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Committee for Enterprise, Trade and
Investment

OFFICIAL REPORT (Hansard)

Wind Energy: Briefing by the Fermanagh
Trust

23 January 2014

NORTHERN IRELAND ASSEMBLY

Committee for Enterprise, Trade and Investment

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Members present for all or part of the proceedings:

Mr Patsy McGlone (Chairperson)
Mr Phil Flanagan (Deputy Chairperson)
Mr Sydney Anderson
Mr Sammy Douglas
Mr Gordon Dunne
Mr Paul Frew
Mr Fearghal McKinney
Mr Mitchel McLaughlin
Mrs Sandra Overend

Witnesses:

Mr Lauri McCusker Fermanagh Trust

The Chairperson: Briefing the Committee today is Mr Lauri McCusker, the director of the Fermanagh Trust. Lauri, you are very welcome to the meeting. Thank you for hosting Phil and me on our visit down to Enniskillen that day. It proved to be useful and informative and, of course, very hospitable, too. I presume that you have been informed about the way in which we work in the Committee. You have up to 10 minutes to present the stuff, and then we will have questions from members. The floor is yours, Lauri.

Mr Lauri McCusker (Fermanagh Trust): Thank you, Chair and Committee, for your invitation. The Fermanagh Trust is a charity. We are interested in supporting and promoting initiatives that lead to social and community development. As a registered charity, we do a number of things. We manage a range of funds, projects and programmes dedicated to strengthening and improving local communities and finding solutions to community needs. We are interested in the whole issue of how communities engage with renewable energy developments, particularly advancing the concept of community energy. That is one productive way forward for communities to address some of the challenges they face.

Communities have a very important role to play. The Department has a very ambitious target of achieving 40% of electricity consumption from renewable sources by 2020 and moving to a low-carbon economy. It is recognised in that commitment that there needs to be changes to the way that we, as a society, generate, buy and distribute our energy.

The Fermanagh Trust is not coming at this from the perspective of lack of knowledge. We have been working with a number of wind farm companies over the past six or seven years, managing funds, advising companies about their roles and liaising with local communities. These experiences prompted us to further explore the issues surrounding how communities can engage specifically with

wind energy. In January 2012, with the support of the Building Change Trust, we published a very extensive research report looking at how developers engage with local communities and how government, local government etc engage in that issue.

The report, launched two years ago next week, includes 11 recommendations for communities, developers, local government, government and different Departments here at the Assembly. Since then, we have had numerous discussions with various stakeholders about how they can advance those recommendations. Hopefully, you will see in the next couple of minutes how some of them have been moved forward.

The Fermanagh Trust is also a member of the Community Energy Coalition, which has been working extensively with the Department of Energy and Climate Change (DECC) in recent months on the production of a community energy strategy that is due to be launched in London on Monday. We are very excited about that initiative.

Why is the role of communities important? Communities have a proven track record. I see from your agenda that the credit union movement will be talking to you later today. That is a movement across society that has actively organised on a voluntary basis to make a real difference to people's lives. There are other community initiatives across the country, be they playgroups, childcare or enterprise centres, where communities have organised themselves to make a real difference.

The Fermanagh Trust wanted to look at the role of social enterprises in the community; so, last year, it surveyed social enterprises in County Fermanagh. Of the 39 social enterprises we connected with, we found that they had created 429 jobs in Fermanagh. These are only the ones that we connected and did research with. So, communities can and do make a difference economically, societally and environmentally.

When it comes to energy, communities are not playing an active role, and there is something missing. So, we looked at good practice elsewhere to see what can be achieved. There are two issues that I really want to address: community benefits and community energy. In the paper that we submitted, you will see that community benefits present an opportunity to contribute to rural development, particularly in respect of wind farms, because the vast majority of those are in rural areas going from Ballymena across Limavady and into, in particular, west Tyrone and Fermanagh.

The relationship between developers and communities has generally been about securing planning permission. Generally, communities are informed about wind farm developments three or four weeks before the planning application is submitted. So, communities are not actively engaged over a long process about the development of significant projects. The research that we completed for the study looked at that and at good practice in how communities are benefiting. One of the issues that we looked at was community benefits.

We found that communities here traditionally have not benefited significantly from community benefit funds. Since we published the report and discussed it with a range of stakeholders, we have seen a number of developments. A number of councils are now producing community benefit protocols. The first ones to do so were Strabane and Omagh district councils. They recently produced their protocol, and the draft went out for consultation towards the end of last year. Fermanagh council has followed suit. Those protocols recommend a community benefit fund of no less than £5,000 per megawatt.

In Northern Ireland, we have the Northern Ireland Renewables Industry Group (NIRIG), which is the voice of the Irish Wind Energy Association and RenewableUK. Last year, NIRIG produced the protocol document, the community commitment protocol, which recommended that a community benefit scheme should receive support equivalent to the value of at least £1,000 per megawatt.

Scottish Renewables, the umbrella group in Scotland, has produced its protocol, which agrees that onshore wind developers in Scotland should deliver community benefit of £5,000 per megawatt, or equivalent, for all new wind farms over 5 megawatts. The difference between Scotland and Northern Ireland, and many of the people involved in the industry or in the same businesses, is the difference between £1,000 and £5,000.

