

# A Community Commitment

## The Benefits of Onshore Wind

February 2011





RenewableUK is the trade and professional body for the UK wind and marine renewables industries. Formed in 1978, and with 657 corporate members, RenewableUK is the leading renewable energy trade association in the UK. Wind has been the world's fastest-growing renewable energy source for the last seven years, and this trend is expected to continue with falling costs of wind energy and the urgent international need to tackle CO<sub>2</sub> emissions to prevent climate change.

In 2004, RenewableUK expanded its mission to champion wave and tidal energy and use the association's experience to guide these technologies along the same path to commercialisation.

Our primary purpose is to promote the use of wind, wave and tidal power in and around the UK. We act as a central point of information for our membership and as a lobbying group to promote wind energy and marine renewables to government, industry, the media and the public. We research and find solutions to current issues and generally act as the forum for the UK wind, wave and tidal industries, and have an annual turnover in excess of one million pounds.

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# Introduction



**Onshore wind is our cheapest large scale renewable energy source. It is already delivering significant amounts of power to our homes and businesses, and it will make a significant contribution to meeting our climate change and energy security goals.**

However, the development of onshore wind has not been without its challenges and we shouldn't ignore this. There has been a sense in some local communities that wind developments are imposed on them. It has also been the case that communities can see what they will lose by having a windfarm in their midst, but cannot see what they gain.

I am clear that there needs to be a new relationship between wind farms and the communities which host them. This Government has committed through our localism proposals to giving communities more power to influence the development that takes place around them. We also want to see communities rewarded for hosting renewable energy, which is why we have committed that business rates should be kept locally for renewable energy developments. The Localism Bill also ensures developers and local communities talk to each other much earlier so local needs can be factored in as proposals shape up and

local benefits – such as new jobs and new skills training – can be built into proposals for development.

I know that there are already a number of excellent examples of wind farm developers engaging positively with communities and some innovative approaches to ensuring that some of the benefits of developments remain in the local area. It makes sense that as many communities as possible should benefit in a similar way, and should have the best possible clarity about what to expect from developers. I therefore warmly welcome the initiative that RenewableUK has taken in bringing forward this Protocol, underpinning the wider work on community engagement being made across the onshore wind sector.

A handwritten signature in black ink that reads "Charles Hendry". The signature is written in a cursive style with a long horizontal line extending from the end.

**Charles Hendry MP**



**The benefits from onshore wind in the United Kingdom are two fold. Firstly, our abundant wind resource in European terms is second to none.**

On an annual basis a wind turbine in the UK returns on average 50% more electricity than the same wind turbine in Germany or 40% more than in Spain. Yet both of these countries have more installed wind capacity and a larger share of final electricity consumption coming from wind than the UK. Consequently, both countries have more people employed in the wind energy sector, and have built formidable manufacturing industries around wind energy.

Perhaps this is because until recently the second benefit of having a healthy wind energy sector was only partly understood. However, it is now becoming clear that wind not only has the capability to provide a substantial proportion of our nation's green electricity, but it could be a significant driver of economic and employment growth. Our most recent report on employment in the UK's wind energy sector has shown that in the last three years the number of people in this industry has grown by a spectacular 91%, in line with a doubling of the contribution of energy from wind to the national grid.

As an industry we have always felt that while the carbon reduction benefits from onshore wind farms are national and even international, feeding, for instance, into our European Union carbon reduction targets, the local and regional benefits of onshore wind farms need to be more emphatically stated. With that in mind we are producing a long-ranging study into the economic benefit of onshore wind, and the initial results clearly show that per each installed megawatt (MW) around £1 million stays in the community at local and regional level during the lifetime of the project.

Moving beyond the business or economic benefit, illustrated in the case studies in

the first section of this publication, the industry has worked hard to ensure that a broader community benefit serves those living close to an onshore wind farm. Examples of existing community benefit funds are numerous and we have showcased some in the second part of this presentation. These funds receive a regular payment from the wind farm throughout its life, and as you will be able to see from the examples, are distributed by the local community to a series of worthwhile projects.

The wind energy industry's community benefit Protocol was inspired by the success of community benefit funds thus far. Over the last year RenewableUK, as the UK's leading renewable energy trade association, has conducted a thorough-going consultation amongst our members on finding a way to formalise these contributions, and we are now delighted to present the results in the third part of this document. Our members and the Board of RenewableUK has clearly endorsed this Protocol, showing yet again that as an industry we see community involvement as the key to further deployment.

Clearly, community benefit schemes have so far proven to be hugely successful with local communities, and are now deemed to be essential by our members. On top of the economic and employment benefits from onshore wind, as well as Government's proposals to ring-fence wind farm business rates and make them available directly to local councils, community benefits stand to be an important contributor to the future success of the UK's onshore wind sector. We wish to thank all our members, stakeholders and Ministers involved in making sure that overall benefits of onshore wind are so clearly understood.

