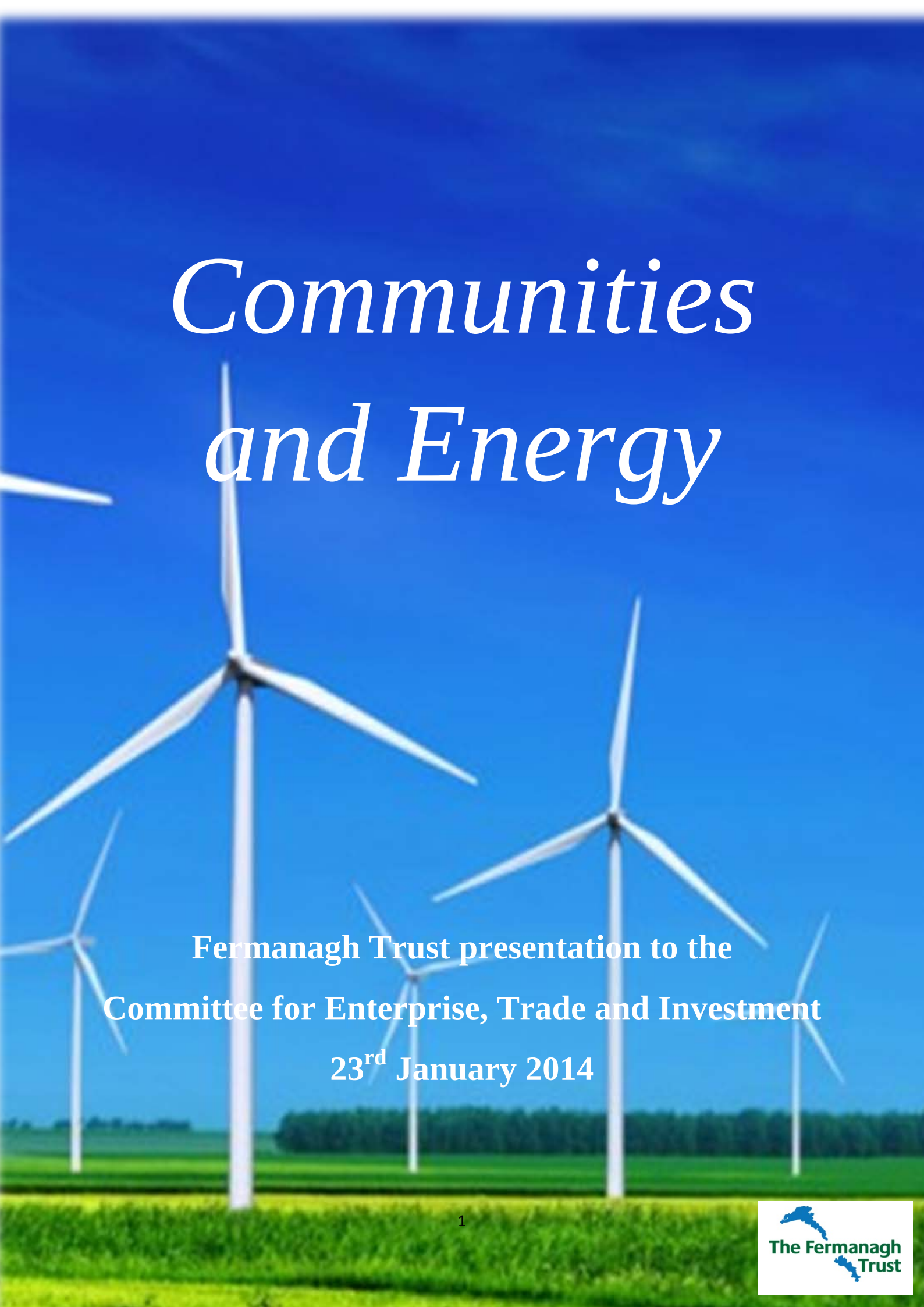

Communities and Energy

Fermanagh Trust presentation to the

Committee for Enterprise, Trade and Investment

23rd January 2014

The Fermanagh Trust

Communities and Energy

1. Introduction

The Fermanagh Trust promotes and supports initiatives which lead to social and community development, thereby improving the conditions of life for people in Co. Fermanagh and its immediate hinterland. Since being established in 1995, the Trust has supported hundreds of community based initiatives. The Trust which is a registered charity, manages a range of funds and programmes dedicated to strengthening and improving local communities and finding solutions to the pressing community needs in Co. Fermanagh and beyond.