RenewableUK has recently produced a paper, in England only, which says that signatories to the protocol agree to provide community benefit schemes in connection with eligible onshore wind schemes of no less than £5,000 per megawatt. Do not forget that that organisation is part of the voice of NIRIG.

It is interesting to see that movement in the industry and the movement and the protocols being produced in Omagh, Strabane and now Fermanagh. The most recent developments by two of the industry groups are by two of the developers in Northern Ireland, as the paper outlines. Renewable Energy Systems (RES) has announced its scheme of up to £5,000. That is particularly welcome, because it includes a local electricity discount scheme. The most recent announcement was by SSE Airtricity, which has decided to increase its community fund for all newly constructed projects to £5,000 per megawatt. So, there are some interesting developments by a number of the big developers here, following what is happening in Scotland and England.

If you can imagine a 20 megawatt wind farm, then the difference between £1,000 per megawatt and £5,000 per megawatt going into the community is £80,000 a year. If that is index linked with inflation, it will be £100,000 a year, which, in 25 years, will be £2.5 million, compared to £0.5 million. So, at a time when rural communities are facing issues over the rural development programme moneys, the decrease in EU moneys and the challenges they are increasingly facing, think about the difference that this would make in places such as Fermanagh, Strabane, Omagh and Limavady. It is about communities being able to go into a bank and say, "We've got £100,000 guaranteed for the next 25 years. We want to build x, or we want to do the following. Can we get a loan?" Compare that to £0.5 million over 25 years. Community benefits can be extremely significant, and good examples, which I have outlined, do exist in other areas, including Scotland.

The second related, but distinct, theme is community energy, which can be broken down into four strands: reduce, manage, generate and purchase. The emphasis of community energy projects is on local engagement, leadership and control, and project outcomes which benefit local communities. A wide range of community energy projects exist. We have a particularly strong area in the theme of reducing, with respect to energy efficiency and behaviour of change. We have a number of initiatives, such as the warm homes scheme etc, which are backed by government and are trying to deal with that.

We do not have so much development in Northern Ireland around manage, generation or purchase. However, we have been engaging with specific examples of local community energy projects. The Ballymena cluster's wind energy project is very exciting. It is an initiative by Ballymena District Council, which plans to put up four turbines across the Ballymena district that will be owned by the community. Work is also being done by the Cloughmills community action team, the Rathlin development association and the Carntogher community association, looking at community energy. The first energy cooperative, the Drumlin wind energy cooperative, has successfully secured £2.5 million in fundraising to put up a number of turbines in Northern Ireland. So, things are starting to happen that are being driven by local communities, but there is no support mechanism in place for that to happen. Developing community energy is a real challenge. There is not necessarily technical or financial support in place and that is something that we need to look at.

The Scottish Government have a target of producing 500 megawatts of community energy by 2020 and they have put infrastructure in place to help achieve that. That is on the generation side of things. There are 360 community energy projects in Scotland and there are five in Northern Ireland that we have researched.

Other countries have also recognised the importance of community energy. Forty six per cent of all energy produced from renewables in Germany is from community energy initiatives. The Danish Government have legislated that 20% of any wind farm development, for instance, must be offered to the community so that community organisations and individuals can buy in.

As the paper outlines, we have looked at government policy here and in GB. There have been a number of interesting developments. The Committee for Enterprise, Trade and Investment, in conjunction with DOE and DARD, commissioned a piece of work in December 2012 and January 2013. The recommendations from that are outlined in appendix 3 of our paper.

Under the leadership of Minister Alex Attwood, DOE held a planning and community benefit summit in June 2013. That is referred to in our paper. We are still looking forward to seeing how the agreed next steps from that summit are going to be taken forward. Most recently, DARD and the Forest Service appointed a wind farm development manager who has been seconded from the Strategic Investment Board. We are very hopeful that the good practice initiated by Forestry Commission Wales and Forestry Commission Scotland, which involved local communities in the design and development of the utilisation of forest estates, can be followed here.

In our document we outline what we believe is a series of actions that, if considered, could make a real difference in advancing community energy. We need a coherent vision and we need to embed community energy in policy. There is nothing in any of the policy papers that we have looked at. In appendix 4 to our paper, you will see that the different Departments — DETI, DOE, DARD, DSD and OFMDFM — all have a role in this area. We think that, under the Delivering Social Change framework, there is a real opportunity to bring some joined-up thinking.

We know that energy is increasingly going to be a core issue for society in the years to come. How do we get communities involved? How do we ensure that they play a part in solving the issues rather than having solutions imposed on them? Having looked at northern Europe, we can see how that can be achieved. We need to advance policy here and think about the issues. It can be done and it is being done elsewhere. We think that the opportunities and environment exist now to do something positive.

The Chairperson: Thank you very much for that, Lauri. We all know about commitments to renewables and the likes of that, but wind power can become very contentious depending on the area that it is in. I have one particular case in mind, which is a massive development in the Sperrins, the likes of which has not been seen in the North or, perhaps, even on the island, before. How do you feel the balance has to be drawn between what you outline correctly as the community benefit, which some can perceive as being a bribe depending on where it is going, and the flip side, which is the perceived or visual environment and indeed the tourism economy? A massive development — in this instance, 60 huge turbines — could be seen as being a visual blight on the Glenelly valley, an area of tremendous tourist attraction. Do you feel that a balance can be struck, or are we indeed being led to the point where areas should be designated as being turbine free?