*M. McCaffery*

**Maria McCaffery**  
Chief Executive, RenewableUK



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## Case Studies

# UK Onshore Manufacturing

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UK companies are involved with many aspects of the onshore wind supply chain. The case studies in this section highlight four UK companies involved in the construction and component manufacture of onshore wind farms, supporting existing and creating new jobs.

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# Jones Bros Civil Engineering UK

Jones Bros has bucked the recession with increased turnover from £38m in 2008/2009 to £46m in 2009/10 with 27% of this from renewables.

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**“We see onshore wind developments as major civil engineering projects providing significant opportunity to safeguard, if not increase, our workforce.”**

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Jones Bros is a long established civil engineering company with over 40 years experience in heavy plant machinery. The company has grown steadily over the years and now directly employs over 270 staff and operatives. The company invests in its workforce and values the importance of providing opportunities to all employees to develop their job related knowledge and skills. This year, Jones Bros has taken on six youngsters under the Foundation Modern Apprenticeship scheme through Construction Skills Wales. Reflecting on this investment Ruth Jones says “investment in our work force is a high priority for us as we feel it provides us with a highly committed, skilled work force”.

We carry out works all over the UK, from Aberdeen to Plymouth, and having one of the largest heavy plant fleets in the UK this enables us to provide cost efficiency and quality control; and as a result, we have built up relationships with good clients some lasting for over 30 years.

Jones Bros has gained substantial experience in undertaking balance of plant contracts for numerous onshore wind farms including the Cefn Croes Wind farm which was the largest of its kind in 2005 and more recently in September 2010 completed balance of plant contract for Tullo Wind Farm, near Aberdeen.

Jones Bros can see the obvious benefit through the generation of sustainable, green energy. With the right Government support Ruth Jones notes that “now is the time for the indigenous Welsh construction industry to realise the significant investment opportunities that these renewable projects can offer to the local economy”. In doing so they will provide a much needed economic boost to Wales and would help to secure the future employment and retain the services of many local professional and highly skilled construction staff and operatives.

## BGB Innovation

BGB started supplying the wind sector with bespoke slip ring and brush holder assemblies for rotary applications in 1994, and the transformation of the company in recent years has gone hand-in-hand with the development of the burgeoning industry.

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**“Despite the recession in 2009, the company made a conscious decision to invest, swelling the workforce to 100 people...”**

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Despite the recession in 2009, the company made a conscious decision to invest, swelling the workforce to 100 people and spending over £1m on upgrading buildings and plant.

Although growth has not yet returned to the 30% mark enjoyed pre-recession, David Holt, BGB’s Marketing and IT Director, is convinced the company is now in a better position to capitalise on a growing wind energy market.

“Our in-depth knowledge and experience of the market was the foundation of the investment decision”, he says. “BGB designs and

manufactures its own tooling, produces its own prototypes and then follows the process through to production.” Holt adds that whilst the European market remains a priority, the company also exports to the US, China and India, and is in discussions to build a facility in the States by the end of 2011.

“The situation for supply into Europe remains positive for many years to come – the industry continues to show signs of development”, says Holt. “The challenge will be transferring our UK experience and knowledge to serve the local markets.”

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# Mabey Bridge

Just over a year on from the announcement that it was to build a £38m wind turbine tower manufacturing plant, engineering firm Mabey Bridge is poised to open the doors of the new factory near Chepstow.

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**“At full capacity we could employ upwards of 200 people at the tower factory.”**

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Alex Smale, UK Director at Mabey Bridge, says the company has finished most of the construction work and has begun installing manufacturing equipment.

“We are about a month from finishing the development, which will give us capacity to make up to 200 towers, and there’s potential for further development on the site to increase capacity further”, he explains.

Production work has already begun at the site and the company will start delivering towers in early April as part of its framework agreement with wind turbine firm REpower.

“We have about 60 people employed at the new plant and recruitment is ongoing”,

says Smale. “At full capacity we could employ upwards of 200 people at the tower factory.”

The company is currently in talks with a number of other wind turbine manufacturers and is confident that the successful manufacture of the first towers at the plant will allow it to demonstrate the effectiveness of its new facility to other potential clients.

However, Smale admits that the market remains highly competitive, with a number of manufacturing plants in northern Europe experiencing overcapacity – a scenario he argues the Government could address by resolving the on-going planning and financing challenges faced by many UK wind farm developers.

# Converteam

Power conversion technology specialist Converteam is certain where its future lies. “There is no doubt that the wind industry will be at least half of our business in five years time, even with other parts of the business growing”, says John Hill, Renewables Manager at the firm. “It’s a huge opportunity for us.”

