

CLOCAENOG FOREST WIND FARM

Community Investment Update

July 2018

Clocaenog Forest Wind Farm

Innogy Renewables UK Ltd (innogy) has commenced the construction of Clocaenog Forest onshore wind farm. In total, 27 turbines will be erected within the working forest, managed by Natural Resources Wales and located near Denbigh. Clocaenog Forest Wind Farm will have an installed capacity of up to 96 megawatts which will provide enough clean/green energy for the equivalent domestic needs of up to 63,800 average UK households¹. The project will play a significant role towards helping Wales to meet its renewable energy targets.

innogy investing in your community

innogy has a proven track record spanning over twenty years of investing in the communities that surround its developments.

Clocaenog Forest Wind Farm will deliver a community investment fund of up to £768,000 per annum, index linked, that will become available once the wind farm is fully operational which is expected to be late 2019. This means a total investment of more than £19 million over the lifetime of the wind farm.

innogy is committed to working with local communities and key stakeholders to tailor the fund to maximise the effectiveness of this considerable investment. We have already been taking on informal feedback from local people about the funding throughout the development process including attending public exhibitions and the recent construction drop in sessions.

During the development of the wind farm innogy became aware of the Hiraethog Development Strategy work that was being undertaken on behalf of Cadwyn Clwyd, Denbighshire County Council and Conwy County Borough Council. As the Hiraethog Study included many of those communities closest to the wind farm, innogy chose to defer any further consultation on the community investment funding until after this work was complete. This work will provide useful context to further consultations around the Clocaenog Forest Wind Farm Community Investment Fund. We also did not want to burden communities with too many different and confusing consultations. Whilst there are synergies in the communities relevant for the Hiraethog Strategy and Clocaenog Forest Wind Farm innogy will be considering the area of benefit for the community investment fund independently.

At this point no final decisions have been made about how the Clocaenog Forest Wind Farm Community Investment Fund will operate or the exact geographical area that will benefit. These decisions will not be made until innogy have completed an exercise to listen more deeply to the views of the local community – this is scheduled to take place in Autumn 2018.

¹Energy predicted to be generated by the proposal is derived using wind speeds monitored in the local area and correlating to longer term historical weather data using meteorological models seeded with data obtained from satellite, surface-based and airborne measurement systems. The calculations are based on an installed capacity of 96MW. Equivalent homes supplied is based on an annual electricity consumption per home of 4100 kWh. This figure is supported by recent domestic electricity consumption data available from The Digest of UK Energy Statistics and household figures from the UK National Statistics Authority.



Why is the Clocaenog Forest Wind Farm Community Investment Fund such an exciting opportunity?

- It is long term
- It is really flexible
- It has potential to attract additional "match" funding
- It can be used to encourage creativity and innovation

Highlights of the Hiraethog Development Strategy

This is a development strategy for the economic and community regeneration of Hiraethog, the large rural, upland area straddling the borders of Conwy and Denbighshire in North Wales. The work was commissioned by Cadwyn Clwyd and Conwy Rural Local Action Group with the research work carried out from July to September 2014

The aim of the Hiraethog Development Strategy is to "Sustain and develop Hiraethog as a place where people want to and are able to live, work and play utilising and sustaining the areas unique natural environment, landscape, heritage and culture." The strategy has identified five key objectives as well as 14 actions which are proposed to implement it – you can view the full document on the Clocaenog Forest page of the innogy website. www.innogy.com/clocaenogforest

A Hiraethog Development Strategy Steering Group (including local community representatives) has also been recruited to help implement the strategy as well as a Co-ordinator.

Next steps – innogy's Fund Development Process

In terms of developing the Clocaenog Forest Community Investment Fund, innogy's next step will be to allow local people to have their say about how the fund could best be designed for your community. This will include the opportunity to have your say about:

- Options which innogy will propose for the geographical area to benefit from the funding
- How you would like to see the funding administered
- Who you would like to see involved in making decisions about funding allocation
- How much you know about the Hiraethog Development Strategy and Steering Group and if you feel it still represents the needs of your local area
- Ideas you have for how the funding could be invested
- Any other issues you think are important

There will be opportunities to take part in this consultation through a questionnaire that will be mailed to households living close to the site, through an online questionnaire shared through innogy's website, e-newsletters and the local press and through drop in sessions which will allow people to view large scale versions of the proposed geographical area of benefit maps.

As part of the consultation innogy also intends to host a strategic stakeholder event to help maximise the effectiveness of this significant investment and to ensure the funding structure is being developed to complement the wider funding and policy context. A cross section of organisations and individuals, with a broad range of relevant skills and experience, will be invited. In most cases they will have a broader strategic remit with a working knowledge and understanding of local priorities, as opposed to representing individual interests.



The results of this consultation will then be carefully considered by innogy and will be used to shape the final geographical area of benefit for the fund and the parameters for how it will operate. The Well Being for Future Generations (Wales) Act is about improving the social, economic, environmental and cultural well-being of Wales and will also be considered in the final fund design. To find out more about the act please visit the Welsh Government Website. https://gov.wales/topics/people-and-communities/people/future-generations-act/?lang=en

innogy has committed to appoint a fund administrator through an open procurement process. Full details of this process and how organisations can get involved will be made available in the local press and on the Clocaenog Forest page of the innogy website. www.innogy.com/clocaenogforest

The Clocaenog Forest Wind Farm Community Investment Fund will be a completely new, bespoke funding arrangement, but innogy are keen to explore any possible synergies with the already operating Gwynt y Môr Offshore Wind Farm Community Fund.

Examples of other innogy community funds in Wales

The Gwynt y Môr Offshore Wind Farm Community Fund, also in North Wales, is a similar scale, the table below shows what the fund has achieved in its second year.

Amount of match funding secured: f £1.7~million

Number of projects supported: 36

Number of jobs created: 32.5

Number of jobs safeguarded: 73.5

Number of charities supported: 16

Amount of funds committed: £892,163.59

Number of social enterprises supported: $oldsymbol{4}$

Number of community groups supported: 25

Number of additional tourists attracted to events: 78,700

If you would like to learn more about how the Gwynt y Môr Fund was set up and about some of the fantastic projects it is now supporting please visit the Gwynt y Môr page of our website.

www.innogy.com/web/cms/en/3783042/innogy-renewables-uk/in-your-community/gwynt-y-mr-fund/



You can also find out more about how the Brechfa Forest Wind Farm Fund in Carmarthenshire has been set up. At Brechfa Forest in addition to contracting a professional, independent organisation to administer the fund, innogy have also invested in the services of a community development organisation together with a locally based community development officer who will support the communities closest to the site to fully exploit the opportunity this fund presents. www.innogy.com/brechfaforest

Indicative fund development timeline

Autumn 2018 – Community Consultation

Autumn 2018 – Strategic Stakeholder Workshop

Spring 2019 - Consultation results available

Late Spring / Early Summer 2019 — Procurement process to recruit administrator/s to manage the Clocaenog Forest Investment Fund

Winter 2019 (approximately) – Investment Fund launch (subject to the wind farm becoming fully operational and all fund administration processes being in place)

Getting involved and keeping up to date

As the funds will not be made available until the wind farm is fully operational, the best way to keep up to date on progress with the fund consultation and development of the fund as well as the wind farm development itself are:

Web: www.innogy.com/clocaenogforest

Twitter: @innogy_uk

If you have any questions please email: $\underline{community.investment@innogy.com}$

Or write to:
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Senior Community Investment Officer
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Please visit our website to find out more about innogy's work in communities across the UK – www.innogy.com/in-your-community