Mr McCusker: Let me deal with the issue of bribes. Let us put this to bed. If you look at the UK — Scotland, England, Wales and Northern Ireland — you will see that Northern Ireland has the lowest level of community benefits but the highest level of consent rates for onshore projects. In fact, the UK consent rate for onshore projects varies from 60% in Scotland, which has the highest levels of community benefit, to 80% in Northern Ireland. So, are community benefit funds a bribe? Well, the bribe does not work in Scotland. That is clear.

As an organisation, the Fermanagh Trust is pro-community, not pro- or anti-wind. We need to get a balance. It is difficult. How do you get a balance between achieving those ambitious targets and impacting on communities? The further you go in achieving the targets, the more likely it is that this will impact on communities because it has to get closer — prime sites will become increasingly scarce. The lovely apples at the bottom of the tree are being picked off by developers, who will then have to go into the more challenging areas. It is very challenging.

There is potential under RPA and through the role that local councils will have in planning and, in particular, the community-planning agenda. Councils will be at the heart of planning, and community planning will be an integral part of delivery. Significant questions need to be asked of the new councils about the areas they will designate, or set aside, for potential wind farm development. It is about getting the balance between needs, targets and local community voices.

As I said, the track record here is that consent rates are, largely, very high. We recognise that, in recent years — particularly in the past year — the increasing anti-wind farm movement is establishing itself and is getting organised. However, an awful lot of wind farms — the vast majority — that come through the planning system are still successful. I am not saying that this will definitely solve the situation, but if it is built into RPA, local councils and the community-planning role, that may be one way to deal with local objections and thoughts. Some land needs to be set aside.

The Chairperson: OK. That is grand. Thanks very much for that, Lauri. I will not even ask you to define "community", because one person's community is another person's group of neighbours down the road.

Mr McCusker: Absolutely. There were a few at the community meeting that I was at last night. I agree with you on that.

The Chairperson: A number of members wish to speak.

Mr Dunne: Thanks for your presentation, Lauri. It was very interesting. What happens if you are approached by a group of local people who have formed a community and are opposed to wind turbines in their area? How do you approach that situation?

Mr McCusker: I have been approached.

Mr Dunne: They are probably looking for your support in opposing what is probably a major planning application.

Mr McCusker: We have been approached previously regarding that. Are you talking about a local community?

Mr Dunne: Yes.

Mr McCusker: If there is consensus in a community and it is bona fide — if it is done through the community association, which is bona fide and which holds its AGM — and that group has taken soundings in its community and the members of that group, whether it is a village-based or town-based community group, are objecting to the wind farms, I think we would have a discussion with them. The Fermanagh Trust would not put resources into helping them fight their case. We have not been asked to do that in the past, so it is an issue that we have not faced. If a community is genuinely concerned, and it is shown that that concern has the general support of the broad community in that area, it is right that that community should be able to put its case forward. That is democracy. They would not only engage with the Fermanagh Trust, they would be more likely to engage with politicians from across the political spectrum about that case. That is the forum that they are likely to take it forward in, through the local councillors and MLAs etc.

Mr Dunne: How do you see yourselves on renewables? Are you pro-renewables? Are you promoting renewables as part of —

Mr McCusker: No. We are pro-communities. If a community organisation came to us and said that it was interested in advancing a community energy project and it had the support of a bona fide group or organisation, we would be supportive of that.

Mr Dunne: To step back to the group that is opposed, would you perhaps set up a meeting with the developer of the wind farm, whom you probably know through your activities? Would you set up a meeting with them and try to sell the idea to the local community?

Mr McCusker: No.

Mr Dunne: It is not your role.

Mr McCusker: I do not see our role as selling or not selling.

Mr Dunne: So is your role about getting financial benefits for the local community? Is that really the main part of it?

Mr McCusker: Our role in this theme is trying to ensure that communities and host communities of developments benefit — we are talking about community benefits here — that they are well informed and that they see what good practices exist elsewhere. It is not a relationship where the private sector can come and deal with a community that has not been informed about the opportunities and examples of good practices that exist elsewhere. It is ensuring that communities benefit, if they are interested in benefiting.

Mr Dunne: Have you been successful in Fermanagh? Take the Lack project, which I am familiar with and have driven past. It certainly has quite an impact on the village. How has that fitted in with the local community and what benefits has it got from it? Were you involved in selling that project to the locals?

Mr McCusker: No, we were not involved in selling that project. Our involvement in that project was that we did some work with the developer to help them administer their grants for a number of years. I am delighted that the people who own that wind farm announced before the Committee towards the

end of last year that they were upping their community benefits fund to £5,000 per megawatt. I would love to see them do that retrospectively in Lack, from the approximately £1,000 per megawatt that they currently put into that community, but I do not think that is going to happen. I see part of our role as being to encourage and prod people in the direction of raising their funds from £1,000 to £5,000 per megawatt in that instance.

Mr Dunne: What benefits has Lack got out of it?

Mr McCusker: It would depend on who you talked to in the community and who has been successful in applying for the funds. In the Lack area, we have seen some infrastructure. Some community halls and Orange halls etc have benefited by getting energy efficiency measures put in, new doors, windows, loft insulation and those things. We have seen some sports facilities being developed in the Lack, Ederney and Kesh area. So some funding has got into grass-roots community development initiatives, which is a positive thing.

