

Collaborative Benefits Report

Y Bryn Onshore Wind Farm

PEDW Ref: **DNS/3264571**

Coriolis Energy and ESB

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Foreword

We have a rapid and urgent need to deploy renewable energy projects across Wales to help us meet our carbon reduction obligations. Whilst most people understand and support the principle for new renewable projects in Wales, we understand that many also want to know how these large investments can provide direct benefit to the communities within which they are built.

The Y Bryn Onshore Wind Farm project will play an important role in delivering against Welsh Government Net Zero targets, and will make a significant contribution to energy security, helping to bring down energy costs for UK consumers.

From the outset, we've been looking at how best to deliver real local benefit to surrounding communities. Aside from the core benefits delivered through the significant capital investment this project will bring, we've developed a comprehensive range of industry leading initiatives, which incorporate a significant Community Shared Ownership investment and Community Benefit Fund.

The Y Bryn project team is excited to have partnered with Awel Aman Tawe (AAT), Bridgend Association of Voluntary Organisations (BAVO) and Neath Port Talbot Council for Voluntary Service (NPTCVS) to ensure that these benefits and initiatives can be delivered at a local and regional level to enhance the well-being of surrounding communities.

*The creation of **Awel y Bryn Co-op** will ensure that these opportunities are managed appropriately and by partners who understand the needs of the local community. AAT, BAVO and NPTCVS all have significant past experience in managing similar funds and are well known and respected locally.*

We are excited to continue to work closely with our project partners, the wider supply chain, and local communities to bring forward our plans for Y Bryn Onshore Wind Farm, which will contribute to a future decarbonised Wales and the prosperity of the local area.

Signed:

Coriolis/ESB

Awel Aman Tawe

NPTCVS

BAVO

Date: _____

1. Introduction and policy context

In February 2020, the Welsh Government published a Policy Statement, titled 'Local ownership of energy generation in Wales – benefitting Wales today and for future generations'.¹

The statement followed a call for evidence on Locally Owned Renewable Energy Projects which identified a need for clarity on the definition of local ownership given the different ways benefits could be achieved, and the different ownership models available or possible. This included a clear distinction between 'local ownership' and 'shared ownership' models. The policy statement was the culmination of the Welsh Government's work to create greater local and national economic benefits from investment in energy projects, with Section 1 of the policy statement stating that with technological advances and increased leadership, "...we can create an energy system to retain much more of the economic value for Wales".

The Policy Statement encourages renewable energy project developers to engage with stakeholders to identify opportunities for local ownership to be delivered as part of renewable energy developments.

In June 2022, Welsh Government published *Local and shared ownership of energy projects: guidance*², which further sets out how the decarbonisation of Wales's energy system and the wider economy can deliver the best outcomes for communities in Wales. It supports the development of proposals which provide elements of local and / or shared ownership as defined by the policy guidance and identifies where there could be an element of sharing risk and benefits among local communities. The guidance recommends a collaborative and transparent approach to inform decision making during development and encourage increased participation of stakeholders.

This Collaborative Benefits Report (CBR) seeks to demonstrate the engagement that has taken place and its outcomes.

Local ownership is defined as 'energy installations, located in Wales, which are owned by one or more individuals or organisations wholly owned and based in Wales, or organisations whose principal headquarters are located in Wales'. This includes the following categories:

- Businesses;
- Farms and estates;
- Households and other domestic scale generation;
- Local Authorities;
- Other public sector organisations;
- Registered Social Landlords; and
- Third sector organisations including social enterprises and charities, their subsidiaries, trading arms and special purpose vehicles.

¹ Policy statement: local ownership of energy generation in Wales. Available at: <https://www.gov.wales/sites/default/files/publications/2020-02/policy-statement-local-ownership-of-energy-generation-in-wales.pdf> (Accessed 12/12/2023)

² Local and shared ownership of energy projects: guidance. Available at: <https://www.gov.wales/local-and-shared-ownership-energy-projects-guidance> (Accessed 12/12/2023)

Shared Ownership refers to a project owned by more than one legal entity, with an expectation that one or more of the owning bodies would be in one of the categories included in the definition of 'local ownership'.

The Policy Statement and guidance acknowledges that renewable energy projects will deliver core benefits including:

- Projected emissions reduction from displacing fossil fuel generation (if the project is a low or zero carbon technology)
- Direct economic benefits in terms of local resources and labour utilised during construction and operation

However, wider benefits can also be delivered through a range of both financial and non-financial benefits including:

- Rent paid to local landowners for hosting projects or for associated access or infrastructure agreements.
- Payment of local business rates to Local Authorities, which in turn contribute to provision of local services.
- Development of local supply chains and skills.
- New jobs in the development sector in Wales.
- Rent and rates paid for ancillary premises in Wales.
- Lower energy bills for Welsh customers achieved by building strategic projects that secure market cost-reductions through economies of scale.
- Lower energy bills through self-consumption and local energy trading clubs.
- Welsh statutory and private sector bodies procuring power from Welsh generators via direct Power Purchase Agreements (PPAs).
- Local individual customers and statutory and private sector bodies benefiting from lower power prices via local energy trading or novel PPAs and contracts for difference.
- Interest paid on community shares, which benefit the local economy to the extent that the equity is owned locally.
- Triggering or paying for major grid re-enforcement, which may also make grid connection affordable for other local generation projects.

In summary, the Local Ownership Policy Statement sets out that *“the Welsh Government supports renewable and low carbon energy projects developed by communities or benefit the host community or Wales as a whole. The social, environmental and economic benefits associated with any development should be fully factored into, and given weight in, the decision-making process. However, planning decisions must be based on an assessment of the impacts of the proposed development, irrespective of who the applicant is”*.

Purpose of this Collaborative Benefits Report

The CBR is a practical tool to improve transparency throughout the development process and increase the participation of all stakeholders, and the local community. The CBR sets out a plan for engagement, enabling developers and local stakeholders to understand each other's needs, and an aspect of accountability to underpin mutually beneficial agreements.

