



Wind: Community wind project

Investing in the future

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Community wind offers local energy independence, a reasonable rate of return and a frontline attack on climate change. RenewableUK's Publications Manager, Ben Alcraft, meets some enthusiastic proponents – and invests £10 along the way...

Community energy is increasingly popular in the UK. Autonomous associations are building their own wind farms, and individuals are starting to reap the benefits of energy generation. There is often an unlikely synergy between those who strive to mitigate the effects of climate change, and those looking to make a reasonable return on their hard earned money. Whatever our motivation, the majority of us would like a greater say in where our money ends up, and energy, traditionally seen as a complex and closed book, is finally opening up to the masses.

The most popular model is the wind farm co-operative. The United Nations (UN) has designated 2012 as the international year of the co-operatives, and its Secretary General, Ban Ki-Moon, tells us that, "Co-operatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility."

Co-operatives give local people, who are acting together to meet the common needs and aspirations of their members, shared ownership and the ability to make decisions democratically. The model (as it applies to wind) was developed in Denmark and has since spread to Germany, Holland,

Australia and the UK, with a few isolated examples elsewhere.

There are already 43 community-owned wind farms in the UK, and there are many more in the process of being developed. Wind farms have always been big business and there will always be a place for large commercial developments which often offer substantial benefits of their own to local communities. But energy co-operatives are beginning to provide real, tangible benefits to an increasing number of savvy communities who are putting their faith in the long-term investment potential of wind farms.

Wind farm co-operatives in the UK were pioneered by Baywind. The first seeds were

sown in the 1980s, when a Swedish company came to the UK in an effort to establish a community-owned project, the likes of which the UK hadn't seen before. The Baywind Energy Co-operative Ltd was finally formed in 1996, allowing a community in Cumbria to invest in a local wind farm. Baywind's goal has always been philanthropic, to promote the generation of renewable energy and energy conservation – and seven members on the original Board of Directors came from the local communities of Ulverston and Barrow.

The first share offer, made in 1996/97, raised £1.2 million to buy two turbines at the Harlock Hill wind farm. In 1998-1999 the second share offer raised a further £670,000 and one more turbine was bought for the Haverigg II wind

"People from all kinds of backgrounds are coming together to solve the fundamental human needs of light, heat and power..."

farm site. Preference was shown for local investors, which enabled the community to share the economic benefits of their local wind farm, and around 29 per cent of the existing Baywind shareholders live either in Cumbria or North Lancashire.

When Baywind began to flourish, the membership supported the creation of Energy4All. Set up in 2002, its aim is to broaden their reach and help other communities achieve similar success. They now have seven wind farms on their roster and are continuing to grow.

Westmill Co-operative, one of Energy4All's latest co-operative projects, has 2,374 members and produces enough green electricity from five 1.3MW turbines to power 2,500 homes. Established in 2004, South Oxfordshire's Westmill is the first wind farm co-operative in the south of England, and the largest 100 per cent community-owned wind farm in the UK. Its importance was recognised by a capital grant from the South East England Development Agency (SEEDA), which provided upfront capital support of £50,000.

The wind farm was built on land belonging to farmer Adam Twine but, as he was keen to point out, "it's not owned by me, the wind farm's not owned by a large company, but by local people. And it's the part about the wind farm's ownership which is the most exciting." His partner, and co-founder of Westmill, Liz Rothschild, adds, "the wind turbines are like five hearts beating in our community, producing energy for us all."

According to Mike Blanch, Technical Advisor at Westmill Farm Co-operative, "the wind farm generates about 12GWh a year, which equates to an annual income of about £1 million. This goes towards paying for the wind farm, which cost £8 million originally, so we're talking about an eight-year payback."



At the time of writing, Northern Ireland's first wind farm co-operative was seeking investment. The Drumlin Wind Energy Co-op was officially launched by Stephen Agnew MLA, Green Party leader for Northern Ireland who stated that "by becoming engaged in this new enterprise, we can lay the foundations for what could become a new way of doing business in Northern Ireland. One where you get the financial rewards, where the profits remain in the local economy, and where you have a genuine stake in our future."

If there are not any local wind farm co-operatives for you to invest in, there's an increasing trend towards crowd-sourced funding. Whilst Energy4All asks for investments from £250 to £20,000, a new website launched earlier this year by Abundance, a self-proclaimed Building Society for the 21st Century, promises 'a regular cash return by investing in Renewable Energy Projects in the UK' for as little as £5.

