# Going beyond the just enough approach in renewable energy projects

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## Abstract

As the renewable energy industry ramps up across Europe to meet ambitious emission reduction targets, community benefit sharing initiatives are increasingly becoming a commonplace to integrate renewable energy developments into local communities. Developers, investors, and financial institutions are seeking to ensure that their projects hold a strong social license to operate in the communities, thus, recognizing benefit sharing as a fundamental driver to enhance their social license and maintain it over time. In essence, benefit-sharing initiatives seek to provide social, economic, and environmental gains to the host and impacted communities that grant access to their land and living surroundings. Nevertheless, different motivations and requirements surrounding benefit-sharing and compliance can lead to a mismatch between the expectations of the communities and the actual benefits delivered by the renewable energy companies. This paper looks at examples of community benefit sharing initiatives within a renewable energy project in Ireland and will touch upon the way expectations and perspectives of impacted communities were addressed. The paper emphasizes the importance of incorporating robust community engagement processes with benefit sharing to enable relevant and meaningful social gains, while highlighting the need to tailor benefit sharing initiatives to the local context.

## Introduction

In recent years, community funds have assembled both praise and criticism for their role in sustainability initiatives. While some applaud these funds for their potential to strengthen community relationships and foster positive social change, others view them skeptically, citing concerns about lack of transparency and ineffective allocation of resources [1]. In this paper, we aim to explore the nuanced landscape of community funds, delving into their positive impacts. Central to our discussion is the key role of community engagement as a cornerstone for effective community fund implementation. We contend that genuine community engagement serves as a precursor for successful initiatives, challenging the notion that regulatory compliance alone suffices. Our thesis postulates that for community funds to truly realize their potential as agents of positive change, companies must move beyond mere regulatory obligations and actively listen to community voices, recognizing the diverse needs and aspirations of local stakeholders.

## Community engagement as key starting point

The wind project is located in south-western Ireland on the border between the Limerick and Kerry counties. The project consists of 7 turbines with the capacity to produce 23.1 MW of renewable energy or the equivalent of powering approximately 16,800 Irish homes [2]. Battery Energy Storage Systems (BESS) is also proposed as part of the development, and this increases the overall capacity of the proposed development [3].

Proactive and meaningful community consultation was an integral element of the planning process. After carrying out a comprehensive stakeholder mapping, the project team engaged with local elected representatives and organizations, arranging public consultation meetings and discussions to help shape the initial plans of the development. A pre-planning meeting and correspondence took place with Limerick City and County Council, and detailed discussions were carried out with Kerry County Council. As part of the scoping process, informal consultation was carried out with other relevant parties.

The consultation process covered residences and businesses within 10 km of the proposed site and the wind farm design evolved through an iterative design process where the design progressed in parallel with consultation responses. The settlement patterns of the area for the project are predominantly rural and remote with one-off housing, farmsteads, and ribbon development dominant along the local roads. In the surrounding area, the settlement includes villages and small towns. As a result, the engagement process involved door-to-door visits and sharing information through local newspapers reaching readers in the proximity and a locally distributed newsletter. It was essential for the development that the local community and other stakeholders were given the opportunity to review the project proposals and provide feedback directly to the team.

The evolution of the project and the community benefit fund was subjected to consultation processes which allowed for the identification and addressing of concerns raised by stakeholders. By addressing these concerns, potential conflicts were mitigated, and the project fund was adjusted to better align with community needs and expectations.

## Benefit sharing through community benefit funds

When the project started its consultation process, there were no compliance requirements for community benefit funds for renewable energy projects in Ireland. Nonetheless, the development of the fund was driven by a clear vision to secure the social license to operate and deliver tangible benefits to the local community. The fund was viewed as a strategic commitment to foster trust, goodwill, and long-term relationships with the local community and other stakeholders. It was understood that by investing in the well-being and prosperity of the community, the project could earn their support and provide a mechanism for ongoing dialogue and collaboration.

The project committed to deliver a community benefit fund for €36,000 in 2020 and was establish with an initial amount of €500,000 to be invested in the locality to communities within a 20km radius over the lifetime of the project. From 2024 onwards, the level of funding allocated for the project is 1% of the revenue from the wind farm per annum. Today the fund aligns with some of the guidelines of the Renewable Electricity Support Scheme (RESS), which dictates that all renewable electricity generation projects in Ireland selected under the RESS auction must establish a Community Benefit Fund and that the funds must be allocated across four key categories [4]:

1. Near neighbour provisions: which directs a minimum of €1,000 shall be paid to each household located within a 1-kilometre radius from the RESS 1 Project as a recognition that those living in closest proximity to the development.
2. Support UN Sustainable Development Goals to develop sustainable communities: a minimum of 40% of the funds shall be paid to not-for-profit community enterprises whose primary focus or aim is the promotion of initiatives towards the delivery of the UN Sustainable Development Goals, in particular, Goals 4, 7, 11 and 13, including education, energy efficiency, sustainable energy, and climate action initiatives.
3. Costs of Administration of the fund: a maximum of 10% of the funds may be spent on administration.
4. Supporting clubs, societies, and other local entities: the balance of the funds shall be spent on initiatives successful in the annual application process, as proposed by clubs and societies and similar not-for-profit entities.