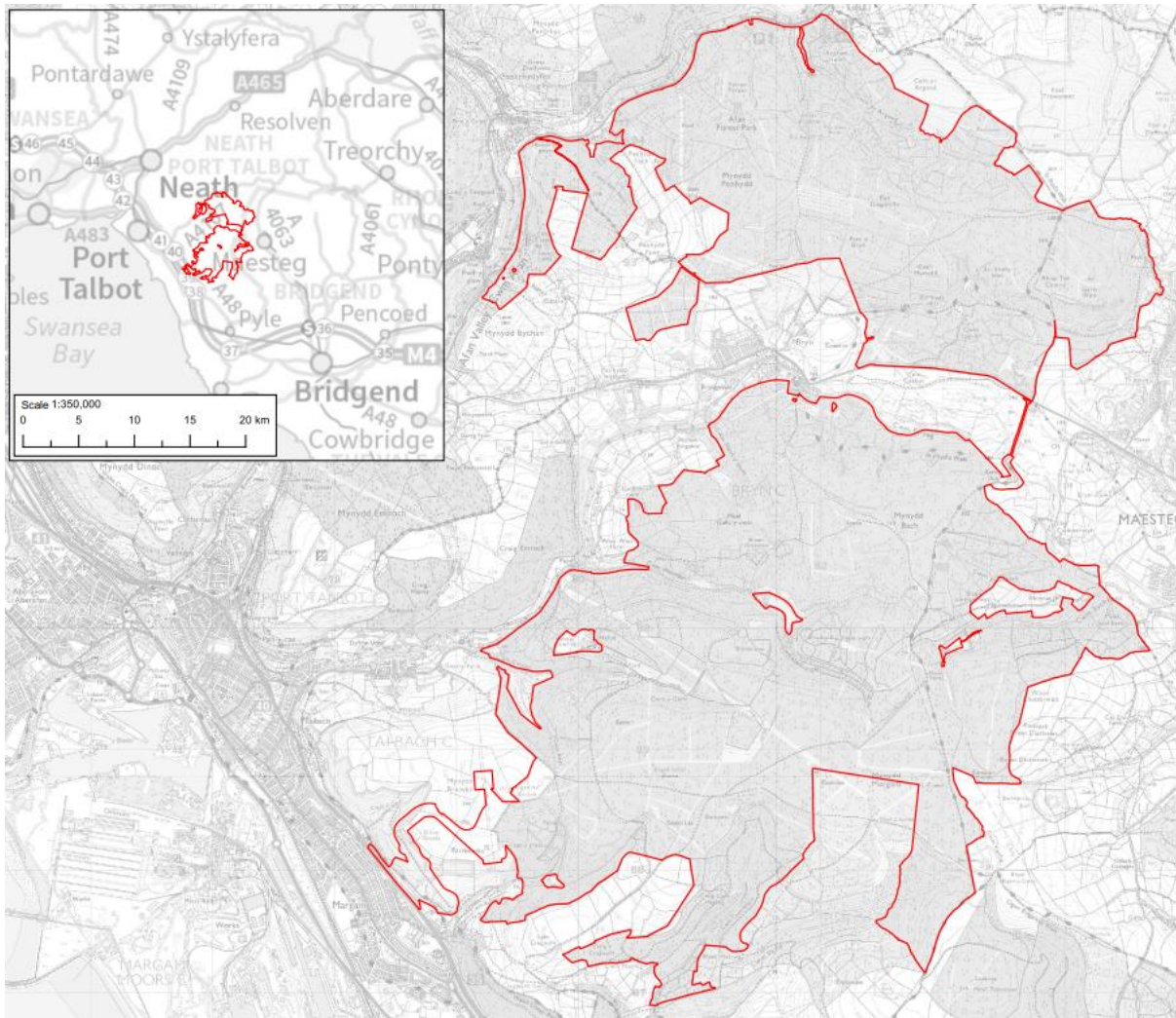
The CBR details the engagement process undertaken and includes a record of dialogue on local and shared ownership with key stakeholders, the local community and the project partners. Welsh Government draft guidance on Local Ownership indicates that the CBR

should be submitted as evidence of good practice and local support, alongside the main planning application documents.

Finally, this report also demonstrates how the project meets the Welsh Government's desired outcomes from CBRs, setting out our record of stakeholder engagement and audit of need and potential for wider benefits, all aimed at achieving a broad range of benefits for Wales from this nationally significant investment in renewable energy technology.

2. The Y Bryn Onshore Wind Farm proposals

Y Bryn Onshore Wind Farm (the proposed development) is a wind farm consisting of a maximum of 18 turbines, each with a three-bladed rotor with a maximum tip height of 250m. The site is split into two blocks of Welsh Government Woodland Estate managed by Natural Resources Wales (NRW), which fall largely within Neath Port Talbot County Borough Council area, and stretch in parts, into Bridgend County Borough Council area. The Bryn block is located to the south of the B4282, with the Penhydd block located to the north of the B4282. The Afan Valley and Neath lie to the west, with the Llynfi Valley and Maesteg to the east. The M4 motorway, the main arterial route running east to west through South Wales, lies to the south of the Site.



The application also comprises associated infrastructure including:

- Transformers housed either within or adjacent to turbines.
- Crane pads at each turbine location.
- Turbine foundations.
- Temporary construction compounds, laydown and storage areas.
- Onsite access tracks plus underground cable runs alongside and cable crossing points.
- A site sub-station building.

- A battery energy storage facility, and
- Two wind monitoring sites.

The proposed development is estimated to deliver up to 130 MW of wind energy, which is equivalent to providing enough power to meet the annual electricity needs of approximately 68% of households in Neath Port Talbot and Bridgend combined.³ As the proposed wind farm is estimated to produce more than 10MW it constitutes as a Development of National Significance (DNS) under the Planning (Wales) Act 2015.

The connection between the on-site substation and the electricity grid will be consented separately to the application for the wind farm development and will be constructed by National Grid.

The wind farm has been designed with an operational life of 50 years.

Background and project context

The development potential of the site has been appreciated by the UK wind industry and Welsh Government since at least the early 2000s, with the whole of the site lying within Strategic Search Area (SSA) 'F' as designated by Welsh Government's Technical Advice Note 8.

The site has been chosen due to its technical suitability for a wind farm development, with suitable wind speeds, good site access and access to a suitable grid connection. The northern part of the site (Penhydd block) lies within a Pre-Assessed Area (PAA) for wind energy (PAA 9), as zoned in Future Wales: the National Development Framework. The southern block is outside any PAA.

About Coriolis and ESB

This project is being developed by Coriolis Energy and ESB in partnership.

Coriolis Energy is an experienced, professional wind energy developer, which has delivered projects around the UK that are currently bringing benefits to both communities and the environment.

ESB is Ireland's premier energy company and is a leading independent power generator in the UK, committed to investing in Wales's natural resources.

³ Source: Renewable UK Wind Energy Database (2021). Available at: <https://www.renewableuk.com/page/UKWEDEExplained> (Accessed 12/12/2023); Stats Wales: Available at: [Households by Local Authority and Year \(2019\)](#) (Accessed 12/12/2023)

3. Summary of Core Project Benefits

This Chapter provides an overview of the projected core project benefits as a result of the proposed development. This includes the detail of the intrinsic benefits that will be realised through the development of the scheme itself, as well as confirmation of the proposed development's commitments with regard to community benefit, local and shared ownership.

All core benefits listed within this report have been considered and developed within the context of the seven Wellbeing Goals as set out in the Well-being of Future Generations (Wales) Act 2015 and associated guidance. The proposed development will provide a positive impact for each of the seven goals through its delivery and the conscious deployment of core benefits and approach to maximising the local benefit.

The core benefits are set out in the following pages.

