

Scottish Renewables is the voice of the renewable energy industry in Scotland, representing over 270 organisations working across the full range of technologies providing clean, sustainable, low-carbon heat, power and transport to Britain's homes and businesses.

We welcome the publication of the Scottish Government's draft Energy Strategy and Onshore Wind Policy Statement (herein 'the Statement') and support the Government's vision and high-level aims of decarbonising Scotland's energy production and use. The emissions reduction efforts required through the Climate Change Plan (CCP) are extremely challenging, but the need to accelerate the transition to low-carbon energy has never been clearer.

Onshore wind is already playing a critical role in this transition, but this role must grow if we are to meet our climate change targets and aspirations as set out in the Strategy and CCP. Research has shown that Scotland needs to meet at least half of its overall energy needs from renewables in 2030 if we are to meet our climate change targets at lowest cost<sup>1</sup>. UK Government research has shown that, as one of the most established technologies, onshore wind is now among the lowest-cost forms of new power generation<sup>2</sup>. Continued deployment is, however, essential to unlock further cost reductions and ensure we meet our climate change targets at lowest cost.

We therefore welcome the Scottish Government's clear support for the continued deployment of onshore wind in Scotland and stress it is vital that the Scottish Government continues to work with industry to reduce the cost of power and maximise the competitiveness of all Scottish projects through policy and regulation within its devolved powers. In order to strengthen the existing policy framework supporting onshore wind development, we believe the statement should:

- Ensure all devolved policy levers are being fully utilised to support the industry in unlocking further cost reductions and removing barriers to deployment
- Encourage the consideration of the latest turbine technologies, with increased rotor diameters and hub heights, to maximise efficiency and unlock significant cost reductions
- Commit to preparing guidance on repowering which contains a presumption in favour of re-development/re-use
- Ensure a flexible and inclusive approach to shared ownership is followed, and consider the delivery of a 'community benefits package' for new developments

Our detailed comments to the consultation questions are set out below.

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1

[http://assets.wwf.org.uk/downloads/ricardo\\_energy\\_\\_environment\\_\\_\\_renewable\\_energy\\_in\\_scotland\\_2030\\_2016.pdf](http://assets.wwf.org.uk/downloads/ricardo_energy__environment___renewable_energy_in_scotland_2030_2016.pdf)

<sup>2</sup> BEIS Electricity Generation Costs -

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/566567/BEIS\\_Electricity\\_Generation\\_Cost\\_Report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/566567/BEIS_Electricity_Generation_Cost_Report.pdf)

## Introduction

Scotland continues to be the UK's renewable powerhouse generating a quarter of all the UK's green electricity. Renewable electricity generation is now equivalent to approximately 53.8% of Scotland's electricity consumption, with onshore wind being the biggest contributor. It accounts for over 70% of installed renewable electricity capacity and almost two thirds of output. Added to this, the latest UK Government research shows it is now among the lowest-cost forms of new power generation.

An estimated 7,500 people are employed by the onshore wind industry in Scotland, while activity in the sector generated more than £3 billion in turnover in 2015. This is in addition to the £10 million now delivered to communities on an annual basis through community benefit payments. Scotland currently has over 5.4GW of onshore wind either in planning or consented. Therefore, there is significant additional capacity in the system ready to deploy - capacity which will be required to meet the Scottish Government's ambitions as outlined in the draft Energy Strategy.

These figures illustrate the strategic importance of onshore wind to Scotland's energy mix and economy.

### Questions:

#### **2.1 What is your view on the appropriate approach for the inclusion of wind farm efficiency as a material consideration in the Section 36 consents guidance?**

Scottish Renewables supports the proposal to consider including wind farm 'efficiency' as a material consideration in Section 36 consents guidance. However, it should be noted from the outset that some members are concerned with the terminology of 'efficiency'. Scottish Renewables, therefore, welcomes the opportunity to further explore this proposal in detail through the suggested working group to ensure unintended consequences are avoided and the measure supports the development of onshore wind in Scotland. We believe the working group should commence and complete its consideration as quickly as possible.

The Statement currently proposes to only apply to Section 36 consents. Scottish Renewables believes that any measure introduced must equally apply to developments considered under the Town and Country Planning (Scotland) Act 1997..

As the Statement notes, improved efficiencies ultimately benefit the consumer and provide a stronger basis for delivering long term, sustainable industry. It is clear that 'efficiency' in this context could be defined and measured in a number of ways, many of which may be highly technical. As such, there could be significant challenges in assessing projects on this basis, particularly in the context of the competitive Contracts for Difference process, which is also designed to deliver the most 'efficient' projects.

Therefore, if this proposal is to be implemented, it is important that strong, national-level guidance is provided by the Scottish Government to enable consistency in definition, methodology and assessment across local authorities and statutory consultees. The competence of decision makers to understand and assess 'efficiency' and the way in which it is weighed and assessed in planning decisions will be absolutely critical to its success. This guidance should also help developers understand how to effectively communicate 'efficiency' (however defined) and why it is important to stakeholders, including planning committees and officers. Consideration will also need to be given to scenarios whereby a project does not deliver the 'efficiency' claimed. Strong, national level guidance is particularly important in relation to non-s36 developments.

It is important that sites are assessed on a site specific basis, accounting for the particular characteristics of each development. Therefore, we believe the use of best practice guidelines is the most effective way to encourage 'efficient' projects while avoiding unintended consequences. We do not believe it is appropriate to set a threshold of 'efficiency' for new developments'.

'Efficient' projects will also make best use of the most modern technologies. We are therefore disappointed that the current proposal does not explicitly encourage the consideration of larger turbines with increased tip heights. In August 2016, Scottish Renewables published "Onshore Wind in Scotland: Opportunities for

Reducing Costs and Enhancing Value” which examined 10 interventions which could significantly reduce the levelised cost of onshore wind energy (LCoE) in Scotland.

The intervention with the highest cost reduction potential foresaw reform of the planning system to enable the adoption of the latest wind turbine models with increased tip heights. An average reduction in LCoE across the Scottish onshore wind pipeline of £11/MWh was considered achievable if action were taken to enable an increase in average tip height from 125m to 145m.

For a significant majority of the 7GW onshore wind pipeline in Scotland, planning applications are for a maximum tip height of 125m above ground level or less. This is far below comparable markets such as Sweden or Germany, where tip heights well in excess of 150m are the norm. In 2016, 1,624 wind turbines were installed in Germany with an average tip height of 182.5m, an average hub height of 128m and an average rotor diameter of 109m<sup>3</sup>.