Mr Frew: Thank you very much, Lauri, for your presentation. It was very informative. I am very aware of the project in Ballymena, which is being led by the community. Over the years, we have seen cynicism and scepticism from the communities about wind farms, which I share. There is a world of difference between a wind farm and a single wind turbine application. There are other ways of having them: a cluster or a community group could have four turbines in strategic places or a large wind farm on the side of a scenic hill, which can have all sorts of repercussions in the community.

The wind farm companies have not clothed themselves in glory up to this point, because, when they submit a planning application, they talk about community benefits and giving a payout to the community. When connected to a planning application, that looks, feels and sounds like a bribe. Should the wind farm companies have a direct bearing on the community fund aspect, or should it be led solely by government laying down the parameters and the rules?

Mr McCusker: Should it be led by government? We could go into energy policy and what drives the wind farm developers to that position and how the planning environment encourages planners to help meet government targets.

Should government have a role in setting targets? We build all our cases on good practice. Good practice comes when government produces guidelines, but, if community benefits are seen as another tax, that process will not be very productive. Government should signpost and encourage what DECC in London, the Scottish Executive and Welsh Assembly Government have done, namely provide good guidance and practice. For example, in Scotland and Wales, through the utilisation of the land bank in the forest estate, a high benchmark has been set for how government sees communities benefiting.

Mr Frew: Surely, if government were setting a standard, a bar or even a restriction on wind farm companies, at least they would all know what they had to aim for and at least the communities would know that bribery is not taking place. That way, people know what the law is and what companies have to do, so it would not be as if they would have to lead us by the nose or bribe us. It would be law that they provide a certain amount of a community fund for a certain time.

Mr McCusker: That has merit. The big Scottish councils have gone down a different road that the likes of Omagh, Strabane and now Fermanagh district councils follow when setting protocols. That needs to be investigated a little bit further on the legislative side.

Mr Frew: It also takes the pressure off the companies because, if they cannot affect the process, they cannot be accused of bribery.

Mr McCusker: That is a valid point.

Mr Frew: I am looking at the Cambridge Community Foundation, which is involved in the Wadlow Wind Farm Community Fund, which is a 26 megawatt wind farm. That supplies the equivalent of 15,000 homes or 29% of the houses in that district. There is an annual payment of £39,000 into a fund. Does that look like good practice or the right amount?

Mr McCusker: No.

Mr Frew: As the question is raised about what community is, what restriction should be put in place as regards miles around a wind farm? Should it be 5 kilometres or 10 kilometres away? If you can see it, should you benefit from it? Also, what community projects should that project fund? Should there be restrictions on what that money should go to, such as home efficiencies or a play group, or should it just be open to the whole community to apply?

Mr McCusker: Before you argue about how the cake is cut up, we need to make sure that the cake is attractive. Sometimes we get into discussions with developers or local communities around that very theme. For me, first of all, it is about making sure that the cake is attractive enough. You can then have very good discussions because there is a big difference between a £5,000 per megawatt fund for a 20 megawatt wind farm and £1,000. You are in a different place if you are talking about £2.5 million or £500,000 over 25 years, and you can do different things.

The question is "What is a community?". If you build a wind farm between Belcoo and Boho, is the community within a six-mile radius? Should it include Belcoo, should it include Boho? It depends on the wind farm, the geography and the connection of people to that place. You cannot put in any of these developments that it has to be a 10-mile radius: that could take it into Enniskillen, and the people of Enniskillen might have absolutely no connection and would never see the wind farm unless they were driving to Donegal or wherever. Circumstances depend on the development and where it is located.

Mr Frew: With that surely come difficulties. You could leave a group out, you could leave a constitutional group out or an area that may well be across the network with regards to the cabling. That still has an impact. How do you ever square that circle and make sure there is fairness?

Mr McCusker: It has to be squared by proper engagement with the communities in that area. You cannot legislate for that because circumstances will change in every development.

Mr McKinney: I would like to take up Paul's theme. I like the concept of community benefit. Too often, some of our multinational profits go out of a pipe from Northern Ireland and into a bank account in London and we do not get to see the benefit. That notwithstanding, there are issues. How do you define a benefiting community in the context of the siting of a wind farm?

Mr McCusker: If you believe that there is a social justice issue for host communities, determining how the community benefits and what that looks like is part of the engagement between a community and a developer.

Mr McKinney: What is the community?

Mr McCusker: In terms of community interest or geographical community?

Mr McKinney: Whatever. Who will benefit? Once you put new doors on the Orange hall or lag it or whatever or the GAA hall or whatever it happens to be — just to be clear and reflect all the communities — and given the vast amounts of money involved, there will be an interest in where the money is going thereafter, so how do you define that benefiting community?

Mr McCusker: I would define it in the same way as government, for instance, delivers its neighbourhood renewal strategy. It goes to the community and says, "We have a pot of money. How do we as a community decide to utilise that pot of money to make a difference in the community? If the pot of money is £1.5 million, what are the priorities in this community and how do we address them using this money?".

