



Arise Renewable Energy UK Limited
78 York Street,
London, W1H 1DP
England

Energy Consents Unit

5 Atlantic Quay

150 Broomielaw

Glasgow

G2 8LU

3rd June 2024

Your Reference: ECU00003335

Dear Debbie Flaherty,

Subject: ECU00003335 - Tormsdale Wind Farm Community Fund

Please see enclosed the Tormsdale Wind Farm Community Fund overview which is submitted to supplement the content of the Pre-Application Consultation Report submitted in respect of the above s.36 application.

The Community Fund document has been prepared following the consultation process and in response to additional policy and guidance updates since the Tormsdale Wind Farm application was submitted in October 2021. This fund has been prepared after consultation with the community and provides an overview of the proposed fund, the opportunity for shared ownership, and the outline structure of the proposed management of the fund.

The Tormsdale Wind Farm Community Fund is a Caithness-wide fund that follows the historical County boundary. This has been designed to ensure the benefits are spread to maximise the area's opportunities. Given the number of existing development funds held in the local area, the size of the fund, and the area to be covered, the proposal is to use an existing well-established organisation that has experience with fund management and is based in the local area.

The Tormsdale Wind Farm Community Fund compliments the Onshore Wind Policy Statement (2022) Chapter 5, and the priorities highlighted in the National Planning Framework 4 (Policy 11c and Policy 25) and the Onshore Wind Sector Deal 2023 (Community) and will support the Community Wealth Building plans and will complement the Highland Outcome Improvement Plan 2024 -2027 and will support the aspirations of The Highland Council Corporate Plan 2022 – 2027

it has also considered the guidelines provided by the Scottish Governments Good Practice for Community Benefits from Onshore Renewable Developments (2019).

I trust this update will be considered part of the decision-making process.

Yours sincerely,

Jill Reid

Cc. Michael Kordas, The Highland Council

Enc. Tormsdale Wind Farm Community Benefit Fund – Pre-Determination Summary



Tormsdale Wind Farm

Community Benefit Fund Overview

ECU00003335

May 2024

Table of Contents

1	Executive Summary	3
2	Introduction	3
3	Community Benefit Area	4
4	Objectives	5
5	Fund Management	6
6	Future Consultation	7
7	Conclusion	8
8	Appendix 1	9

Caithness Chamber of Commerce Fund Management Experience

1. Executive Summary

The Tormsdale Wind Farm Community Fund aims to deliver substantial benefits across the Caithness region, targeting three primary areas: community groups and individuals, local businesses, and the environment. Managed by the Caithness Chamber of Commerce, the Fund will support various activities, including educational bursaries, training, environmental projects, social enterprises, and community projects.

Arise is confident that the Tormsdale Wind Farm Community Fund, which will receive an annual payment of £210,000 per annum as proposed indexed linked for the thirty-year life span of the wind farm project, this represents a significant opportunity to enhance Caithness, foster a sustainable and prosperous future for all residents through collaborative efforts, and leave a lasting legacy for the future.

2. Introduction

If approved, the Tormsdale Wind Farm will be situated approximately 8.5 kilometres south of Halkirk in Caithness. Much of the project is proposed within disused sand and gravel workings, which offers the prospect of minimising effects on peatland habitat.

Tormsdale is a ten-turbine wind farm project with an expected installed wind capacity of around 42 megawatts, plus 25 megawatts of battery storage. Using modern wind turbine technology, Tormsdale Wind Farm can produce more power from fewer turbines.

As part of its commitment to the community, Arise will support the Scottish Government's guideline figure of £5,000 per MW¹ of installed onshore wind

¹ Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments (2019)

capacity to support a sustainable future and leave a lasting positive legacy for the environment and local communities in the region.

The candidate turbine for this project has an installed capacity of 4.2 megawatts. Each turbine installed will contribute £21,000 to the fund, and the proposed development would initially deliver an annual payment of £210,000 to a dedicated Community Fund. Over the 30-year life span of the turbines, this payment is indexed to the Consumer Price Index (CPI) to ensure increased growth over the period. The estimated contribution to the fund from this project, assuming an average yearly increase of 1.9% for the CPI over the 30-year life span, would be in the region of £8.8 million.

This initiative aligns with the ‘Onshore Wind Sector Deal’² agreed between Scotland’s onshore wind power industry and the Scottish Government in September 2023.

The Tormsdale Wind Farm Community Fund aims to benefit the Caithness area significantly. It will support individuals, community groups, organisations, local businesses, and environmental projects.