While lower tip heights may be accepted to expedite the consenting process, by limiting the size of rotor and tower height that can be used, the range of wind turbine models available for deployment is limited, often to relatively outdated technology. The combination of reduced energy capture from smaller rotors and shorter towers, and outdated technology, significantly reduces the productivity - or efficiency - of sites, increasing consumer costs. When comparing the average capacities of turbines installed across Europe in 2016, the UK has the second lowest average rating of less than 2MW. This is in contrast to Sweden, Finland and Austria, who all have turbine ratings of 3MW or above, and Germany who ranks 7<sup>th</sup> with an average rating of 2.8MW<sup>4</sup>.

While we understand all projects will continue to be assessed on their own merits against a range of environmental and site specific considerations, we do believe planning guidelines must encourage consideration of the latest technologies with increased rotor diameter and hub height to ensure efficiency is delivered. This will ensure the collective output of all sites is maximised, while unlocking significant cost reductions for the industry and, ultimately, the consumer.

We look forward to engaging positively in further consultation on this proposal and would wish to be represented on any working group to consider how to design and implement ‘efficiency’ as a material consideration.

## **2.2 In this chapter, the Scottish Government has identified three areas of activity where it can offer support to a route to market for onshore wind – do you agree with the issues identified?**

In our publication ‘Renewed Ambitions: Defining the Future of Renewable Energy in Scotland’ we called on the Scottish Government to create the conditions for Scottish onshore wind to be the lowest cost anywhere in the EU15. While Scottish Renewables welcomes the Scottish Government’s desire to support a route to market for onshore wind through the three areas of activity identified, we believe additional actions will be required to bring forward the volumes of capacity needed to meet the targets details of which are set out in response to question 2.3.

Our comments in relation to the consideration of efficiency in consenting are set out in response to question 2.1.

### **Facilitating Cost Reductions**

As noted in the Statement and as referenced above, Scottish Renewables published “Onshore Wind in Scotland: Opportunities for Reducing Costs and Enhancing Value”<sup>5</sup> that examined ten interventions which could significantly reduce the LCoE of onshore wind energy in Scotland. While we welcome the reference to this work in the Statement, we note it does not directly comment on any of the recommendations or proposed interventions. Action relating to improving coherence within the consenting process, facilitating

<sup>3</sup> German Wind Energy Association (BWE) Status of Land-Based Wind Energy Development in Germany 2016. Table 1. <https://www.wind-energie.de/system/files/attachments/press-release/2017/onshore-wind-energy-analysis-german-market-2016-and-outlook-2017/factsheet-status-land-based-wind-energy-development-germany-2016.pdf>

<sup>4</sup> Figure 16 <https://windeurope.org/wp-content/uploads/files/about-wind/statistics/WindEurope-Annual-Statistics-2016.pdf>

<sup>5</sup> <https://www.scottishrenewables.com/publications/onshore-wind-scotland-opportunities-reducing-costs/>

redevelopment (discussed in more detail below) and extending asset life were found to have 'high' or 'very high' feasibility and a 'high' impact on LCoE and we continue to believe the recommendations merit further consideration.

The 'extension of asset life' intervention was found to deliver 10% more energy for a 1% increase in total costs. The report states that the adoption of industry standard 20-25 years for consents is unnecessarily short, given improved technical understanding. 20-25 years has also become standard practice for consenting, perhaps without sufficient challenge from construction and operations teams. Longer consenting terms of up to 50 years, or removal of consenting terms, are therefore recommended for projects in the planning pipeline.

In our response to the recent Scottish Government consultation on the future of the planning system we supported the review's overall aim of achieving a quicker, more accessible and efficient planning process in order to build investor and community confidence in the system. However, we also expressed concern that some of the proposals could undermine the ambitions set out in the draft Energy Strategy and this Statement. The focus of the planning review is urban-centric and relates primarily to the provision of housing. A number of the proposals therefore appear to have significant unintended consequences for the renewables industry, communities and landowners. We believe there needs to be better alignment with the policies set out in the planning review and the draft Climate Change Plan, Energy Strategy, Onshore Wind Policy statement and heat consultations. Please see our response to that consultation for further detail<sup>6</sup>.

## Encouraging Innovation

The proposal to explore the scope for increased PPA provision within the national collaborative contract is welcomed as a strong signal of the continued commitment from the Scottish Government to renewable energy. However, the overall impact of this measure is likely to be limited given the size of the contract. Similarly, in relation to corporate PPAs, while they will play an important role in evolving long-term market mechanisms, current deals are difficult to replicate given their unique natures, and PPA volumes for the foreseeable future appear insufficient to bring forward the capacity of onshore wind required to meet the Energy Strategy's targets. Therefore, their potential as a new route to market should not be overstated.

Our comments in relation to 'efficiency' as a material consideration are outlined above.

### **2.3 How can the Scottish Government, with the powers available to it, further facilitate a route to market for onshore wind?**

Scottish Renewables members have highlighted planning, grid and Non-Domestic Rates (business rates) as key areas where the Scottish Government could facilitate cost reductions and thereby further facilitate a route to market. Some of our members have also raised significant concerns over the impact of the Scottish Government's policy on community benefit and shared ownership in the context of cost reductions. These concerns are explored more fully in response to questions 7.1 – 8.2.

Further detail on proposals to help facilitate a route to market are outlined below. However, it is important to stress that, as outlined above, research has indicated that the single biggest impact on the LCoE of onshore wind in Scotland is the use of larger turbines. We therefore believe planning guidelines must encourage consideration of the latest technologies with increased rotor diameter and hub height. This intervention is within the powers of the Scottish Government and will help ensure onshore wind projects are as efficient and competitive as possible, thereby helping to facilitate a route to market.

## Route to Market

Scottish Renewables welcomes the Statement's prioritisation of finding a route to market for onshore wind development of all scales. This is the biggest challenge facing new onshore wind development in the UK.

A recent study for Scottish Renewables by Baringa Partners found that a new Pot 1 CfD auction for established renewable technologies in 2018/19 could deliver around 1GW of the most competitive new onshore wind capacity at no extra cost to consumers over the life of the contract and could even pay back

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<sup>6</sup> <https://www.scottishrenewables.com/publications/consultation-responseplaces-people-and-planning-co/>

more to the public purse. This analysis was based on the latest evidence of cost reductions as a result of innovation, decreasing turbine prices and the use of auctions to ensure competition. 1GW of onshore wind capacity can meet the equivalent annual demand of 600,000 homes.