Local communities in both urban and rural settings face many challenges particularly in the current economic climate. Maximising how communities engage with renewable energy developments and advancing the concept of community energy is one productive approach to help tackle these challenges. This approach can contribute to economic growth; provide a long term source of income for communities; and help to tackle fuel poverty and reduce energy bills.

Decentralised and community energy present an opportunity for us to reflect upon our relationship with energy, and have the potential to produce huge benefits for Northern Ireland. This is particularly relevant given the Northern Ireland Executive's target of achieving 40% of electricity consumption from renewable sources by 2020 and the move to a low carbon economy which will require changes in the way we generate, buy and distribute our energy.

In order to maximise this opportunity, communities need to be an integral part of energy policy alongside Government and the private sector. This has been recognised by Greg Barker MP, Minister of State with the Department of Energy and Climate Change (DECC), who has said that 'Community engagement in the energy sector will be vital to our vision of the development of energy in the UK in coming decades'[1].

[1] The co-operative and Co-operatives UK (2012) *Manifesto for a community energy revolution: Part of the work of the Community Energy Coalition*. Available at: http://www.uk.coop/energymanifesto (accessed 15/01/14)

2. Background

The Fermanagh Trust has experience of engaging with a number of wind farm developers. The Trust currently administers a community fund on behalf of a wind farm developer in Co. Fermanagh and has also previously acted in a consultancy role to another wind farm developer - providing advice to this developer on applications it received for its community funds at several different wind farm sites in Northern Ireland.

These experiences prompted the Fermanagh Trust to explore further the issues surrounding how communities can engage with wind energy. With the support of The Building Change Trust, the Fermanagh Trust conducted research into this field and published the report 'Maximising Community Outcomes from Wind Energy Developments' in January 2012.

The report explored the opportunities that exist for communities to engage with commercial onshore wind energy developments. The ways in which communities can benefit from wind energy development are highlighted, including the opportunities presented by community ownership. Good practice by local and national governments, the wind industry and the voluntary sector towards engaging and working in partnership with local communities is investigated.

The report also investigated the levels of community benefit being provided by developers into community funds in Northern Ireland. However the report showed that there was a disparity in the level of contribution being made by developers into community funds at approved wind farms in Northern Ireland in comparison with Great Britain, with host communities in Great Britain typically receiving a higher level of community benefit per MW per annum than communities in Northern Ireland. For more details please follow the link below:

The Fermanagh Trust (2012) *'Maximising Community Outcomes From Wind Energy Developments'*. Available at:
http://www.fermanaghtrust.org/cms/uploads/1/Wind_REPORT_2.pdf

The report made a series of **recommendations** for communities, councils, developers and Government (see Appendix 1).

Further to the report, the Fermanagh Trust has engaged extensively with stakeholders across the community and voluntary sector, the private sector and Government on these issues. The Fermanagh Trust has actively participated in conferences, consultations and discussions in order to help further the debate on both community benefit from wind farms and community energy. The Fermanagh Trust is a member of the Community Energy Coalition.

3. Why is the role of communities important?

Communities have a proven track record of making a positive difference in terms of social, economic and environmental development, and it is essential that communities are placed at the centre of the debate surrounding the development of energy in Northern Ireland.

Wind farms are major infrastructure projects which have a significant impact upon the communities which host them. The reported social and environment impacts which wind farms are having upon local communities are increasingly coming to the fore front. It is therefore important that the relationship between wind farms and host communities is strengthened, and that communities are thoroughly engaged with.

Communities which host wind farms are often located in very rural and isolated areas. These areas often experience high levels of social and economic deprivation and a lack of local amenities. Given that renewable energy developments can present significant economic opportunities, it is essential that these and other associated benefits arising from these developments are maximised to the advantage of host communities.

The issue of social acceptance is becoming a growing issue, in light of the level of renewable energy deployment needed to meet the Executive's renewable energy targets. Given that social acceptance has been documented as one of the barriers to renewable energy deployment, it is important communities are actively involved to help achieve the Government's desired outcomes.

'Providing benefits to communities affected by wind-farm development is a matter of justice: a means of redressing the impacts on communities adversely affected by wind farms, not simply a means of cultivating acceptance and expediting planning consent.' [2]

Cowell, R., Bristow, G. and Munday, M. (2012)

However as noted above, the need to involve communities should not simply be seen as a matter of social acceptance and gaining planning consents, it is also a matter of justice that people living in close proximity to these developments are able to benefit.

[2] Cowell, R., Bristow, G. and Munday, M. (2012) *Wind energy and justice for disadvantaged communities*. Viewpoint for Joseph Rowntree Foundation. Available at: http://www.jrf.org.uk/publications/wind-energy-disadvantaged-communities (accessed 15/01/14)

It is not just wind farms which communities can benefit from. Advancing the concept of community energy is also crucially important.