The fund for the development opted to comply with two of the four categories: fund community enterprises whose primary focus or aim is the promotion of initiatives towards the delivery of the UN Sustainable Development Goals, and fund initiatives successful in the annual application process, as proposed by clubs and societies and similar not-for-profit entities 2, but the distribution of the fund has been determined by the project team, as adherence to the scheme remains voluntary for projects outside RESS.

## Funded initiatives: Nature Walk Trail in Moyvane

The fund for the wind project has provided several community benefits including access to health and wellbeing benefits, education and recreation benefits, improved access and trails, cultural heritage information and restoration of derelict sites. The fund opens for applications once per year, providing an opportunity for community members to apply for funding support. One project which has benefited from funding is the Moyvane Development Association’s Nature Walk Trail which was awarded €10,000 in funding in 2022.

According to the Moyvane (Local Area Plan) LAP, this local amenity walk is both an important recreational facility and natural habitat for flora and fauna [5]. This walk that includes wooded areas along the western boundary of the village, increases cultural awareness, promotes local heritage, in addition, to make a significant contribution to the local amenity and the natural environment. This initiative aligns with the findings of the community engagement process, that allowed the project team to identify that the beneficiaries had a strong community focus and a connection to their heritage and folklore.

The fund’s administration engages in a meticulous follow-up process aimed at assessing the tangible impact of the investments in the communities. This involves collecting detailed impact statements and photos of the projects that capture how the funding has positively influenced various aspects of the community.

## Benefits outside community funds

It is worth noting, as well, that there are several ways on how the renewable energy project brought local advantages beyond the direct impact of the community fund. The construction phase provided a significant opportunity for local businesses to get involved. During the operational phase of the wind farm, economic benefits have also included the creation of part-time employment as a machine operator to move and process wood and one-off contracts with local businesses, e.g., artists, ecologists, and education providers. The annual operation and maintenance expenditure is equated to approximately €1.1m per annum and the operation of the wind farm supports approximately 3 to 5 on site jobs.

## Discussion

In essence, benefit-sharing initiatives seek to provide social, economic, and environmental gains to the host communities that grant access to their land and living surroundings, however, different motivations and requirements around benefit-sharing and compliance guidelines can lead to a mismatch between the expectations of the communities and the actual benefits delivered by the renewable energy companies.

In the case of Ireland, the Renewable Electricity Support Scheme (RESS) plays a crucial role in setting a starting point and establishing a baseline for the distribution and utilization of community benefit sharing funds. It provides standardized guidelines helping to promote transparency, accountability, and consistency in how funds are allocated in the different projects across the country. They certainly serve as a reference point for developers and communities, facilitating negotiation and ensuring that minimum standards are met. Nevertheless, while this scheme is valuable in providing structure and guidance, it should be not seen as the only way of approaching community benefit sharing initiatives. Developers and communities alike might view adherence to schemes as sufficient for gaining or granting social license to operate, potentially overlooking the unique needs and circumstances of both actors.

It is essential to recognize that communities are diverse and may require tailored approaches to address their specific needs and aspirations. Developers should be encouraged to go beyond mere compliance with schemes and actively engage with key actors to understand their priorities. Building a community fund that would serve the communities, requires more than just meeting minimum requirements; it entails genuine dialogue, collaboration, and responsiveness to their feedback.

Community benefit funds offer the community a significant opportunity to plan for and develop community initiatives that could have long term, lasting benefit [6]. These funds, when allocated in alignment with community vision, values, and aspirations, can foster a deeper sense of ownership and belonging among community members. Social Identity Theory scholars accept that individuals draw significant part of their identity from the social groups and the environment to which they belong [7]. This theory suggests that people strive to maintain a positive social identity by aligning themselves with groups that share their values, beliefs, and interests. When community benefit sharing initiatives aligned with these needs, they reinforce the sense of belonging among community members, strengthening their collective identity, and motivating them to drive social change.

Lastly, the idea that developers are solely looking for economic growth still prevails in our culture, as a result moving towards a more inclusive approach that prioritizes prosperity for both developers and communities is not only ethically imperative but also strategically advantageous. By aligning economic objectives with broader social and environmental goals, developers can social-proof their investments. Adopting a mindset that values social responsibility and shared value creation, will enable developers to unlock new opportunities for fair and sustainable growth and to contribute to the just transition.

## References

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