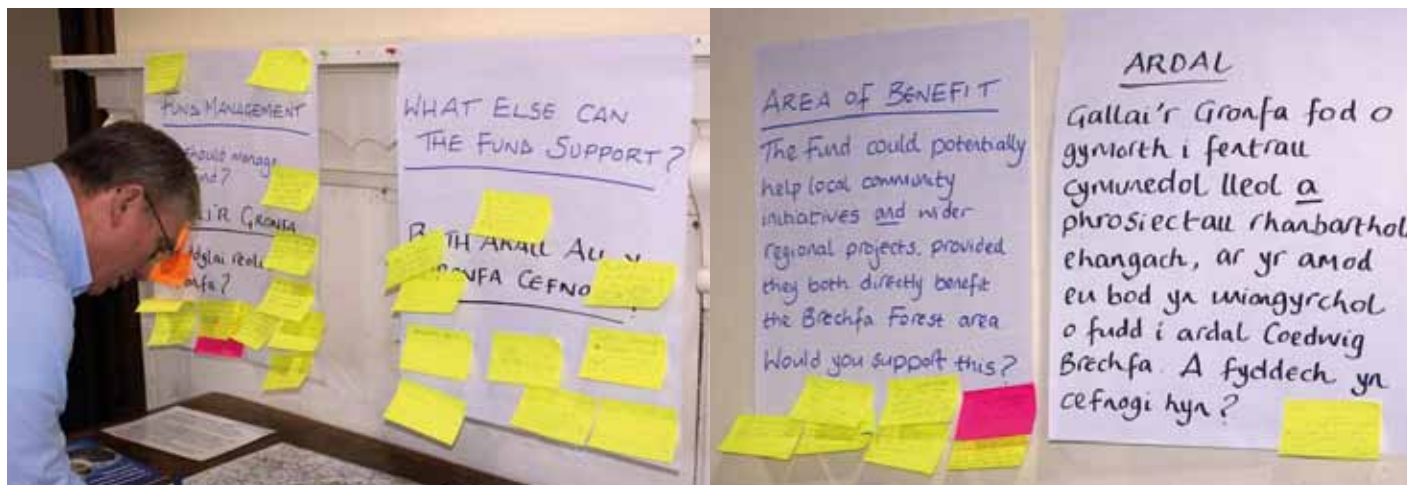




innogy

Brechfa Forest West Wind Farm

Community Investment Update: April 2017



innogy investing in your community

innogy (formerly RWE Innogy UK) has a 20 year track record of investing in the communities that surround its developments. Brechfa Forest West Wind Farm will deliver a community investment package of **£459,200** per annum, index linked, that will become available once the wind farm is fully operational which is expected to be Spring 2018.

This means a total investment of more than £11 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 begun this process, in 2013 independent consultants were commissioned to carry out an initial consultation with local communities, Councillors and other key stakeholders on potential priorities for the fund. Over 135 individuals and 38 local organisations took part. The results of this extensive consultation and research is reflected in a **Brechfa Forest Community Profile** which can be viewed on our website: www.innogy.com/brechfaforest

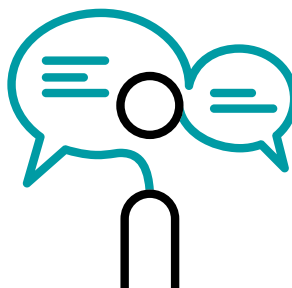
Highlights from the Brechfa Forest Community Profile

Key themes raised included:

- enabling meaningful and better paid employment opportunities
- expanding the tourism industry to encourage people to stay in the area longer
- supporting the development/improvement of community facilities
- providing business support through grants and affordable loans
- supporting the development of community/social enterprise
- improving communications including mobile phone, broadband and transport provision
- encouraging the supply of affordable housing
- supporting renewable energy schemes for local households and businesses

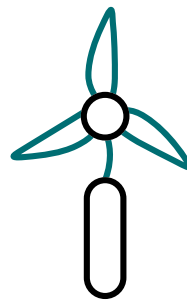
"We need to invest in reasons to attract people here"