'We want to continue to help communities spot and unlock the exciting opportunities in their area, and successfully grow projects from planning through to implementation. This means enabling communities to take more control over local generation projects, while also empowering them to reduce their energy demand, tackle fuel poverty, and – crucially, at a time of a rising cost of living – get the best deal on their energy supply.'[3]

Greg Barker MP, Minister of State for Energy and Climate Change

Community energy can therefore place generation in the hands of local communities thereby making communities more sustainable in the long term; have greater control over their energy costs and income; and become an integral part of energy development in Northern Ireland.

[3] Harnmeijer, J., Parsons, M. and Julian, C. (2013) *The Community Renewables Economy: Starting up, scaling up and spinning out. A ResPublica Green Paper*. Available at: http://www.respublica.org.uk/item/The-Community-Renewables-Economy-Starting-up-scaling-up-and-spinning-out-zlbz (accessed 15/01/14)

4. What are community benefits?

Community benefits in the context of wind energy tend to be a contribution made voluntarily by a developer to communities which host a development. Community benefit can be broadly categorised into four main areas namely: local contracting and jobs; benefits in kind; community funds; and community ownership.

The most common form of community benefit is the provision of a community benefit fund. Community funds may support a range of local activities and are often provided over the lifecycle of a wind farm (typically a 25 year lifecycle).

Community benefits therefore can present an opportunity to contribute to rural development; help to address pressing local needs within the community and provide long term sustainable support for rural communities.

A number of Councils in Northern Ireland have recognised the importance of strengthening community engagement with farms and maximising benefits for communities. Omagh and Strabane District Councils have jointly produced a draft guidance protocol on community benefits derived from wind farms. The draft guidance protocol lays out both Councils' minimum requirements that will be expected to apply to all future wind farm developments in the local area. The draft guidance protocol's criteria states that 'A community benefit scheme will receive support to a minimum value of at least £5,000 per megawatt of installed capacity per annum and will be index-linked with the retail price index for the lifetime of the project'.[4]

Fermanagh District Council is also currently developing a draft guidance protocol on community benefits from wind farms.

RenewableUK which describes itself as the UK's leading not for profit renewable energy trade association has developed a protocol whereby signatories have agreed to '...provide community benefit schemes in connection with eligible onshore wind schemes, of no less than £5,000 per MW per year or benefits-in-kind to an equivalent value'.[5]

This protocol applies to England only and for onshore wind projects of 5MW or above.

[4] Omagh District Council and Strabane District Council (2013) *Draft guidance protocol on community benefits derived from wind farms in West Tyrone*.

[5] RenewableUK (2013) *Onshore Wind: Our Community Commitment. A commitment by the onshore wind industry to local communities.* Available at http://www.renewableuk.com/en/publications/reports.cfm/community-benefits-report (accessed 15/01/14)

Scottish Renewables has also developed a protocol whereby onshore wind developers in Scotland will 'Deliver community benefit of £5,000/MW or equivalent for all new wind farms over 5MW.'[6]

The renewable energy industry in Northern Ireland has also developed a protocol on community benefit from wind farms. The Northern Ireland Renewables Industry Group (NIRIG) launched its Community Commitment Protocol in January 2013. NIRIG is a joint collaboration between RenewableUK and the Irish Wind Energy Association and represents the views of the renewable energy industry in Northern Ireland. The protocol states that 'A community benefit scheme will receive support equivalent to a value of at least £1,000/MW of installed capacity per annum and will be index-linked for the lifetime of the project.'[7]

Some windfarm developers have updated their approach to community benefit. RES has launched the Local Electricity Discount Scheme (LEDS) in Northern Ireland which enables people living close to proposed wind farms to avail of an annual discount off their electricity bills. LEDS is offered in addition to RES's community benefit funds. The community benefit funds at new sites provide £2,000 per MW annual contributions. Local communities at new RES sites will therefore receive a total of £5,000 per MW per year in community benefit[8]. SSE Airtricity has taken the decision to increase its Community Fund for all newly constructed projects to £5,000 per MW per year.