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**“Immediately adjacent to us in Rugby is the new Warwickshire College and Power Academy, with which we have set up a close relationship to our mutual benefit. Our market position is created from a century of activity at the forefront of energy conversion.”**

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The company, which has traditionally supplied heavy industrial sectors, was recently selected by the Energy Technologies Institute as one of two firms to design a test rig capable of hosting 15MW turbine drive trains and is now eyeing up different parts of the wind energy supply chain.

Hill predicts that, with Converteam’s electrical propulsion and dynamic positioning systems already widely used by support boats for the North Sea oil and gas industry, the company can expect similar demand from offshore wind support vessels.

Hill reveals that the company is also developing new drive train technology for use in large 7.5MW-plus turbines, which it hopes to commercialise by 2017. He says the innovative high-temperature superconducting system will make power generation more efficient whilst halving the size of the turbine’s generator. The system would in turn allow turbine blades to increase the load on generators, consequently increasing power outputs.

Converteam components are built into both onshore and offshore wind turbines. The onshore turbines are assembled abroad and then imported into the UK making the company part of the UK onshore supply chain.

The company employs 350 people in the renewables sector, producing components such as permanent magnet generators. In a recent statement the company has said: “Immediately adjacent to us in Rugby is the new Warwickshire College and Power Academy, with which we have set up a close relationship to our mutual benefit. Our market position is created from a century of activity at the forefront of energy conversion, but we seek continuous improvement through innovation, experience based learning and staff development. It is the skill of our workforce which makes us more competitive, more resilient to economic shocks, nimbler in a fast-moving sector and more likely to attract and hold customers. Our technical solutions provide for the environmental and social needs of the moment. Converteam’s vision includes all the components of a sustainable growth.”



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Case Studies

# Community Benefits

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Community benefits schemes are a well established and integral part of onshore wind energy developments and representative of the positive relationship between a developer and the local community. The case studies in this section look at a number of communities that have benefited from this relationship.

# Cefn Croes (Ceredigion, Wales)

**Developer: Falck Renewables**  
**39 turbines (58.5MW)**  
**Commissioned March 2005**

During the operating life of the Cefn Croes wind farm, community benefits have been provided in three different ways:

1. The Cefn Croes Wind Farm Community Trust was established in November 2005. It is a Charitable Trust funded by Cambrian Wind Energy (a Falck subsidiary), which contributes £58,500 (increased annually with the RPI) annually into the Trust. The Trust is managed by a board of five trustees: four of the trustees represent the communities of Pontarfynach and Blaenrheidol, whilst the fifth trustee represents Cambrian Wind Energy. The trustees consider applications for funding from members of the community and decide how the funds should be allocated to those projects.

Priority is given to projects in the Community Council Areas of Blaenrheidol and Pontarfynach, and then to the wider area of the County of Ceredigion. The Trust supports any type of activity that involves local people, through small community organisations, that benefit their community. The activities must provide some measure of economic, environmental, educational, social or cultural benefit for people living in the area. Projects awarded grants in 2010 include, amongst others, Ponterwyd and District Art Club, Eglwys Newydd Church Hafod, Ystwyth Community Transport and Ponterwyd Country Fête.

Projects receiving grants vary significantly, from churches, to schools, play groups, and communal community areas. For example, in 2007, Blaenrheidol Community Council was awarded £15,000 to purchase new equipment for the play area at Maes yr

Awel. Coed-y-Pobl Trust has been very proactive in making use of the available grants, and was awarded £3,750 in 2007 and a further £1,756 in 2008 for its work in improving the community woodland.

Other grants awarded include, £1,335 to Eglwys Newydd Church in support of an Autumn Community Event; a total of £6,384 to Mynach Primary School for purchasing computers and digital camera equipment, and developing a recreation area for school activities; a total of £10,530 to Ponterwyd CM Chapel for the refurbishment of the schoolroom and upgrading the graveyard; £3,490, Ponterwyd & District Art Club for the provision of tutors, training aids and equipment; and £4,500 to Plynlimon Heritage Trust for restoration of the water wheel.

2. Cambrian Wind Energy also provides support to The Red Kite Challenge, which takes place in June every year. It was first held as a trail race in the hills of Ceredigion, Mid Wales, in mid-summer 2003. The race follows paths and tracks through forests, across moorlands and past lakes, with less than a mile of tarmac surface, and also across access tracks created by the wind farm. This is a good example of an additional benefit from the wind farm development available to the community aids enjoyment of the environment.

3. Finally, Cambrian Wind Energy contributes £10,000 each year for the restoration of the site's ecology, which had been degraded over many years through commercial forestry and intensive agriculture at the site, prior to the wind farm's construction. Work in the area is on-going, with activities including: re-wetting of the bog habitat of most of the site by raising the water

table; re-seeding areas of heather to help stabilise the land and re-establish the heathland; and the revitalising of two key species populations in the area: the water vole and the otter.