The capacity delivered through the auction – most of which is expected to be in Scotland - would result in more than £1 billion of private sector investment in clean energy generation across the country, and would displace some 8 million tonnes of CO<sub>2</sub> over the lifetime of the projects.

Scottish Renewables therefore believes the UK Government must hold a new Pot 1 CfD auction for established technologies in 2018/19.

It is important to stress that this outcome currently only applies to the most competitive 1GW of projects in the development pipeline. Scotland has more than 5.4GW of onshore wind either in planning or consented. This significant additional capacity in the system can play a crucial role in helping to meet the Scottish and UK Government's energy ambitions.

While the industry continues to strive to reduce costs, the UK Government's own analysis shows that onshore wind is on track to be the cheapest form of electricity generation. It is therefore vital that the Scottish Government continues to work with industry to reduce the cost of power and maximise the competitiveness of all Scottish projects through policy and regulation within its devolved powers. Crucially, the CfD mechanism still has a fundamental role to play, offering a low-risk route to market.

## Planning

Scottish Renewables believes a review of the wild land policy introduced in Scottish Planning Policy (SPP) in June 2014 is required. Since the policy was introduced, wild land has been cited as a major issue in a number of planning decisions and risks overly constraining development. Whilst the policy was never intended to preclude any development within a wild land area (WLA) (as per SPP paragraph 215) it appears to be in danger of having that effect. In addition, impacts on WLAs are now being raised in connection with wind farms located outside and at considerable distance from WLAs (e.g. more than 10km), raising the risk of creeping sterilisation of areas out with WLAs. We highlight paragraph 196 of SPP which makes clear buffer zones should not be established.

Since the publication of SPP, industry has been awaiting the publication of guidance and the descriptions of WLAs from Scottish Natural Heritage (SNH), both of which we had understood would be open for consultation. We were, therefore, disappointed to see that the latter was not consulted upon. The descriptions are an integral part of the assessment process in this new guidance so we strongly recommend industry and stakeholders are fully consulted on them.

The new draft guidance from SNH is very different to the current guidance and it is unclear why such a substantive change to the methodology was required. Our members have expressed concern with the lack of clear, technical guidance within the document which leaves it open to interpretation in many areas, and could in turn lead to confusion. A review of the policy is, therefore, required to ensure it is not unnecessarily obstructing sustainable development.

The National Planning Framework (NPF3) is clear that planning must facilitate the transition to a low-carbon economy. We understand the timelines for review of SPP and NPF3 will be announced following publication of the NPF3 monitoring report later this year, however, the timing of this review should not be a barrier to the aspirations of transitioning to a low-carbon economy and a review of the wild land policy should begin at the earliest opportunity.

Planning fees have been highlighted as another area posing challenges, particularly for smaller developments. Scottish Renewables wants to ensure that the structure for charging planning fees is proportionate, fair and ultimately sustainable. In our response to the recent consultation on raising planning fees<sup>7</sup>, we stated that we accept the move towards increased fees but as we have yet to see any details on how performance improvement would be achieved, we do not agree with the proposed maximum fee level at this time.

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<sup>7</sup> <https://www.scottishrenewables.com/publications/draft-consultation-response-raising-planning-fees/>



Based on analysis from members, it is likely that for wind farm applications, the maximum fee would be triggered by a wind farm of four or more turbines. Therefore all commercial wind farms, whether new or repowered sites, would incur the maximum fee, which represents a six-fold increase to £125,000 from the current maximum of £20,055.

With no indication that any corresponding, tangible improvements will be made to the planning service, we were disappointed to learn that the fee increase<sup>8</sup> will be implemented from 1 June 2017. This is likely to impact all onshore wind projects, but especially rural business, communities and small scale wind developments, and acts as a further barrier to achieving a route to market. We would, therefore, welcome further discussions on what interventions could further improve the efficiency of the process (for example, ring-fencing planning fees) in return for a fast-tracked and efficient service. Another suggestion would be to link payment to the delivery of the different phases of an application (pre-application/scoping, application, consultation, determination, condition discharge etc.). Further information on measures to disincentivise poor performance also needs to be clarified.

We also believe a review of the policy on the control of woodland removal is necessary. The potential need to implement off-site compensatory planting is a significant disincentive and risk to developing wind farms on forested land which in many other respects is highly suited to the mixed land use arising from well integrated wind farms. The cost of securing and planting suitable off-site woodland can be very high and the uncertainty over costs and timescales is a barrier to market participation and deployment. Such a review should consider the potential for the Forestry Commission Scotland to support the necessary replanting through the provision of sites or a tariff to fund planting. Robust guidance to local planning authorities on what constitutes appropriate and proportionate compensatory planting would also be helpful.

## **Grid**

Our members have suggested a more coordinated approach to connections could be facilitated, while a bigger roll-out of intelligent management systems and more support for storage technologies could reduce the cost of connecting.

Introducing specific guidance which clarifies that the introduction of proposals for energy storage or advanced equipment to allow additional market participation (ancillary services) to new projects, projects already consented, and projects in the planning system would be welcome. There should be a presumption that these measures should be supported where there are no additional significant adverse effects predicted to arise.

## **Business Rates**

Scottish Renewables will continue to work to ensure that the business rates system in Scotland delivers fair and reasonable values for our members.

Along with submitting evidence to The Barclay Review of Business Rates<sup>9</sup>, Scottish Renewables will continue to engage with the Scottish Government, Scottish Assessors and participate in relevant fora. We welcome the constructive dialogue with the Scottish Government to date, and look forward to continuing to work to ensure that renewable generators are valued reasonably and that the business rating system helps to deliver the ambitions presented in the Strategy.

### **3.1 Do you agree with the Scottish Government's proposed approach to repowering?**

Repowering is essential if Scotland is to maintain and increase its levels of renewable energy and the many benefits the industry brings to Scotland's economy and environment. Given the first larger-scale commercial sites were developed in the late 90's, a continuing programme of repowering could take place from around 2017 onwards, creating a sustainable industry which contributes economically and environmentally over the long term.

Scottish Renewables welcomes the Statement's clear support for the principle of repowering and broadly agrees with the proposed approach, but we believe more support could be provided in a variety of areas as

<sup>8</sup> In a letter from Minister for Local Government & Housing, Kevin Stewart (dated 26 April)

<sup>9</sup> <https://www.scottishrenewables.com/publications/consultation-response-barclay-review-business-rate/>

outlined below. It is essential a robust process for repowering early sites is established, as this will set a precedent for future developments.

It is also important to recognise that not all existing sites will remain viable under current market conditions and a number of them may not seek to repower. While critical to meeting our targets, repowering alone will not deliver the required increase in installed capacity and new sites will continue to be needed.