"We need a vibrant working community – without young people there won't be a community"



Broad structure of Brechfa Forest West Wind Farm Investment Fund

Having carefully considered the recommendations of the Community Profile, innogy is proposing to adopt the following overall fund structure:



Brechfa Forest West Wind Farm Investment Fund

- £459,200 per annum for the lifetime of the wind farm (up to 25 years)
- Available once the wind farm is fully operational
- To benefit both the communities that neighbour the wind farm and the wider region
- Professionally administered independently of innogy

The Community Fund will consist of two separate but related parts: the Local Community Fund and the Regional Fund

- The intention is to retain an element of flexibility to decide how the annual fund income is divided between the two funds.
- The intention is to adopt a structure whereby no sound application to the Local Community Fund will lose out at the expense of the Regional Fund.

The Local Community Fund

- Supporting the communities that are closest to the site. The exact area of benefit has yet to be determined by innogy.
- With broad criteria and a simple application process.
- Decisions on awards made by a panel of volunteers who live, work or volunteer within the fund's area of benefit.
- Flexibly designed to enable the panel to maximise the impact of the funding and respond to changing community needs over the lifetime of the fund (up to 25 years).

The Regional Fund

- Open to applicants from the wider region which is yet to be determined by innogy.
- Themed to reduce competition to a manageable level.
- Fund themes will be pertinent to both the Brechfa Forest communities and the wider region.
- Reviewed regularly by the administrator and innogy to respond to changing priorities over the funds lifetime.
- Decisions on the allocation of fund's made by a panel of professionals with expertise and knowledge on the themes of the fund, plus a representative from the local community fund panel to promote and encourage links between the two funds.

Next Steps: innogy's Fund Development Process

In terms of developing the **Local Community Fund**, innogy's next steps will be to draw up a proposed area of benefit for the fund. This proposed area of benefit will then be made available both on our website, publicised in our wind farm e-newsletters and consulted on directly with the key local stakeholders closest to the wind farm. The results of this consultation will then be carefully considered by innogy when defining the final area of benefit for the fund.

In terms of developing the **Regional Fund**, innogy intends to form an Investment Fund Advisory Group to help to design the fund in order to maximise the effectiveness of this significant investment.

The Investment Fund Advisory Group

In 2017 a Brechfa Forest West Wind Farm Investment Fund Advisory Group will be set up with a remit to provide detailed feedback and advice to innogy to assist the development of the regional fund. This is a similar approach to the one innogy used successfully when developing the Gwynt y Mor Offshore Wind Farm Community Fund (see over).

A cross section of organisations and individuals, with a broad range of relevant skills and experience, will be invited to join the group.

Members will be likely to have a broad strategic remit, as opposed to representing individual interests and the approach to the group's work will be open and transparent with meeting notes available on our website.

Fund Development Case Study – Gwynt y Môr Offshore Wind Farm, N Wales

innogy adopted a multi stakeholder, partnership approach to developing the Gwynt y Môr Community Fund which will invest in the region of £19 million over the offshore wind farms lifetime. An advisory group, with members from the public, private, education and training, and voluntary sectors, pooled their expertise and local knowledge to develop the very best structure and delivery mechanism for the fund, building on the feedback from the community consultation on the fund. This partnership approach resulted in a bespoke fund - tailored to address funding gaps and build on successful existing funding practices - thus ensuring maximum impact from these new, flexible funds which have the potential to deliver well beyond their original £19 million investment.

Stage 1 – Engaging the wider community

In February 2012 innogy listened to the views of over 1000 organisations and individuals on the potential priorities, structure and operation of the Gwynt y Môr Community Fund. The consultation focused on what priorities the fund should address, how it should be managed and which communities should benefit.

Stage 2 – The Advisory Group

innogy convened an Advisory Group of local stakeholders, representing the broad North Wales area to provide advice and expertise to support innogy to take forward the results of the consultation and to develop a fund structure. The group also explored how our funding will work alongside other funding streams and activities to achieve a more joined up approach to funding. Membership of the group included representatives from the Local Authority and Voluntary Sector from each of the three counties (Conwy, Denbighshire and Flintshire) as well as representatives from Higher Education sector, social enterprise and the business sector. The Advisory Group meet at monthly intervals and notes from their meetings were shared on innogy's website to ensure transparency.