Carbon reduction

The Committee on Climate Change (CCC) published a report in May 2019, titled 'Net Zero – The UK's contribution to stopping global warming'. The report responded to a request from the Government to reassess the UK's long-term emissions targets and recommended a new emissions target for Wales: a 95% reduction in greenhouse gases by 2050, from a 1990 baseline. The target had previously been an 80% reduction, as set out in The Environment (Wales) Act 2016. In April 2019, the Welsh Government declared a climate emergency and in June 2019 accepted the CCC's recommendation for a new emissions target but set a more ambitious target of net zero emissions no later than 2050.

In March 2021, new legislation came into force in Wales, amending the 2050 emissions target and the interim emissions targets. As well as amending the 2050 emissions target to net zero, the 2030 target was increased from 45% to 63% below the 1990 baseline, and the 2040 target was increased from 67% to 89% below the 1990 baseline.

In June 2019, the UK government also declared a climate emergency following the publication of the CCC report and set long term climate targets. The resultant legislation amended the Climate Change Act 2008 and introduced a legally binding target to achieve net zero by 2050. As the proposed development is a type of renewable energy development, it will help the UK and Welsh Governments reach their legally binding targets, whilst also avoiding the generation of carbon dioxide (CO₂) levels during the operational phases.

In January 2023, Welsh Government issued a consultation on its 'ambitious but credible' targets for Wales to meet 100% of its electricity needs from renewable sources by 2035. This included the aspiration for 1.5 Gigawatt of renewable energy capacity to be locally owned by 2035. These targets were adopted in July 2023.

The proposed development can provide a significant step towards meeting these targets. The Environmental Statement (ES) estimates that:

- The energy generated by the proposed development would produce a CO₂ saving of approximately 137,325 tonnes per year, dependent upon the composition of fuel types (gas, nuclear, renewables etc) in the UK energy production at the time of estimation;
- The payback period for the carbon emissions arising from the proposed development is expected to be within 1.9 years. The figure will be influenced by a range of factors at the time of installation, but it is realistic to expect the scheme, based on current

factors, would result in a scheme that will be carbon positive for the mainstay of its operational lifetime.

This does not account for the additional soil carbon sequestration associated with biodiversity, habitat and land management proposals which would be additional.

Energy production

Welsh energy policy acknowledges that renewable energy development is a key contributor to the net zero target. Specifically, Prosperity for All: A Low Carbon Wales seeks to accelerate the deployment of renewable energy generation in order to cut emissions. At a UK level, the National Infrastructure Strategy states that to achieve net zero by 2050, the power system will need to be carbon free and significantly larger to cope with additional demand. The Energy White Paper explains that generation of clean energy may need a four-fold increase to meet this additional demand and to replace the retiring of old capacity.

As previously stated in this report, the proposed development has the potential to produce a generating output capacity of circa 130MW. Based on figures published by Stats Wales, the proposed development's output potential could power up to 85,700 homes per year, which is equivalent to 68% of households in Neath Port Talbot and Bridgend local authority areas combined.⁴

Employment and socio-economic benefits

The potential socio-economic benefits of the proposed development are wide ranging and significant. Aside from the capital investment in the area (circa **£15.55 million** to benefit the local economy and **£46.66 million** to benefit the Welsh economy), the development expenditure (circa **£1.89 million**)⁵, a portion of which has already been directed through local Welsh suppliers involved in the development and preparation of the application, will deliver significant local investment. It is also expected that the proposed development would deliver approximately **£5.3 million** per annum in operational expenditure to Wales.

According to RenewableUK's research (RenewableUK. (2015) Onshore Wind: Direct and Wider Economic Benefits, on average, 59% of the development expenditure for an onshore wind farm of this nature is spent within the region (i.e. within Wales), with 13% spent in the more local area.

At the development stage, the level of employment at the Welsh level for the proposed development is estimated to be around 11 jobs, contributing £740,959 in GVA.

Throughout the construction phase, the proposed development could sustain 338 jobs in Wales, contributing £20.16 million in GVA.

At the local level, the development phase of the proposed development could sustain up to 2 jobs and contribute £163,262 in GVA. In the construction phase the proposed development could sustain up to up to 113 jobs and contribute £6.72 million in GVA.

A full assessment of the employment and socio-economic benefits of the proposed development can be found in the Socio-Economic Assessment for Y Bryn Onshore Wind

⁴ Source: Renewable UK Wind Energy Database (2021). Available at: <https://www.renewableuk.com/page/UKWEDEExplained> (Accessed 12/12/2023)
Stats Wales: Available at: [Households by Local Authority and Year \(2019\)](#) (Accessed 12/12/2023)

⁵ Chapter 16 (Socio-Economics) of the Environmental Statement for Y Bryn Onshore Wind Farm

Farm (Chapter 16 of the Environmental Statement), which has been submitted alongside this report as part of the application.

Local supply chain

There is a strong commitment from the developer to maximise local economic content and deliver Welsh prosperity through the delivery of this project. Key to this has been a focus on identifying and engaging with the wider local supply chain, which has taken place throughout the consultation process with a Local Suppliers Database being developed for the project, invitations to supply chain preview events at each of the three phases of consultation, and a Supply Chain Event held in Port Talbot in collaboration with the South Wales Chamber of Commerce (11 May 2023).

If the proposed development is consented, one of the first steps the applicant will undertake is to arrange, together with local authority business development and employment teams, a number of 'Meet the Buyer' events. These will be an organised and advertised events that will invite local businesses and trades people to come and speak to the applicant, so that local employers can understand the opportunities available, and the applicant can understand the services offered and advise on its procurement process. The applicant will then form a register of interest, and this will be transferred to the key contractor to enable them to utilise local services. The applicant will also use it within its project team for ascertaining things like availability of local accommodation such as B&Bs.

4. Wider Benefits

In addition to the above identified core benefits, the proposed development has also considered how best to deliver wider benefits. These are set out in the following pages.

Recreation and access

The applicant is committed to delivering a range of enhancement measures for mountain biking infrastructure in alignment with Neath Port Talbot County Borough Council's (NPTCBC) tourism development aims which include to 'improve mountain biking facilities and trails in South Wales as a key driver for economic development in the region.'

Working in collaboration with NRW (as land manager), the applicant has identified a number of measures that it commits to undertaking in pursuit of providing significant enhancement to recreational resources. Proposed measures include:

- Reinstatement of currently impassable PRowWs;
- Restoration of a number of sections of local offsite PRowWs;
- Upgrading and Ongoing Maintenance of Penhydd and Blue Scar Trails;
- Creation of a new Strategic Link between Afan Forest Park and Margam Park;
- Installation of new charging stations for e-Bikes; and
- Enhanced seating provision.

The measures to be committed to above and others will be underwritten by an Access Management and Enhancement Plan (AMEP) Fund. The enhancement opportunities created by the AMEP and AMEP Fund would be supportive of the Well-being of Future Generations (Wales) Act 2015 - 'A healthier Wales'.