### **3.2 Are there any further means by which repowering proposals might be facilitated?**

Repowering is essential if Scotland is to maintain and increase its levels of renewable energy and the many benefits the industry brings to Scotland's economy and environment. However, it is important to note that repowering proposals face the same challenges finding a route to market as new sites. Therefore, the focus on facilitating cost reductions is as imperative here as it is with new development. In this context, Scottish Renewables has prepared a position paper on repowering which is included in Annex A to this response. The paper makes a number of recommendations to support repowering of onshore wind developments in Scotland, in particular that:

- Guidance on repowering should be prepared by the Scottish Government
- A presumption in favour of re-development/re-use should be at the heart of the new guidance
- Repowering applications should be assessed against a baseline which considers the current wind farm as 'existing use'.

In order to clearly distinguish repowering projects from other activities, such as ordinary maintenance or life extension, it is important that repowering is precisely defined in guidance. Life extensions are essential to ensure that current levels of onshore wind deployment are maintained. Where there is no change to the envelope of the existing consent, this should be considered separately to repowering. We would ask that a streamlined process is established with a certainty of outcome so that projects where all appropriate asset integrity inspections are complete, and operators are able to provide evidence that the asset is fit to operate are permitted.

We are also disappointed that a more streamlined process is not also being pursued for repowering proposals.

We recognise that established land use will be a material consideration for any new planning application, and understand that for a repowered site a new consent will need to be applied for in each application. A repowering application would still require to be robustly assessed on a range of environmental considerations, but the scope of work could be significantly reduced due to knowledge gained during assessments for the original site and data gathered during its operation. The scope should be discussed and agreed with relevant authorities and key stakeholders as early as possible to ensure that no work is duplicated and that only new, relevant information is developed. The Scottish Government should create clear guidelines for these discussions to ensure a proportionate approach is taken.

The guidelines should also take account of the European Commission's proposed revisions to the Renewable Energy Directive<sup>10</sup> in relation to repowering, which includes the requirement for a 'simplified and swift permit granting process', not exceeding one year from the date on which the request for repowering is submitted. It is also worth noting the Commission paper defines repowering as 'renewing power plants producing renewable energy, including the full or partial replacement of installations or operation systems and equipment, in order to replace capacity or increase efficiency'.

We also believe the commitment towards repowering could be strengthened and repowering proposals further facilitated by the introduction of a presumption in favour of re-development/re-use in planning policy. A range of expectations from stakeholders, local authorities and statutory consultees relating to landscape, biodiversity conservation and community issues have changed markedly since the construction of the first onshore wind farms. Under current conditions and approaches of planning authorities, it is realistic to assume that many potential repowering sites will be overly constrained if a presumption in favour is not in place. A presumption in favour still gives the planning authority the opportunity to refuse a development if the application's impacts are not acceptable.

<sup>10</sup> [https://ec.europa.eu/energy/sites/ener/files/documents/1\\_en\\_act\\_part1\\_v7\\_1.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/1_en_act_part1_v7_1.pdf)

It is essential the Scottish Government provides strong guidance to its agencies and statutory consultees as to how applications for repowered projects should be assessed, in order to ensure there is a coherent approach to delivering the aspirations and requirements of the Energy Strategy.

Scottish Renewables strongly believes the baseline for any assessment should be the site with the existing development, rather than the decommissioned and restored site, and the Statement should be explicit about this. In line with SPP, it is important that the default baseline against which all developments and receptors are assessed is the existing prevailing environmental conditions at the time of application submission. The position regarding suitability in perpetuity as contained in the current version of SPP should be viewed as a reaffirmation of planning circular 4/1998 in relation to the use of conditions in planning permissions. The Circular sets out at paragraph 105 that ‘...the material considerations with which regard must be had in granting any permission are not limited or made different by decision to make the permission a temporary one.’

The cumulative assessment of a repowered project is likely to be carried out against a different landscape and visual context to that which existed when it was first developed. This new assessment may include developments with differing turbine sizes. Further guidance on cumulative impacts assessments in relation to repowered projects would therefore be welcome and Scottish Renewables offers to work with the Scottish Government and other stakeholders to produce such guidance.

Our members have also raised shared ownership, impacts on grid, including how grid companies could plan more strategically for repowering, how the efficiency of the system could be maximised, and whether there were opportunities to deliver better queue management, as issues which also merit further consideration.

Again, there should be consistency in repowering policy between s36 and non s36 developments.

**4.1 Do you agree or disagree with the proposals to pursue option 3, a ‘locally co-ordinated approach’? Please provide reasons to support your answer.**

Scottish Renewables does not agree with the proposal to pursue option 3, a ‘locally co-ordinated approach’. We believe this approach could present a number of significant challenges.

These challenges are primarily driven by issues around commercial confidentiality and differing delivery schedules, which are exacerbated by the current competitive funding environment where projects are direct competitors.

While we feel that coordination of projects pre-consent will not be possible, we agree that there is potential for better coordination on some issues post-consent. Areas that could benefit from a more coordinated approach include O&M costs, forestry, transport, grid, aviation, community benefit/shared ownership and radar.

If option 3 were to be adopted, however, it would be crucial that projects that could not coordinate due to operational, financial or timing issues are not penalised.

**4.2 Do you agree or disagree with continuation of the Scottish Government’s ‘business as usual’ approach (option 4)? Please provide reasons to support your answer.**

Scottish Renewables agrees with the continuation of the Scottish Government’s ‘business as usual’ approach.

Where possible, developers already coordinate, therefore it is important to stress that ‘business as usual’ does not mean ‘do nothing’. As highlighted above, there are areas where improvements could be made within the ‘business as usual’ option involving greater coordination post-consent on issues such as grid, aviation and radar. In line with our response to the repowering and efficiency proposals, more positive policy approaches to onshore wind development would provide more certainty to developers and encourage further collaboration.

Scottish Renewables also agrees that a ‘National Spatial Approach’ is unnecessary and overly complicated. National strategic assessments do not meaningfully capture sensitivities of sites at a local



level, therefore, while potentially suitable for identifying very broad 'areas of search', they cannot be used for more detailed site identification and ultimately have limited benefit to the site selection process. The usefulness of national level spatial maps in relation to providing guidance on subjective issues, such as group 2 areas of protection as identified in SPP, has also been questioned by some members.

However, in relation to option 2, 'regional targets', we believe there is merit in considering regional decarbonisation targets rather than specific onshore wind or technology targets. This could include efforts relating to heat and transport, for example. Such an approach is used in the Netherlands where the national target is delegated to regions.

