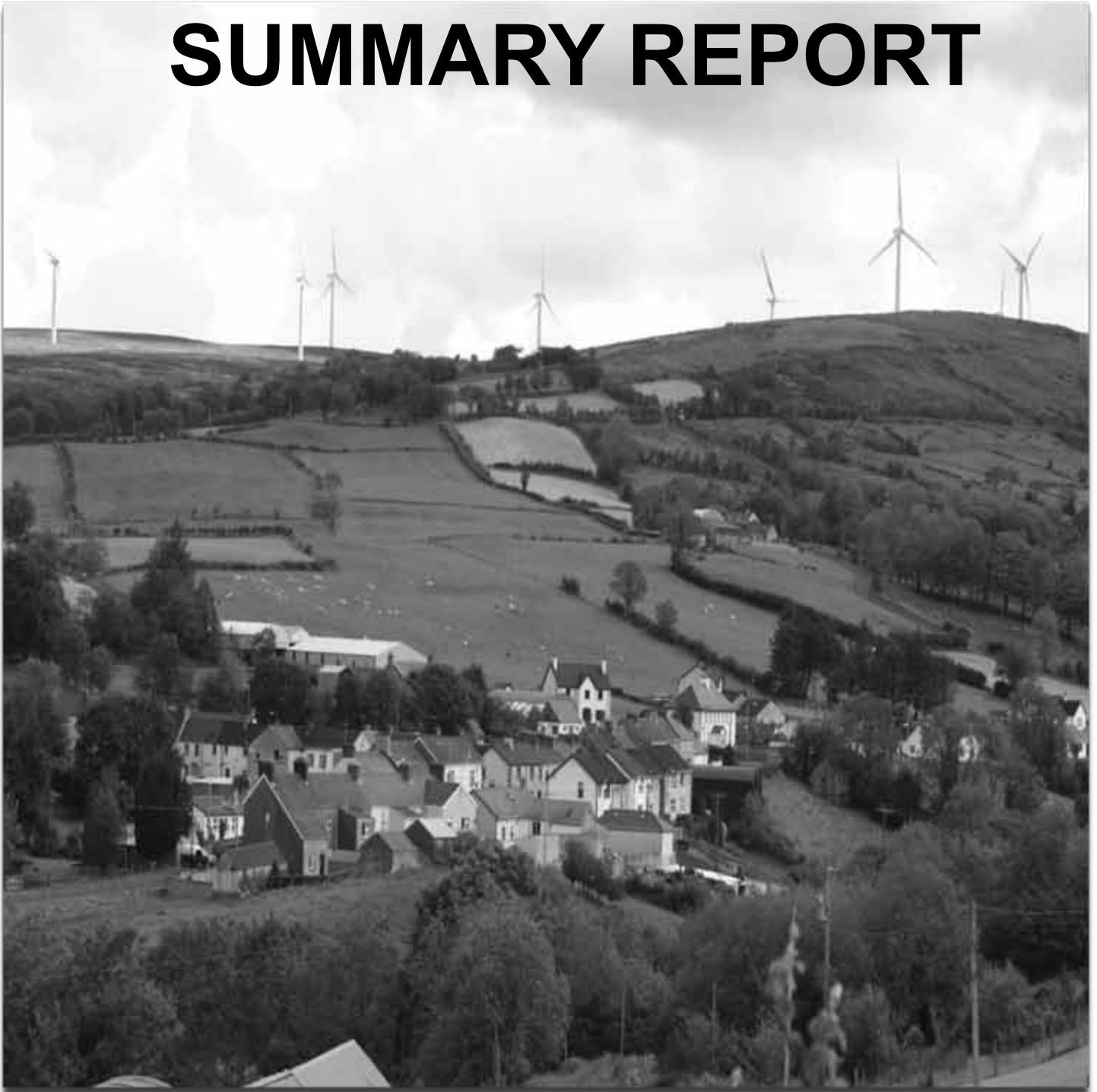


# MAXIMISING COMMUNITY OUTCOMES FROM WIND ENERGY DEVELOPMENTS

## SUMMARY REPORT



## **Background**

The development of renewable energy is of benefit to everyone, helping to meet ambitious climate change targets and generating substantial new economic activity.