Mr McKinney: I will just take up your cake analogy because you said that you needed the cake to be attractive. Before I bake a cake, I need the ingredients and, as 'The Great British Bake Off' shows, even the experts can make a bad cake and at the end of that there is nothing to cut up, it is badly cut up or it does not taste right. The matrix or dynamics have to be sorted out in the first case, so I still have not got the answer. Take Paul's point about whether you benefit from a wind farm if you can see it. If the cables come near you, do you benefit from it? I will get to this in a second, because I just want a definition of the benefiting community first of all, and then we will move on to the money and how it can be best spent. The first point is this: how do we actually get the community defined so that people, over a 20- to 25-year period, are satisfied that they are ultimately getting the best benefit. You

are using two words — community and benefit — and, to me, one is as important as the other. It is important that the benefit is defined as well.

The Chairperson: Can I come in on the back of that? There is a plethora of community groups where I come from and there are a number of halls. Some of those halls may be used part of the time or all of the time; some may be used by one or other section of the community. How would you answer the question that, if you want real community benefit that affects everybody, it is the price of their electricity?

Mr Dunne: That is cross-community.

The Chairperson: That is cross-community; that is total community, with the exception of the person using the tilley lamp.

Mr Mitchel McLaughlin: Our community is quite often very cross.

Mr McCusker: There are many examples of how communities do this, and I will go back to the example. If we take the Callagheen wind farm in Fermanagh, which is close to Cashel, Garrison and Belleek but is not close to Derrygonnelly, the community of benefit in that area is Cashel, Garrison and Belleek and the community organisations there. We facilitate that fund, and we have discussions with the community around how they would like to see that fund utilised over time. Our discussions are about what they would like to see in the next five years. Then, on an annual basis, we put in place the way in which that fund will be distributed to meet those objectives. It is about consultation and engaging with the organisations on how the benefits of that wind farm are utilised in that area.

Mr McKinney: Yes, but we still have not defined the benefiting community. You have, in that very specific geographical area, but this is a growing industry. I am not being negative; I am trying to be constructive. As it grows, its footprint will extend, and we need some kind of definition around the benefits. In other words, do you limit them, as mentioned earlier, so that they must be in those areas only? How do we define those things — the benefit and the community? I am not really getting anything specific. How do we get a theme or a plan that allows for this to be rolled out in a general sense so that people can understand how it will benefit them?

Mr McCusker: In some places in Scotland, they have divided the community benefit funds of £5,000, and half of it goes into a regional pot to support community energy initiatives across the region. The other half goes to local communities, and, following community engagement, they use it to benefit local communities and projects. They could be community development projects or energy efficiency projects. In that instance in Scotland, it has been decided that half goes into a regional pot to help put in place funding and packages to develop community energy funds, and the other half goes to local projects. It is up to the local community or the advisory groups that have been set up in those areas to decide how that money will be administered for the benefit of that community, whether it is on energy efficiency, sports development, youth development, senior citizens' groups or whatever. It is up to the advisory groups in those areas to define how they want their community to benefit.

Mr McKinney: I have a further point. How do councils relate to this in the longer term? Do they start to subtract what they would otherwise have provided for the community and, therefore, reduce the community benefit because what they would have funded is not being funded by them? Are there protections to be considered in that case? Has that been thought about?

Mr McCusker: The way in which the community benefit fund will be drawn up and utilised during that period can be built into the memorandum of understanding.

Mr McKinney: Finally, although I am not yet satisfied that the community benefits are defined, will the local community take all decisions around accountability or could wider accountability mechanisms be built in?

Mr McCusker: If the community benefit fund is to come from it, the company has to be happy with how that money is distributed.

Mr McKinney: In sums of the size that we are talking about — in the Scottish model, we are talking about £4.5 million to £5 million — it must surely be more robust than that.

Mr McCusker: I know that funds that have gone into environmental projects in schools have been overseen by the school authorities. The Charity Commission will also have a role if money goes into local charities. So, it depends on where the funds are going and the protection that there is around those organisations.

Mr McKinney: That is what I am talking about; it is around accountability. I am not being negative towards the concept. I would just like to make sure that we will not be asking questions in 10 years' time about where or how money was or was not spent.

Mr McCusker: In the Fermanagh Trust case, where we have been involved in distributing resources, the bona fide organisations are accountable. So, Tom and Harry cannot just apply and get £1,000 or £5,000.

Mr McKinney: That comes back to my point about defining communities.

Mr McCusker: Yes, OK.

The Chairperson: Just getting back to Joe, Tom and Harry, what about my point regarding the reduction of electricity prices?

Mr McCusker: I am not here to speak on behalf of any developers. However what Renewable Energy Systems has done in its local electricity discount scheme is an interesting and exciting initiative. Householders within the radius of the wind farm will benefit from a local electricity discount. That is encouraging, because those in the vicinity can say, "You know what? When that turbine is going round and round, I know that I am benefiting in this house". What is the relationship between the community and those turbines? Well, in that case, the company has agreed that the relationship is that the community will enjoy a discount on electricity.

The Chairperson: To get it in proportion, what is the level of discount?

Mr McCusker: It depends on what RES, as a company, has agreed, and I do not have the papers in front of me —

The Chairperson: That is OK.

Mr McCusker: — but it has announced that its community benefit fund is £2,000 per megawatt. In addition, the local electricity discount scheme will bring its total fund up to £5,000 per megawatt. So I suppose that the size of the discount depends on the number of households in an area and how RES defines the area to benefit from that local scheme.

