Mid Moile Wind Farm

Environmental Impact Assessment Report
Chapter 15: Socio-Economic Statement

December 2021

CONTENTS

TABLES

FIGURES

15 SOCIO-ECONOMIC STATEMENT

Executive Summary

15.1 This Socio-Economic Statement sets out the economic case for the Proposed Development.

15.2 In Scotland, renewable energy generated 57.7% of gross electricity consumption in 2015. Scotland's target is 100% by 2020. Mid Moile Wind Farm, should it receive consent, will help Scotland meet these targets and future targets.

15.3 Mid Moile is an important project in a time where the renewable sector is under significant change. It is likely that the project will be developed without any form of government support mechanisms, making it an important project to help minimise consumer's electricity bills.

15.4 The Proposed Development would provide an annual economic contribution to the local area for the life the wind farm through the community benefit fund. Ongoing community engagement will ensure this fund is distributed effectively, where it can most benefit local communities. A Community Development Plan, including the recruitment of a Community Development Officer, will be a priority. Other priority investments will be decided in ongoing community liaison.

15.5 Energiekontor would invest more than £xxx million in the project, plus an ongoing expenditure on operation and maintenance. This is a significant investment with a strong policy fit both regionally and nationally.

15.6 The total value of contracts that could be secured in Dumfries and Galloway has been estimated as £xxx million and in Scotland as a whole, businesses could secure contracts worth £xxx million.

15.7 In Gross Value Added (GVA) terms the construction phase has the potential to inject £xxx million into the Dumfries and Galloway economy and £xxx million to the Scottish economy as a whole.

15.8 In addition to the expenditure during the construction period and first operational year, it is anticipated that the Proposed Development would further contribute in business rates to the Dumfries and Galloway economy.

15.9 The operations and maintenance of Mid Moile Wind Farm could support an additional xx jobs in Scotland, of which seven could be in Dumfries and Galloway. In GVA terms the operational phase has the potential to inject £xxx per annum into the Dumfries and Galloway economy and £xxx million to the Scottish economy as a whole.

15.10 Local businesses will have the opportunity to benefit from the contracting requirement to be awarded by Energiekontor. These range from civil engineering and ground work

contractors, haulage businesses through to suppliers of water, as well as local service based companies including hotels, restaurants and local shops.

15.11 A Shared Ownership Scheme will allow the community to benefit further through the ability to invest in the development and receive an annual return to reinvest into community projects.

15.12 The Proposed Development would provide up to ~99 MW of installed capacity, depending on the turbine model chosen. It is estimated that this installed capacity could generate approximately xxx GWh of renewable electricity each year. Based on a UK average onshore capacity factor of 26.6% over the period 20012-2016[1]. The renewable electricity generated by the Proposed Development could power over xxx homes on average each year[2]. This could save up to xxx tonnes of CO_2 each year[3] for the operational life of the wind farm.

15.13 However, these predictions are based on a UK average capacity of 26.6% which includes all windfarms. Modern turbines and turbines at the scale proposed are far more efficient compared to older models and it is anticipated that this wind farm would operate at a capacity of around 35%. This would result in a predicted output that could generate electricity to supply the equivalent of xxx homes (99MW x 0.35 x 8,760 / 3,618).

Statement of Competence

15.14 This statement has been prepared by Justin Reid of Energiekontor UK Ltd. The Author has extensive experience of financial modelling for onshore wind farms and has written numerous socio-economic chapters for large-scale commercial developments.

Scope of the Assessment

15.15 There are no published standards or technical guidelines that set out a preferred methodology for assessing the likely socio-economic effects of a physical development. However, there are a series of commonly used methodologies and recognised approaches to quantifying economic effects both during the construction of a development and following its completion, notably Renewables UK's own economic impact guidance[4].

