cwblhau)

#### Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.1.12. Seek assurance on the development and delivery of implementation plans for the Estates Strategy, including environmental sustainability, agreeing corrective actions where necessary and monitoring its effectiveness.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Parthau Ansawdd: Domains of Quality <a href="#">Quality and Engagement Act (sharepoint.com)</a>	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: <a href="#">Quality and Engagement Act (sharepoint.com)</a>	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	8 Estates plans
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022</a>	3. Promote the natural environment and capacity to adapt to climate change

### Gwybodaeth Ychwanegol:

#### Further Information:

Ar sail tystiolaeth: Evidence Base:	Open book review
Rhestr Termau: Glossary of Terms:	Contained in the report.

Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Strategaeth a Chynllunio Parties / Committees consulted prior to Strategy and Planning Committee:	Strategic Property & Environmental Task Force Group
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<b>Effaith: (rhaid cwblhau)</b> <b>Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian:</b> <b>Financial / Service:</b>	Linked to capital and revenue delivery plans
<b>Ansawdd / Gofal Claf:</b> <b>Quality / Patient Care:</b>	Improved quality of service and access.
<b>Gweithlu:</b> <b>Workforce:</b>	Not Applicable
<b>Risg:</b> <b>Risk:</b>	Carbon impact, infrastructure and financial.
<b>Cyfreithiol:</b> <b>Legal:</b>	Subject to legal review of contracts.
<b>Enw Da:</b> <b>Reputational:</b>	Links to organisational responsibilities for decarbonisation and the estate performance.
<b>Gyfrinachedd:</b> <b>Privacy:</b>	Not Applicable

**Cydraddoldeb:  
Equality:**

Not Applicable