



BELLTOWNPOWER

Belltown Power UK Wind Ltd

WELSH ONSHORE WIND

Community Benefit Frequently Asked Questions

Version 1

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What is community benefit?

- Community benefit is a term used to describe additional voluntary contributions that developers make to communities local to their developments. These are in addition to any intrinsic local benefits of a scheme (like local employment or supply chain benefits).
- Belltown is proposing to provide community benefit across its portfolio of new developments through two primary formats:
 - Electricity Discount Schemes: Where community benefit would be used to directly reduce the electricity bills of local residents and businesses.
 - Community Benefit Funds: Where community benefit would be placed into a fund managed by representatives of the local communities, for use in funding the initiatives that are most critical for those local communities.
- Belltown consults extensively with local community councils, local residents, local MSs and MPs and other key local stakeholders to help determine how much of the community benefit should be allocated to each of these formats for each particular development, given the individuality of each situation.

How much is Belltown offering?

- For every wind energy hub project, Belltown commits to providing £5,000 of community benefit per MW (megawatt) of installed wind turbine capacity per annum for the lifetime of the project. As an example, a 50 MW project (approximately 8 wind turbines) would equate to £250,000 per annum of community benefit.
- The community benefit would start once the wind energy hub project reached commercial operations and the annual amount would be inflated in line with the government published Consumer Price Index on each anniversary of the commercial operation start date.
- If, through consultation with local communities, there is a compelling need for some of the community benefit to be brought forward and used upfront at the start of operations, Belltown can enable this through substituting part of the annual payment at a rate of £80,000 per MW upfront instead of £5,000 per MW annually. For example, this could be for a specific one-off project or to support the purchase of community ownership through Belltown's community ownership offer (which is discussed in a separate FAQ document available on request).

Which communities will receive the community benefit?

- The communities which receive the community benefit and to what extent is entirely specific to the individual development and situation. This will be determined through extensive consultation with the many relevant stakeholders, following best practice on community benefits.
- The eligible properties for any Electricity Discount Scheme would be identified in the same way, but is likely to be primarily based on proximity to the development and the level of impact the development will have on them. There may be multiple Electricity Discount Scheme zones for a development with different levels of support available to each.

How would an Electricity Discount Scheme work?

- Our intention is that eligible properties would be able to apply for a fixed amount to be taken off their electricity bills. This amount would not vary with the amount of energy each property uses (i.e. it would not be a discount per kWh or a percentage discount, which would lead to eligible applicants receiving more funding the more they use), and so should not incentivise the increased use of energy. It is just a contribution to the electricity bills of those closest to and most impacted by the scheme.
- We intend to work with as many energy suppliers as possible to be able to have the discount applied directly to peoples' accounts. This approach has been successfully implemented in the past on other developments.

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- The eligibility for the discount would be specific to the property and not the individual, so if the residents changed then the discount would remain with the resident of the property and not the original applicant.

How would a Community Benefit Fund work?

- The Community Benefit Fund would be managed by an organisation run by the community for the community. Belltown will consult extensively for each development to identify the most appropriate organisation for this, or if needed, would support the communities in setting up a suitable organisation.
- The community organisation would decide how to run the allocation process for funds, but this would be subject to rules ensuring that the community benefit is used to fund initiatives that directly benefit the local communities. There would also be a restriction on using funds for some specific types of inappropriate activities (for example political initiatives).
- Belltown (or any subsequent owner of the development) would retain rights to observe the allocation process and management of the funds to ensure the rules are being adhered to.

What happens if Belltown is no longer the owner of the project?

- Renewable energy projects do sometimes change hands, and so Belltown will look to put in place a binding document between the project and the community governing the community benefit, to ensure that whoever owns the project is committed to the benefits that Belltown has put in place. Belltown will also ourselves look to bind any incoming owner to the benefit arrangements if we sell the project.

What is the process and timing for the community benefit offering?

- Pre-planning consent: The first step is to identify the communities likely to be involved and the representatives of those communities that will lead the process. This is usually begun through consultation in the year leading up to the planning submission for the project and can lead to an informal liaison group being formed. A binding Memorandum of Understanding may be signed between Belltown and the relevant parties prior to planning submission, committing Belltown to offering the agreed community benefit should the project be successful at planning. However, this is not a requirement and this process can continue during the planning determination period, which usually lasts between 1-3 years.
- During construction: Once the project has received planning consent the work really starts. Over the 2-4 years of planning condition discharge, procurement and construction Belltown will meet with the community liaison group to finalise the arrangements for the community benefit and enter into binding agreements to govern it, as well as opening the Electricity Discount Scheme for application and advertising it to the eligible properties.
- Once operational: The Electricity Discount Scheme and Community Benefit Fund payments shall start.

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