Cultural heritage

The enhancement opportunities created by the Conservation Management Plan (CMP) would be supportive of the Well-being of Future Generations (Wales) Act – 'A Wales of Vibrant Culture'. They would also link into the Council's draft Heritage [Strategy](#), Restore, Regenerate and Repurpose which sets out how it would ensure the conservation, protection and sustainability of the area's heritage assets. NPTCVS also runs the [Third Sector Culture and Heritage Forum](#) which brings together local groups, organises events at different heritage venues and encourages co-operation amongst groups.

Habitat Management and Biodiversity Net Benefit

An outline Habitat Management Plan (HMP) that outlines proposed measures for habitat improvements and biodiversity net benefit within the proposed wind farm areas has been developed and is set out within the Environmental Statement (Chapter 6, Ecology).

The final HMP will be subject to agreement with NRW (acting as landowner), NPTCBC and BCBC. The measures proposed in the outline HMP are summarised below:

- Restoration of native broadleaved woodland, focusing on areas alongside watercourses, to create corridors of species-rich habitat that will benefit invertebrates and invertebrate-eating animals, including bats;
- Creation of wet woodland habitat, in an area identified as having soil with a high content of peat, for the benefit of herptiles, invertebrates and bird species;
- Water retention measures to create new ponds and ditches, for the benefit of amphibians, invertebrates and invertebrate-eating animals, as well as being a measure to reduce water flow and aid catchment flood prevention;

- Creation of open ground within the forest, in addition to that required to house infrastructure, to increase grassland/heathland cover for the benefit of ground flora, pollinators and reptiles;
- Clearance of areas of dense, continuous bracken for the benefit of floral diversity, invertebrates and ground-nesting birds; and
- Clearance of invasive alien species, such as Himalayan balsam and rhododendron, to allow the spread of native flora and associated pollinating insects.

The increase in areas of natural habitat (both broadleaved planting and open ground) within a plantation coniferous woodland will result in new and enhanced green infrastructure corridors that will create linkage across similar habitat types both within the site and in the wider environment (illustrated on Figure 2 of Appendix 6.3: Outline Habitat Management Plan of the ES). These habitats will be managed and maintained throughout the duration of the wind farm.

Production of a HMP is in line with the Well-being of Future Generations (Wales) Act 2015 goal 'a resilient Wales' for 'a nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change'.

Community Benefit Fund

The proposed development is offering community benefit payments via a Community Benefit Fund to the surrounding communities. The fund will be worth **£8,000 per MW, per year** and is proposed to be delivered using NPTCVS and BAVO's experience in managing such schemes, and which would allow the opportunity to provide grants upon applications as well as proactively seek opportunities based on community need in terms of current and future well-being. Therefore, this fund could worth up to **£1.04 million per year for the lifetime of the project** and could be put towards achieving placemaking and other community identified priorities. It is also worth noting that the proposed development is seeking consent for up to 50 years. Assuming a conservative discount rate of 8%, this would give a net present value of **£12.7 million**.

Shared ownership

The proposed development is proposing to offer a shared ownership of up to 20% of the total capital expenditure, via a net revenue model, indicatively comprising 10% for local individuals/community groups and the other 10% for local public sector bodies (i.e. the host local authorities) to invest in.

The applicant is also proposing to create the '**Awel y Bryn Co-op**' which could be established by Awel Aman Tawe (AAT), Neath Port Talbot Council for Voluntary Service ('NPTCVS') and Bridgend Association of Voluntary Organisations ('BAVO'), to manage both the benefit funds and shared ownership opportunity together in a coordinated manner.

5. Engagement Process

The proposed development has been subject to an extensive, multi-phase approach to pre-application engagement with communities in the vicinity of the site.

This engagement has spanned three phases of consultation, with several written and digital opportunities to review and feed into the development of the plans. Engagement has included local residents, politicians, community groups, potential suppliers, key planning and statutory stakeholders throughout pre-planning development of the proposals.

The purpose of engagement was to ensure the correct information about the proposed development has been made available to communities and stakeholders, and to receive feedback to inform the design, Environmental Impact Assessment (EIA) and planning approach. This has included opportunity to refine both the design, and the package of community opportunities and benefits offered. As subsequent phases of consultation have been undertaken, additional information has been confirmed and shared for feedback on the shared ownership and Community Benefit Fund approach, as well as evolving consideration of wider benefits such as recreation access improvements, heritage initiatives and the creation of 'Awel y Bryn Co-op' with core project partners⁶.

Engagement with the Welsh Government Energy Service formed an early part of the project development, with meetings at intervals throughout the pre-application process. Dialogue helped inform the structure and approach to community benefit and shared ownership offer, which was refined over the course of the pre-application process. Guidance and informal assistance with regard to identifying and engaging with specific stakeholders at the local authorities was of assistance to the development of the final benefits proposals.

The engagement process and its impact on the proposed development is set out in detail in the Pre-Application Consultation (PAC) Report to be submitted alongside this report.

Method/Approach

A variety of methods and approaches to engagement with statutory and non-statutory stakeholders has been undertaken.

Phase 1 Consultation (non-statutory) – June 2021

Consultation during the first phase of engagement included an introduction to the proposed development and the Applicant with identified stakeholders and groups. The purpose was to identify the most relevant local political, community and local Government stakeholders in the vicinity of the proposals, make them aware of the proposals, understand initial feedback on the proposed scheme and discuss the initial community benefit offering to seek feedback on approach and management of the Community Benefit Fund and shared ownership opportunities.

A dedicated page of the project website (www.ybryn-windfarm.cymru) was set up from the outset for Community Benefit and Community Ownership opportunities. The page was updated throughout the consultation process, with additional information being added through subsequent phases of consultation as more information was available.

These stakeholders included:

⁶ For further detailed information about the formation of the Awel y Bryn Co-op and its specific scope and remit can be found in Chapter 6 of this report

- Local community and neighbouring residents,
- Local community groups;
- Local Councillors and Community Councils; and
- Senedd and parliamentary representatives.

The consultation programme included the delivery of over 25,000 bilingual information leaflets to surrounding residents, business and stakeholders, and the hosting of five consultation events in community hubs around the site. These events took place in Maesteg, Port Talbot, Bryn, Cwmafan and Cefn Cribwr during June 2021.

Local news outlets were also provided with information and a project website made live with relevant details of the proposals. A fully digital virtual consultation event was also produced and made available throughout the consultation period.

At this stage, AAT was named as a partner through which a collaborative approach to delivery of community benefit and shared ownership could be developed, however further feedback was sought on other potential community partners. Feedback on the mechanism for delivery of local benefits was also received, both from the local community and in discussion with surrounding community councils.