15.16 In terms of economic effects, this assessment has also employed appraisal techniques consistent with those outlined in the Scottish Enterprise Economic Impact Guidance[5] for the appraisal of economic development and regeneration initiatives. The assessment is

[1] Based on Digest of UK Energy Statistics (DUKES): renewable sources of energy (updated July 2017)

[2] Based on an average annual UK domestic electricity consumption figure of 3,889KWh as set out in the BEIS publication "Energy Consumption in the UK" (2017)

[3] Based on BEIS's standard carbon dioxide savings figure of 430g/kWh

4 RenewableUK, Onshore Wind: Direct and Wider Economic Benefits, 2012, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48359/5229-onshore-wind-direct--wider-economic-impacts.pdf

5 Scottish Enterprise, Economic Impact Assessment Guidance Note, 2007

also consistent with the latest Scottish Government's Advice Note on Economic Benefit and Planning[6].

15.17 The assessment has looked at the various groups that are likely to be affected by the proposal, including:

- Work force (job opportunities)
- Employers (business opportunities)
- Local services (brought about by the above); and
- Local population (including the associated impacts)

15.18 The assessment has contextualised the project both in terms of Scottish and Local renewable policy and identified where the project both fits within policy as well as its contribution to renewable targets.

15.19 The assessment further describes the commitments made by Energiekontor to both minimise the impacts to the local community who will be predominantly potentially directly impacted by the development as well as identifying the steps taken by the developer to bring added benefit to the local community.

Economic Policy

National Policy

15.20 The Scottish Government replaced the Government Economic Strategy (GES) in 2015 with **Scotland's Economic Strategy**[7]. The strategy sets out '*an overarching framework for a more competitive and a fairer Scotland and identifies four broad priority areas where our actions will be targeted to make a difference.*' The strategy is built on two key pillars, namely 'tackling inequality' and 'increasing competitiveness'.

15.21 The strategy framework is structured around four broad priority areas, where Scottish Government actions will be targeted; these are (1) investment (2) innovation (3) inclusive growth and (4) internationalisation. Within 'investment' there is a commitment *to 'invest in Scotland's infrastructure to help Scottish businesses to grow, innovate, and create good quality employment opportunities'* and also *'to prioritise investment to ensure that Scotland protects and nurtures its natural resources and captures the opportunities offered by the transition to a more resource efficient, lower carbon economy'*.

As a significant inward investment in a key sector, Mid Moile Wind Farm supports both pillars of the strategy and each of the broad priority areas set out in the Economic Strategy. It will provide contract and employment opportunities for Scottish based businesses at both construction and during operation.

6 Scottish Government, Draft Advice Note on Economic Benefit and Planning, 2016, http://www.gov.scot/Resource/0049/00498008.pdf

7 Scottish Government, Scotland's Economic Strategy, 2015, http://www.gov.scot/Publications/2015/03/5984

15.22 The Scottish Government has developed a **Routemap for Renewable Energy**[8] in 2011, which was updated in 2015. It sets out a policy framework to deliver energy targets by 2020. The updated Routemap[9] reflects the challenge of the Scottish Government's new target to meet an equivalent of 100% demand for electricity from renewable energy by 2020. Similarly, the Routemap identifies the scale of the economic opportunity and that Scotland's workforce needs to be prepared to meet the opportunities that will emerge, with up to 40,000 jobs predicted to be created in the renewables sector by 2020.

15.23 Since these documents were produced, the scale of the threat we face through climate change is more widely acknowledged by governments across the world. This is reflected in a number of recent publications including:

- The National Audit Office (NAO) report, 'Achieving Net Zero' (December 2020);
- The Committee on Climate Change Sixth Carbon Budget, 'the UK's Path to Net Zero' (December 2020);
- The UK Energy White Paper 'Powering our Net Zero Future' (14 December 2020); and
- The Update to the Climate Change Plan (2018-2032) 'Securing a Green Recovery on a Path to Net Zero' (16 December 2020)
- The Scottish Energy Strategy Position Statement (March 2021);
- The Scottish Government & Scottish Green Party: Draft Shared Policy Programme (August 2021);
- The Programme for Government (2021); and
- The Onshore Wind Policy Statement Refresh 2021: Consultative Draft (draft OWPS)
- The Draft Fourth National Planning Framework 'Scotland 2045' (November 2021)

15.24 The Scottish Government has recently taken the decision to declare a climate emergency, citing the need for world action to deliver transformative change. Everyone has a role to play in this global climate emergency, including businesses and local authorities. Extremely challenging targets have been set for decarbonising the economy: net zero emissions for Scotland by 2045, the most stringent target for decarbonisation anywhere in the world. As part of this is the recognition of the need to invest in renewable generation and related infrastructure to reduce greenhouse gas emissions which is critical to creating good, green jobs as part o the recovery and longer term energy transition.