### **5.1 Do you agree with the Scottish Government proposal to facilitate a strategic approach to the access to, and the cost of using, data from civil aviation radar to mitigate impacts of wind development on civil aviation operations?**

Scottish Renewables broadly supports the proposal to facilitate a strategic approach to the use of data from civil aviation radar to mitigate impacts of wind development on civil aviation operations. However, we note that strategic, cost effective civil aviation solutions are just one component in resolving the wider barrier to deployment that is posed by aviation.

We believe that there also needs to be a focus on Ministry of Defence (MoD) (air traffic control, air defence, low flying, and threat radar associated with the Spadeadam Range) issues. Further, given that wind farms are now a recognised and established part of the UK energy mix, Scottish Renewables considers that there is now a responsibility on aviation to manage the presence of wind turbines as part of its adaptation to an evolving business environment. With the advent of aviation surveillance technology with inherent mitigation capability, we believe that by 2030 at the latest, the responsibility for ensuring that radar / aviation infrastructure can accommodate wind turbines should rest squarely with aviation stakeholders: thereafter, renewables developers should no longer be required to "mitigate" radar impacts. To this end, Scottish Renewables urges the Scottish Government to work with the CAA, Department for Transport and MoD to effect this transition of responsibility.

On the more immediate horizon, Scottish Renewables considers that the Scottish Government has a critical role to play working as an 'honest broker' between aviation stakeholders, government departments and agencies and the renewables industry in seeking to identify and deploy cost-effective mitigation for legacy infrastructure. Member feedback is that direct engagement with stakeholders such as the MoD and NATS can be extremely challenging without this support. Further, as evidenced by the 2010 South West Scotland Radar Feasibility Report, Scottish Government involvement facilitates the adoption of strategic mitigation models. We note, however, that unlike in 2010, the current industry-wide cost reduction initiatives to reduce the LCOE mean that the capacity of the renewables industry to fund ongoing mitigation solutions for legacy radar infrastructure is much more limited.

Other challenges which have been highlighted include the current approaches to turbine lighting of SNH and the Civil Aviation Authority (CAA).

### **5.2 Do you agree with the Scottish Government proposal that the exclusion zone round the Eskdalemuir array should be set at 15 km?**

As a member of the Eskdalemuir Working Group (EWG), Scottish Renewables has been actively involved in the work surrounding the Eskdalemuir noise budget and exclusion zone for a number of years. We continue to support the proposal to extend the exclusion zone to 15km as endorsed by the EWG in 2014<sup>11</sup>. As per the Scottish Government's interim guidance note, these arrangements should be reviewed once the seismic ground vibration contribution of turbines within the 50km consultation zone reaches 90% of the available threshold. If new mitigation technologies come to market, these should be considered in the review process.

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<sup>11</sup> <http://www.gov.scot/Topics/Business-Industry/Energy/Infrastructure/Energy-Consents/Guidance/eskdalemuirinterimguidancedocument>

Further, to allow for the exclusion zone to be effective, Scottish Government and MoD should consider establishing a public-facing list and map of developments in the area that are in planning and operational which are impacting on the noise budget, and what the remaining noise budget is.

### **6.1 Do you have any comments regarding our Peatland Policy Statement and the functionality and the role of the carbon calculator?**

Feedback from our members has been that, in general, the carbon calculator and peat map do not add significant value to the consenting process.

Peat and carbon rich soil guidance has been used sensibly as an indicator of where more detailed studies through the EIA process is important. However, some of our members have suggested more meaningful work could be carried out in relation to peat disposal or positive uses of peat. Scottish Renewables would be happy to work with the Scottish Government and other relevant stakeholders to establish a working group to examine these issues and develop industry best practice.

In relation to the carbon calculator, in line with the draft Energy Strategy's 'whole system' approach and anticipated increases in the electrification of heat and transport, a more appropriate reference point may be an assessment against the carbon intensity of the system as a whole, rather than simply the electricity system.

### **7.1 Are our Good Practice Principles for community benefits from onshore renewable energy developments doing what they set out to achieve?**

Scottish Renewables believes the Good Practice Principles for community benefits have been largely successful, creating a level playing field and industry standard which has delivered over £10 million to communities within the last year.

However, the success of community benefit schemes depends heavily on how the community is organised, and the experience of some of our members has been that these schemes can both unite and cause friction within communities. It therefore remains crucial to connect with local communities in ways beyond the £5k/MW.

While the industry is committed to continuing to provide community benefit and recognise the Scottish Government will continue to encourage developments to offer community benefit packages, it is important to recognise their impact on the viability of projects given the increasing pressure to reduce the cost of energy and secure a route to market for new capacity. We therefore welcome the willingness of government to consider how future community benefit packages may be designed to reflect new business models.

Continued benefits to communities could be delivered in a variety of ways, and a package of support which accepts forms of enhancement beyond direct payment as community benefit should be considered. Flexibility in the design of community benefit packages can also ensure they are better able to reflect community needs. For example, enabling reduced energy bills, shared ownership and the use of local suppliers could be more beneficial to some communities than direct payments.

Other proposals for consideration could include:

- linking the rate of community benefit payments to the productivity of the site
- determining community benefit payments as a percentage of capacity or output, rather than a flat £/MW rate
- introducing a rebate on business rates for community benefit payments or providing other forms of relief

We look forward to exploring these proposals further with the Scottish Government and stakeholders during the review of the Good Practice Guidelines.

### **7.2 Are packages of community benefits that were agreed in partnership with communities, being delivered in practice?**

Scottish Renewables' experience is that community benefit packages are being delivered in practice.

However, some of our members have highlighted a small number of instances of bad practice. These examples focused on successor owners not honouring obligations, and instances of non-payment from private rather than commercial developments on older sites.

A greater concern within the industry is whether the packages are being fully utilised once delivered. We recognise it can be a significant volume of work for a community to be involved in a successful scheme. However, when payments are not spent it often reflects badly on the developer. As stated above, success is therefore heavily dependent on the organisation and capabilities within a community. The pre-existence of a community council and community action plan is beneficial, but it is crucial that a wider range of local groups are encouraged and empowered to become active in the process.

**8.1 If you represent, or are a member of, a community, are you interested in shared ownership and what do you think are the barriers to achieving shared ownership under a renewable energy scheme?**

Not applicable

**8.2 What steps can the Scottish Government take to improve the prospect of further shared ownership development?**

The Scottish Government's ambitious targets for shared ownership projects require a significant step change in their delivery rates. We believe that the best way for the Scottish Government to improve the prospect of further shared ownership is to ensure a flexible and inclusive approach is adopted. We are therefore pleased that the Statement has no intention of prescribing a particular model to be adopted. Scottish Renewables has prepared a position paper on shared ownership which is attached to this response in Annex B.