The Chairperson: I am not imposing anything on you, Lauri, but it would be helpful if you could signpost us to where we can get that information.

Mr McCusker: Absolutely. I will definitely come back to you on that.

Mr Flanagan: Thanks for your presentation. Fermanagh Trust has played a very useful role in this. It has really started a discussion on what is a huge issue. Community benefits in other parts of these islands are at much higher levels than they are here. It is good to see that the argument started by your organisation has helped to address that, because we have seen changes made by some of the developers. However, the Fermanagh Trust has been administering community benefit schemes for a while. To date, what projects have been funded through community benefits from wind farms?

Mr McCusker: Our most recent grants from the Callagheen wind farm fund were in December. Approximately 13 projects benefited in that round. They included helping the senior citizens' group in Cashel with equipment and furnishings; environmental initiatives such as organic gardening in four local primary schools; church-based projects in the area; and covering about 40% of the cost of Garrison youth group's summer scheme. So the initiatives differ, but that is what the community in that area wants. They want to make sure that a lot of the groups benefit from the funds. A weighting is given to environmental and energy efficiency initiatives in community buildings etc, but it is not exclusive. All other groups can benefit.

Mr Flanagan: That is using smaller historical funds that have been done at a much lower rate. What future opportunities exist if community benefits are to be paid out at a much more substantial rate? Could you do things much more imaginatively and proactively?

Mr McCusker: The most exciting side of community benefits is where it links to community energy. We have already seen examples in Scotland. One case study is mentioned in the pack in which the community benefits are not necessarily all taken out; they are put into the community buying a share in the wind farm development. Rather than taking out the £2.5 million or £3 million, it is reinvested, and the company opens up the opportunity for the community to get a piece of the action through the annual profits. Those are all models in Scotland. That is where the exciting opportunities lie for linking community benefits to community energy. Communities can start to take a longer-term view of a further income stream. That may not be of interest to all communities. If communities have a £100,000 fund over 25 years, they can discuss things such as spending £100,000 on a play park. They can start gearing up for a community plan in their area and decide how that money can be utilised. If the community needs a venue or a hall or whatever or if it needs to put a new roof on, it can plan out. It is in a much stronger position to plan out how the benefits can be utilised because they can go to the bank and say, "Look it, next year, we will have another £100,000. Will you give us 3-5% interest?" or whatever. They can get things done now through having that sort of high-level agreement in place.

Mr Flanagan: Are there legislative differences between here and Scotland that facilitate that type of community energy?

Mr McCusker: No.

Mr Flanagan: What differences are there? What do we need to do here to move us to that level?

Mr McCusker: You need to make it a priority in your discussions. You need to give the same signpost as the Scottish Executive and councils have given, which is that it is an expectation. You need to follow the leadership that your elected colleagues in Omagh and Strabane across the political parties have shown by producing that protocol. Basically, it is saying to the companies, "Do you know what? If you want to do business in this area, this is the guidance that we are issuing". Very strong leadership has been shown across all the political parties.

DOE etc are waiting to see the community energy strategy, which will be launched in London on Monday by DECC. I encourage you to not wait a year or 18 months to put in place an action plan but to put in place a community energy strategy and action plan here as quickly as it can be achieved. You, as an Executive, could open up the forestry estate. Look at the models of good practice in Scotland and Wales for how you engage communities and how communities benefit. Put that at the core rather than as an add-on at the end. Models of good practice can be followed. We need joined-up thinking. Five or six Departments are involved in the whole community energy area. It needs to be joined up. Maybe that could be done under the Delivering Social Change framework. Community energy offers huge possibilities for us as a society. We need to see a sea change so that it is not something that is done to communities, but something of which they can be part and benefit from it.

Mr Flanagan: What do you think the opportunities are for the proposed development of wind farms on Forestry Service land?

Mr McCusker: Two things happened in Scotland and Wales. First, government set the benchmark by saying that, if private developers were coming onto their land — it is public land — they expected developers to reach a certain benchmark in community benefits. They also said that they were going to free up some of that land and offer it for community ownership models. If you look at the relevant websites, you will see that some of that land is being made available for community ownership models. Community organisations etc are taking up that opportunity.

Mr Flanagan: You mentioned the Delivering Social Change agenda. How do wind farms fit into that?

Mr McCusker: If you look at appendix 4, you will see that I have put down five different Departments that have a role, whether in respect of energy policy, planning, community planning or tackling rural poverty. For instance, the Department of Agriculture and Rural Development has an agenda for tackling rural poverty, part of which is fuel poverty in rural areas. Another part of that Department has

outlined a role for the development of wind farms on Forest Service land. So a Department is saying, "We want to see our land utilised for generation of electricity." However, another part of that Department is saying, "We want to tackle fuel poverty."

Is there a connection between the two? Good practice and good examples show that there is. The connection is community energy and trying to utilise that. It is not all about private sector development going out of the area and income going out of the area. Some of the income can stay in the area to tackle fuel poverty. You can make that link and make clear that some of the income being generated will be utilised to address rural fuel poverty. The Department can look to that as an opportunity and build it into the 40% target that DETI has set.