Remediation measures in the upstream area of the site were completed in 2005. These included the construction of dams (on drains previously created for forestry purposes) to increase water retention and expand the areas of bog.

In May 2007 Falck Renewables commissioned consultants to install monitoring equipment (including 12 piezometers) at the site and complete a monitoring report and review of the mire restoration works.

## Burton Wold (Burton Latimer, Northamptonshire)

**Developer: Your Energy**  
**10 turbines (20MW)**  
**Commissioned March 2006**

Through close consultation with the local community it was agreed that a community benefits scheme to support greater energy efficiency and options for smaller-scale renewable energy projects be developed. A community fund was therefore established to support such projects, as well as supporting education initiatives related to renewables and energy efficiency. The community received a lump sum of £40,000 upon construction of the wind farm, and receives £10,000 every year over the life of the project.

Over the last four years the community fund has enabled:

- The installation of solar panels at Yeomans Court Sheltered Housing scheme in Burton Latimer, providing zero-carbon hot water to all communal areas and an estimated saving of 25% on annual energy bills.
- The installation of sun tubes at St. Mary's School, providing natural lighting to enclosed areas and a high-efficiency heating and hot water system for a local Girl Guides' building.
- The installation of energy-efficient heating and improved glazing to Burton Latimer Guide Centre, replacing old ceiling-mounted electric radiant bar heating systems.
- The purchase of children's books for the local library and funding for a community information point for residents and visitors to learn about the wind farm and energy efficiency.
- The installation of improved energy-efficient glazing to the old



*Image courtesy of Kettering Borough Council.*

Health Centre, Burton Latimer now reopened as a full community use centre with community meeting rooms and facilities.

- Installation of a solar PV system at a resident's property in Park Road Burton Latimer.
- Over 400 children from local primary schools and over 1,000 people to visit the wind farm to learn about how wind energy works.

The fund is open to residents and community groups to apply for grants and interest-free loans to make energy efficiency improvements to their homes or premises, or for the promotion of energy efficiency education. To date, sixteen local residents are exploring opportunities for installing energy efficiency measures and renewables in their homes, with one resident already benefiting from the successful installation of a solar PV systems on their property.

# Vectis Wind Farm (Isle of Wight)

**Developer: Infinergy**

**5 turbines (11.5MW)**

**Planning submission expected Autumn 2011**

Wind farm developer Infinergy and renewable electricity supplier Green Energy UK have joined forces and set up LEO, the Local Energy Organisation. This not-for-profit organisation will allow households surrounding the proposed wind farm to benefit directly by offering them green electricity at a reduced rate. From Infinergy's past community consultation experiences LEO stands out as a solution to the wishes of local residents who would like to be directly involved in the production and revenue of "their" wind farm.

The idea is that residents of the local community can sign up as members of LEO and switch to the "Deep Green" tariff provided by Green Energy UK. By doing so, each household is eligible for a variety of benefits depending on their proximity to the wind farm. Classified as "Storm", "Gale" and "Breeze", the three levels of membership are:

**Storm** – eligible to those households directly neighbouring the wind farm: these residents will be offered a 10% discount on Green Energy UK's Deep

Green unit rate, plus an annual £100 rebate from LEO for up to 25 years;

**Gale** – for the wider community surrounding the wind farm, a 10% discount on Green Energy UK's Deep Green unit rate will be provided; and

**Breeze** – for all other identified households: they can join LEO and receive a one-off benefit on switching to Green Energy UK.

In total, Infinergy will voluntarily provide £23,000 per annum every year for 25 years into LEO and its fund. The fund will be distributed in two ways. Firstly, Storm members will each receive their £100 rebate for their electricity bills. Secondly a total of £52,500 over the 25 year lifetime of the wind farm (plus any monies from Storm eligible households who do not become members of LEO) will be placed in the wider community benefit pot. Local members of the public will constitute LEO's board of trustees and decide how the wider community funds are to be distributed.

# Farr Wind Farm (Near Inverness)

**Developer: RWE npower renewables**  
**40 turbines (92MW)**  
**Commissioned May 2006**

This project enabled a community benefit fund to be set up to assist local community projects in the areas of Strathnairn and Strathdearn. The fund is administered by Strathnairn Community Benefit Fund Ltd and Strathdearn Community Charitable Trust. Both of these bodies were set up by members of the local community, thus ensuring that decisions about how the fund is allocated are made by local representatives for the benefit of their own community.

In 2009 the Strathnairn Community Benefit Fund Ltd made 56 grants totalling £86,070 across a range of different grant types including:

- Venture Grants of up to £250 for educational or training projects.
- Further Education and Training Grants of £250 for students leaving school and going on to further education or training.
- Renewables Grants of up to £1,000 of the cost of installing small-scale renewable technologies.
- Home Heating Grants of up to £250.
- Donations of £250 for local groups or organisations planning events open to the public.