[6] Scottish Renewables (2013) *Scottish Renewables – Onshore Wind Community Benefit Protocol.* Available at: http://www.scottishrenewables.com/media/uploads/publications/131104_community_benefit_protocol.pdf (accessed 17/01/14)

[7] Northern Ireland Renewables Industry Group (2013) *NIRIG Community Commitment Protocol.* Available at: http://www.renewableuk.com/en/publications/index.cfm/nirig-community-commitment-protocol (accessed 15/01/14)

[8] RES (2013) *Wind farm developer offers electricity discount scheme in Northern Ireland.* {News} Available at: http://www.res-group.com/news-events/press-releases/2013/2013/wind-farm-developer-offers-electricity-discount-scheme-in-northern-ireland.aspx (accessed 15/01/14)

5. What is community energy?

Community energy can be broken down into 4 strands:

Reduce		Manage		Generate		Purchase	
Energy efficiency	Behaviour change	Smart grids	Smart meters	Renewable electricity	Renewable heat	Collective switching	Collective purchasing

Source: Table adapted from DECC Community Energy Call for Evidence[9]

The emphasis of community energy projects is on local engagement, leadership and control, and project outcomes which benefit local communities. They can be developed by a broad range of organisations including community groups, individuals, businesses, landowners, local authorities and housing associations. A wide range of different types of community energy projects can exist. Examples could include:

- a community group owning its own wind turbine which generates electricity providing an income for over 20 years for that community;
- initiatives which aim to reduce the carbon footprint of a local area;
- individuals in the local area coming together to purchase heating oil in bulk thereby lowering their fuels bills;
- a co-operative which installs energy efficiency measures in local people's homes in order to tackle fuel poverty.

There are many social and economic benefits of community energy. Community energy has the ability to generate a long-term sustainable income for communities, and help to empower and give autonomy to local people. Community energy can also help to strengthen communities and help to tackle pressing local issues such as fuel poverty and help to raise energy awareness.

An example of a community which owns a stake in a wind farm is the village of Fintry near the Earlsburn wind farm in Scotland, where there financial benefit from the wind farm is being used to tackle fuel poverty in the village (See Appendix 2).

In Northern Ireland there has been a growing interest in community energy, and there are groups currently trying to develop local community energy projects. Examples include Ballymena Clusters Wind Energy Project, Cloughmills Community Action Team, Rathlin Development and Community Association and Carntogher Community Association all of which are at various stages of developing a wind energy project. There has also been the well documented success of Drumlin Wind Energy Co-operative which allows individuals and local organisations to become members and invest in this project and make a financial return.

[9] DECC (2013) *Community Energy Call for Evidence*. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207920/community_energy_call_for_evidence.pdf (accessed 15/01/14)

The potential of community energy has clearly been recognised by Ballymena Borough Council and four rural community clusters who have shown leadership in this area, and are currently working together to develop wind turbines which will provide long term financial benefits to people living in the local area.

It is however important to recognise that there are challenges to developing a community energy project. This includes gaining access to the necessary financial and technical support to take a project forward.

The need to provide a supportive environment to advance community energy has clearly been identified in Scotland, were community energy has seen considerable growth. The Scottish Government has gone to extensive efforts to ensure that communities are at the centre of its renewable energy policy and has put in place a very supportive policy environment.

The 2020 Routemap for Renewable Energy in Scotland clearly lays out the ambition for community renewables in Scotland. Action taken by the Scottish Government has included setting a target of achieving 500MW of community and locally owned renewable energy by 2020; creating a public register of community benefits; ensuring that communities benefit from the development of renewable energy on the Scottish Forest Estate (this includes giving communities the opportunity to invest in wind farms on forestry sites); and the CARES scheme which provides loans and support to communities and local businesses wishing to develop their own projects.

Local communities require appropriate support and guidance to advance community energy. In Scotland for instance Community Energy Scotland fulfils this role, providing education, finance and practical help for communities on green energy development and energy conservation. This support is essential in helping communities to be more self reliant and resilient by generating their own energy and using it efficiently.

A recent report released in October 2013, noted that there were 360 community energy projects in Scotland, which combined constituted 30.4MW of installed operational renewable generating capacity, and there is an estimated further 180MW at various stages of the planning process[10].

Other countries have also recognised the need to support community energy. Community energy projects that focus on electricity generation in Denmark and Germany function at a significantly larger scale than in the UK, and are also a more established part of their respective energy systems. Community energy accounts for 46% of all energy produced from renewables in Germany[11].

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[10]Haggett, C., Creamer, E., Harnmeijer, J., Parsons, M. and Bomberg, E. (2013) *Community Energy in Scotland the Social Factors for Success*. University of Edinburgh. Available at: http://www.climatexchange.org.uk/files/4413/8315/2952/CXC_Report_-_Success_Factors_for_Community_Energy.pdf (accessed 14/01/13)

[11] ResPublica (2014) *The Community Renewables Economy: Starting up. scaling up and spinning out*. {webpage}. Available at: http://www.respublica.org.uk/item/The-Community-Renewables-Economy-Starting-up-scaling-up-and-spinning-out-zlbz (accessed 15/01/14)

6. Government policy

Whilst it is encouraging that action is being taken in Northern Ireland, it is important to recognise that the issue of community benefit and community energy have received far greater attention in GB. Community energy is a relatively new concept here and is very much underdeveloped here in comparison to many countries.