One of the founders of the site, Karl Harder, explains how this works. "We want to give back to people control over where their money is invested and how it generates a return. Renewable energy is the starting point, but we believe that democratic finance could be a more sustainable source of

Did you know...?

- The United Nations 2012 International Year of co-operatives website is telling the stories of co-operation from all around the world. The world's first global, digital campaign to spread the benefits of co-operation through the tradition of story-telling can be found at www.stories.co-op/about-us. Why not play a part and tell your story about why the co-operative model works.

finance for other forms of public infrastructure investment such as schools, hospitals and social impact initiatives."

Bruce Davis, another of the founders, concurs. "We're a financial service regulated to allow ordinary people to invest in renewable energy projects. The Abundance Positive Circle relies on 'crowd funding' to support projects, promising an enviable return on your investment – with the usual risk-related caveats."

One of their projects, St Briavels Wind Farm in the Forest of Dean, is the first renewable energy project in the country that anyone can invest in. The wind farm consists of a 0.5MW

"...community generated energy reduces its dependence on the grid, providing a diversity of complementary green energy sources to keep power flowing as the weather changes." Jonathan Pyke, Manager of Action for Renewables

turbine and the estimated return across the 20-year life of the project is 6.75 – 8 per cent. The project has reached its minimum amount of £300,000, which means it is fully funded. It will remain open until either £1.4m is raised, allowing more investors to participate (proceeds will go to repay a bridge loan) or 1 October 2012, whichever comes soonest.

In the course of writing this article, I invested £10 of my own. Time will tell if the investment was a good one, but I'm happy to report that putting money into something you believe in wholeheartedly makes a very refreshing change.

St Briavels is the first community investment scheme set up by Resilient Energy, the renewable energy partnership focus of The Resilience Centre Ltd, in partnership with Abundance Generation. Firm devotees in the power of community wind, they believe that the best way to realise renewable energy potential is to develop a fair and equitable relationship between the developer, the landowner and the local community.

Working in partnership with landowners, they deliver investable, community-scale projects that are designed to help meet, rather than exceed, local energy demand. They also endeavour to make a positive difference to the community's quality of life through an annual donation, for example £15,000 to £20,000

each year for the 25-year operation of a single 500kW turbine.

One such local investor, Norman Fry, said, "I wanted to put a small amount in a long-term investment, for which I don't think bank products or so-called buy-and-hold methods are currently suitable or financially worthwhile. I view green energy favourably, including wind, and I support localism. I like the way these schemes allow local communities to share in any profits. Sustainable energy is very important. It is partly about reducing emissions and warming, but it also reduces fuel use, so contributes to energy security and as a buffer against fuel price rises. I would encourage others to invest but I think it should be as a long-term commitment."¹

Another company working on renewable energy investment is Ecotricity. It promises to 'cut out the middle man' with its 'ecobonds' and give people – its customers and the wider public – the chance to share in the financial benefits of the Green Energy revolution. Two ecobonds have been issued so far, both of which raised £10 million. The fact that they were oversubscribed only goes to show the huge appetite for eco-investment.

Since the ecobond conception, Ecotricity has invested in a number of projects, including building a new wind turbine in Cardiff to power a solar panel factory, a turbine at Ford's diesel



engine factory in Dagenham, and two big turbines to power the Michelin tyre factory in Ballymena, Northern Ireland.

According to RUK's Jonathan Pyke, Manager of Action for Renewables, "There will always be a central role for 'conventional' large-scale generation, which can, and should be, from renewable sources." But, he continues, "wherever...community generated energy reduces its dependence on the grid, providing a diversity of complementary green energy sources to keep power flowing as the weather changes."

What is most exciting about the advent of community wind is that it is contributing very deeply to the communities' relationship to energy. People from all kinds of backgrounds are coming together to solve the fundamental human needs of light, heat and power, in much the same way as communities have done since the beginning of human history. They are sharing the numerous benefits, and more importantly, educating the next generation in the development of energy projects at a local level.

Communities have more options than ever before, and there are many heroes of a burgeoning industry that haven't been mentioned here. So if you're going to invest your hard-earned cash, why not consider investing in renewable energy, in your community and in the future?

¹(Source: blue&green tomorrow, Sept 2012 – <http://blueandgreentomorrow.com/2012/09/06/abundance-prepares-for-switch-on-of-landmark-wind-turbine/>) ■

