

Re-Powering of the Cruach Mhor Wind Farm

Second Community Update

*Announcing a meeting for residents of Colintrave & Glendaruel
at Glendaruel Hall on Sunday 26th October at 2.30pm*

As residents will have gathered from our previous update in the summer community newsletter, the re-powering of Cruach Mhor is the first re-powering of a wind farm on the Forest & Land Scotland estate (ultimately owned, of course, by the Scottish Government) and, as such, it will be breaking new ground in community involvement as well as in the upgrading of an existing site by a different developer.

At the meeting in October, which this notice announces, the Community Liaison Group, (the Chairs of the Community Council, the Development Trust and the Wind Farm Trust), will

- give an update on the re-powering issue
- present information on possible outcomes of the negotiations the developer and other partners,
- and seek the support of the community to take forward those negotiations to secure the best result for our community.
- Additionally, Alistair MacLeod will make a presentation on issues of risk for the community to inform the decisions before us.

To enable this meeting, we would like to brief residents on the latest information relating to the re-powering of the windfarm and the choices before us.

The new developer, Belltown, will be applying for planning permission for fewer, larger turbines and will have to secure an upgraded grid connection. There will be a formal planning process during which the community will be able to have its say, along with individuals and the existing statutory consultees, including the Community Council.

The current discussion about re-powering, as it affects the community, is separate to the planning process. The Community Liaison Group is recognised by Belltown and Forest & Land Scotland as relevant community body, which means they negotiate with us about

- Community Benefit arising from the re-powered wind farm, which ColGlen is guaranteed a major share of no matter who the developers or investors are.
- Community Investment in the wind farm, up to a total of 49% of the equity, and this will result in a Community Profit payment.

At the moment ColGlen's annual Community Benefit payment, distributed by the Wind Farm Trust, is just under £50,000, but this is likely to increase after re-powering to between £150,000 and £350,000. However, there will be a funding gap when the site is not generating, Belltown are prepared to make an advance payment equal to the existing annual sum, provided planning permission has been granted.

The Community Profit payment will be generated from holding some or all of the following equity in the company that runs the windfarm:

- 1% of equity, which will be given to ColGlen when the windfarm begins generating.
- Some or all of 4% equity share which we can buy at cost price.
- Some or all of 44% of equity which we can purchase at full, commercial price.

Therefore the Community Liaison Group wishes to know which of the following options the residents of Colglen wish us to pursue, given that Belltown can only negotiate with one body nominated by the community:

1. ColGlen to negotiate directly with Belltown to acquire as much of the equity in the Windfarm as possible for the community of ColGlen only, raising funds with the help of various advisory bodies and financial institutions. Community Energy Scotland advise that while raising the monies for the 4% equity only is possible, doing so for a larger portion of ownership in the windfarm development would be 'easier'.
2. ColGlen to partner with Cowal Community Energy (CCE), a consortium of the Development Trusts in Cowal (of which ColGlen is a member via our Development Trust) so that they become the main negotiator, and therefore investor, generating the Community Profit Payment. CCE are willing to purchase the 4% of equity on our behalf, and pay us the profit from that equity to ColGlen only. CCE would then distribute the Community Profit Payment from the remaining 44% of equity to all of Cowal (including ourselves), rather than just ColGlen.

Whatever level of equity is taken up, the level of risk to the community is the same, and to help the community understand this Alistair MacLeod will explain how these projects typically work. Alistair has had a house in Colintrave for the last decade, is Secretary of the Col-Glen Boat Club, and has many years' experience in the energy industry dealing with risk management issues. He has agreed to present some information on risk at the meeting to allow an informed discussion.

If the meeting decides that we should work more closely with CCE (option 2) the three organisations will move to sign a Memorandum of Understanding with them and will support their role as the negotiator for the 4%. If, however, the community wishes to explore further the concept of being the larger community investor, we will require to seek resources and advice on how we would move that forward.

We would encourage all local residents to attend the meeting which will be an opportunity to explore the possibilities outlined here. We look forward to seeing you in the Glen Hall on the 26th October at 2.30pm

Charles Dixon Spain – Chair, ColGlen Community Council
Sara MacLean – Chair, ColGlen Development Trust
Michael Russell – Chair, Cruach Mhor Wind Farm Trust