In GB and across Northern Europe, a far more proactive approach has been taken to improving and strengthening community engagement with renewable energy. In GB this can be clearly seen in Government policy; by recent measures announced by the Government to strengthen community engagement; the forthcoming Community Energy Strategy; and the increasingly proactive approach taken by communities who have been prepared to develop and get involved in community energy projects. There appears to be real merit for Government, the private sector and communities embrace current best practice and action being taken in order to advance these issues further. A number of notable developments are happening in GB including:

i) The Government has published its response to DECC's Onshore Wind Call for Evidence. The response includes setting out a series of measures and an action plan aimed at strengthening engagement and empowering local people. This includes addressing the following elements[12]:

1. Compulsory pre-application consultation with local communities in planning for onshore wind;
2. Empowering communities in planning;
3. Engagement guidance – bench marking and monitoring good practice;
4. Fivefold increase in community benefit package value to £5,000/MW/year;
5. Transparency and flexibility of benefits – register and guidance;
6. Community ownership and buy-in;
7. Enhancing local economic impacts.

- ii) DECC issued a Call for Evidence on Community Energy in June 2013. The Call for Evidence sought evidence in three areas: benefits, barriers and solutions. It will be used to inform the forthcoming Community Energy Strategy. The Strategy will set out the Government's vision for community energy, along with a plan to make that vision a reality.

- iii) The Scottish Government recently launched its Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments. This document outlines good practice

[12] DECC (2013) *Onshore Wind Call for Evidence: Government Response to Part A (Community Engagement and Benefits) and Part B (Costs).* Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/205423/onshore_wind_call_for_evidence_response.pdf (accessed 17/01/14)

principles and procedures promoted by the Scottish Government. It also refers to the identification of a community; governance issues; public consultation on community benefits; and the role of developers/operators. The document has been out for public consultation.

iv) In Northern Ireland consultants were commissioned by DETI, along with DOE and DARD, to conduct a study into communities and energy in Northern Ireland in December 2012/January 2013. This had a particular focus on the relationship between communities and the development of renewable energy, and how communities can engage with developers and participate and / or benefit from renewable energy developments. This resulted in the report 'Communities and Renewable Energy: a Study' being published in October 2013. The report made a series of recommendations (see Appendix 3).

Our understanding is that DETI's plan is to consider DECC's work on its Community Energy Strategy (which is to be launched in the near future) and actions arising from its response to its Onshore Wind Call for Evidence before embarking on further courses of action.

v) DOE - the Minister of the Environment Alex Attwood MLA held a Planning and Community Benefits Summit in June 2013. The Summit provided the opportunity for practitioners in the public, local government, academic, community and voluntary sectors to look at how planning and other processes could allow communities to benefit from major developments in their areas. The Minister agreed a series of next step actions which included three streams of work to build in and embed community benefits[13]:

'1. Policy and Practice:
a) develop a guidance circular on planning and community benefit
b) identify and promote good practice to communities;
c) introduce an assessment of Community Benefit opportunity (separate from Pre Application Discussions) early in the process;
d) escalate the range of Community Benefit opportunities - especially through Article 40;
e) re-examine how applications are advertised;
f) introduce a register of community benefits; and
g) establish a fund for communities to both set up community trusts and develop a business case.

2. Planners will identify any projects currently in the planning system where there are community benefit opportunities.

3. Government spending should have conditions attached to how the money should be spent for community benefit (e.g. facilities, labour clauses and placements; supply of services; etc.).'

[13] *Planning and Community Benefits Ministerial Summit Report* (2013).

vi) DARD / Forestry Service - The Forest Service Business Plan 2013/2014 notes that forestry land '...has strong potential for development of wind-farms, subject to planning approval, grid connection, agreement on community benefits and securing financial backing; during 2013-2014 we will work closely with the Strategic Investment Board (SIB) to develop plans to exploit the best opportunities for wind-farm development on forestry land consistent with our forestry obligations[14].' Recently a Wind Farm Development Manager has been seconded from SIB to the Forest Service to advance this work. The Forestry Commission in Wales and Forestry Commission Scotland have demonstrated how local communities can be integral to the design and implementation of developing renewable energy on the forestry estate.

