



Investing in Communities

Community Benefit Guide for Vattenfall UK's Onshore Wind projects

Who is this for?

This is for anyone with an interest in understanding what kind of projects or initiatives could be developed and funded via onshore wind to support them and their community.

It's easy to get involved. Please read this short guide, which will take you through some of the possibilities.

Who we are

Vattenfall is a company of Swedish heritage, which is important to the way we approach our business and our work with communities. The company started its life over 100 years ago working in hydro energy and has grown into a company that employs 20,000 people across six countries and across different energy sources. To this day, we remain fully state owned.

We have clear values and an ethos that places emphasis on working closely with local communities to make sure we are developing projects that can bring lasting, sustainable benefit to you and future generations.

What are Community Benefits?

In the broadest sense, community benefits are the positives that are perceived by host communities deriving from the inward investment into an area that hosts an onshore wind energy project.

Community benefits can include the "Socio-Economic Uplift" an area may experience resulting from job creation during the construction and operational phases of a project, and related supply chain opportunities. These benefits go hand in hand with wider skills development and education.

"Material Benefits" which are required for the development, such as new road junctions to bring heavy loads to a site, may also arise from a project.

Community benefits also include what can be termed "Community Funding", where developers provide monetary payments or benefits in-kind.

What is fundamental to Vattenfall is that this community benefit is tailored to community needs and we do this by undertaking a dialogue with you over the development of the project.

Whats special about onshore wind?

Onshore wind projects offer a unique opportunity for communities to receive benefits over the lifetime of a project, often 25 years plus as technology improves. These are voluntary arrangements and are crucial investments in a community, shaped to their needs.

At Vattenfall we work with governments and communities to develop and deliver best practice in community investment.

Enabling communities to live fossil free within one generation.



Investing in community

How we hope to engage you

At Vattenfall we are keen to see how our developments can help communities understand onshore wind projects.

Vattenfall takes a measured, paced and timely approach to explore the views of the community and aim to take on board feedback and reflect this back to the community to shape the development and maximise its benefits.

To do this we take a number of steps during the development of a onshore wind project:

- **Research**

We spend time researching and analysing the local community context, needs and priorities, your challenges and issues to understand what is important to you.

- **Exploring needs**

We speak to the community about what has been achieved and what needs to be addressed to achieve its aims. We seek views on what challenges communities face and what they would like to see as part of a community benefits arrangement. We also ask for feedback on what area or communities the community benefit should be focused on.

- **Developing ideas**

It is important that we find out more about ideas that have potential to address a community's needs. This means encouraging dialogue from host

communities. We hope to explore what would create most value for those communities economically, socially and environmentally. In tandem, we regularly feedback to individuals and communities who have taken part on ideas that gained wide support and what might be taken forward.

- **Planning application submission**

We usually pause this dialogue for a period whilst we submit our application into the planning process, and will resume and revisit this dialogue shortly after this period.

- **Discussion**

After planning, we will continue to conduct paced and timely engagement on community benefit ideas. It is important that any community benefits arrangement is given wide support from the community before it is finalised.

- **Agreement**

Once we have an idea of what the community benefit might look like, we will discuss how this will be managed longer term.

We will work with the community to explore and develop appropriate governance and set up a legal agreement to reflect the community benefit arrangement between all parties.

- **Monitoring**

Finally we monitor and evaluate management and delivery of community benefits over their lifetime.



Flexible financial benefits

Vattenfall's objective is to enable fossil free living within one generation.

When talking with communities about their needs, there is an opportunity here to raise issues surrounding, the environment and climate change and how it affects people locally. Community Benefits can be transformative sums, and in the current climate crisis, we can help communities to talk about this topic. We can encourage communities to look to the future and see how these sums can help them adapt and address climate change opportunities within their communities.

Communities that find a cash benefit suits their needs have a number of ways to manage and distribute this money to deliver positive benefits to their community.

- **Grant Giving**

So far this is the most common way of managing cash benefits. It usually involves setting up a grant fund with an associated application process and decision making panel to distribute funds.

- **Commissioning**

This is where the community identifies key areas for research and feasibility work that will require further investment. For example, the community may want to investigate the potential for rural transport and may want to commission an investigation into the need for rural transport.

- **Asset/Purchase Management**

Some communities are keen to grow their wealth and own and manage community assets on the communities' behalf. It is possible that a front-loaded cash payment would enable purchase of community assets and ongoing annual payments would enable management of the assets.

- **Repayable Grants**

Communities may wish to set up a repayable grant scheme to help local organisations, services and businesses to develop. Repayment money can be reinvested over time.

We can explore whether your community is interested in a flat or variable rate payment. Below we have provided some outlines of ways other communities have managed their cash benefits.

What flexibility do we have?

- **Flat rate** payment is where the renewable energy developer pays a fixed sum annually based on the governments prevailing advice.
- **Variable rate** the amount is variable i.e. can go up or down depending on the wind farm's performance.

Some communities might be interested in the possibility of exploring changing the balance of their funding so that more funding is drawn down earlier in the wind farms lifetime. This may enable a community to undertake a larger project which requires some degree of upfront investment. Ideas may be developed with the community that explore the suitability of this aspect.

Sharing skills

Vattenfall has lots of experience in other renewable energies including onshore and offshore wind, solar, batteries, hydrogen and smart networks. We are happy to connect with the other parts of our business to develop your own renewables projects and / or draw on our expertise in these technologies.

Key themes we work on:



Local Employment



Supply Chain



Environment



Education



Pen y Cymoedd Wind Farm



Shared Ownership

Investing in the future: taking advantage of ownership opportunities

When developing an onshore wind farm, Vattenfall offers local communities and organisations the opportunity to invest in the project itself. Investing in projects is a very exciting opportunity for local communities as it creates the potential for an additional income stream for the lifetime of the project.

How does it work?

There are different ways that shared ownership can be realised in different regions. One of the most common is to create a model for sharing revenues from the operation of the wind farm with local communities.

If you are interested in this aspect of an onshore wind development project, please make contact with a member of the Vattenfall staff.



For more information on how we invest in and support local communities, visit our web page for information and updates at: <https://group.vattenfall.com/uk/what-we-do/our-projects/investing-in-local-communities>