In 2009 the Strathdearn Charitable Trust made 13 grants totalling £21,550 including:

- £2,328 to pay for design work on a proposed Strathdearn Sports Facility, which will benefit from a further donation of at least £40,000 from the fund in 2010.
- £700 to provide a Christmas lunch for senior citizens in the local area (Tomatin WRI).
- £480 to help to cover the costs of four young people undertaking a Duke of Edinburgh's Awards Expedition.



*Image courtesy of RWE Npower Renewables Ltd.*

## **Project Case Study:**

Strathnairn Community Benefit Fund Ltd has worked hard to maximise the benefit to its community. Boleskine Camanachd (Shinty Club), the Mid-Lairgs Football Club and a local soccer club have all benefited from one of the projects the fund has chosen to support – a brand-new changing facility that has been constructed adjacent to Farr Hall.

A £70,000 donation from the Strathnairn Community Benefit Fund Ltd helped to secure over £110,000 of match funding to make the project possible. Additional funding applications to Highland 2007, HIE, sportscotland and the Highland Energy Company were also all successful.

Teams playing on the shinty and football pitches used to get changed inside the hall, which was unsatisfactory for the players, the hall management and other hall users, as it was never designed for this kind of use. The new changing facility now allows players of all ages to change in comfort. The new facility comprises separate areas for two teams

with showers, toilets and changing areas. In addition, the pitches are now eligible to hold important league finals, and other members of the community can now enjoy undisturbed use of the hall.

David Henderson, a member of the Farr Hall Management Committee, said, "We are delighted with the substantial contribution from the Strathnairn Community Benefit Fund". "The finished changing facilities will greatly benefit everyone using the hall. We have also been able to invest in an air-source heat pump system, which is the primary source of heating and hot water for the facilities greatly reducing our CO2 emissions."

The annual fund started at a base level of over £100,000, is index linked in line with inflation and will be available throughout the operational life of the wind farm. In addition a one off lump sum of £1 million was provided on completion of construction of the wind farm.

# Earlsburn (Stirling)

**Developer: Falck Renewables**  
**15 turbines (37.5MW)**  
**Commissioned December 2007**

As part of this project, a community ownership scheme was established with Fintry Renewable Energy Enterprise (FREE) that allowed the village of Fintry to explore a different approach to community benefits. Rather than receiving the “usual” form of community benefits in the shape of annual payments, they viewed the nearby development as an opportunity that, with the right approach, could bring benefits to all members of the community, with the potential to have a wider influence on energy-use behaviour and attitudes, both within the village and beyond.

The village of Fintry put forward their own proposal for ownership of an additional turbine, requesting that ownership was not only available to those that could afford to invest but to all people in the village. The Fintry proposal was for an additional ‘community’ turbine at the site (bringing the total to 15) to be uniquely “owned” by the village, with the revenue it generated going into a community fund. With Renewable Development Company’s support, the proposal was successful and planning permission for an additional turbine was secured. An innovative financial package was created by Falck Renewables, whereby the Fintry community would be able to enjoy the full benefits of an income from the additional turbine without having to pay for it.

FREE set up the Fintry Development Trust to manage the revenue received from the operation of the turbine with the aim of reducing the carbon footprint of the village as a whole. The Trust has received income of approximately £230,000 from the first three years of the operation of the turbine.

Between September 2008 and January 2009, 58% of surveyed households benefited from the free insulation measures on offer. Those receiving cavity-wall and/or loft insulation will save, on average, £600 on their annual fuel bills. This represents a total increase in annual disposable income for the community of £91,352. If energy savings from behavioural changes are included, the increase in annual disposable income for the community is calculated to be £180,000. This improvement in energy efficiency of households significantly reduces the number of households in fuel poverty in the Fintry area.

Events such as community open days at the site and visits by the village primary school are also helping to encourage this commitment across multiple generations. To promote energy efficiency with the young people in the community, the Energy Agency provided a lesson on energy for the Primary 7 pupils of Fintry Primary School. A poster competition produced a logo designed by Gemma McDade, who received the

prize of a wind-up radio.

This approach demonstrates a more holistic view to a community wind energy development, with benefits extending beyond simply the financial. The turbine is symbolic of the commitment and enthusiasm of the local community to changing its energy use.

### **Community benefit:**

In addition to the benefits received by the Fintry community, Falck Renewables also provides £35,000 (increased annually with the RPI) each year to the Earlsburn Wind Farm Community Benefit Fund. This fund is managed by the Scottish Community Foundation and is open to applicants from Denny & District, Carron Valley & District and Cambusbarron community council areas. The fund provides grants to charitable activities that enhance quality of life for local residents, contribute to vibrant, healthy, successful and sustainable communities, and/or promote community spirit and encourage community activity.

