



# Realising community benefits from wind schemes

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[www.fermanaghtrust.org](http://www.fermanaghtrust.org)



## About Us

- Fermanagh's Community Foundation
- Registered charity
- Dedicated to creating a partnership of donors, non-profit making organisations and the community to find solutions to the pressing community needs
- Support community and voluntary endeavours - community and voluntary sector, good relations, social enterprises
- Range of funds and initiatives – Shared Education, renewable energy and local communities, social enterprise development
- Power of communities
- Social, community, economic or environmental initiatives



## Community Engagement

- Involves working with relevant stakeholders to inform, listen to and consider views
- What does community engagement actually look like?
  - Circulating letters to householders (and local organisations)
  - Calling at homes in the vicinity of proposed development
  - Speaking to local councillors?
  - Holding an exhibition in a local venue to show the plans a few weeks before planning application



## How can communities benefit from wind farm development?

- Four main categories:
  - Local contracting and jobs
  - Benefits in kind
  - Community funds
  - Community ownership
- Note - rates also bring an income stream to Executive and district councils



## Community Funds

- Common form of community benefit is the provision of a community fund
- Can support a range of activities to the host community – funding towards community facilities, schools, energy efficiency etc
- Normally provided over the life cycle of a wind farm (typically 25 years)
- Different approaches to the administration of funds - local charitable trusts, community foundations and social enterprises, or in house
- Open to community groups rather than individuals



## Community Ownership

- Full ownership
- Part ownership
- Community/Developer joint venture
- Co-operative

Challenges can include the ability to access finance during the development process, time and commitment from the community, communities often lack the technical or 'know-how' to progress a project

**However the economic and social opportunities can be huge**



## Earlsburn (Fintry)

- Village of Fintry in Scotland devised their own proposal for an additional 'community' turbine, which brought the site up to 15 turbines
- The community turbine is owned by the village (300 households) and the village will pay this back over the first 15 years of operation
- Fintry Development Trust was set up to manage the revenue from the operation of the turbine



## Earlsburn (Fintry)

- During the first 3 years of the turbine operating, the village gained an income of approximately £230,000
- Revenues from turbine go towards improving household energy efficiency, making a significant contribution to reduce the number of households in fuel poverty in the village
- Taking into account future fluctuations in factors such as wind speeds and electricity prices, it is estimated that the village will receive **a profit in the region of £400,000 to £600,000 per annum once all costs have been repaid**





## Research

- Launch of report 'Maximising Community Outcomes from Wind Energy Developments' in January 2012
- **The research aimed to explore the opportunities that exist for communities to engage with commercial onshore wind energy development**
- The report made 11 recommendations aimed at communities, developers, local councils and Government

## Findings

- Community benefits are viewed as key components of the way in which communities can engage with wind energy development
- Effective community engagement is critical to working with local communities
- Community benefits are typically voluntary annual financial contributions from developers into a community fund
- Greater economic and social opportunities may be available through community ownership
- Different models of community ownership exist including: full ownership; part ownership, community / developer joint venture; and the co-operative model



## Findings

- Community ownership is challenging but presents substantial financial opportunities
- Community ownership can contribute to the long term sustainable future of communities and help address issues such as fuel poverty
- Provision of community benefits - the report found a disparity in the level of community benefit between GB and NI
- No innovative approaches towards the provision of community benefits / community ownership in NI
- Major expansion in onshore wind energy as part of efforts to achieve renewable energy targets / clustering



## Findings

- Scotland and Wales have a very productive approach and recognise the important roles which communities have to play in renewable energy development
- Scottish Government's Community Benefit Register
- Potential of forestry sites
- Local authority guidance / policy on community benefits and community engagement with wind energy development
- Joined up approach in Scotland and Wales



## Recommendations

- **Communities**
  - A not for profit organisation to take the lead role in establishing good practice guidance including a policy on community engagement and promoting a toolkit on community benefits
  - All local communities to take an active role in relation to a wind farm development being considered in their community exploring the range of community benefits which can be provided
  - Local community based organisations to examine and where possible develop and implement wind farm developments based on one or more of the community ownership models outlined in this report



## Recommendations

- **Developers**
  - Community Benefit Funds - local communities should be offered by developers a **minimum** initial payment of £2,000 per MW of installed capacity and a **minimum** annual payment of £2,000 per MW of installed capacity and that payment is index linked
  - Community ownership - developers should consider offering some form of community ownership as part of a community benefits package
  - Community engagement – large scale commercial developers should develop clear protocols on effective community engagement for wind farm developments



## Recommendations

- **Local Councils**
  - Local Councils to formally establish guidance protocols (based on good practice) which provide a framework for engagement by developers with the Councils and local communities

## Recommendations

- **Government**
  - Department of Enterprise, Trade and Investment to actively support local communities and their potential, positive role in implementing wind farm projects and the contribution they make in the development of a low carbon society
  - The Department of Agriculture and Rural Development to ensure models of good practice , as evidenced in Scotland and Wales, are followed in relation to both engaging and working in partnership with rural communities and the private sector when developing wind farms on land managed by the Forest Service
  - The Department of Enterprise, Trade and Investment to develop a public register of community benefits from wind farm projects similar to that currently being established by the Scottish Government





## Recommendations

- **Government (cont...)**
  - A Government Department to take the lead role in developing a more coordinated approach involving the government, the private sector and communities towards wind farm developments, which builds upon principles of sustainable development



## Progress on Recommendations

- The Fermanagh Trust has engaged extensively with stakeholders following the publication of the report. This has included: Government Departments, district councils, third sector and community organisations and the private sector
  - Communities : getting informed and organised
  - Developers : some positive signs / exemplars
  - Local Councils : leadership from Omagh / Strabane / Ballymena
  - Government : DOE Ministerial led Planning and Community Benefits Summit  
DETI, DARD, DoE 'Communities and Renewable Energy: a Study'



## External Environment

- DETI, DoE and DARD commissioned report 'Communities and Renewable Energy: a Study'
- DECC Onshore Wind Call for Evidence
- DECC Community Energy Strategy
- RenewableUK
- Scottish Renewables
- Community benefit funds of £5,000 per MW per annum



## Scotland

- Scottish Government has set a target of achieving 500MW of community and locally owned renewable energy by 2020
- CARES Scheme
- Renewable Energy Investment Fund
- Political support at both a central and local authority level
- Forestry Commission Scotland – includes opportunities for communities to invest in renewable energy developments on the Forest Estate
- Scottish Government's Register of Community Benefits



## Concluding Remarks

- Wind energy development can present significant opportunities for local communities
- It is important for communities to actively engage with developers
- There are increasing challenges as a result of the concentration of wind farms
- Government and communities must be proactive:
  - Community energy
  - Community benefits
  - Community engagement

