



Draft Forward Work Programme, 1 April 2013 – 31 March 2014

Response by the Fermanagh Trust, Friday 18th January 2013

FAO Elena Ardines,

The Fermanagh Trust welcomes the opportunity to respond to consultation on the Draft Forward Work Programme.

About us

The Fermanagh Trust aims to promote any charitable purpose and to support initiatives which will 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 projects in the county. 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.

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.

In January 2012, the Trust published the report 'Maximising Community Outcomes from Wind Energy Developments'. 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 government, the wind industry and the voluntary sector towards engaging and working in partnership with local communities is investigated. This includes protocols and policies adopted by Councils in Scotland and Wales.

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.

Mr Lauri McCusker – Director

Fermanagh House, Broadmeadow Place, Enniskillen, Co. Fermanagh BT74 7HR
T: 028 66 320210 F: 028 66 320230 E: info@fermanaghtrust.org www.fermanaghtrust.org

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Please do not hesitate to contact the Fermanagh Trust if you have any queries regarding our submission.

Yours faithfully,

Graeme Dunwoody

Research and Policy Officer

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Response to Draft Forward Work Programme

There has been an increased focus on how communities can engage and benefit from renewable energy. This is evident by the Department of Energy and Climate Change's recent Call for Evidence aimed at ensuring that communities secure financial, social and environmental benefit from hosting onshore wind farms – see

<http://www.decc.gov.uk/assets/decc/11/consultation/wind/6437-onshore-wind-call-for-evidence-document-part-a-com.pdf>

The retrospective Devolved Administrations, including Northern Ireland have been carrying out work on community engagement and benefits of onshore wind energy, and have been engaged in the Call for Evidence.

Indeed DETI, DOE and DARD have recently engaged with consultants to undertake a study on Communities and Renewable Energy in Northern Ireland.

The Utility Regulator notes its mission to be 'value and sustainability in energy and water', whilst its vision is 'we will make a difference for consumers by listening, innovating and leading'.

Taking into consideration recent Government actions as well as the mission and vision of the Utility Regulator, **the Fermanagh Trust would encourage the Utility Regulator as part of its role, to take into account and be fully aware of the issues surrounding the development of community energy and how communities can benefit from renewable energy.**

The possible introduction of the Local Electricity Discount Scheme is an example of an issue which the Fermanagh Trust believes the Utility Regulator needs to consider going forward.

Local Electricity Discount Scheme

Currently some wind farm developers are exploring ways to offer reductions to electricity bills to communities who live in close proximity to wind farms. An example of this includes RES, which has proposed the Local Electricity Discount Scheme (LEDS). RES is piloting the scheme at its proposed Bryn Llywelyn Wind Farm in Wales, where the discount is completely independent of the electricity supplier.

Through the LEDS, residential, commercial and business properties close to a proposed RES wind farm will each receive a minimum discount of £100 per year off their electricity bills, which will be paid directly to their electricity supplier. The LEDS does not require a change of electricity supplier by the recipient – the recipient only needs to provide details of their account. Once the wind farm is operational, payments would be made to the recipients throughout the lifetime of the wind farm.

RES will offer the LEDS in addition to a community benefit fund. If the LEDS approach is received positively at the Bryn Lylwelyn Wind Farm, RES intends to implement the LEDS at other

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new sites in the UK. This is important to take into consideration given that RES is a prominent wind farm developer in Northern Ireland.

More information on RES LEDS scheme can be found on pages 22-23 of DECC's Call for Evidence <http://www.decc.gov.uk/assets/decc/11/consultation/wind/6437-onshore-wind-call-for-evidence-document-part-a-com.pdf>

Indeed it is evident that other developers are adopting a similar approach e.g. Falck Renewables Wind Ltd and Coriolis Energy are proposing a Local Resident Electricity Discount Scheme for the Auchrobert Wind Farm in Scotland. With regards to these proposals, Falck Renewables Wind Ltd and Coriolis Energy note the following:

'It is proposed that from the beginning of operation of Auchrobert Wind Farm local residents living within 10km would be eligible for a 10% discount on their electricity bills and local residents living within 4km of a turbine would be eligible for an annual rebate. This would require local residents to switch to using Green Energy UK as their electricity supplier. It is proposed that the tariff used by Green Energy UK will be benchmarked against the Scottish Power standard fixed rate tariff for this area.

