SUBMISSION FROM FALCK RENEWABLES WIND LIMITED

As a major investor in renewable energy development and operation in Scotland, Falck Renewables Wind Ltd are grateful for this opportunity to contribute written evidence to the Committee’s Inquiry. We would be happy to provide further, oral, evidence if the Committee considered that this would be of assistance to them.

Background

Falck Renewables Wind Ltd is a UK based company operating since 2002 across the UK and now in Europe. Our European Operations base is in Inverness.

We are part of the Falck Renewables Group which produces energy from wind, solar, biomass, and waste, taking our place among the biggest "pure players" in the European renewable energies sector.

Falck Wind Ltd currently have 5 operational projects in Scotland, with a further 3 consented and in the next stages towards construction and operation, bringing our current capacity to 280MW in Scotland.

Employment

Falck’s European Operations base in Inverness employs 10 staff. From this centre we monitor the operational performance of our projects in 4 countries in Europe – Italy, UK, France and Spain. Our decision to establish this key operational base in Inverness was based on our view that Scotland is the best onshore wind market in Europe and the country where we would have the largest proportion of our portfolio of wind farms.

We have contracts with the turbine manufacturers who maintain our wind farms and estimate that including sub-contractors, environmental consultants and ongoing development contracts, our operations support a further 60 FTE jobs in Scotland. Our contracts with these companies can bring economic investment into Scotland. Partly as a result of our projects Enercon have opened maintenance offices in Boyndie and Portree and Nordex and Atmos Consulting have offices in Edinburgh and Inverness.

Falck Renewables Wind Ltd seeks to place contracts for the construction, operation and maintenance of our wind farms with local companies wherever possible and commercially viable. Large equipment and construction contracts, totalling approx. £25m to date, have been placed with Scottish companies including RJ Macleod, Morrison, Tulloch Construction and Scottish Hydro Contracting.

In addition we seek to involve smaller local companies by arranging “supplier days” prior to the start of construction work.

Community Involvement

Falck have adopted an approach where we try and involve communities in our wind farm developments from the earliest possible viable stage in the planning and application process. We do this from a genuinely held belief that communities should share in the benefits of our wind farms.
Falck have a strong track record in developing our community engagement beyond what might be considered the 'traditional' community benefit scheme.

Our approach facilitates communities benefitting from the professional approach we bring to the development, construction and operation of wind farms. We believe that our community schemes have helped improve the understanding and acceptance of wind farms and they have been a trigger for further community environmental projects. There is a lot of support for community led schemes and smaller scale Feed in Tariff [FiT] schemes, for domestic and community developments. We offer two examples of our approach.

**Community Turbines**

In our Dunbeath project, Falck’s community benefit package is innovative in that it includes payments from community turbines, in addition to the then more standard community benefit payment of £2,000 per MW (partly linked to capacity and partly linked to output). The current proposal for a 17 turbine layout based on 3 MW turbines would deliver between £202,000 and £222,000 per annum which equates to over £4,000 per MW.

This arrangement is modeled on the community turbine which is part of Falck’s Earlsburn wind farm. Falck agreed to finance, construct, own and operate a turbine, on behalf of the local community, in an arrangement with Fintry Renewable Energy Enterprise (FREE). This innovative arrangement is now used as a model of best practice.

The FREE turbine has provided funding for a number of community energy efficiency schemes and has been a focal point in the village community for increased awareness of renewable energy, energy efficiency and tackling climate change.

**Local ownership opportunity**

Falck projects offer people the chance to own a share in their local wind farm through a series of local cooperatives. Working in partnership with Energy4All, a co-operative is established which purchases a share in the wind farm.

Local people are able to join the co-op, buying shares worth between £250 and £20,000. Profits from the sale of green electricity produced by the wind farm are distributed to members through an annual dividend.

Through our partnership with Energy4All, we have seen over 2,500 people investing nearly £6m in our wind farms. We believe that this sense of ownership and involvement is one of the strengths of the Falck approach and one that can be missing from other initiatives where wind farms help fund community projects, or where community projects are funded by grants.

**Conclusion**

Large on-shore wind farms provide clean energy at the lowest cost per MWh. Wind farm development companies have the skills and resources to develop, build and operate windfarms in the most efficient way. The developments we have seen in on-shore wind generation are the foundations on which off-shore and other renewable technologies can
be built. On-shore wind remains crucial in providing the cornerstone of renewable energy generation whilst these new and emerging technologies develop.

At Falck Renewables Wind Ltd, we believe that we demonstrate the capacity to provide the renewable energy Scotland needs both to meet the country’s own generation targets and to make significant progress in reaching the ambition Scotland has for its leading place in the global renewable industry.

But in doing so, we firmly believe that our success must be matched by the local community’s own success in its development and engagement. We take our responsibility for community engagement seriously and whilst we are proud of the innovative steps we have taken so far, we are confident that we can make further improvements in our mutually beneficial relationship with the local communities in which we work.

Falck Renewables Wind Limited
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