The Rural White Paper Action Plan includes an action for DETI; 'We will continue to ensure a joined up approach to achieving the full potential offered by renewable energy solutions.'[15]

[14] *Forest Service Business Plan 2013 /2014*. Available at: http://www.dardni.gov.uk/business-plan-2013-2014.pdf (accessed 17/01/14)

[15] DARD *Rural White Paper Action Plan*. Available at: http://www.dardni.gov.uk/rural-white-paper-action-plan.pdf (accessed 17/01/14)

7. Opportunities going forward

There is significant potential for the Executive and the relevant Government Departments, the private sector and local communities to learn from best practice towards community benefits from wind farms and community energy.

The report 'Communities and Renewable Energy: a Study' commissioned by DETI/DoE/DARD is encouraging. However it is important that strong action is taken by the relevant Departments and the Executive following the publication of DECC's Community Energy Strategy. It is crucial that a strategy is created for both community energy and how communities benefit from wind farms in Northern Ireland, and the necessary policies and supports are put in place to effectively address these issues.

Northern Ireland could benefit greatly from adopting a proactive approach to community benefit similar to that taken by the Scottish Government, as outlined in the Scottish Government report 'Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments.'

Community energy has the potential to create significant social, economic and environmental opportunities for communities in Northern Ireland. However in order to advance community energy in Northern Ireland, the appropriate support mechanisms need to be put in place.

The Fermanagh Trust believes that in order to advance community energy successfully, the following key areas need to be addressed:

<u>Coherent vision for community energy</u>

We would encourage the Government to clearly set out a commitment to developing community energy in Northern Ireland. Strong leadership and resources from Government would help to accelerate community energy development and provide and create the supportive framework which is needed.

1. <u>Embed community energy within policy</u>

It is important that energy and planning policy recognise community energy. In Scotland, for example the Scottish Government has set a target of achieving 500MW of community and locally owned renewable energy by 2020. Northern Ireland needs to have clear targets in place to encourage the uptake of community energy. A number of Departments have made commitments in relation to advancing the various strands of community energy and tackling fuel poverty (these are summarised in Appendix 4). There appears to be a significant opportunity under the Delivering Social Change framework to link these together, actively resource and provide real impetus to harness the range of opportunities to improve people's lives.

2. Coordinated advice and support services

A supportive framework needs to be in place to help advance community energy projects and to support communities develop renewable energy schemes at a local level.

3. Incentivising community energy

Currently the mechanisms through which renewable energy is incentivised are undergoing reform. It is important that strong Government support for renewable energy continues, and this will be vital to the future development of community energy in Northern Ireland.

4. Community ownership

Commercial wind developers should be encouraged to offer host communities the opportunity to invest / have a stake in renewable energy developments. This is particularly the case on public land. In Denmark for example, the Promotion of Renewable Energy Act requires a duty on the erector of a wind turbine to offer at least 20% of the shares in the wind turbine to those with an option to purchase.

5. Grid connection

A major challenge for community energy projects can be connecting to the electricity grid. The heat maps published by NIE show the current pressures on the grid. However it is important that Distribution Network Operators actively facilitate connection for community energy projects.

6. Financial framework and access to finance

The Government should introduce a supportive financial framework for community energy.

7. Planning at local level

Councils will have increased powers under the Reform of Public Administration (RPA), including community planning. The creation of 'Local Energy Plans' could help to map a more sustainable future for communities, particularly against the backdrop of rising fuel prices and fuel poverty. Under RPA there is also the possibility via community planning of establishing pathfinder local authorities to advance work in this area.

8. Community Benefit Funds

Financial contributions from community funds need to be used effectively and in the most meaningful way possible. How community benefit funds are delivered is shaped by the local context and that there is not a one size fits all approach. Community benefit funds can be utilised to help develop community energy projects.

9. Public sector led examples

The public sector should work with communities to develop community energy projects. These would act as exemplars and become templates of partnership working to inspire other communities to develop their own projects. Ballymena District Council is one local example of how this may be done. The development of forestry land for wind farms by DARD and the Forest Service has significant potential to ensure communities can benefit from the development of renewable energy on public land.

8. Conclusion

This paper outlines the opportunities which exist in relation to community benefits from wind farms and the development of community energy. The paper draws from policy and good practice elsewhere.

Massive investment in renewable energy infrastructure is underway, underpinned by renewable energy targets and government incentives. Urgent action is required to make sure that this is delivered in ways which benefit local communities.

What is needed is a joined up approach and a step change in attitudes on the potential for community energy.

Community energy including renewables can make a significant contribution to local communities in terms of long term tangible returns.

Appendix

Appendix 1

Recommendations made by the Fermanagh Trust's report 'Maximising Community Outcomes From Wind Energy Developments'

Communities

1. 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.

2. 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.

3. 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.

Developers

4. 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 (amounts to be agreed between developer and local community representatives).

5. Community ownership - developers should consider offering some form of community ownership as part of a community benefits package at their sites.