Phase 2 Consultation (non-statutory) – November 2021

Following the first phase of consultation, further engagement was undertaken with the project's community benefits partners AAT as well as NPTCVS and BAVO. Over the month preceding the commencement of the second phase of consultation informal agreements were reached with these partners and further detailed discussion was undertaken on the methods, form and approach to delivering community benefit and shared ownership. The formation of **Awel y Bryn Co-op** was agreed in principle as part of these discussions.

The second phase of consultation mirrored the first phase, with a further consultation newsletter being issued, and events held in the same venues in five locations around the site.

At this stage, further detail was provided about the refined scheme design and additional information was provided about the formation of Awel y Bryn Co-op, consideration of the approach to delivery of the Community Benefit Fund and shared ownership opportunities. Additional wider benefits were also presented, including the recreation and access improvements proposed, and cultural heritage initiatives.

Phase 3 Consultation (statutory) – July 2023

Following the closure of the second phase of consultation, the project partners formally signed a Memorandum of Understanding (MOU), which sets out how AAT, NPTCVS and BAVO would work with the proposed development to form Awel y Bryn Co-op and deliver the Community Benefit Fund and shared ownership opportunities within the local communities. The MOU and associated press announcement can be found in the appendix.

Following confirmation of the signed MOU, a **Community Ownership and Community Benefit event** was advertised in advance through direct invitations to identified stakeholders and community representatives (see event invitation in appendix). The event took place on 11 May 2023 in Port Talbot, with Coriolis, ESB and the Awel y Bryn Co-op partners in attendance to present the information and discuss the opportunities with attendees. Attendees included representatives from the local authorities (Bridgend County Borough Council and Neath Port Talbot County Borough Council), housing associations, local charity groups and community groups. A full list of attendees can be found in the appendix.

A **Supply Chain event** was also held on the 11 May 2023 in the same venue in Port Talbot. The event was delivered in partnership with South Wales Chamber of Commerce in order to further advertise the opportunity and connect to local potential supply chain partners. The invitation for this event was issued to the Supply Chain database developed by the Y Bryn Project team throughout the pre-application consultation process, as well as being advertised through the Chamber of Commerce's engagement channels and to its database of potential suppliers. Thirty five attendees from a range of suppliers attended the event, which consisted of a presentation about the proposals, an explanation of the likely requirements through construction and operation, and further details on next steps and further engagement. A copy of the presentation and invitation can be found in the appendix.

At this stage, just prior to the third phase of consultation, the proposed development had been refined further, with the preferred design being presented for formal consultation. The full draft application (including draft Environmental Statement (ES)) was presented in line with the DNS PAC requirements.

Consultation undertaken reflected the two previous phases, with a third bilingual consultation newsletter, five events, and an updated virtual consultation room being presented. Further confirmation of the approach to Community Benefit, the shared ownership opportunities and an updated explanation of the Awel y Bryn Co-op approach was also presented for consideration and feedback as part of this consultation phase.

Next steps

Consultation feedback and engagement with the local community and relevant stakeholders on the issue of Community Benefit and Community Ownership opportunities therefore has taken place throughout the pre-application process. Feedback gathered at each phase of consultation has helped inform the further development of the proposals and refined approach in conjunction with partners AAT, BAVO and NPTCVS.

Whilst an MOU has been signed and the general direction of travel agreed with regard to community benefit and community ownership initiatives, there is still room for further discussion and agreement of details in approach as the proposed development proceeds through the next phases of the planning process.

There is a commitment from Coriolis and ESB, as well as the community benefit partners, to continue to engage and liaise with relevant local stakeholders, the local authorities and interested parties to further refine the process over coming months.

Further updates about the process will be communicated broadly through the project website, and those wishing to do so, can continue to contact the project team via the established communications channels, via email, freephone and freepost.

6. Creation of Awel y Bryn Co-op: Shared Ownership Offer & Negotiations

The process leading up to the creation of Awel y Bryn Co-op and agreement on the shared ownership offer took place across several years through the pre-application process. The nature of the project and the context within which it has been brought forward (i.e. from Natural Resources Wales (NRW) tender), has ensured that the issue of community benefit and shared ownership has been a central consideration from the outset of the development of the proposals.

As set out below, engagement with Awel Aman Tawe (AAT) has been undertaken from the project inception, with additional parties (Neath Port Talbot Council for Voluntary Service (NPTCVS) and Bridgend Association for Voluntary Service (BAVO) being identified and engaged through the pre-application consultation process.

A brief summary of engagement leading to the signing of the Memorandum of Understanding on the creation of Awel y Bryn Co-op is set out below.

Tender proposals (2018)

Community shared ownership

Coriolis Energy initially began conversations with Dan McCallum of Awel Aman Tawe⁷ around shared ownership in mid-2018, following release of the invitation to tender for the site by NRW. Heads of Terms for a “net revenue agreement” (NRA), which were prepared and presented by Awel Aman Tawe, were agreed in October 2018. AAT had previously consulted with similar Shared Ownership projects which had been successfully delivered, particularly in Scotland, to seek their advice on how best to structure the project.

The agreed terms allowed for an up to 20% share of the project to be owned locally, with indicative stakes of 10% for local individuals and organisations, and 10% for local public sector organisations. Coriolis Energy and ESB attached the agreed terms to their tender submission to NRW in December 2018.

At this stage it was agreed that a new local Community Benefit Society (“BenCom”) would be established to enable members of the local community and local public sector bodies to invest. This is a well-known legal form for co-ops which has delivered community energy across the UK. Awel Aman Tawe itself has established two such co-ops to deliver its community wind farm (Awel Co-op) and rooftop solar programme (Egni Co-op).

⁷ In terms of understanding and experience of energy projects, AAT has developed its own community wind farm in Neath Port Talbot (www.aat.cymru) and has used revenue from that to develop a range of community and energy projects. These include Egni Co-op which is now the largest rooftop solar co-op in the UK with nearly 100 sites including schools, community buildings and businesses. In 2022, Egni sites saved £125k in electricity costs and over 1000 tonnes of CO2 emissions and this is expected to double in the next two years. Surplus from both Awel and Egni Co-ops goes into climate education projects in Welsh schools and low carbon community projects. Another key project, kickstarted by revenue from the co-ops, has been the refurbishment of the former Cwmgors village school in Neath Port Talbot into a community hub, ‘Hwb y Gors’ – this has been funded by £1.9m in external grants and loans and is expected to open in Spring 2023. In terms of its credibility, AAT won the UK Environmental Social Enterprise of the Year Award in 2019 and its co-founder, Dan McCallum, was given an MBE in recognition of the charity’s role in developing community energy projects and tackling climate change in Wales.

Community Benefit Fund

In addition to the shared ownership offering, the tender submission to NRW proposed an 'economic development trust fund' worth a total of £8,000 per MW of installed capacity (index-linked from start of construction), which would be made available for delivery via a vehicle to be agreed with representatives of the local communities.

Given the scope however, it was the default assumption a single new legal entity would need to be established, with governance and administration processes in line with current best practice. A Funding Agreement would then be put in place between the project SPV and the new entity for the operating life of the project.