15.25 The draft OWPS covers 5 mains areas including 'economic opportunities in relation to the supply chain' and covers topics of supply chain, contracts for difference, benefits to Scotland skills, tourism and cultural economics and other matters. These are discussed at Section 5 of the document.

15.26 In terms of supply chain, at paragraph 5.1.3 the Government references the recent UK Onshore Wind Prospectus, which has estimated that approximately 17,000 jobs and the

8 Scottish Government, 2020 Routemap for Renewable Energy in Scotland, 2011, http://www.scotland.gov.uk/Publications/2011/08/04110353/0

9 Scottish Government, 2020 Routemap for Renewable Energy in Scotland, 2015, http://www.gov.scot/Resource/0048/00485407.pdf

equivalent of £27.8 billion in GVA could be achieved in Scotland if there is deployment of an additional 12 GW of onshore wind by 2030.

15.27 Furthermore, in terms of economic benefits reference is made to the Just Transition Commission's 'a national mission for a fairer, greener Scotland' (paragraph 5.3.1) and it is stated that "the rapid expansion of Scotland's onshore wind capacity, and associated manufacturing opportunities, will play a key role in this new future".

15.28 The Government is clearly setting out that there is an important opportunity to capitalise on in relation to the economic benefits from onshore wind.

15.29 In terms of tourism and cultural economics the draft OWPS sets out at paragraph 5.7.4 that public support for onshore wind has grown significantly across the UK reaching a new record of 79% in 2019 with opposition decreasing to only 5% in 2020.

15.30 The Government sets out that it recognises that some of Scotland's citizens remain concerned about the impact of large scale wind development on local and national tourism but it adds at paragraph 5.7.6 that it is encouraging to see on-shore wind development (for example, Whitelee Wind Farm) providing additional outdoor recreational activities alongside wind farms and they consider that "the effect that on-shore wind farms can have on local and national tourism is a significant opportunity to cultivate our 'people and place' mentality and would be encouraged to see more development in Scotland with similar provisions".

Mid Moile Wind Farm can directly contribute towards the Scottish Government's renewable energy target and the drive to meet the net zero target and in doing so, create thousands of new jobs.

15.31 Following publication of the revised Scottish Planning Policy (SPP) in 2015, Scottish Ministers committed to developing further advice to assist in assessing and giving due weight to the **net economic benefit of proposed development**[10].

15.32 The advice note builds on Paragraphs 29 and 93 of SPP. Paragraph 29 makes a presumption in favour of development that contributes to sustainable development. It means that policies and decisions should be guided by, inter alia, '*giving due weight to economic benefits*'. Paragraph 93 references the need for Planning Authorities to '*giving due weight to Net Economic Benefit of the proposed development*' when assessing planning applications. The advice note states the importance of demonstrating the net economic benefit of a proposed scheme, highlighting the importance of taking economic benefits into account when determining a planning decision.

This socio-economic statement has been commissioned in line with the new advice note, as it is expected that the net economic benefit of Mid Moile Wind Farm is likely to be a material consideration. Therefore the onus is on Energiekontor to provide the relevant information in support of the consent application.