6. Community Engagement –large scale commercial developers should develop clear protocols on effective community engagement for wind farm developments.

Councils

7. 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.

Government

8. DETI 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.

9. DARD 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.

10. DETI to develop a public register of community benefits from wind farm projects similar to that currently being established by the Scottish Government.

11. 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.

Appendix 2

Earlsburn Wind Farm, Scotland

The Earlsburn wind farm includes an additional 'community turbine' at the site which brought it up to 15 turbines. A financial package was agreed with Falck Renewables, where the company agreed to pay the full initial cost of the additional turbine and the village will pay this back over the first 15 years of operation.

The Fintry Development Trust was set up to manage the revenue received from the operation of the turbine and in the first three years of the turbine operating gained an income of approximately £230,000. The income from the village is used to tackle fuel poverty in the village. Fifty-eight per cent of households surveyed in the village between September 2008 and January 2009 had benefited from free insulation measures on offer.

It is important to recognise that once all costs have been repaid by the Fintry community, the financial benefits will increase significantly. Taking into account future fluctuations in factors such as wind speeds and electricity prices, it is estimated that Fintry will receive a profit in the region of £400,000 to £600,000 per annum once all costs have been repaid.

Community ownership in a wind farm development can clearly present substantial economic and social opportunities. Whilst achieving community ownership in a wind farm development can be challenging, the financial returns gained though community ownership can be much greater than those attained though conventional community funds.

Appendix 3

Recommendations made by 'Communities and Renewable Energy: a Study' commissioned by DETI, DoE and DARD.

The recommendations below have been quoted directed from this study[16].

'5.1 DECC Communities Work

DETI and other relevant government departments should take into consideration emerging work from DECC on its Community Energy Strategy and actions arising from the Call for Evidence on Community Engagement and Benefits when they become available. While there are clear benefits in establishing guidance that is specific to the Northern Ireland context, co-ordination of a UK-wide approach would be helpful in providing a degree of consistency in the operating environment for developers. It would also help to ensure that communities in Northern Ireland reap comparable benefits from renewable energy developments, taking into account differing contexts, to those in Scotland and elsewhere.

5.2 Renewable Energy Information

Feedback from the stakeholder workshops identified that there is a need for credible information about renewable energy in Northern Ireland. It was also evident that there is a lack of trust and understanding by many people about the issues concerning renewable energy.

We recommend that DETI should use the Sustainable Energy Inter Departmental Working Group (SEIDWG) Communications sub-group to co-ordinate information, under the Energywise banner, to inform the public on the facts associated with Renewable Energy, the focus of the Strategic Energy Framework, including the importance to Northern Ireland of reducing its fossil fuel usage and addressing security of supply issues.

This work could, resources permitting, involve:

• producing factual and evidence based material, that presents the facts about Renewable Energy and address the most common misconceptions.

• using information, resources and assistance from industry, the third sector, and community development organisations, to contribute to messages coordinated by the SEIDWG communications sub-group.

• developing a co-ordinated message, from the relevant Government departments, in

[16] '*Communities and Renewable Energy: a Study'*. Available at: http://www.detini.gov.uk/communities_and_renewable_energy.pdf (accessed 15/01/14)

Northern Ireland, including DETI, DoE, DARD and the DHSSPS, which supports the information and reinforces the message that Northern Ireland can benefit from Renewable Energy development.

• communicating more widely, work already undertaken that identifies the job creation opportunities in Northern Ireland from Renewable Energy developments, particularly those which are on-going after construction.

There is a need for ongoing, meaningful dialogue between government (regional and local), industry and community interests in all aspects of the development of renewable energy in Northern Ireland and we recommend that all Departments with a role in promoting renewable energy ensure that transparent stakeholder engagement is fundamental to the out-workings of this study.

5.3 Best Practice Guidelines

Effective engagement between developers, local councils, statutory consultees and communities, can help to deliver renewable energy projects. This engagement includes access to reliable information (see 5.2), and the opportunity for all parties to contribute to and be part of the decision making process.

Consider the draft outline guidance, contained in Annex A of this report, as the basis for a new set of Best Practice Guidelines. DoE is the Department responsible for planning issues for community engagement in renewable energy projects, but we acknowledge that these guidelines would be outside the planning system. The Planning Bill does contain provisions in relation to Community Engagement, but these have not commenced.

The Best Practice Guidelines should be aimed principally at developers and communities although they might be extended to include local councils as they assume greater planning powers. The guidance should include recommended tools and techniques for engaging with communities and other local stakeholders at the various stages of scheme development; examples of best practice in engagement including consultation during the planning process; development of community benefit packages and shared ownership options.