Northern Ireland and the rural west in particular has one of the greatest wind energy resources in Europe. The implementation of renewable energy plans present challenges for host communities, including a range of environmental issues and will have significant impact on rural communities. However, people are entitled to see some return and benefit directly from the natural environmental assets as renewable energy development draws on collective resources and impacts on communities. These communities currently face a wide range of issues in relation to poverty, disadvantage and isolation. How does this resource benefit the local communities which host wind farms?

Taking these factors into account, this report identifies the opportunities that exist for communities to engage with commercial onshore wind energy development. In doing so, the research highlights the opportunities for the provision of community benefits associated with wind energy development and models of community ownership. Good practice towards engaging with communities is also considered.

This report examines the issues and puts forward recommendations of how, in relation to wind energy, we can share the harnessing of our resources, while preserving the integrity of our assets. The report also explores how people living in rural communities can engage and benefit from onshore wind energy development. Recommendations are made based on good practice evidenced in other countries.

## **Policy Context**

Ambitious government targets have been set for the deployment of renewable energy in Northern Ireland. The Strategic Energy Framework (2010) states that Northern Ireland will seek to achieve 40% of its electricity consumption from renewable sources by 2020. Electricity generated from onshore wind farms has been identified as the most established, large-scale renewable source in Northern Ireland and will play a key role in achieving this target.

There is currently 378MW of installed renewable generation in Northern Ireland, of which 355MW is from large-scale wind. However, in order to meet the Northern Ireland Government target of 40% of electricity consumption from renewable sources by 2020, more renewable sources will need to be connected to the electricity network. It is estimated that between 1400MW to 1800MW of renewable generation installed capacity, depending on the energy mix in the future, will need to be connected to the network in order to meet this target. These figures show the scale of the likely future deployment of renewable energy. Given that onshore wind energy is expected to account for the majority of future renewable energy generation by 2020, it is evident that this is likely to have a significant impact on communities in counties Antrim, Derry/Londonderry, Fermanagh and Tyrone.

## Key Findings

Commercial wind farm developments present significant opportunities for affected communities which host them through the provision of community benefits. Community benefits are viewed as key components of the way in which communities can engage with wind energy development. In the context of wind energy, community benefits tend to be contributions made by a developer to communities which host a development. Whilst these can provide new opportunities for local communities, it is important to recognise that the nature and scale of community benefit provision differs between sites and between developers.

Effective community engagement is critical to working with local communities. This involves implementing a well-designed proactive programme. Community engagement should not be solely focused on the planning process but throughout the life cycle of the project.

Community benefits from wind farms in the UK typically take the form of voluntary annual financial contributions from developers into a community fund. These funds can be used to help support local infrastructure projects, local activities and community groups.

Whilst community funds may be of some benefit to communities which host wind farms, it is important to recognise that greater economic and social opportunities may be made available through community ownership. There is a growing interest in the community ownership of wind farm developments and there appears to be an increasing number of developments which incorporate some form of ownership.

A number of different models of community ownership exist including: full ownership; part ownership; community/developer joint venture; and the co-operative model. However achieving community ownership in commercial wind farm development is challenging and requires much commitment from communities. Nevertheless, community ownership presents substantial financial opportunities, which can be far greater than those provided by community funds.

Community ownership can help contribute to the long-term sustainable future of communities and help address issues such as fuel poverty. The case studies of community ownership in this report show that it is possible for communities and developers to work together to achieve outcomes which benefit all stakeholders.

In addition to discussing the options available to communities, the report also investigated the provision of community benefits at approved wind farms (i.e. those that have received planning permission and are operational, consented, or under construction) in Northern Ireland. Based on the evidence gathered, a number of key findings were raised:

- The higher levels of payments into community funds in Great Britain, have generally not been achieved at approved wind farms in Northern Ireland. In Great Britain for example, amounts attaining and exceeding £2,000/MW per annum have increasingly been achieved. Only one of the fourteen community funds identified by this research in Northern Ireland was found to offer £2,000/MW per annum
- In Great Britain average levels of payments being paid into community funds have been found to be increasing through time but in Northern Ireland there appears to be a mixed picture. Whilst some wind farms have seen higher levels of payments in recent years,

substantially low levels of payments are still being made into community funds for recently approved wind farms

- In Great Britain, there are numerous examples of wind farms where developers have taken very innovative approaches towards the provision of community benefits, and have incorporated community ownership into the development. In Northern Ireland, there are no instances of community ownership in a commercial wind farm development, or similarly innovative approaches

Northern Ireland will see a major expansion in the number of wind farms over the next ten years. It is proposed these wind farms are clustered in the same areas which already currently host wind farms.