Whilst it was still to be determined through consultation with the community themselves, from recent positive experiences Coriolis Energy and ESB put forward a model prospectively in the 'pro-active' mould of a 'Community Development Company' (CDC) with Objects and Powers beyond those of a traditional 'reactive' grant-making trust or charity.

While there were a relatively small number of CDC's then operating in Wales, they were seeing rapid growth in Scotland, generally being imbued with a mission (and staff, rather than volunteers) to develop long-term, holistically conceived plans for putting often substantial wind farm funds towards uses aimed at securing deeper, more long-lasting economic and community development.

In addition to seeking to secure a higher local economic multiplier-effect from wind farm funds, CDC's often have powers to raise further funds from other sources, including via debt, for specific projects, and often also have powers to hold shares in and/or make investments in or loans to other entities and to purchase, own and operate assets of their own.

The expectation at this point was that the management of the CDC would need to be identified at first from local volunteers.

Post-Tender (2019)

Following the announcement of Coriolis Energy and ESB as successful bidders for rights to develop the project, discussions progressed with Awel Aman Tawe regarding both CSO and CBF aspects. In considering the CDC proposals, Dan McCallum (AAT) first made the suggestion that utilising already existing and experienced organisations – NPTCVS and BAVO – would be more welcomed by local communities.

NPTCVS and BAVO represent the voluntary sector in Neath Port Talbot and Bridgend respectively, and their members include groups who work in a range of community activities. NPTCVS and BAVO provide extensive support to its members across the boroughs and, through their networks and staff on the ground, are very aware of and engaged with the issues that the communities around the proposed development are facing.

In association with AAT, Coriolis Energy opened discussions with NPTCVS and BAVO to gauge their interest and capability to manage the CBF through the proposed CDC model. Both organisations confirmed their willingness, and following their own research (including discussions facilitated with another existing CDC based in the Highlands, Scotland), made proposals to Coriolis Energy.

Public Consultations (2021)

At the first round of public exhibitions, outline proposals for Awel Aman Tawe to establish a Co-op to facilitate CSO, and for NPTCVS and BAVO to manage the CBF, were consulted on. Representatives from all three organisations attended the exhibitions and were on hand

to discuss proposals with members of the public and other stakeholders, including politicians. At this point it was envisaged by the two elements (CSO and CBF) to be kept legally and administratively separate.

By the time of the second round of public exhibitions, through discussions between themselves and with legal advice from Wrigleys (at the developer's cost) AAT, NPTCVS and BAVO had decided that they wished for both elements to be delivered via the same legal entity – a new 'Awel y Bryn Co-op'. This was presented during the second phase of public consultation.

Memorandum of Understanding (MoU) (2022)

Separate Memorandums of Understandings for CBF and CSO were developed, with Wrigley's representing the community groups. Following a period of discussion these were signed in December 2022.

A press release was issued to confirm the agreement, and information about the confirmed approach was included in the statutory consultation materials, with feedback invited on the plans.

Costs and next steps (2023 onwards)

The developer has covered both the professional and internal costs of the community groups for their engagement throughout the process to date.

All parties are looking forward to progressing through the next stages of the planning process and making preparations to enact the MOU agreement signed over coming months and years.

Outline for Awel y Bryn Co-op

The Co-op will be open to investment from private individuals, charities and local public sector organisations. As the co-op is structured as a Community Benefit Society, community benefit has to be its primary focus – members' interest is capped and has to be set at a level which is sufficient to raise the investment. This is subject to regulation by the Financial Conduct Authority. For example, Egni Co-op which was set up by Awel Aman Tawe as per Footnote 7, pays annual interest of 4% to all members, if the solar panels perform in line with expectation. It can be less than 4% if the panels do not perform but cannot be more. Any profit from Egni Co-op (or surplus which is the term used by charities/co-ops) after repayment of members' interest, goes into climate education.

Awel y Bryn Co-op would offer up to 20% of the project for community and public sector ownership. This means that the Co-op would have the opportunity to raise funds to purchase 20% of the capital value of the wind farm – in return it would earn 20% of the net profits. This money would be used to repay its members and any surplus would go into community benefit projects which would be additional to those supported via the Community Benefit Fund described in 3.4.

The Co-op would be open to individuals and groups from across the UK to ensure sufficient investment is secured. There will be a preference for local investors if, for instance, the Co-op secured investment that exceeded 20% of the project equity. Any profits made by the Co-op would be for spending and distribution across the wider NPT and Bridgend area – however, there would be a focus on projects in the communities close to Y Bryn – such as energy efficiency, electric transport, renewable heating, climate change education in schools

and fuel poverty. The focus will be on developing projects which have a local benefit and continue to help tackle climate change.

It is not yet known how much money will be available to the co-op as surplus for community benefit as part of the shared ownership arrangement. There are a range of factors which affect this such as the price of turbines, construction costs, co-op share offer and borrowing costs, and the price obtained for the sale of electricity from the wind farm. Whereas the Community Benefit payment of £8,000/MW noted is guaranteed, the additional benefits of shared ownership are not, and depend on the performance of the wind farm. However, as a benchmark, Awel Co-op has provided between £125-£200k each year for community projects in 2020-2023 which can be seen in its Accounts at the Financial Conduct Authority's Mutuals Register. In addition, it has supported the equivalent of 3 FTE local jobs through management and maintenance contractual payments and the employment of a full time Education Officer. The capacity of Awel Co-op is 4.7MW and the shared ownership element of Y Bryn would be 130 MW of wind capacity. If a conservative multiplier of £100k benefit per 5MW of installed capacity is used, it could therefore be reasonably expected that annual payments from the shared ownership/co-op element for community projects will be above £2.6m per year for the Bryn scheme.

AAT/ NPTCVS and BAVO will also consider assessing whether shares in the Co-op could be owned by local community organisations and charities. This model has worked effectively in Awel Aman Tawe's own wind farm and more £100k of shares are owned by community groups such as football and rugby clubs, Old Age groups, Merched y Wawr, arts and youth groups. These groups do not have surplus funds themselves to invest, but through this gifting mechanism, which is part of the co-op's Business Model, local community groups become full members of the co-op with voting rights the same as all other members. It widens local participation in the co-op and gives those groups an annual income stream from their shares, dependant on the performance of the wind farm. This income is separate from a grant application process which would be needed for the Community Benefit Fund.

7. Project Benefits Summary

As set out in Chapters 3 and 4 of this report, there are several benefits that have been identified as part of the proposed development of Y Bryn Onshore Wind Farm.

These benefits have been identified in principle from an early point within the development of the project proposals, with details presented at each of the three phases of pre-application consultation. Feedback received during these consultation phases has helped refine the offering over the pre-application period, with additional wider benefits being considered alongside the core benefits of an industry leading community benefit fund and community ownership opportunities.