Examples of projects that have been funded by the Fund include contributions towards a school “Vegetable Patch Project” and an “Artspace” project which helps people experiencing or recovering from mental health problems.

## Harlock Hill and Haverigg II (Cumbria)

**Developer: Baywind Energy Co-op**  
**Harlock Hill (5 turbines, 2.5MW)**  
**Commissioned January 1997**

**Haverigg II (1 turbine, 600KW)**  
**Commissioned July 1998**

Baywind Energy Co-operative Ltd is the UK's first community-owned wind energy project formed in 1996 and to date has enabled 1,300 people to invest in two projects in Cumbria. With a share holding range between £300 and £20,000, the stake in the co-op is within easy reach of almost everyone. Through the co-op model each member has one vote regardless of his or her shareholding, and profit from the wind farm operation is paid to all members annually. In total, it has successfully raised £2 million through its share offers and has made share interest payments to its 1,300 members averaging 7% gross per annum since it launched.

In addition to providing payments to its investors Baywind also set up the Baywind Energy Conservation Trust to ensure the whole community, not just shareholders, can benefit from hosting the Harlock Hill wind farm. Baywind donates 0.5% of annual income to the trust with the aim of promoting energy efficiency through advice and education initiatives, and funding of energy efficient products and grants, such as Pennington School receiving £3,000 this year to help install PV panels to reduce its carbon footprint.

Due to increasing demand for community involvement in renewable energy schemes Baywind established Energy4All, a not-for profit organisation, in 2002 to identify and develop further opportunities for co-operative community ownership of renewable technologies. To date it has created six wind farm co-ops.

## Westmill Wind Farm Co-op (Oxfordshire)

**Developer: Energy4All Ltd**  
**5 turbines (6.5MW)**  
**Commissioned March 2007**

Based on the Baywind model, Westmill Wind Farm is the first 100% community-owned onshore wind development in the South East region. Although a long time in the process, the landowner Adam Twine finally gained planning permission for five 1.3MW machines in July 2005. This £8 million, 6.5MW project started construction in autumn 2006 and became operational by March 2007. A public share offer was launched during 2006 successfully raising £4.6 million and, supplemented with a loan through the Co-operative Bank, the project came to fruition. Shares in the wind farm were available to anyone with a minimum investment of £250 and a maximum of £20,000. Westmill Co-op currently has 2,300 members and produces enough green electricity to power around 2,500 homes every year.

Similarly to Baywind, Westmill set up the Westmill Sustainable Energy Trust as a charity with initial funding of £1,000. Each year 0.5% of the income of the Westmill Wind Farm is provided to the fund with the objective is to encourage and promote the deployment of sustainable energy within the local vicinity of the wind farm. Over the last year it has generated £6,000 and is looking for match funding to increase this for wider benefit.



*Image courtesy of Westmill Wind Farm Co-op.*



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# Community Benefits Protocol

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In direct recognition of local communities' commitment to accommodating onshore wind farms we, as an industry, are committed to ensuring that a proportion of the benefits delivered by these projects are realised within the communities that live near them.

# Our Community Commitment

This Protocol has been developed by RenewableUK in consultation with central and local government and wider stakeholders including independent community representatives.

## Introduction

Onshore wind farms generate clean, green energy. They deliver real and tangible emissions reductions, provide energy security of supply and socioeconomic benefits to the local and national economy. These benefits can be local to the project, but are more often enjoyed across a much wider area.

Therefore, in direct recognition of local communities' commitment to accommodating onshore wind farms we, as an industry, are committed to ensuring that a proportion of the benefits delivered by these projects are realised within the communities that live near them.

This Protocol sets out the commitment by RenewableUK's members to deliver real and tangible benefits to those communities that live near onshore wind farms of 5MW and above (installed capacity).

This Protocol applies only to projects in England submitted to planning on or after three months from the date of publication of this Protocol.

Communities in England can benefit in a variety of different ways when onshore wind farms are developed in their areas. Benefits can include local contracting and associated employment benefits, and/or, for example, skills training, opportunities for educational visits and raising the awareness of climate change. This Protocol refers specifically to what are more commonly known as "traditional" community benefits, i.e. those benefits that are focused directly upon, and are clearly tangible to, the local community living near a wind farm. They may include, but are not in any way limited to, a community fund, which receives either a lump sum or regular payments; benefits in kind,

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**“NALC is the national representative body for 9,000 local (parish and town) councils throughout England and we firmly believe that for community empowerment and localism to become a tangible reality then the views and opinions of local people must be heard and acted upon accordingly. The Community Benefits Protocol is a right step in this direction where it gives a framework for local planning authorities, local councils and communities to openly discuss with potential developers the benefits for people of having renewable energy sites in their area.”**

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John Findlay, Chief Executive of the National Association of Local Councils (NALC)

where an operator may provide for a community facility or local environmental improvements; facilitation of profit-sharing or a proportion of ownership by a community of a project; or any other schemes or approaches identified and agreed between an operator and the local community.