In Northern Ireland, there is little consideration given to maximising the opportunities for communities to benefit from onshore wind energy development in comparison to Great Britain. In Scotland and Wales, the devolved governments take a very pro-active approach and recognise the important role which communities have to play in renewable energy development. This is evident in both national and local government policies.

At national level, for example, the Scottish Government will create a community benefits register which will detail community benefits agreed with renewable energy developers in Scotland. The new community benefits register will be open from April 2012. The register will help communities to make a comparison with similar developments to inform negotiations. The creation of a register is one of a number of pro-active steps taken by the Scottish Government.

The Scottish and Welsh Governments have also developed plans to develop renewable energy on forestry sites owned by each government. These plans will be beneficial to the devolved governments' ambitions to meet their renewable energy targets, and also present significant opportunities for private developers and affected communities, who will receive substantial financial benefits. Recent plans published by the Department of Agriculture and Rural Development in Northern Ireland and the Forestry Service, in relation to the potential of forestry sites for renewable energy initiatives are encouraging.

At a regional level, a number of councils in Scotland and Wales have developed guidance/policy towards the issue of community benefits and how to engage with commercial wind energy development. This guidance helps to inform both private developers and local communities.

There is an increasingly joined-up approach in Scotland and Wales towards renewable energy development, which includes the Government, the private sector and communities working closely together. Northern Ireland could learn from this approach to help ensure it reaches its renewable energy targets and builds on the principles of sustainable development.

# Recommendations

## 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. This should include a protocol on working with local communities during and after the project development process and, in particular, exploring and negotiating community participation and community benefits with communities and other stakeholders. Such guidance/policy could also be applied to other forms of renewable energy development.
2. 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.
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). This should apply to all new wind farms including those in the planning system or yet to be commissioned. In relation to community benefit funds - a percentage of the total annual funds to be utilised for local community projects, and a percentage to go specifically towards tackling fuel poverty in the area. This would establish a clear link between the wind farm and energy costs.
5. Community Ownership - has been shown to help increase levels of acceptance. Given the likelihood of clustering of wind farms especially in the rural west and the impact of further installations and associated grid infrastructure, 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. This engagement should be based on models of good practice and include post construction relationships re: educational benefits etc.

## Local 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. The protocols would ensure that as a result of harnessing renewable energy resources, social and economic problems including fuel poverty can be alleviated and help towards sustaining and developing rural communities can be given.

## Government

8. 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 implementation of this policy should address the need for active community involvement in shaping Northern Ireland's community energy agenda. Policies ensuring effective support mechanisms need to be in place, such as a local energy assessment fund.
9. 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 Forestry Service. A coordinated proactive approach can be seen in Scotland, where the government has developed plans in which the private sector and communities can work together to benefit from renewable energy development.
10. 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. This public register would encourage greater transparency, helping communities to make a comparison with similar developments to inform negotiations.
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, which builds upon principles of sustainable development.

## Conclusion

Northern Ireland has one of the greatest wind resources in Europe and has set ambitious targets for future renewable energy deployment. Meeting these targets will be challenging for everybody. However, the opportunities that exist for communities to engage with commercial onshore wind energy development can potentially be both very rewarding and of benefit to all sectors.