We continue to support the Scottish Government's Good Practice Principles for Shared Ownership of Onshore Renewable Energy Developments, published in September 2015, and the principles outlined in the report by the Shared Ownership Taskforce established by the UK Government and published in November 2014. The key overarching principles included in both of these documents are:

- flexibility
- cost neutrality
- inclusivity
- no detriment

There are a variety of reasons why a shared ownership offer may not be taken up by a community. Where a community does not have the appetite or capacity to progress with a shared ownership scheme, it must not impact upon the developer's ability to deliver the project. Therefore, rather than restricting development, shared ownership policy must seek to encourage and empower communities to develop the skills and appetite to become partners in renewable energy projects.

To that end, Scottish Renewables supports continued funding of the Renewable Energy Investment Fund (REIF), Community and Renewable Energy Scheme (CARES), and other associated advice and support schemes, as implemented by Local Energy Scotland.

It is Scottish Renewables' understanding that the identity and commercial status of an applicant cannot be a factor in the determination of any planning application. Shared ownership, therefore, is not and cannot be a material planning consideration, however, the ensuing socio-economic benefits of any development may be.

Yet, recent planning decisions have raised questions as to exactly how shared ownership will be treated and assessed within the consenting process. In one instance a reporter had considered that agreed heads of terms added weight to the application, in contrast with another where a share offer did not<sup>12</sup>. Given the lack of clarity amongst stakeholders as to exactly how shared ownership will be treated in the consenting process, we believe guidance from the Scottish Government is urgently needed. We have been working

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<sup>12</sup> Labrax Wind Farm and Millennium South Wind Farm respectively

with Local Energy Scotland on this issue, but we are concerned that the commercial implications on projects and practical delivery within the CfD process has not yet been fully reflected in developing guidance. We would therefore recommend a stronger steer from the Scottish Government on how shared ownership is to be delivered by developers and assessed in planning applications in the context of the CfD framework.

In line with our response to question 7.1 we believe the current Good Practice Guidelines for community benefit should be reviewed to enable benefits to be delivered as a package of support consisting of forms of enhancement beyond direct payment. Ownership offers should be accepted as part of this package where appropriate.

The Scottish Government could also improve the prospects of shared ownership by acting as a pathfinder or facilitating lending to the communities by acting as a guarantor. Reduction in the rate of REIF funding or the provision of an Enterprise Finance Guarantee should also be considered and relief on business rates for shared ownership projects should be ensured.

### **Contact Us**

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## Annex A – Repowering Position Paper

Scottish Renewables has developed the following paper to look at the opportunities for repowering onshore wind sites in Scotland and what the planning system can do to enable repowering to take place in an efficient, responsible and timely manner.

This is an update to a paper that was presented to the Renewables Industry Advisory Group, chaired by the then Minister for Energy, Enterprise and Tourism, Fergus Ewing, and the Chief Executive of Scottish Renewables, Niall Stuart.

### In summary:

- **Repowering:** Repowering a wind farm site involves the removal of wind turbines and their replacement with new turbines on the same site, normally increasing overall generating capacity and output as well as reducing the total number of turbines.
- **The Opportunity:** Repowering offers continued development of the renewables industry and is crucial to Scotland achieving its renewable energy and climate change targets, as outlined in the Scottish Government's draft Energy Strategy and Climate Change Plan. Repowering also presents an opportunity to encourage continued investment in Scotland, and with it, the creation of more jobs.
- **The Role of Planning:** Repowering differs from developing a greenfield site as the area has already been developed and will continue to be used for the same activity. The consenting process can draw on a wealth of data already available to assess impacts. We therefore recommend that the baseline for any application is considered as 'existing use' and has a presumption in favour of consent. It is also important to ensure planning guidelines encourage consideration of the latest technologies with increased rotor diameter and hub height to increase the productivity of sites and reduce consumer costs.

### Why is repowering important?

Repowering is essential if Scotland is to maintain and increase its levels of renewable energy and the many benefits the industry brings to Scotland's economy and environment. Today, renewables in Scotland generate the equivalent of 53.8% of our electricity demand while supporting around 26,000 jobs, saving over 13.4 million tonnes of CO<sub>2</sub> and generating<sup>13</sup> billions of pounds of investment.

As of December 2016 Scotland had 6,135MW of onshore wind in operation, 4,280MW consented and in construction and a further 2,860MW in planning. This means the industry could develop an additional 7GW onshore wind fleet towards 2020. The Scottish Government's draft Energy Strategy suggests 11 – 17GW of installed renewable energy capacity is required by 2030 to meet our decarbonisation targets. It also recognises onshore wind offers the lowest cost renewable technology deployable at scale.

Given the first larger-scale commercial sites were developed in the late 1990s/early 2000s, a continuing programme of repowering could take place from around 2017 onwards, creating a sustainable industry which contributes economically and environmentally over the long term.

Life extensions are also essential to ensuring that current levels of onshore wind deployment are maintained. Where there is no change to the envelope of the existing consent, this should be considered separately to repowering. We would ask that a streamlined process is established with a certainty of outcome so that projects where all appropriate asset integrity inspections are complete, and operators are able to provide evidence that the asset is fit to operate are permitted.

It is also important to note that repowering proposals currently face the same challenges finding a route to market as new sites. Therefore, the focus on facilitating cost reductions is as imperative here as it is with new development. The recommendations in this paper are advocated in this context.

### Benefits of repowering

<sup>13</sup> <https://www.scottishrenewables.com/sectors/renewables-in-numbers/>



As well as the inherent benefits of creating and expanding the mix of renewables in Scotland's electricity system, repowering offers a number of major opportunities:

- Increased capacity and output with fewer turbines, sustaining and growing the level of renewable energy in Scotland.
- Sustaining existing development and construction jobs and the creation of opportunities for new supply chain jobs.
- With the right planning process, create a long-term, stable investment platform for a clear pipeline of repowering projects, easing pressure on consenting authorities and creating the conditions for inward investment in manufacturing facilities in Scotland.
- Reduce our dependency on fossil fuels resulting in lower CO2 emissions.
- The utilisation of two decades of experience in development and engagement with communities to improve siting, design and construction techniques to create better placed, more efficient projects.
- Development of renewables-related intellectual property which can be exported across the globe.