The identified project benefits are summarised as:

- The energy generated by the proposed development would produce a CO₂ saving of approximately 137,325 tonnes per year, dependent upon the composition of fuel types (gas, nuclear, renewables etc) in the UK energy production at the time of estimation;
- The payback period for the carbon emissions arising from the proposed development is expected to be within 1.9 years. The figure will be influenced by a range of factors at the time of installation, but it is realistic to expect the scheme, based on current factors, would result in a scheme that will be carbon positive for the mainstay of its operational lifetime.
- Energy production of circa 130 MW. Based on figures published by Stats Wales, the proposed development's output potential could power up to 85,700 homes per year, which is equivalent to 68% of households in Neath Port Talbot and Bridgend local authority areas combined.⁸
- A significant capital investment of circa £1.2 million, development expenditure of an expected £1.89million, and approximately £9million in annual operational expenditure, with a significant portion of these investments being retained in the region and surrounding area. During construction, it is anticipated that the proposed development could sustain 338 jobs, contributing £20.16 million in GVA. At the development stage, the level of employment at the Welsh level for the proposed development is estimated to be around 11 jobs, contributing £740,959 in GVA.
- A commitment from the proposed development to deliver as much local benefit as possible through the sourcing of a local supply chain. Working with interested parties and the South Wales Chamber of Commerce, this process has already begun, with a focus on Welsh based suppliers assisting through the pre-application stages of the project.
- A range of enhancement measures for mountain biking infrastructure and other forest recreational users, in alignment with Neath Port Talbot County Borough Council's (NPTCBC) tourism development aims. Working in collaboration with NRW (as land manager), the applicant has identified a number of measures that it commits to undertaking as part of an Access Management and Enhancement Plan (AMEP) in pursuit of providing significant enhancement to recreational resources, including reinstatement of PROWs, restoration and ongoing

⁸ Source: Renewable UK Wind Energy Database (2021). Available at: <https://www.renewableuk.com/page/UKWEDEexplained> (Accessed 12/12/2023)
Stats Wales: Available at: [Households by Local Authority and Year \(2019\)](#) (Accessed 12/12/2023)

maintenance of mountain bike trails, and measures to promote and support greater use of e-Bikes within the site and local areas.

- A Conservation Management Plan (CMP) to conserve, protect and sustain the area's heritage assets.
- The development of a comprehensive Habitat Management Plan (HMP) that outlines proposed measures for habitat improvements and biodiversity net benefit within the proposed wind farm areas, which includes restoration of native broadleaved woodland, creation of wet woodland habitat, water retention measures to create new ponds and ditches, creation of open ground within the forest to increase grassland/heathland cover, bracken management and clearance of invasive alien species.
- Development of a Awel y Bryn Co-op to deliver Shared Ownership by respected local charities, Awel Aman Tawe, Neath Port Talbot Council for Voluntary Service and Bridgend Association of Voluntary Organisations. The Co-op will include the:
- Provision of an industry leading community benefit fund worth £8,000 per MW per year for the lifetime of the project (circa £1.04million annually for up to 50 years.
- Opportunities for community and public sector investment in the proposed development via the potential for up to 10% shared ownership for local individuals/community groups and a further 10% for local public sector bodies with all surplus being spent locally.

Appendices

- *Photographs of Supply Chain and Community Benefit Events*
- *Supply Chain and Community Benefit Event invitations*
- *Supply Chain and Community Benefit Event list of attendees*
- *Signed Memorandum of Understanding (MOU)*
- *Press release of MOU*



Photographs of Supply Chain and Community Benefit Events





Supply Chain and Community Benefit Event Invitations

- English invite
- Welsh invite



Energy for
generations

CHAMBERS
WALES

Y Bryn Onshore Windfarm Supply Chain Event

**Thursday 11th May 2023
9.30am – 11.30am**

**Blanco's Hotel, Green Park
Street, Port Talbot, SA12 6NT**



Y Bryn, a joint venture by Coriolis Energy and ESB Energy, will be a nationally significant contributor towards meeting Wales' climate change targets with a generating capacity of over 100MW situated to the north east of Port Talbot.

This first supply chain event will be an opportunity for businesses to meet representatives from Coriolis Energy and ESB Energy, find out more about the proposal, the planning application process and timelines, construction and operation opportunities and formally register an interest in the project and the supply chain.

To register please contact our event partners, Chambers Wales:

laurence.wood@cw-seswm.com

Please advise if you have any dietary requirements.

Breakfast rolls and refreshments will be served on arrival with an opportunity to network with the project team and other businesses during the event.



For more information about Y Bryn please visit:
www.ybryn-windfarm.cymru

Or to contact the project team email:
info@ybryn-windfarm.cymru



Energy for
generations

CHAMBERS
WALES

Digwyddiad Cadwyn Gyflenwi Fferm Wynt ar y Tir Y Bryn

Dydd Iau 11 Mai 2023

9.30am – 11.30am

**Gwesty Blanco's, Stryd y Parc
Gwyrdd, Port Talbot, SA12 6NT**



Bydd Y Bryn, menter ar y cyd rhwng Coriolis Energy ac ESB Energy, yn gyfrannwr o bwys cenedlaethol tuag at gyrraedd targedau newid hinsawdd Cymru gyda chapasiti cynhyrchu o dros 100MW wedi'i leoli i'r gogledd-ddwyrain o Bort Talbot.

Bydd y digwyddiad cadwyn gyflenwi cyntaf hwn yn gyfle i fusnesau gwrdd â chynrychiolwyr o Coriolis Energy ac ESB Energy, dysgu rhagor am y cynnig, y broses cais cynllunio a llinellau amser, cyfleoedd adeiladu a gweithredu a chofrestru diddordeb yn y prosiect a'r gadwyn gyflenwi yn ffurfiol.

I gofrestru cysylltwch â'n partneriaid digwyddiad, Siambrau Cymru:

laurence.wood@cw-seswm.com

Rhowch wybod os oes gennych unrhyw anghenion deietegol.

Bydd rholiau brecwast a lluniaeth yn cael eu gweini wrth gyrraedd gyda chyfle i rwydweithio gyda thîm y prosiect a busnesau eraill yn ystod y digwyddiad.



