



Appendix 1.1

Community Investment Leaflet



Background

Forestry and Land Scotland* appointed ScottishPower Renewables as one of several developers to investigate the possibility of developing renewable energy projects on Scotland's national forests and land.

ScottishPower Renewables has been investigating this opportunity and our Carrick Windfarm, in South Ayrshire, is currently under development. We have carried out a range of environmental surveys and consulted with a wide variety of local stakeholders and anticipate the project is likely to host up to 13 turbines capable of generating around 73 megawatts.

This capacity will help meet our increasing demands for cleaner energy, and will contribute towards the Scottish Government's targets for renewable energy, a low carbon economy and greater energy security.

The process to take a windfarm from initial environmental assessments, to receiving permission to build and operate it, through to the point where communities may invest could take approximately five years.

Should ScottishPower Renewables receive consent to build and operate Carrick Windfarm, we intend to provide benefits to the local communities. This will include an opportunity to invest in the operational windfarm, should the community choose to do so.

Community participation

We will talk to local stakeholders and Forestry and Land Scotland to determine which communities are eligible to participate. The criteria that will be used to define an appropriate Community Organisation comes from the community right-to-buy under Land Reform legislation. These include:

- being properly constituted;
- being geographically defined and situated by, near to, or on the land proposed for development;
- having open membership - membership of the Community Organisation is expected to be open to all members of the Community the Organisation represents; and
- ensuring members of the Organisation remain in control of the Organisation.

Responsibility resides with the Community Organisation to show how it has defined the community area. Existing geographical boundaries that can help with this include: community council areas, postcode units, council wards etc.



The Scottish Government has developed a Rural Community Mapping Tool to assist communities:
<http://crtb.sedsh.gov.uk/crtb/>

*On 1st April 2019, Forestry Commission Scotland became part of Scottish Government, with the regulatory agency named Scottish Forestry and the land management agency Forestry and Land Scotland.

Proposed Investment structure

Interested Community Organisations who decide to invest will need to form a single Community Vehicle to channel their investment. The Community Vehicle will be the entity that administers the community benefit fund and would also have the opportunity to invest in the operational wind energy generation element of the development, on behalf of all the interested Community Organisations.

The Community Vehicle will be given the opportunity to:

- A) Receive a community benefit payment to the Community Organisation, OR
- B) Raise capital to invest in the operational wind energy generation element of the development*

There is no obligation on the Community Organisation to invest. The Community Vehicle may select to receive the community benefit payment without investing.

*The Community Vehicle will need to raise funds from third parties such as banks or individuals in order to invest.

Risks of investing

Investing in an operational windfarm carries risks as we cannot predict how the windfarm will perform.

At this stage in the windfarm's development it is not possible for ScottishPower Renewables to provide accurate information regarding the return on investment the Community Vehicle could make. This will become more clear after the project has received planning permission and we move towards construction. At that stage we will know the size of the windfarm and more accurate

information about project finances. ScottishPower Renewables will only progress the project if it is financially viable for us to do so.

Once the windfarm is operational any return the Community Vehicle may get from the investment would be variable, and would depend on how much energy the windfarm produces. Any return may not be paid out for a number of years and there is no guarantee on a return from the investment.

Investment information

Should the windfarm receive planning consent, ScottishPower Renewables will publish an appropriate investment Offer Document. The Offer Document will detail what the Community Vehicle could expect to earn from an investment and the related risks. The Community Vehicle will not need to decide if it wishes to invest until an Offer Document is provided and should base the decision to invest solely on the information provided within the Offer Document.

Important notice: This document is intended to provide initial information on the process that will be undertaken in relation to the investment opportunity that ScottishPower Renewables will make available to the Community Vehicle to invest in the windfarm following publication of the Offer Document. Its contents are not a financial promotion, and do not constitute an invitation, inducement or offer to invest in that development or engage in any other investment activity.

Support for Communities

The Scottish Government has put in place a number of mechanisms to support communities that wish to invest in renewable projects. Local Energy Scotland can help guide communities through the process and provide access to grants which can be used to pay for legal and financial advisers to help you consider if an investment opportunity is appropriate for your community. The Scottish Government funds the Community and Renewable Energy Support (CARES) scheme, which can provide repayable finance to communities to help them invest in renewable projects.

CARES is administered by Local Energy Scotland, more information can be found at <https://www.localenergy.scot/>

We will keep you informed as the project progresses and, in line with Forestry and Land Scotland guidance, we will provide

you with information in a timely manner so you are able to fully assess the opportunity. If you think that your Community Organisation may be interested and would like to receive more information as it becomes available, please register your interest with ScottishPower Renewables.

Further information about community investment in renewables on the National Forest Estate can be found on Forestry and Land Scotland's website.

For further information about Carrick Windfarm please contact carrickwindfarm@scottishpower.com or write to: Carrick Windfarm Project Team, ScottishPower Renewables, 9th Floor, ScottishPower House, 320 St Vincent Street, Glasgow, G2 5AD.

Carrick Windfarm Project Team

ScottishPower Renewables
9th Floor
320 St Vincent Street
Glasgow
G2 5AD

carrickwindfarm@scottishpower.com