Green Energy UK only supplies green and renewable electricity from a diverse range of sources and technologies and only buys Combined Heat and Power from non-nuclear British sources.

The **Local Resident Electricity Discount Scheme** would work as follows:

- Zone 1 - a £400/year rebate for properties within 2km of a turbine (in addition to the Zone 3 discount)
- Zone 2 - a £200/year rebate for properties between 2km and 4km from a turbine (in addition to the Zone 3 discount)
- Zone 3 - a 10% discount on the Green Energy UK tariff for any property within approximately 10km of a turbine'

(Source <http://www.auchrobertwindfarm.co.uk/local-resident-electricity-discount-scheme.aspx>, accessed 18/01/2013)

The Fermanagh Trust believes the Utility Regulator should ensure that the electricity industry can actively accommodate for new community benefit schemes associated with wind farms such as the Local Electricity Discount Scheme (LEDS) and the Local Resident Electricity Discount Scheme, if introduced by developers in Northern Ireland.

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Community energy and the electricity network

Another important issue is the ability of communities to connect their renewable energy projects to the electricity network. Whilst the concept of community energy is relatively underdeveloped in Northern Ireland in comparison to jurisdictions such as Scotland, greater consideration needs to be given to the concept especially against the back drop of the forthcoming study by DETI, DOE and DARD into community energy and renewables.

If there are future increases in communities developing their own renewable energy projects, it is important to ensure that community organisations which are developing such projects are capable of connecting to the electricity network.

A positive example of the facilitation of community energy, has been adopted by Scottish Hydro Electric Power Distribution (SHEPD) in Scotland. SHEPD recently announced the creation of a Community Energy Champion, specifically designed to help communities in the north of Scotland to connect their renewable energy developments to the electricity network. (Source - <http://www.ssepd.co.uk/PressReleases2012/CommunityEnergyChampion/>)

The Fermanagh Trust would encourage the Utility Regulator to ensure that the electricity industry in Northern Ireland is supportive of communities who are developing renewable energy projects and wishing to connect to the electricity network.

Grid infrastructure associated with renewable energy development

In June 2012, the Environment and Sustainability Committee (National Assembly for Wales) conducted an inquiry into energy and planning in Wales.

National Assembly for Wales, Environment and Sustainability Committee – Energy Policy and Planning in Wales, June 2012 -

<http://www.senedd.assemblywales.org/documents/s8778/Energy%20Policy%20and%20Planning%20in%20Wales%20-%20Report%20-%20June%202012.pdf>

The inquiry included a range of recommendations including:

Recommendation 51. The Welsh Government should ensure that the National Grid and the District Network Operators are included in the **protocol for community benefits** (see recommendation 53), so that communities affected by new grid infrastructure also benefit from the associated infrastructure.

Recommendation 52. The Welsh Government should encourage OFGEM to ensure that there is a consistent and simplified approach to **the securing of and charging for connections to the grid** for small-scale renewable energy projects.

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Recommendation 53. The Welsh Government should work with developers and Renewable UK Cymru to complete work on a **protocol for community benefits by mid-2012**.

Recommendation 54. As well as communities directly affected by renewable energy developments, the protocol should require developers to **contribute to communities that are indirectly affected** by their development proposals as a result of associated infrastructure (roads and grid).

The Fermanagh Trust believes that the Utility Regulator should take into account the recommendations and issues raised in this inquiry, and reflect upon how these relate to Northern Ireland. It is particularly important to do so given:

- the high level of wind farm development in Northern Ireland;
- future grid infrastructure needed to support renewable energy including wind energy (e.g. the North / South Interconnector);
- the development of any future community benefit protocol for renewable energy in Northern Ireland.