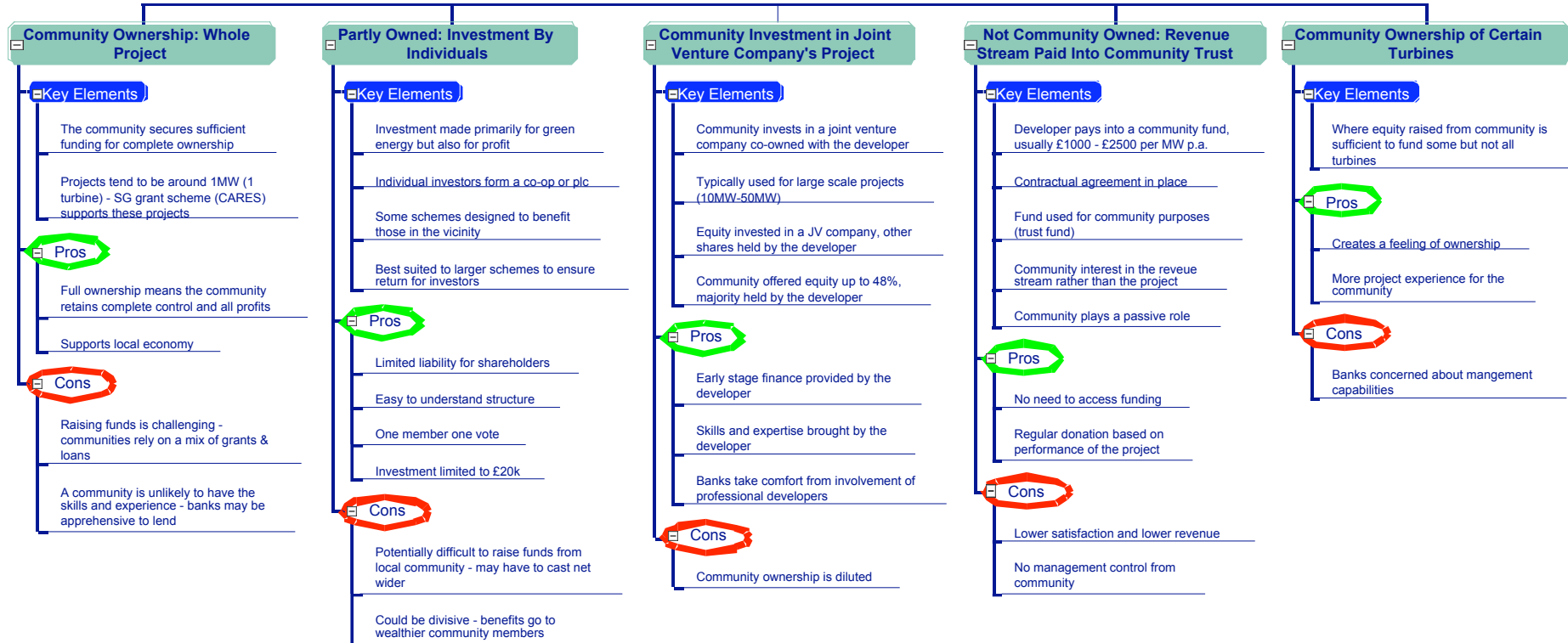


Investment Models and Case Studies



Isle of Gigha - 3 turbines
 Total capital expenditure: £440K
 (SCHRI £82K, Lottery £50K, Bank loan £148K, Equity £120K)

Gross annual income of £150K is anticipated. By generating their own electricity and selling their Renewable Obligation Certificates through their electricity supplier, Gigha residents will generate a new source of revenue for the island, whilst providing funds for the replacement of the turbines at the end of their working life.

The residents are using the net profit from the project to fund energy efficiency improvements (opportunities for local businesses and skills development), which should in time allow the community to reduce their energy consumption and achieve an even higher contribution from renewable energy without any expansion in generating capacity.

Boyndie Wind Farm Cooperative
 Investment per individual: £250 - £20,000
 Equity raised by community: £728,000
 Return on investment: 6-10% p.a.

The Boyndie Wind Farm Cooperative Ltd purchased a stake in this 7-turbine wind farm from owners Falck Renewables.

The 716 members which will benefit from the wind farm are mostly within 30km of the site.

The Coop was facilitated by Energy 4 All, an organisation which specialises in establishing coop ownership for all or part of a renewable energy project.

Neilston Community Wind Farm
 12MW, 4 turbines
 Total capital cost: £10M
 Equity: 49.9% community, 50.1% developer
 Return for community: £250-350K p.a. for 12 years, tax free (during period of debt) then between £500k and £1M per annum.
 Status: planning application submitted

The wind farm developer Carbon Free Development has invested £150k and its expertise to submit a planning application and has promised to allow the community, via Neilston Development Trust, to purchase up to 49.9% of the wind farm in a joint venture limited liability partnership. A 90% loan from coop bank is anticipated with £1M equity to be found between the joint venture partners. Options for the community's £500K include loans, mezzanine finance, or a "smart philanthropist". The Neilston community aims to use the revenue to fund local regeneration projects as part of its "Renaissance Town" plans.

Novar Wind Farm
 Scale of development: 17MW
 Community revenue: £1000 per MW p.a.
 Revenue split: 36.6% Ardross, 33.3% Alness and 30% Kiltiernan community councils

Payment is to Highland Council, which then disseminates funding to the community councils. While this limits the level of direct contact between the site operator and the community councils, this has the advantage of reducing administrative demands. Projects that have benefited to date include, Ross-shire Care Scheme for Handicapped Children, the West End Community Hall, the Millennium Garden Project for Alness Environmental Group and Alness & District Times Community Newspaper. Ardross Community Council has used its share of the funding to provide twice-yearly electricity payments to households where at least one resident is over 70 (approximately 22 households each year) to help alleviate fuel poverty in the area.

Earlsburn Wind Farm / Fintry
 Scale of development: 37.5MW, 15 turbines, 1 of which is community owned
 Community revenue: £900,000 over the first 15 years while debt is repaid, then roughly £4 million over the remaining ten years of the expected lifespan of the turbines.

The community in the village of Fintry negotiated with the developer for one additional "community" turbine on top of the 14 it had planned. The community pays back the installation and maintenance debt from the revenues of that turbine. Benefits go to all members of the community, there is no need for individuals to invest.

First payment received by the community in May 2007 was £140,000. The money is being used to fund an energy survey and energy efficiency improvements in the village.