## **The role of planning**

Given the major benefits presented by repowering, it is essential a supportive planning framework is developed to ensure projects can take place responsibly and efficiently. Since repowering will result in a continuation of the same kind of project on the same site, we suggest that any application is considered as one which proposes an 'existing use' and therefore has a presumption in favour of consent.

A repowering application would still require to be assessed on a range of environmental considerations, but the scope of work could be significantly reduced due to knowledge gained during assessments for the original site and data gathered during its operation. The scope should be discussed and agreed with relevant authorities and key stakeholders as early as possible to ensure that no work is duplicated and that only new, relevant information is developed. The Scottish Government should create clear guidelines for these discussions to ensure a proportionate approach is taken.

The full planning lifecycle should be considered to look at ways in which responsible repowering can take place while streamlining the process. This will allow for a timely and efficient transition between the old and new project, to minimise disruption and ensure the opportunity for reusing any existing infrastructure is maximised. Aspects which should be discussed with statutory bodies, include:

- A comparison of the new proposal against the existing site's original 'planning envelope'.
- Use of pre and post-construction monitoring to assess the impact of a new project.
- The scope of visual and landscape impact assessment required given the changes in turbine size and/or re-siting within the site.
- Opportunities to use existing grid connections and infrastructure where practical, and redesign for greater capacity where required.
- Reduced impact on aviation and radar and/or continued utilisation of existing mitigation techniques deployed for the original scheme.
- Use of existing noise conditions and obligations, where there is no history of complaints.
- Use of environmental and ecological information compiled for the original project application, construction and from post-construction monitoring as relevant base-line data for the new application.

Relevant statutory consultees, including the Civil Aviation Authority and the Ministry of Defence, along with other key stakeholders, should also consider how repowering applications could be assessed efficiently, given existing knowledge.

## **Summary of existing policy position**

The following policies from Scottish Planning Policy (2014) set out the current position on repowering:

- Paragraph 161 - Development plans should set out the criteria that will be considered in deciding all applications for wind farms of different scales – including extensions and re-powering.

- Paragraph 170 - Areas identified for wind farms should be suitable for use in perpetuity. Consents may be time-limited but wind farms should nevertheless be sited and designed to ensure impacts are minimised and to protect an acceptable level of amenity for adjacent communities.
- Paragraph 174 - Proposals to repower existing wind farms which are already in suitable sites where environmental and other impacts have been shown to be capable of mitigation can help to maintain or enhance installed capacity, underpinning renewable energy generation targets. The current use of the site as a wind farm will be a material consideration in any such proposals

While these policies indicate strong support for repowering, they are not a presumption in favour of development. A range of expectations relating to landscape, biodiversity conservation and community issues have changed markedly since the construction of the first onshore wind farms. Under current conditions and approaches of planning authorities, it is realistic to assume that many potential repowering sites will be severely constrained if a presumption in favour is not in place. A presumption in favour still gives the planning authority the opportunity to refuse a development if the application's impacts are not acceptable.

### **Environmental Impact Assessment (EIA)**

All repowered schemes will qualify as EIA development and as such, will be accompanied by an Environmental Statement. Scoping is one of the most effective means of streamlining the cost and time of application processes. It is crucial that the information requested is focussed. Efficient and effective scoping results in reduced costs for applicants and allows consultees and decision makers to more quickly identify the key environmental impacts. Ultimately, this reduces the resources required for consultees and consenting authorities when assessing and determining applications.

In line with SPP, it is also important that the default baseline against which all developments and receptors are assessed is the existing prevailing environmental conditions at the time of application submission. Using the restored site as the baseline is inappropriate as the anticipated future baseline may not exist at the date of the assessment and therefore assumptions made about delivery of the restored site are unlikely to be robust.

Further guidance on cumulative impacts assessments in relation to repowered projects is also essential and Scottish Renewables offers to work with the Scottish Government and other stakeholders to produce such guidance.

### **Use the latest turbine**

For a significant majority of the 7GW onshore wind pipeline in Scotland, planning applications are for an upper tip height of 125m or less, above ground level. In other comparable markets such as Sweden or Germany, tip heights well in excess of 150m are the norm. In Scotland, lower tip heights may be accepted to expedite the consenting process but this limits the size of rotor and tower height that can be used on a site. As a result, the range of wind turbine models available for deployment is limited, often to relatively outdated technology, as newer models are targeted at less constrained markets. The combination of reduced energy capture from smaller rotors and shorter towers, and outdated technology significantly reduces the productivity of sites, increasing consumer costs.

It is essential planning authorities and relevant stakeholders understand the benefits of larger more technologically advanced turbines.

### **Conclusion and recommendations**

Scottish Renewables makes the following recommendations to support repowering of onshore wind developments in Scotland:

- Guidance on repowering should be prepared by the Scottish Government.
- A presumption in favour of development should be at the heart of the new guidance.
- The baseline for any repowering application should be considered as 'existing use'.

- Efficient and effective scoping must ensure only relevant new information, using as much knowledge as possible from known impacts, completed monitoring and previous applications, is request and assessed.
- The Scottish Government supports industry, planning authorities and relevant stakeholders in understanding the benefits of larger more technologically advanced turbines.

We recommend work to develop more detailed repowering guidance, should begin as soon as possible, given that sites are already beginning to consider this as an option. This guidance should be linked to the Scottish Government's draft Energy Strategy and the new Planning Bill.

## Annex B – Shared Ownership Position Paper

### 1. Introduction

The Scottish Government's target of 500MW of installed community and locally owned renewable energy capacity was met five years early, and more than £10 million in community benefit funds are now being generated every year, funding hundreds of projects the length and breadth of the country.

The Scottish Government intends to build on this achievement. The Scottish Government's draft Energy Strategy introduces two new targets to increase the Local and Community Owned target to 1GW by 2020 and 2GW by 2030, and promote the expansion of shared ownership projects by ensuring that, by 2020, at least half of newly consented renewable energy projects will have an element of shared ownership. These are extremely challenging targets. It is clear a significant proportion of the new community and locally owned target will have to be delivered through shared ownership projects.

However, shared ownership is still a relatively new and emerging concept in the UK. In Scotland, around 37 shared ownership projects currently exist, delivering approximately 37MW of operational capacity. To achieve these ambitious targets, a step change in the delivery of shared ownership projects is clearly required. This must be delivered against an increasingly challenging policy landscape for projects in development, which currently face a very uncertain future.

This paper sets out principles and measures which Scottish Renewables believe should guide policy on shared ownership in order to ensure that it does not undermine the overall investment framework for renewables and instead, supports progress towards delivery of the draft Energy Strategy's vision.