10 Scottish Government, Draft Advice Note on Economic Benefit and Planning, 2016, http://www.gov.scot/Resource/0049/00498008.pdf

Regional Policy

Dumfries and Galloway

15.33 The **Dumfries and Galloway Economic Strategy**[11] provides a long-term vision for the development of the local economy. The shared vision is that by 2020:

> *''…Dumfries and Galloway will have a more diverse and resilient economy. One which is capable of taking advantage of opportunities by combining an appropriately skilled workforce and connected infrastructure to support more prosperous and inclusive communities where every member of every community has equality of access to that prosperity''.*

15.34 The development of the DGC Regional Economic Strategy 2023 reflects the broad policy areas being promoted at EU, UK and Scottish government levels, including the promotion of a low carbon economy. The plan focuses on six strategic aims; those of particular relevance to the Proposed Development are presented in Table 15.1 below.

Table 15.1: Regional Economic Strategy – 2016 - 2020

Aim	Relevance to Mid Moile Wind Farm
More Growing Businesses	As a significant investment and one of the largest wind farms in Scotland to progress to application since the withdrawal of government support, Mid Moile Wind Farm would generate meaningful contract and employment benefits for local firms.
Developing Places	Mid Moile Wind Farm would deliver the strategic actions of maximising community benefits and enhance and protect built and natural heritage assets.
Better Skills, Better Opportunities	Energiekontor's local procurement policy will support the strategy ambition of retaining and attracting more people of working age as well as the competitiveness of individual businesses.
Well Developed Infrastructure	By working with local stakeholders, Energiekontor would increase inward investment
Investment Projects	Mid Moile Wind Farm is a large-scale investment project, offering community shared ownership and a benefit fund.

South Ayrshire

15.35 The Draft South Ayrshire Economic Development Strategy[12] 2013 – 2023 (South Ayrshire Community Planning Partnership, 2013) identifies seven future goals for South Ayrshire, one of which is a more diversified economy.

15.36 The Report reflects the broad policy areas being promoted at EU, UK and Scottish government levels, including the promotion of a low carbon economy. The plan focuses on a number of strategic aims one of which relates to the Green Economy; the report refers to the significant potential opportunities for building a new low carbon economic

11 DG Council Economic Strategy, 2016, http://www.dumgal.gov.uk/CHttpHandler.ashx?id=18717&p=0

12 South Ayrshire Economic Development Strategy https://www.south-ayrshire.gov.uk/cpp/documents/south%20ayrshire%20economic%20development%20strategy.pdf

base around renewables. Through 'greening' the local economy, there is an aspiration to increase the employment opportunities in the more rural parts of South Ayrshire. This will help to sustain the communities living in these areas and ensure that the young people can remain.

15.37 The strategy recognises that South Ayrshire has a lower proportion of employment (22%) in the Scottish Government's six priority industries compared to the rest of Scotland (31%). Diversification into these industries (including energy) will help create a more resilient economy.

15.38 In terms of measuring success the Report sets out a number of key action areas and provides an outcome for each action area in a series of Tables. One of these outcomes is that South Ayrshire has a more diversified economy with an action to develop the renewable energy sector over the 10-year lifetime of the Plan. To measure this outcome the Report sets a target to increase the number of jobs in the renewable energy sector by employing an additional 3,500 people by the end of the plan period (2024).

Socio-Economic Benefits

15.39 This section sets out the economic effects of the Proposed Development, with a specific focus on:

- **Construction Benefits** - the financial value of contracts and resultant labour benefits of the construction stage, outlining the type and location of businesses deployed to complete the construction phase; and
- **Operational and Maintenance Benefits** - the financial value of contracts, and where these accrued, in maintaining and operating the wind farm;

Construction

15.40 The construction of the Proposed Development will require a considerable financial investment. The construction phase will include a series of sub-phases including preparing the site, manufacturing and installing the wind turbines, balance of plant and connecting to the grid.

15.41 The Proposed Development would provide up to ~99 MW of installed capacity depending on the turbine model chosen for the development. For the purposes of this assessment it has therefore been assumed that 99 MW of capacity would be installed.

15.42 Based on RenewableUK[13] research, the average construction cost per MW is estimated to be around £1.23 million; however, this rate varies ±15% depending on the precise nature of each development. Based on the RenewableUK figure of £1.23 million per MW, the total construction value for the Proposed Development is in the region of £121.77 million.

