



East Kintyre Renewable Energy Group Ltd

Kintyre Community Shared Ownership in Windfarms. Briefing/Update

Venue/Date: Campbeltown Town Hall, Thursday 23rd January 19.30

Background

A not-for-profit limited company established in Sept. 2019 to enable a group combining specific business skills to pursue confidential discussions with windfarm developers with a view to negotiating community shared ownership (CSO) in consented developments in the region to the benefit of, and on behalf of, the wider Kintyre community. Given the MoUs in place, EKREG now constitutes – for the first time – a single point of reference for developers in the region with regard to negotiations over CSO and is tasked with leading the assessment of opportunities, establishing the necessary trading and profit-dissemination vehicles, negotiating terms and assist with the draw-down of the finance required to achieve agreed objectives on behalf of the Community Councils (CC) invited to this briefing/update. Further information including news and meeting agendas/minutes: www.eastkintyre.org

Principles

Developers of newly consented windfarms are **strongly encouraged** under 2019 Scottish Government 'Good Practice' Guidelines to award Community Benefit Funds (CBFs amounting to £5K/MW operational **AS WELL AS** the opportunity for local communities to take shared ownership (CSO). Note: for **developments on land owned by Forestry and Land Scotland [FLS]** developers **MUST offer** the locally impacted communities some form of shared ownership. These opportunities are to be offered and negotiated **directly with impacted local Community Councils and NOT Regional Councils**. In practice, Tier 1 developers appear to adhere to these principles. However, as yet, few communities in Scotland have been equipped with the necessary know-how to proactively progress the developers' offer of CSO. As a consequence EKREG are proactively trailblazing on behalf of the Kintyre communities to facilitate the development of the needed legal paperwork to underpin CSO structures and trading vehicles and ensure that arrangements are equitable and agreeable to all those CCs invited by the developer to participate in CSO. 100% of the profits harvested by each trading vehicle will be disseminated **equitably via Charitable Bodies** affiliated to each CC since all incoming profit **MUST BE USED** directly to fund approved Local Community Development Plans.

Community Investment Vehicle in CSO

There are specific 'rules' that must be met for the vehicle by which the community invests in shared ownership. Having explored the options it is proposed to establish a Community Benefit Society (BenComm) enshrining the principle of **equality in the partnership** for all CCs involved in the venture. As no 'model' presently exists for such a BenComm, EKREG (with approval from Local Energy Scotland [LES] and Community Shares Scotland (CSS)) have proactively drafted a set of rules and these are currently in the hands of CSS's legal team and the FCA, with a view to amendment and incorporation for use by communities across Scotland.

Technical/Finance issues impacting on CSO profitability

Physical factors influencing profitability of developments in the region will be presented and discussed including windspeed, load factors, turbine type, historic developer-performance as well as financial factors: incl. electricity pricing, build and operational costs, loan interest rates (and how we as a conjoined community can prospectively access extraordinarily low cost finance for renewable energy development via local authorities, Energy Investment Fund, Community Share Issue and capitalisation of CBF payments)