This Protocol fully recognises that communities come in all shapes and sizes, and contends that therefore so should community benefit schemes. This Protocol does not provide a prescriptive list of delivery models or an exhaustive description of community development schemes, but rather a fully flexible framework by which communities can be more closely engaged with, and have a greater say in, the opportunities available to them.

Most developers already provide a range of community benefits that help to bridge the gap between a project's wider contributions and the delivery of benefits at the local level. To date these have been an optional contribution by a developer and a reflection of the positive relationship between the developer and the community during the lifetime of the project. As such, community benefits have become a well-established and integral part of onshore wind farms in England, and RenewableUK can provide numerous examples of existing good practice. This Protocol signifies an important step in formalising this process and establishes the RenewableUK Community Benefits Certificate to ensure a more transparent and consistent approach to the value delivered by onshore wind farms.

This Protocol sets out the criteria with which all participating RenewableUK members agree to comply. Although not a legally binding contract, non-compliance would lead to the public revocation, where appropriate, of the Community Benefits Certificate. It sets out a minimum value of benefit to be provided, the means by which the community(ies) with an interest in the wind farm is/are identified and the period of provision of community benefits. In doing so, it establishes a formalised, clear and transparent framework within which project applicants, Local Planning Authorities (LPAs) and communities can openly discuss the potential benefits from having wind farms developed in their areas.

## Scope

RenewableUK members commit to early and open dialogue with local communities around proposed wind farm projects, so that local residents and the wider community are informed regarding the development of the proposals and have an opportunity to comment on, and participate in, their development.

The industry recognises that the development of a successful community benefit scheme is achieved through clear and open dialogue between the project applicant and the community. This approach enables the development of a fair, reasonable and meaningful level of benefit, sensitive to both the needs of the local community and the commercial realities of the project. This approach has been developed and applied over a number of years, resulting in the establishment of a flexible, yet

inconsistent, approach to the provision of community benefit schemes. This Protocol presents a significant step forward by bringing together the greatest strengths of existing best practice into a formalised and coherent approach, which will enable communities to understand more easily the potential benefits of having onshore wind farms built in their areas, how community benefit schemes will be established, and how and when the community benefits will be provided.

The industry fully appreciates that communities come in all different shapes and sizes, and believes that, correspondingly, so should community benefit schemes. Therefore, in order to develop a formalised process whilst maintaining full flexibility in the type of benefits and the mechanism for their delivery, this Protocol presents a number of criteria within which the applicant, through engagement with all stakeholders, can tailor a community benefit scheme most appropriately to a community's particular needs and aspirations; a community benefit scheme may include financial payments and /or benefits in kind and profit sharing or community ownership.

## Protocol criteria

The following criteria present the framework for a formalised yet flexible approach, providing certainty to communities that live near onshore wind farms. These criteria have been agreed by all participating onshore RenewableUK members and apply to all projects of 5MW and above in England.

- A community benefit scheme will receive support equivalent to a minimum value of at least £1,000 per megawatt<sup>1</sup> of installed capacity per annum and will be index-linked with the RPI for the lifetime of the project.
- The community(ies) with an interest in the wind farm will be identified through a process of engagement involving the applicant, the LPA and relevant stakeholders as defined in any Statement of Community Involvement, Statement of Community Consultation, or similar requirement submitted by the project applicant.
- The applicant commits to undertaking early and transparent community consultation in line with, as a minimum, the relevant LPA's or Major Infrastructure Planning Unit's requirements for community consultation (as appropriate).
- Payments and/or benefits in kind under a community benefit scheme will commence not later than twelve months from the date of completion of commissioning of the wind farm (unless otherwise agreed by the applicant to be paid earlier) and shall be provided on or before each anniversary date of the first payment (or equivalent).
- Payments and/or benefits in kind shall be provided for the duration of the commercial operation of the wind farm. Annual payments may be wholly or partially aggregated over the permitted operational life, as agreed through consultation with the applicant and the community.

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**“As the membership body for the UK-wide network of community foundations, Community Foundation Network’s (CFN) vision is to see members in aggregate and individually providing a unique channel for donors of all kinds to engage with their communities and each other on a lasting basis. CFN shares the vision of the community benefits protocol as an enabler for local voluntary and community groups to benefit from any funds that flow as a result of the implementation of a framework for key stakeholders in local communities to debate the issues of renewable energy.”**

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Stephen Hammersley, Chief Executive of the Community Foundation Network

1. An applicant may also express the value of support in megawatt hours equivalent.

## Auditing

### Statement of Community Benefit

At the time of submission of a planning application, or in advance if desired, the applicant will sign and submit to the Local Authority a “Statement of Community Benefit” setting out their commitment to provide benefits in accordance with the criteria identified above, should the application be consented. This will ensure an open and transparent understanding of the minimum level of benefits that will accompany the project. The overall level of benefit shall be no less than that set out in this Protocol.