It can all link in but it needs to be joined up. It is not joined up at the minute. There are a number of initiatives for tackling fuel poverty. There are government targets for energy policy, renewables etc. They are freeing up the Forest Service estate to generate an income stream, which will also allow us to tackle the 40% renewable energy targets. How do you join all that up with fuel poverty and tackling rural fuel poverty? It can be joined up — of course it can — by making sure that communities in that area know that some of the income generated can be utilised to tackle fuel poverty in that area.

Mr Flanagan: The day when me and Patsy were down meeting you in Fermanagh House, we visited Bryson Energy to hear about the warm homes scheme. Is there a role for a scheme like the warm homes scheme to manage some of the money that might come in from community energy schemes?

Mr McCusker: Absolutely. We need to think about utilising the resources and opportunities that we have. The warm homes scheme, and how it will be managed going forward, will be coming up for discussion in the coming months. There is uncertainty over that. Hopefully, that can be clarified in the near future.

We need to make connections between the different strands of government policy. One of those is not only giving advice but putting in place the necessary resources and measures. Does it always have to come from the public purse? In this case, it does not necessarily have to come from the public purse.

The Chairperson: It must not be used as an opt-out for government.

Mr McCusker: Absolutely not. It goes back to the size of the cake, Patsy.

Mr Anderson: Lauri, thank you for coming to the Committee and presenting to us. Some of the things that I wanted to ask about have already been touched on. The thing that has struck me is that you are saying that you are not pro-wind energy or anti-wind energy but pro-community benefit. That is good. I do not think that there is one of us who would not say that we are here to represent our communities. However, there has to be a point in communities not being divided on the subject of wind farms. We have all witnessed and heard quite a bit about division in relation to wind farms. It has been well documented over many months and years.

I was on the Environment Committee for a time, and I had occasion to visit Omagh. On that day, there was a "lockout" — that was the term used — but they said that it was because of ongoing work; we will not debate that. At the meeting in Omagh District Council, I detected — you might have been there yourself —

Mr McCusker: No, I was not.

Mr Anderson: I detected division in communities. Do the wind farm operators and developers hire or rent the land from the small farm holdings? If that is the case — I believe that it is — that would be very attractive for the farming community, especially in the small farming industry, where things are difficult. Does that not create a split between those farmers and other people in the community who are opposed to wind farms per se?

Mr McCusker: Sydney, I will answer that by, first, highlighting a case when a community was opposed. The geographic community in the Knocks in County Fermanagh was opposed to a wind farm. It was not people from Omagh, Strabane or Enniskillen who were opposed to it. The community was opposed, and the people worked hard, as a community, to make sure that that wind farm did not go ahead. They were concerned, and they were united. They did not want it to happen, and they

achieved their desired result. After many years of campaigning and fighting the case, it did not happen.

Was that community right to take that case? Well, it was representing the interests of the community and the people who attended their public meetings etc, so of course it was right. That is different from an anti-wind farm lobby that argues the case on the basis that it does not agree with wind farms being built anywhere. Do I agree with lobby groups in that case? They are quite right to state their case and put forward their arguments. In a democracy, they should have that chance. However, it is the local community that will be impacted that must be listened to, whether it supports or is opposed to the wind farm. The wider anti-wind farm lobby is right to put its case across. However, that should not be the factor that determines whether a wind farm is built in the Knocks or not. A lobby group might have interests from a wider geographical area. There is a difference between the case of the Knocks in County Fermanagh and a strong lobby group that maybe covers a 50-mile geographical area or two council areas.

Mr Anderson: I take your point about lobby groups that are totally anti-wind farm, no matter what. A number of members have touched on the issue of community benefits. You need community unity to move forward on this issue for community benefit. Do you see much division caused in communities by the potential benefits for small farmers? I detected something that day. There may be advantages and financial benefits for some people. Is that feeding into the wider community? You think that that is not an issue.

Mr McCusker: No. Part of the reason why such a large percentage of wind farm applications get through is that, generally, neighbours in rural communities do not go up against one another. They and their sons and daughters will potentially be living on the land for generations. Generally, people do not object at a local level. Of course, there are instances when they do.

Mr Anderson: There have certainly been cases where locals have gone up against their neighbours.

Mr McCusker: The evidence from many of the developments that I have seen is that people who come forward with concerns in a localised setting do so with genuine concerns. It is not done unnecessarily. They are concerned about noise, about flicker and other issues. It is very important that the engagement and the planning process take those concerns into account and, using expertise, weighs up the pros and cons. The anti-wind farm movement in the Republic of Ireland is coming to the fore hugely with the developments in the midlands, and a huge number of groups are forming. That trend is going to continue.

I go back to the point about the leadership being given by your political colleagues in the councils in Omagh and Strabane, who have had to deal with this issue head-on. They have done that by saying that they are not opposing wind farm development even though there is a very strong anti-wind farm lobby group that believes that these things are wrong and have put a huge amount of effort into their work. The councils have said that they do not believe that wind farms are wrong but that it is up to local communities, through the planning process, to have their input and, where things are allowed to happen, communities must benefit. They have shown leadership and a fine example of how to take that forward.

Mr Anderson: You talked about the developers and stakeholders working together with communities. Going forward, it is crucial that everyone should work together, but how much work has taken place up to now?

Mr McCusker: It is interesting that you mentioned the Committee's visit to Omagh and the west in November and the lock-out from the wind farm, or whatever it was called.

Mr Anderson: Did I call it a lock-out? I do not think so.

Mr McCusker: You were not able to get access.