13 RenewablesUK, Onshore Wind: Direct and Wider Economic Benefits, 2012, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48359/5229-onshore-wind-direct--wider-economic-impacts.pdf

This broadly corresponds with the experience of the Applicant for a project of this size, and will be used for the basis of the assessment.

15.43 Turbine procurement account for the majority of the value of the construction contracts, accounting for 65.1%. The balance of plant contracts account for 27.3% and the grid connections account for 7.6%. Table 15.1 shows a capital expenditure breakdown based on the RenewableUK research.

Table 15.1: Construction expenditure breakdown

Construction component	Capital expenditure	
	£, million	%
Purchase of wind turbines and installation	79.27	65.1
BoP works, inc. foundations	33.24	27.3
Grid connection	9.25	7.6
Total	**121.77**	**100**

15.44 The research also found that on average, 45% of the construction costs are spent in the UK including 7% in the local area and 29% at the Scottish level. Table 15.2 summarises expenditure across the main areas of construction.

15.45 Based on a 45 % UK share, construction investment for the Proposed Development in the UK is in the order of £54.80 million. Professional judgement and knowledge of the local and regional locations has been used in the assessment of geographical distribution and total UK investment. This represents a departure from the RenewableUK study paper methodology. A substantially greater proportion for both Dumfries and Galloway and Scotland has been assigned due to the Applicant's procurement pledge (see Appendix A of the Planning Statement) and the likelihood of local contractors being used for BoP and Grid works. As a consequence, this assessment assumes a Dumfries and Galloway spend of ~22%, and a Scotland spend of ~45%. The construction stage breakdown and estimated geographical sourcing are provided in Table 15.2.

Table 15.2: UK Geographical distribution of total expenditure

Construction component	Geographical sourcing and expenditure			
	Dumfries and Galloway (%)	Rest of Scotland (%)	Rest of UK (%)	UK expenditure as % total expenditure
Purchase of wind turbines and installation	5	10	1	16
BoP works, inc. foundations	60	30	10	100
Grid connection	8	90	1	99

Construction component	Geographical sourcing and expenditure			
	Dumfries and Galloway (£)	Scotland (£)	UK (£)	Subtotal (£)
Purchase of wind turbines and installation	3.963,500	7,927,000	792,700	12,863,200
BoP works, inc. foundations	19,940,000	9,972,000	3,324,000	33,236,000
Grid connection	740,000	8,325,000	92,500	9.157,500
Total UK expenditure (£)	**24,643,500**	**26,224,000**	**4,209,200**	**54,800,000**

15.46 Applying the methodology detailed above, based on a UK spend from the RenewableUK research the Proposed Development provides an approximate turnover during the construction stage in excess of ~£54 million. Of this, there is potential for approximately £24,64 million to benefit the regional economy and approximately £26.22 million to benefit the rest of the Scottish economy.

Construction Employment

15.47 The contract data from RenewableUK's case study research assessment has been combined with turnover per employee data and ratio of GVA to turnover for relevant industries (Table 15.3). This table also shows the breakdown of construction costs into each of the main components of work, based on the case study data.

15.48 The turbine contracts account for the majority of the value of the construction contracts, accounting for 65.1%. The balance of plant contracts account for 27.3% and the grid connections account for 7.6%. Therefore, the weighted average for construction shows there is one employee per £148,290 in turnover and a GVA/Turnover rate of 0.391.

Table 15.3: GVA and Employment Ratios (Construction)

Indicator	Turnover per Employee (£)	GVA / Turnover	% of Spend
Balance of Plant	121,000	0.363	27.3%
Turbine	162,000	0.393	65.1%
Grid Connection	131,000	0.486	7.6%
Total	**148,290**	**0.391**	**100.0%**

15.49 Applying the assumptions set out in Table 15.3 an estimate on the level of employment at the Scottish level (including Dumfries and Galloway) for the Proposed Development is 343 jobs, contributing £19.8 million in GVA.