The initial agreed fund themes are:

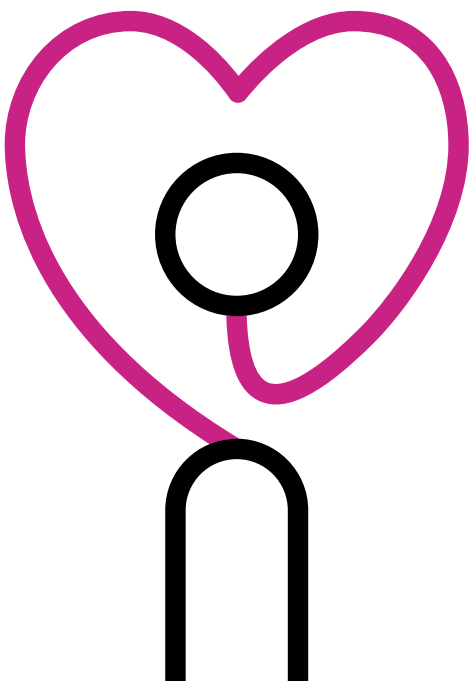
Theme 1 – Building strong, cohesive and sustainable communities

Theme 2 – Developing prosperous, enterprising communities with strong economic growth

Theme 3 – Reducing poverty and inequality in communities

Stage 3 – Fund Administration

We completed an open procurement process to identify a suitable organisation to manage the fund. This unusual and exciting opportunity received a high level of interest from a range of organisations. The tender opportunity was advertised in the local media, and Gwynt y Môr received 12 expressions of interest and eight full tender submissions. Following a rigorous interview process we were delighted to appoint Community & Voluntary Support Conwy (CVSC) working in co-operation with Denbighshire and Flintshire Councils for Voluntary Services. For more information on the fund please visit www.gwyntymorfund.cymru



"The fund is doing great work and is a great example of a community benefit model"

Peter Davies, Chairman, Wales Council for Voluntary Action

Community funds in action: Case Study - Gwynt y Môr Offshore Wind Farm



The Gwynt y Môr Wind Farm Community Fund was tailored to address issues that are pertinent to the North Wales area. One of the key priorities for the fund was to support the creation of jobs, training and volunteering opportunities. In the first year of the fund's operation its awards enabled the creation of 14 new jobs and the safeguarding of a further 64.5 jobs. Furthermore, 26 young people took part in a live engineering project gaining experience for the Enterprise and Employability challenge in their Welsh Baccalaureate. By supporting projects that create and retain jobs, enhance skills, promote and develop enterprise, the fund is contributing towards the long term prosperity of the area.

One project that received a grant was G2G Communities CIC who matched their award with their own funds to launch a new project which provides help, support and training to individuals who want to set up and develop their own businesses. The project also helps participants to develop new, or improve existing, skills by providing one-to-one help and support based around 'work ready' skills, self employment and qualifications.

So far 32 young people and adults have been provided with training/next step employment opportunities, three virtual business websites have been launched and three are in development. Also several volunteers have gained qualifications such as level 3 Paediatric Emergency First Aid and Level 2 Food Hygiene.



Indicative fund development timeline

May 2017 – Recruitment of the Investment Fund Advisory Group

Autumn 2017 – Procurement process to recruit administrator/s to manage the Brechfa Forest Investment Fund

Autumn 2017 – Consultation on our proposed area of benefit for the Local Community Fund

Spring 2018 (approximately) – Investment Fund launch (subject to the wind farm becoming fully operational and all fund administration processes being in place)



Keep 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's and the wind farm development itself are:

Web: www.innogy.com/brechfaforest
Twitter: [@innogy_uk](https://twitter.com/innogy_uk)

If you have any questions please email:
community.investment@innogy.com

Or write to:
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Innogy Renewables UK Ltd
Unit 22, Baglan Bay Innovation Centre Central
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