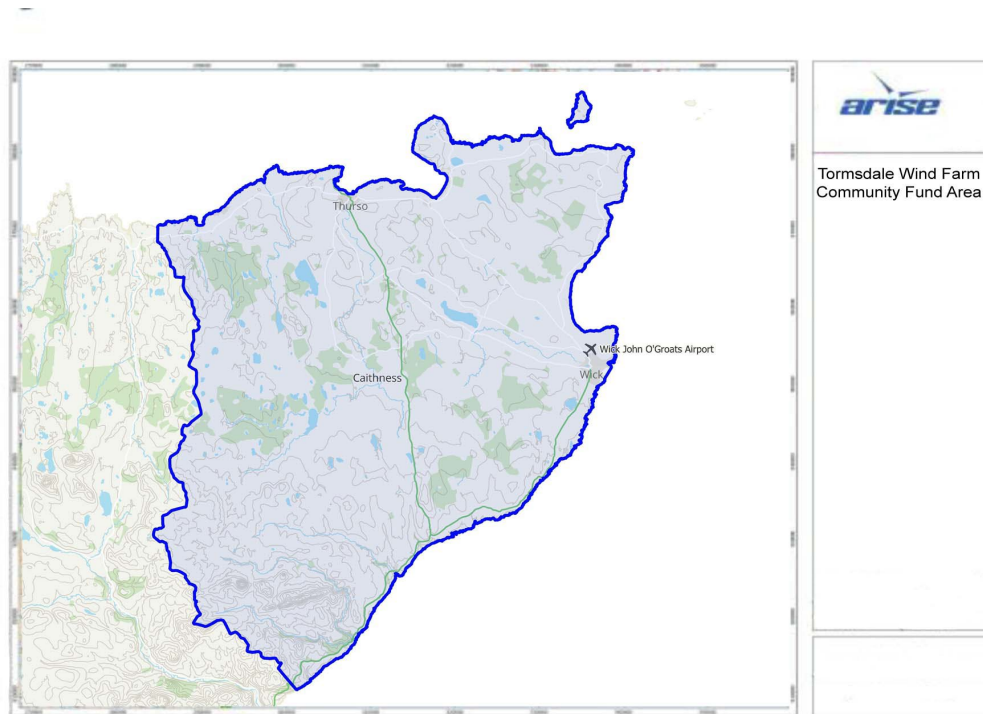
In addition to the Community Fund, the community is being offered the opportunity to own up to 10% of the wind farm through a shared ownership Scheme.

3. Community Benefit Area

The Tormsdale Wind Farm Community Fund is not limited to the immediate vicinity of the wind farm. Instead, it has been designed to benefit the entire Caithness area using the historic County border as the eligible application area. Arise acknowledges that not every location can host renewable energy

² Onshore Wind Sector Deal for Scotland September 2023

developments but by extending this fund's reach, we aim to distribute the substantial benefits of modern onshore wind projects more broadly.



4. Objectives

The fund targets three main areas:

- 1. Community groups and Individuals**
- 2. Local Businesses**
- 3. The Environment**

The overarching goal is to maximise community benefits and build a sustainable future, leaving a positive legacy. The fund is open to individuals, groups, and businesses and can support a wide range of activities, including but not limited to:

- Training, apprenticeships, and educational bursaries
- Equipment purchases

- Broadband Improvements
- Staffing and seasonal workers
- Consultations and operational costs for local groups
- Environmental improvement, monitoring, and research
- Supporting social enterprises
- Upgrading existing community facilities or constructing new ones
- Sustainable transport initiatives
- Health and wellbeing projects
- Reducing fuel and food poverty
- Improving the energy efficiency of domestic properties
- Community activities
- Cultural heritage preservation

5. Fund Management

As this is a Caithness-wide fund, Arise had to consider who and how best to manage it. Following various discussions, several organisations were identified within and outside the area. The ideal candidate to oversee this fund, which aims to benefit the Caithness community, was identified as The Caithness Chamber of Commerce.

The Caithness Chamber of Commerce was approached and has agreed to manage the Tormsdale Windfarm Community Fund.

Should the wind farm application be granted, the Chamber will sign a memorandum of understanding with Arise. The Chamber will manage the fund, leveraging its broad experience gained from managing its existing portfolio.

