

Clashindarroch Wind farm Community Fund Consultation February 2006

In October 2005 AMEC Wind Energy ("AMEC") engaged SAOS Ltd ("SAOS") to consult with local communities affected by the proposed Clashindarroch wind farm in order to identify a suitable organisation to manage the community fund to be put in place by the wind farm owner upon the wind farm's construction and operation. Consultations were undertaken in the communities of Gartly, Glass, Kennethmont, Rhyndrie and Cabrach. SAOS completed this exercise in December 2005.

This note provides AMEC's response to the findings and recommendations of the SAOS report and specifies particular parameters of the community fund including membership, management structure and the amount of the funds.

1. The consultation indicates that there is clear support from local residents for providing help to younger people in the area through assisting with educational projects. There is also support for helping with the upkeep, maintenance and facilities of local community halls as well supporting the various activities of the clubs and associations that use them. Residents also back projects that will enhance or protect the environment and maintain infrastructure.
2. The consultation indicates that there is a clear majority of people in favour of a cooperative for the benefit of the community with open membership for residents within the affected communities. Membership will be limited to an 8 km (5 mile) boundary of the wind farm.
3. The board of the cooperative will be elected by the membership. The board will have a number of roles, including the approval of projects to be funded and for ensuring the funds are properly accounted.
4. Each community directly affected by the wind farm will be represented on the board. There will be nine regular board members as follows;
 - a. Six parish members; one from each of Glass, Cabrach, Rhyndrie and Gartly plus one member to represent both Auchindoir/Kearn & Kildrummy parishes and another to represent the Huntly and Cairnie parishes. Preferentially these members should reside within the 8 km wind farm boundary.
 - b. Three board places will be made available to the three local community councils, one from each of Strathbogie, Tap O'Noth and Huntly - for the avoidance of doubt these representatives need not reside within the 8 km boundary.
 - c. An optional tenth board place will be made available to the wind farm owner at the discretion of the other nine members.
5. The consultation indicates that a clear allocation of funds towards different communities is desired. To this end the fund will be allocated as follows;
 - a. 25% towards the Glass, Cabrach, Huntly and Cairnie parish areas that fall within the 8 km boundary
 - b. 35% towards the Gartly, Rhyndrie, Auchindoir and Kearn and Kildrummy parish areas that fall within the 8 km boundary.

- c. 40% towards projects in general, including those outwith the 8 km boundary. This includes areas such as Huntly town, Kennethmont, and Clatt although there is in principle no geographical limit.
6. Provision of the fund is entirely dependent upon a positive planning determination for the wind farm from the Scottish Ministers. In such an event the wind farm owner will provide an initial allocation of up to £5,000 of the monies to seed-fund the formation of the organisation. An initial steering committee made up of members of the community would be set up to oversee this. In the first instance the steering committee should be guided by the principles outlined in this note and by the findings of the SAOS report.
7. Funds will be provided annually for the lifetime of the wind farm by the wind farm owner. Notwithstanding the seed funds made available in (6) above the first payment will be made 12 months after the commissioning of the wind farm. The fund will be calculated according to annual wind farm production (gigawatt-hours). The amount shall be £400/GWh which will be increased in line with retail prices index every 5th anniversary of the commissioning of the wind farm.
8. Assuming 40 x 2 MW machines and capacity factor between 30% and 35% AMEC estimates the annual fund payable by the wind farm owner will range between £80,000 and £100,000 per year to be distributed between the communities according the allocation outlined in (5) above.

Robert East
Project Director
AMEC Wind Energy
8th February 2006