5.4 Community Benefits Register

We recommend the introduction of a Community Benefits Register, similar to the scheme that has been operational in Scotland. This is a tool to help communities identify the kinds of benefits that can accrue from renewable energy projects. The scheme should be launched in Northern Ireland, with a list of case studies that describe the range of benefits, and how they can be derived and how funds might be used for community advantage.

Together with the best practice guidance, the register could include:

- a protocol, to be implemented by local councils, for engaging communities in designing and delivering a benefits package that addresses local needs and priorities, and ensuring sufficient community capacity to administer the benefit fund.
- examples of progressive community benefits packages, including reduced domestic energy bills; direct supply of energy to local community buildings (e.g. schools); improvements to the energy efficiency of the local housing stock; strategic funds (e.g. to support community-led renewables.
- examples of different shared ownership models.
- advice for communities on engaging with commercial developers.

We recommend that this Register should be implemented on a voluntary basis, and community groups and developers should be encouraged to use it.

5.5 Community Capacity Building

Capacity Building is recognised by Government as an essential component in the process of community development and in ensuring that communities fully engage with local and regional regeneration initiatives.

We recommend that, resources permitting, DARD should use the existing Rural Community Development Support Networks to help support communities in relating to and benefiting from, renewable energy developments. The work is linked to the information programme (Recommendation 5.2) and should focus on:

- making communities and Local Councils, aware of the local opportunities for, and potential benefits of, renewable energy developments.
- supporting communities in engaging in a positive way with developers; and helping to develop more community-led schemes This would ensure that the groups could exploit the opportunities that exist in the Renewable Energy sector. DARD's renewable energy and climate change unit, or DETI, could provide the skills base in Renewable Energy to allow the Rural Community Development Support Networks to provide a capacity building function to Community groups.

There will also be the opportunity for the DoE to be involved in capacity building with local councils, as part of the transfer of functions, which is anticipated in 2015. This could include capacity building in renewable energy engagement and community benefit.

5.6 Structural support for community led energy schemes

A community may not have the funding available to carry out the necessary feasibility and other studies necessary to determine whether a renewable energy project is viable for their community. This represents a significant barrier to communities developing projects with the result that potentially pioneering schemes that could provide inspiration to others will not succeed. This may lead to less community engagement and buy-in to renewable energy more widely, affecting Executive targets in this area. We recommend that DETI should work with other government departments, including DECC and DSD, to explore the potential for funding, including EU funding, to support community groups with the costs of feasibility studies, business planning and planning applications for renewable energy projects. If the potential of a Fund can be realised, then this will provide a very significant boost to community energy in Northern Ireland as well as to communities' perceptions about renewable energy across the region as a whole.

5.7 Community Ownership

Section 4.6.3.2 identifies the value of Community owned projects. There is a large variation in the percentage of community owned projects across Europe, but several studies (Munday and Wolsink) have identified that local ownership is one of the most important drivers of the relatively rapid deployment of wind energy in Germany and Denmark. The Danish Renewables Act requires 20% of the scheme to be offered locally. Community ownership is one of the most significant means of creating productive engagement and mitigating opposition. Evidence also suggests that local ownership pumps proportionally more money into local communities than community benefit funds.

DETI and other relevant government departments should take into consideration emerging work from the DECC Community Energy Strategy when available. Policy measures should be explored about encouraging investment in renewable energy projects in Northern Ireland. Community ownership is one form of investment that is likely to stimulate and support renewable energy development. Alongside the best practice guidance and funding support recommended by this study, this might include developing new local planning guidance on community ownership and examining regulatory options adopted in countries such as Denmark.'

Appendix 4

Brief summary of a number of Departments commitments in relation to advancing the various strands of community energy and tackling fuel poverty

DETI	Responsible for energy policy including Onshore Renewable Electricity Action Plan 2013-2020. 'Communities and renewable energy: a study' completed and released in October 2013. Waiting for DECC's Community Energy Strategy to be launched
DoE	Responsible for planning, local authorities and community planning. Minister held Planning and Community Benefit Summit in June 2013. Awaiting next steps identified by Minister
DARD	Responsible for tackling rural poverty / Rural White Paper. Forest Service to develop plans for wind farm development on forestry land. The Rural White Paper Action Plan includes an action for DETI; 'We will continue to ensure a joined up approach to achieving the full potential offered by renewable energy solutions.'
DSD	Responsible for tackling fuel poverty. DSD also has a strategy to invest in social enterprise growth to increase the sustainability in the broad community sector re: Community Asset Transfer
OFMDFM	Economy and Jobs Initiative and retrofitting of energy efficiency measures in homes

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