### Registration and Audit Forms

#### *Project Consent*

In order to maintain clear evidence of the applicant’s commitment to providing community benefits in line with this Protocol the applicant will, within six months of receipt of planning permission, complete and submit a “Registration Form” to RenewableUK. This will identify the proposed future community benefit to be provided to the communities accommodating the wind farm upon commercial operation of the project. This Registration Form will be used by RenewableUK to record and verify an applicant’s continued commitment to engaging with local communities and to providing community benefits in line with the criteria identified above<sup>2</sup>.

In the event that a project is subsequently not taken forward into construction, a community benefit will not be provided by the applicant.

#### *Project commissioning*

The operator shall, within six months of its occurrence, notify RenewableUK in writing of the first export of electricity from the project (“commencement of operation”). Payments and/or benefits in kind provided under a community benefit scheme will commence not later than twelve months from the date of completion of commissioning of the wind farm and will be provided on or before each anniversary date of the first payment (or equivalent). The operator shall then submit annually an Audit Form to RenewableUK for each year of the operation of the wind farm. The “Audit Form” will detail the level of benefits provided to date and also the proposed level of future benefits. The Audit Form be submitted within one month of the anniversary of commencement of operation.

RenewableUK members commit to providing payments and/or benefits in kind for the duration of the commercial operation of the wind farm. This Protocol provides the flexibility for cases where it has been agreed, for example, for a community to receive a lump sum payment up front. In this case the wind farm operator may aggregate annual payments, wholly or partially, into one or more lump sum payments. These payments would be calculated based on the permitted operational life of the wind farm.

The Audit Forms from each operator will be submitted to RenewableUK and used by RenewableUK to document the level of community benefit provided by the operator and to ensure their compliance with this Protocol.

### Audit Body

In order to ensure the wind farm operator provides community benefits in line with this Protocol, an “Audit Body” of a majority of RenewableUK members and third-party representatives will be established. The Audit Body will be independently chaired and will be established by means of a lottery system for both members and third-party representatives. Each elected Audit Body will operate for a period of two years.

The Audit Body will convene once each year to review a random, representative sample of all Audit Forms submitted to RenewableUK during the previous calendar year and assess whether or not the Audit Forms received are in accordance with this Protocol.

2. It is recognised by RenewableUK that through the planning application process for a wind farm there can be changes in scope and / or other conditions which influence the economics of a project. Therefore, upon receipt of planning consent a developer may revise their community benefit commitment. Based on the principle of fairness this would change upwards or downwards in line with the changes in a project’s scope and / or other conditions. The revised benefit shall not be less than that as agreed by this Protocol, i.e. equivalent to a minimum value of £1,000 per megawatt.

## Regulation

### Certification

RenewableUK has established the “Community Benefits Certificate”. The Certificate will be awarded at both a project and operator level. All qualifying wind farms adhering to this Protocol and providing timely submission of Audit Forms will be publicly recognised by the award of the RenewableUK Community Benefits Certificate, and receive commendation in an annual report on community benefits to be published each year by RenewableUK.

An operator will be eligible for the Operator Certificate provided that all of their qualifying wind farms have also received the Project Level Certificate.

### Non-compliance

Any operator who fails to submit an Audit Form within the timeframe as identified above or to provide community benefits in line with the criteria identified in this Protocol will be requested by RenewableUK to remedy the omission(s) within a three month period and provide evidence to this effect. Failure to remedy their action within this three month period, or to provide just reason, will result in the revocation of both the Project and Operator Certificates. An operator will have the right to appeal to the RenewableUK Board, who will be obliged to determine and communicate their decision within three months. The decision of the RenewableUK Board of Directors will be final.

### Conditions

This Protocol applies to all participating onshore wind farms of 5MW and above installed capacity in England submitted into planning on or after three months from the date of publication of this Protocol. This Protocol does not apply retrospectively to projects submitted into planning prior to this date. This Protocol does not apply to wind farms of less than 5MW although the operators of these projects will be able to submit Audit Forms for their projects and by doing so will receive special commendation in the annual report on community benefits.

### Review

This Protocol, including the minimum value of community benefit to be provided in connection with each qualifying wind farm, will be kept under regular review to ensure that it reflects best practice and market conditions. It will be reviewed at least once per year and revised at least once every five years.

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**“As the country’s leading network of development trusts, settlements, social action centres and community enterprise practitioners, Locality welcomes the Community Commitment protocol developed by RenewableUK. Local communities need to have a stake in onshore wind developments and we hope this will be a model that others will take up in the future. Locality will be there to help wherever we can.”**

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Steve Wyler, Chief Executive  
Designate of Locality



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