15.50 At the Dumfries and Galloway level the construction phase of the Proposed Development could sustain up to 166 jobs and contribute £9.58 million in GVA.

Table 15.4: Economic Impact of the Development (Construction)

Spatial Area	Jobs	GVA (£)	Turnover (£)
Dumfries and Galloway	166	9,580,000	24,643,450
Rest of Scotland	177	10,220,000	26,224,000
Rest of UK	28	1,654,179	4,209,200
		Total UK turnover (£)	**54,800,000**

15.51 It should be noted that although construction impacts are one-off in nature they will last for the duration of the project (no less than 12 months), thereby ensuring meaningful benefit to the local economy.

15.52 The expected scale of employment and GVA impact during construction phase is substantial; injecting approximately £50.9 million into the Scottish Economy.

Operation

15.53 According to recent RenewableUK[14] research the annual cost of operations and maintenance per MW installed ranges from £12,000 to £110,000 per annum. The operations and maintenance costs are affected by the size of development, land contracts and whether the turbines were still under warranty. The weighted average cost was found to be around £52,659 per MW installed per annum, which suggest that the operation and maintenance costs on the Proposed Development will be around £5.21m in total per annum for the life of the development.

15.54 The vast majority, 90.4%, of the operation and maintenance spend is in the UK, including 28.8% spent in the local area and 65% which was spent regionally. Table 15.5 summarises the operation and maintenance costs across each spatial level.

Table 15.5: Operational Costs

Spatial Area	% Spend	£ Equivalent
Dumfries and Galloway	28.8	1,501,413
Rest of Scotland	36.2	1,887,719
Rest of UK	25.4	1,324,163
Total UK expenditure (£)	**90.4%**	**4,713,295**

15.55 The contract data from the case study assessment (i.e. turnover data) has been combined with turnover per employee data and ratio of GVA to turnover for relevant industries (Table 15.6). This table also shows the breakdown of operation and maintenance costs into each of the main components of work, based on the case study data.

14 RenewableUK, Onshore Wind: Direct and Wider Economic Benefits, 2012, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48359/5229-onshore-wind-direct--wider-economic-impacts.pdf

Table 15.6: GVA and Employment Ratios

Indicator	Turnover per Employee	GVA / Turnover	% Spend
Maintenance	£173,000	0.364	43.4
Operations	£217,000	0.618	56.6
Total	**£198,000**	**0.508**	**100.0**

15.56 Applying the data from the RenewableUK research to the Proposed Development provides an estimate of the turnover in the UK associated with the Proposed Development during the operations and maintenance stage, £4.7 million. Of this, £1,501,413 could benefit the Dumfries and Galloway economy and £1,887,719 million could be injected into the Scottish economy.

15.57 Applying the assumptions set out in Table 15.6 gives the level of employment at the Scottish level (including Dumfries and Galloway) for the Proposed Development as 17, contributing £2.3 million in GVA. Of this Scottish total the operation and maintenance phase of the Proposed Development is expected to sustain up to eight jobs, contributing £711k in local GVA terms in Dumfries and Galloway.

Table 15.7: Economic Impact of the Development (Operation)

Spatial Area	Jobs	GVA	Turnover
Dumfries and Galloway	8	711,870	1,401,319
Rest of Scotland	9	894,781	1,761,380
Rest of UK	6	627,829	1,235,885

15.58 The expected scale of employment and GVA impact during operational phase can be judged to have an important role for Scottish based firms.

Local Benefits

15.59 Local benefits will accrue in a few ways, and these will include:

- local business benefits
- allocation of funding to local communities through a Community Benefit Fund
- the potential for the community to invest in a Share Ownership Scheme
- environmental benefits through carbon savings.

Local Business Benefits

15.60 The construction and operational stages of the development present the greatest potential for economic and employment benefits. More jobs and GVA will be created at the construction stage, but the figures given for the operation of the development represent an annual income stream for the life of the development. In order to release the potential for local economic development resulting from the construction stage of the wind farm development a local procurement strategy is to be adopted.