### 2. Definition

The Scottish Government understands<sup>14</sup> 'shared ownership' to refer to any structure which involves a community group as a meaningful financial partner in a renewable energy project.

### 3. Revenue support

It is important to recognise at the outset the financial landscape within which renewable energy projects are currently operating.

To date, all shared ownership projects have been delivered under the Renewables Obligation, Feed-in Tariff (FiT) and Renewable Heat Incentive (RHI). The introduction of the competitive Contracts for Difference (CfD) mechanism significantly alters the revenue and risk profiles of projects, introducing important new considerations for their delivery.

Under the CfD, once projects have met eligibility criteria they must compete in cost-competitive allocation rounds to secure revenue support. This means that post consent, in comparison to the RO, the risk of non-delivery is increased and the revenue of a project remains uncertain until a CfD is secured. What is certain is that margins are increasingly tight and timing is absolutely critical in the allocation process.

In addition, at the time of writing, there is no commitment from the UK Government to hold a future allocation round for 'established technologies'<sup>15</sup>.

Recent changes to the FiT and RHI, including tariff reductions and deployment caps, bring similar risks for smaller-scale renewables and heat projects.

The timing and form of community involvement in a shared ownership project must therefore be reflective of these risks.

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<sup>14</sup> Local Energy Scotland, Good Practice Principles for Shared Ownership of Onshore Renewable Energy Developments

<sup>15</sup> Established technologies in Pot 1: Onshore Wind (>5MW), Solar Photovoltaic (>5MW), Energy from Waste with CHP, Hydro (>5MW and <50MW), Landfill Gas and Sewage Gas

#### 4. Overarching principles for the delivery of shared ownership projects

Scottish Renewables continues to support the Scottish Government's Good Practice Principles for Shared Ownership of Onshore Renewable Energy Developments, published in September 2015.

We also support the principles outlined in the report by the Shared Ownership Taskforce established by the UK Government and published in November 2014.

The key overarching principles included in both of these documents, which must continue to underpin shared ownership policy to deliver the step change required, are outlined below.

- **Flexibility**

Flexibility is a key component of the deliverability of shared ownership projects. No two communities are the same, and equally no two projects are the same. Capacity, risk appetite, viability and community aspirations will vary on a case by case basis, and by technology type. It is essential that developers and communities retain as much flexibility as possible to develop shared ownership models that work for both parties given their particular circumstances.

This is increasingly important given the uncertainties introduced through changes to revenue support as outlined above.

Any introduction of requirements on timing of offers, offer size or partnership form, run counter to this overarching principle, reducing flexibility for both the community and the commercial developer. Ultimately this will restrict the number of viable shared ownership projects that could be delivered, and must be avoided.

- **Inclusivity**

Scottish Renewables supports building stronger links between individuals and communities, and the energy they use. To that end, shared ownership structures should be as inclusive, equitable and accessible to as broad a range of communities and individuals as possible.

A flexible approach to ownership models must therefore be supported. For example, in addition to the three standard models of shared ownership<sup>16</sup>, consideration should be given to enabling communities to invest in regional or national portfolios of renewables projects or through other finance options (such as crowd-funding or the proposed Scottish Renewable Energy Bond) and for this to be recognised as shared ownership.

This gives the widest possible range of communities and individuals the chance to invest in renewable energy schemes in a way that is best suited to their aspirations, capacity and risk appetite.

- **No detriment**

There are a variety of reasons why a shared ownership offer may not be taken up by a community. Where a community does not have the appetite or capacity to progress with a shared ownership scheme, it must not impact upon the developer's ability to deliver the project.

Therefore, rather than restricting development, shared ownership policy must seek to encourage and empower communities to develop the skills and appetite to become partners in renewable energy projects.

To that end, Scottish Renewables supports continued funding of the Renewable Energy Investment Fund (REIF), Community and Renewable Energy Scheme (CARES), and other associated advice and support schemes, as implemented by Local Energy Scotland.

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<sup>16</sup> Joint venture, split revenue and split ownership are recognised as the three 'standard' models of shared ownership



- **Cost neutrality**

At all times, shared ownership must be taken forward in a way which does not increase project costs. In line with the Scottish Government's Best Practice Principles, projects should strive to minimise additional costs, and where possible should be no more costly than without a shared ownership element.

Shared ownership should also not significantly impact on project timelines.

This principle is increasingly important at this time of doubts over the economic viability of investment in onshore wind or solar above 5MW, and the challenging economics of hydro investment with the new FIT bands. Shared ownership policy should aim to facilitate greater deployment of renewable energy to ensure communities across Scotland can share in its many benefits.

- **Role in planning**

The identity and commercial status of an applicant cannot be a factor in the determination of any planning application<sup>17</sup>.

Shared ownership, therefore, is not and cannot be a material planning consideration. Under the same principle, shared ownership can also not be conditioned on any development through its consent.

However, the ensuing socio-economic benefits of any development may be a material planning consideration. Scottish Planning Policy<sup>18</sup> states considerations relating to proposals for energy infrastructure developments are likely to include net economic impact, including local and community socio-economic benefits such as employment, associated business and supply chain opportunities.

We will continue to work with the Scottish Government and other stakeholders to develop guidance on how shared ownership offers and agreements should be assessed in planning applications in the context of the CfD framework.

## **5. Nature of projects and technologies**

In line with the Shared Ownership Taskforce's report, we recommend that interested communities should only be offered shared ownership of commercial projects whose primary purpose is to export energy onto a public network.

It is also important that any new guidelines on shared ownership reflect the very different commercial realities of the wide range of renewable energy technologies, all of which are at differing levels of maturity and deployed at very different scales. The various technologies have very different risk profiles and there may be greater challenges to open up projects to shared ownership in some areas (for example large scale offshore wind) than others.

The existing good practice principles have been developed for onshore renewable energy developments, with a particular focus on onshore wind. Further discussion and dialogue is required if the guidance is to be extended to other technologies.

## **6. Conclusion**

The ambitious targets for community and locally owned energy and shared ownership projects as set out in the draft Energy Strategy will require a step change in their delivery rates. This will be particularly challenging within the current financial landscape in which renewable energy is operating.

We believe that the best way for government to continue the growth of our sector while widening the ownership of projects is to ensure a flexible approach.

Scottish Renewables will seek to play an active role in the development of policy in this area to ensure that the principles set out above are adhered to.

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<sup>17</sup> Please also see [Scottish Government Planning Circular 4/1998](#) paragraphs 91 and 92

<sup>18</sup> para 169