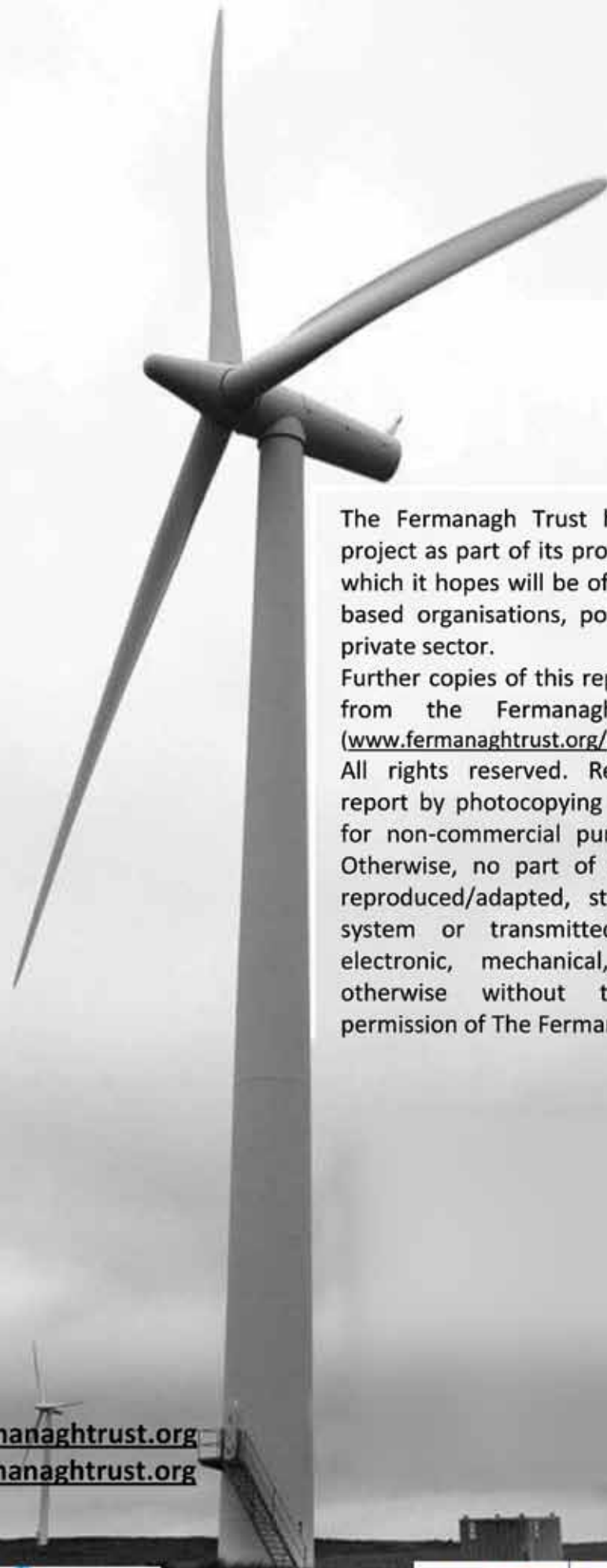
A common way for communities to engage with onshore wind energy development is through the provision of community benefits. Whilst the level of community benefit provision in Northern Ireland has not been as high as in Great Britain to date, this report demonstrates that commercial wind energy development can provide substantial economic and social benefits for communities which host wind farm developments.

Community ownership, as a form of benefit in particular, can help to make a large contribution to help sustain the long-term future of communities. Whilst achieving community ownership in a wind farm development can be challenging, the case studies of community ownership in this study help to show that the financial returns can be much greater than those attained through community funds. In particular the experiences of Neilston Community Wind Farm and Earlsburn help to demonstrate the substantial financial benefits which can then be used within the community. Importantly, they also show that it is possible for communities and developers to work together in order to achieve an outcome which benefits all stakeholders.

The importance of different stakeholders working together can be readily seen in Great Britain. In Scotland and Wales, governments at both a devolved national level and local level recognise the important role of communities in renewable energy development. A series of pro-active actions have been taken. Notable examples of this include the future creation of a community benefits register in Scotland, and the development of renewable energy on forestry sites with significant levels of community involvement and benefits.

The benefits of working together can also be seen with some councils producing guidance for both communities and developers surrounding issues of community engagement and the provision of community benefits. Good practice from Scotland and Wales has shown that a joined-up approach including government, the private sector and communities is essential to maximising the potential of future renewable energy deployment.

The joined-up approach that exists in Scotland and Wales shows how government, the private sector and communities can work together for the benefit of everyone. The pro-active action taken in Scotland and Wales in particular has been largely absent to date in Northern Ireland. However, with the current Programme for Government and ongoing governance and policy developments, the time is right for Northern Ireland to learn from good practice in Great Britain. This will help Northern Ireland maximise its renewable energy potential for all of society and help the government to meet its ambitious targets.



The Fermanagh Trust has undertaken this project as part of its programme of research, which it hopes will be of value to community based organisations, policy makers and the private sector.

Further copies of this report can be obtained from the Fermanagh Trust Website. ([www.fermanaghtrust.org/publications](http://www.fermanaghtrust.org/publications))

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