15.61 The approach will primarily take into consideration several key factors including value for money, financial standing of contractors and health and safety requirements. In addition, there is scope to assess contractors on their approach to local supply chains and provision of employment whilst adhering to EU Procurement Law to ensure a fair and competitive tendering process.

15.62 There will be a range of contract opportunities for local and regionally based companies, including national contractors who employ people from the local/regional area. Energiekontor will host Meet the Buyer events early in the development process to ensure local, regional and national companies are aware of the contracts being let and the procurement process being adopted. Local industry sectors would have the opportunity to be involved in areas of work including:

- Civil Engineering Design;
- Geotechnical Ground Investigations;
- Civil Works;
- Onsite Electrical Network Design and 'Contestable' installations;
- Aggregate Supply;
- Haulage; and
- Plant Hire.

15.63 When assessing bids for supply of materials and services to construct the Proposed Development, Energiekontor will give significant weight to bids from suppliers who demonstrate they have an established local presence, employ local people and source materials within the respective local authority region. Regional suppliers who meet our procurement qualification standards will be given a 5% price advantage on local market prices over National suppliers through the bidding process.

15.64 In addition to the direct spend by Energiekontor and subcontractors, the tourism sector and other services sector (petrol station and food outlets for example) locally benefits from the spend of contractors that come into the area to work.

15.65 Throughout the 35-year operational phase of Mid Moile Wind Farm management of the turbines and the Site itself will be required. The Site will support a number of jobs in the routine and unscheduled maintenance. As with construction, a procurement strategy will be used to allow for local companies to undertake any work that is to be contracted. This will ensure the economic potential for the area is maximised for the local area.

Community Benefit Fund

15.66 Energiekontor is committed to making an annual contribution to a 'Community Benefit Fund' which would be available for community projects.

15.67 The administration of the fund will in part depend on the outcome of separate discussions with community stakeholders, and ultimately at the conclusion of ongoing engagement with the community on how the total fund should be allocated. Several priority investments could be 'front-loaded', such as key communication infrastructure and capital projects.

15.68 The inclusive nature of the fund would ensure a wide variety of projects could supported locally over the 35 years of the fund. Some of the projects that the community fund could support may also qualify for 'match funding' which could enhance the size and impact of the fund.

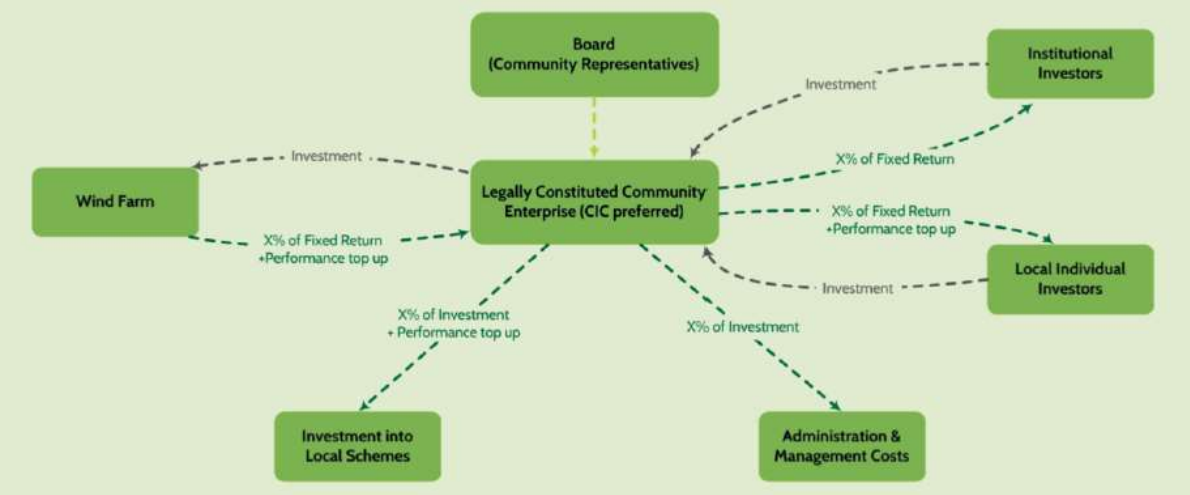
Shared Ownership Scheme

15.69 In addition to the Community Benefit Fund, Energiekontor will formally offer the local community the opportunity to invest in a 'Shared Ownership Scheme', allowing the community to receive a further annual return on their investment in the project, and allowing them to reinvest money back into local projects. This will require the formation of a new community association, or Community Interest Company (CIC) made up of representatives from the local community.