Mr Flanagan: Hansard is here, Sydney.

Mr Anderson: I will have to be careful. *[Laughter.]*

Mr McCusker: You were not able to get access. Claims are made sometimes that these sites are tourism sites or educational sites for children. A lot of claims are made about these projects and initiatives. The big challenge is that these things are contentious and will continue to be so. We have very ambitious targets to meet as a society, and all communities have to play a role in that. There is a big role under RPA in community planning for the local councils and the production of local energy plans should be built into that. Structures should be put in place so that we can have these considered conversations and a considered planning process in which communities are involved. I do not know whether that answers your question.

Mr Anderson: It is about engagement. I am not a local government politician any more but I understand the difficulties that they would have in Omagh and Strabane, or anywhere else, in relation to planning for wind farms. I have dealt with the issue of single wind turbines myself and it proved to be difficult, so I understand the bigger issues.

Mr McCusker: May I make one final comment on that?

The Chairperson: Very briefly, because we are pressed for time.

Mr McCusker: Let us say that you put a £70 plus VAT advertisement in a local paper for a wind farm exhibition to inform the community that you are going to put a £30 million project in place that will be in the community for the next 25 years. That is what happens; it happens in Cookstown, Ballymena, Limavady and Omagh. That is the size of the advert. Letters may go to people within a one-mile or two-mile area, but that is the level of engagement. They will put on a four-hour exhibition in the local post office or community hall to show the plans and say that they are putting in an application for planning permission in a couple of weeks' time. That is the level of communication.

Mr Mitchel McLaughlin: Your report on the recommendations seems to operate on the assumption that the five Departments and local councils will continue to have an interest. You have indicated positive examples of local democracy interacting. In the background work on your report, have you identified where community energy was devolved to the local authorities? We have that opportunity, and we have come on to RPA on a couple occasions. Local authorities will have a responsibility for economic development, and, as local authorities, they will have economic development opportunities to access funds, such as European funding, that not even Departments will be able to access. They will have responsibility for community planning. Also, in that context, there is a planned review of the Assembly and the Executive — the numbers of Departments; roles and functions; the number of Ministers; and, interestingly, the number of MLAs. That is a situation in flux, but does it not also present an opportunity? It seems that these issues and the divisions, tensions and dynamics at a local level are best managed at a local level. Should we not consider in this an enhanced role for 11 authorities, devolving that responsibility with agreed protocols? It is not reflected in the recommendations or in the report, as far as I can see, but is it the case elsewhere in Europe or England, Scotland and Wales?

Mr McCusker: The only example of community energy that we can look to in Northern Ireland is the recent work by Ballymena council. That is a fantastic example of a council working with a community. It spotted an opportunity, and it is trying to help resource that. That is a very positive development, and I think that all councils can learn from that model. Before we get down to devolving community energy to 11 councils, it is essential that we have a clear target for community energy. Is that important for the Executive, or is it something that should be largely ignored? If it is important —

Mr Mitchel McLaughlin: It might be easier for the Executive if they were dealing with it in the context of it being among the powers that they are planning to devolve to local government.

Mr McCusker: I look to the likes of Community Energy Scotland and Community Energy Wales. They are resourced to provide infrastructure support, guidance and advice for local communities that are trying to develop their projects. We need that infrastructure support to be put in place. I do not necessarily think at this stage that that should be done in the 11-council model. We are too small. I think that it could be done by one small organisation that is given adequate resources and would have the expertise to help communities. We are not necessarily talking about thousands of initiatives. We are talking about hundreds, if that.

Mr Mitchel McLaughlin: A cocktail of initiatives.

Mr McCusker: Yes. If we can get that infrastructure support right at a regional level, how it links into local authorities should be investigated.

Mr Douglas: Thank you for your presentation, Lauri. My question is an expansion of the Chair's question at the beginning. It relates to the tensions between wind farm development and tourism. You also mentioned the whole notion of what a community is. Have you spoken to the local community? I am sure you have, but I would like an update. Have you spoken to the local community in its widest sense? I am thinking about tourism and all of the tensions and difficulties about wind farm blight in some areas and the likes of bed and breakfasts, shopkeepers, pub owners or hoteliers. They are very much part of a local community, particularly in rural areas.

Mr McCusker: Yes. If you think tensions are bad with wind energy, wait until we get to fracking.

The Chairperson: We are not going there.

Mr McCusker: When a wind farm is going up, there are substantial benefits to the local bed and breakfasts, restaurants, cafes etc. That is also the case every five years, for instance, when there is a major overhaul and a number of people arrive to do that. People can see that, because that means money in their pockets. It is important to recognise that. If the bed and breakfasts in those areas and in rural areas get a full house for five or six months, that is attractive, but they have to balance it. I think it very much depends. There are people who do not necessarily say that it is a good thing or a bad thing; they recognise that there are issues. In some cases, they benefit, and, in some cases, there is a negative impact. So it is not a case of right or wrong. In the round, people have seen the benefits and the negative impact.

The Chairperson: Lauri, that concludes our session. Thank you very much for all the detail that you have provided. It was very useful and engaging. As you probably know, the Environment Committee is conducting an inquiry into wind energy. I do not know when it will start, but it is notifying people that that inquiry will be happening. That could prove useful. You may well get an invitation from that Committee. Thank you very much indeed.