The Caithness Chamber of Commerce is the ideal partner to manage this significant community benefit fund. This confidence stems from the Chamber's demonstrated expertise in fund management (Appendix 1), impartiality, deep

understanding of Caithness and the area's priorities, and robust and transparent management³ and reporting processes, which aligns with the Scottish Government's Onshore Wind Policy Statement. The Chamber collaborates with other organisations and inputs into the wider statutory plans. The Chamber is a well-established organisation that will be able to assist applicants in accessing the funding available, and a dedicated board is envisaged to be set up to evaluate the applications.

Full details of how this will be implemented have yet to be decided. However, it is suggested that a dedicated board, comprising between eight and 12 members with relevant skills, knowledge, and experience, will evaluate applications. The board will have the flexibility to engage outside expertise when needed and may allow shadowing opportunities.

To ensure maximum flexibility and the ability to pursue additional funding opportunities, it is suggested that a Limited Company by guarantee would be established. This will enable the board to borrow against the annual payment for larger community projects.

The initial board members will be appointed through a recruitment process, with a diverse panel conducting interviews. Quarterly meetings will evaluate applications and ensure the fund's benefits are maximised across Caithness.

Through discussions, it has also been proposed that an annual participatory budget event should be considered as a way for the local communities to vote on projects requiring smaller amounts of funding. This will be put to the board for them to consider.

³ Scottish Governments Onshore Wind Policy Statement 2022

6. Future Consultation

Arise is dedicated to ongoing engagement and consultation with the local community and other stakeholders. We aim to ensure that residents and stakeholders remain involved in the process and are kept informed about the proposal's progress. This will be achieved through the Tormsdale Wind Farm website, thorough stakeholder engagement, and addressing any specific queries raised.

Further consultations will occur on the opportunity for shared ownership within the Caithness area to determine whether the community would be interested in this option.

7. Conclusion

Arise is confident that The Tormsdale Wind Farm Community Fund represents a significant opportunity to enhance the Caithness area, providing substantial financial support for many community, business, and environmental projects.

The commitment of an annual payment for the lifetime of the Wind Farm has been made, enabling the communities in Caithness to establish long-term plans that will benefit the whole area and ensure the longevity of projects.

The opportunity for shared ownership further benefits the communities of Caithness by enabling them to own part of the project.

By working in synergy, we can create a sustainable and prosperous future for all residents and future generations. In addition, introducing additional funding to the area will provide more opportunities to secure match funding.

8. Appendix 1

Caithness Chamber of Commerce Fund Management Experience



Fund Management

Caithness Chamber of Commerce

Caithness Chamber of Commerce has a team of experienced staff managing the Chamber's fund portfolio. The Chamber is able to offer a wide range of services to developers/fund boards such as:

- Company secretary services
- Day to day administration
- Virtual office / registered office services
- Marketing & promotion: website hosting/management, social media
- Grant / loan management
- Applicant assistance / guidance
- Financial reporting / accounts



Caithness Business Fund



Caithness Business Fund is a private sector fund established in 2013 by Caithness Chamber of Commerce to enable developers to support businesses in Caithness and North Sutherland. The Fund's mission is to promote the economic growth of the region by supporting new and existing businesses and developing the skill base to meet new challenges.



Chamber's role: Managing Agent
Type: Business grant fund – flexible fund taking in private sector donations for various schemes
Awarded to-date: 58 grants, £326k, 48.5 jobs created including 20 apprentices. In addition, a one off Covid scheme 125 grants, £200k

caithnessbusinessfund.com



North Highland Regeneration Fund

Established in 2006 by the Nuclear Decommissioning Authority



Chamber's role: Managing Agent
Catchment area: Caithness & North Sutherland (Dounreay Travel to Work Area)
Type: Business loan fund
Awarded to-date: 63 loans, £2.56m

nhrf.co.uk



Baillie Wind Farm
Community Benefit Fund

Baillie Wind Farm Community Benefit Fund

Established in 2013 by Baillie Wind Farm with assistance from the Chamber.



Chamber's role: Corporate Company Secretary / Administrator
Catchment Area: West Caithness Community Council area with sporting & educational groups able to apply from the wider Caithness area
Type: Onshore wind farm community benefit fund
Annual Donation: £100k RPI for 25 years

bailliecommunityfund.org.uk



Caithness and North Sutherland Fund

Established in 2011 by the Nuclear Decommissioning Authority & NRS Dounreay.



Chamber's role: Corporate Company Secretary / Administrator
Catchment area: Caithness & North Sutherland (Dounreay Travel to Work Area)
Type: Low level waste community benefit fund
Awarded to-date: 244 community projects, £3,357,488

cnsf.org.uk