15.70 The Shared Ownership Scheme is designed to enable focus on things that matter to the local community. Energiekontor will simplify the process for the community by doing the administration and document work required up until the legally constituted community enterprise is up and running. Essentially it enables Mid Moile Wind Farm to develop with the community as a partner.

15.71 The eventual Shared Ownership structure will be developed in line with the conceptual diagram presented in Figure 15.1

Figure 15.1: Proposed Share Ownership Scheme



15.72 The final scheme will be agreed with the community and specialist input will be provided by bodies such as Local Energy Scotland (LES), Renewable Energy Investment Fund (REIF) as well as guidance from the Department of Business, Energy and Industrial Strategy and the Scottish Government.

Environmental Benefits

15.73 The Proposed Development would provide up to ~99MW of installed capacity, depending on the turbine model chosen. It is estimated by Energiekontor UK Ltd that this installed capacity could generate approximately 374 GWh of renewable electricity each year. This

represents a site capacity factor of approximately 43%, which compares very favourably to the UK average onshore capacity factor of 26.6% over the period 20012-2016[15]. The renewable electricity generated by the Proposed Development could power over 96,000 homes on average each year[16]. The Carbon Balance and Generation Report at Technical Appendix 3.1 provides further details on the carbon saving benefits that the Proposed Development could deliver.

Summary

15.74 An assessment has been made of the economic impact over the construction and operational phases of the Proposed Development. Mid Moile Wind Farm is a first generation wind farm to progress since the withdrawal of Renewable Obligation Certificates (ROCs). It is being developed without any public support mechanisms by Energiekontor with an installed capacity of around 99 MW. The key facts drawn from this assessment include:

- The proposal has a strong policy fit; it will support and local economic strategies which have a focus on generating sustainable economic growth. The economic impact of the proposals has been measured in line with industry best practice including the Scottish Government's Draft Advice Note on Economic Benefit and Planning.
- Utilising Renewables UK assumptions Energiekontor will invest more than £121.77 million in the project. This is a significant investment with a strong policy fit both regionally and nationally.
- The total value of contracts that could be secured in Dumfries and Galloway has been estimated as £24.6 million and in Scotland as a whole businesses could secure contracts worth £50.9 million.
- The development could support an additional 343 man years in Scotland including 166 man years in Dumfries and Galloway during the construction phase. In GVA terms the construction phase has the potential to inject £9.58 million into the economy and £19.8 million to the Scottish economy as a whole.
- In addition to the expenditure during the construction period and first operational year, it is anticipated that the Proposed Development would further contribute in business rates to Dumfries and Galloway economy.
- The operations and maintenance of Mid Moile Wind Farm could support an additional 17 jobs years in Scotland, of which eight could be in Dumfries and Galloway .
- Local businesses will have the opportunity to benefit from the contracting requirement to be awarded by Energiekontor. These range from civil engineering and ground work contractors, haulage businesses through to suppliers of water, as well as local service based companies including hotels, restaurants and local shops.
- A Community Benefit Fund to distribute funding to local communities will be established to allocate funding to community projects.

15 Based on Digest of UK Energy Statistics (DUKES): renewable sources of energy (updated July 2017)

16 Based on an average annual UK domestic electricity consumption figure of 3,889KWh as set out in the BEIS publication "Energy Consumption in the UK" (2017)

- A Shared Ownership Scheme will be offered to the community to benefit further through the ability to invest in the development and receive an annual return to reinvest into community projects.
- Once completed Mid Moile Wind Farm could produce electricity equivalent to the needs of over 96,000 homes