Supply Chain and Community Benefit Event list of attendees

Company	Contact	Position	Attend?
Knights Brown	Graham Williams	Pre Construction Manager	Y
Bridgend CC	Stuart Baldwin	Climate Change Response MGR	Y
Bridgend CC	Kieran Swift		Y
Qualitek Engineering	Andrew Beer	Managing Director	Y
Qualitek Engineering	Leyton Thomas	Technical Sales manager	Y
Ledwood Mechanical Engineering	Nick Revell	Managing Director	Y
Lasers Are Us	Simon Lau		Y
CRH Plant Hire	Adrian Barnett	South Region Sales Mgr	
Tarmac	Wayne Bennett	Account Manager	Y
Tarmac	Ben Chase	Commercial Manager	Y
Jones Bros (Ruthin)	Eryl Roberts	Contracts Director	Y
Jones Bros (Ruthin)	Steffan Morgan	Commercial Manager	Y
Nurizon Consulting Engineers	Stefan Coetzee	Managing Director	Y
PPH Hire & Sales	Keith Miles	Regional Sales Mgr	Y
Neath Port Talbot CC	Claire Roach	Regeneration & Economic Dev	
Neath Port Talbot CC	Savannah Sharpe		
Tata Steel	Derick Smart	Manager Advanced Engineering Projects	Y
Thomas Carroll	Craig Steadman	Account Executive	Y
Dyfed Steels	Ian Mills	Sales	
Safety Technology	Robin Jones	Group Financial Controller	Y
Spencer ECA	Jamie Jukes	Technical Director	
Alun Griffiths	Simon Dunn	Pre Construction Director	Y
TSW Training	Gareth Harris	Director	Y
TSW Training	David Quinn		Y
JES Group	Rebecca Herbert	Procurement, Contracts & Office Mgr	Y
JES Group	Dafydd Johnson		Y
Rhyal Engineering	Hywel Dyer	Project Manager	Y
MSG Labour & Plant	Liam McCreesh	Managing Director	Y
MSG Labour & Plant	Rhys Hudson		Y
Jordan Civils/Stone Supplies	Jordan Christopher		
Jordan Civils/Stone Supplies	???		
Faithful + Gould	Charlotte Lewis	Project Manager	Y
Faithful + Gould	Steffan Davies		Y
Faithful + Gould	???		
Alamo Risk Solutions	Mark Jordan	Director	Y

Signed Memorandum of Understanding (MOU)

DATE 23 December 2022

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO A PROPOSED
COMMUNITY BENEFIT FUND AGREEMENT
Y BRYN WIND FARM, SOUTH WALES**

between

**(1) THE NEATH PORT TALBOT COUNCIL FOR
VOLUNTARY SERVICE LTD, (2) BRIDGEND
ASSOCIATION OF VOLUNTARY
ORGANISATIONS**

and

(3) AWEL AMAN Tawe

and

(4) Y BRYN WIND FARM LIMITED

DATE 23 December

2022

MEMORANDUM OF UNDERSTANDING ("MoU") between

- (1) **THE NEATH PORT TALBOT COUNCIL FOR VOLUNTARY SERVICE LTD**, a charitable company incorporated under the Companies Acts in England & Wales (Company Number: 03341466 and registered charity number 1064450) whose registered office is at Ty Margaret Thorne, 17-19 Alfred Street, Neath, SA11 1EF ("**NPTCVS**");
- (2) **BRIDGEND ASSOCIATION OF VOLUNTARY ORGANISATIONS (BAVO)**, a company incorporated under the Companies Acts in England & Wales (Company Number: 07691764 and registered charity number 1146543) whose registered office is at 112-113 Commercial Street, Maesteg, Mid Glamorgan, CF34 9DL ("**BAVO**");

together referred to as the "**Community Bodies**" and each individually as a "**Community Body**".
and

- (3) **AWEL AMAN TAWE**, a company incorporated in England & Wales (Company Number: 03958840) whose registered office is at 76-78 Gwilym Road, Cwmllynfell, Swansea, Neath Port Talbot, SA9 2GN ("**AAT**");

and

- (4) **Y BRYN WIND FARM LIMITED**, a company incorporated under the Companies Acts in England and Wales (Company Number: 12194519) whose registered office is at 22-24 King Street, Maidenhead, SL6 1EF ("**the Developer**");

who are collectively referred to as the "**Parties**" and individually as a "**Party**".

BACKGROUND:

- A. The Developer is proposing to develop, construct and operate a wind farm on Welsh Government forestry estate land between Port Talbot and Maesteg called Y Bryn Wind Farm (the "**Y Bryn Wind Farm Project**").
- B. The Developer proposes to offer an annual fund for the economic, social and environmental well-being benefit of communities living within the area shown shaded red on the Plan forming Schedule 2 annexed to this MoU (or in such other local areas and/or communities within the areas outlined black on the same Plan which the Community Bodies consider appropriate) (the "**Area of Benefit**") in respect of the Y Bryn Wind Farm Project, after it has been constructed.

THE PARTIES HAVE AGREED AS FOLLOWS:

1. Community Benefit Fund

- 1.1 The Developer wishes to provide an economic development payment (hereafter referred to as a community benefit fund ("**CBF**")) to the Area of Benefit by making annual payments.

1.2 Method of calculating the Annual CBF Payment ("Annual CBF Payment")

The total value of the Annual CBF Payment would be calculated as

Total Installed Capacity x Y where:

- (a) 'Total Installed Capacity' is the total installed capacity (in megawatts) of wind turbine generators at Y Bryn Wind Farm Project;
- (b) 'Y' is the sum of £8,000, index-linked by the consumer prices index ("CPI") from the date of the start of commercial operation for Y Bryn Wind Farm Project.

1.3 The Annual CBF Payment will be paid by the Developer annually from start of commercial operation of the Y Bryn Wind Farm Project to NewCo (as outlined at Clause 2 below).

1.4 Schedule 1 sets out further details of an outline structure for a Community Benefit Fund Agreement ("CBF Agreement").

2. Corporate structuring

2.1 The Parties agree to discuss, in good faith, arrangements for the formation of a single corporate economic development body to administer the Fund ("NewCo"). The intention is that the Developer would enter into a single agreement with NewCo and the Community Bodies that would cover a single community benefit funding and management arrangement.

2.2 NewCo is anticipated to be a community benefit society which will also take on shared ownership of the Y Bryn Wind Farm Project, under the terms of a separate shared ownership agreement. If, for whatever reason, the shared ownership structuring changes or NewCo is not incorporated, then the Developer shall instead deal with the Community Bodies in respect of the community benefit funding. In such a scenario the Community Bodies will nominate a principal contact who will liaise with the Developer.

2.3 Newco shall principally be a grant-funding entity, but will work with the Community Bodies in respect of any appropriate development projects using its powers, including those set out in paragraph 3 of Schedule 1.

2.4 Schedule 1 sets out further details of an outline structure for an CBF Agreement.

3. Management of NewCo

3.1 A CBF Agreement will be established between (i) the Developer, (ii) the Community Bodies (or a nominated individual Community Body), and (iii) NewCo (if incorporated), (or such other party, or no party, as the Parties may determine in their discretion), which will set out detailed arrangements for the day-to-day management of NewCo and application of the CBF.

3.2 Schedule Part 1 sets out further details of an outline structure for an CBF Agreement.

4. Future Discussions

4.1 The Parties agree to discuss in good faith the proposed community benefit fund structure and management outlined in Clauses 1 to 3 above and Schedule 1.

4.2 At or around the time that the Developer is planning to make its final investment decision in relation to the Y Bryn Wind Farm Project, the Developer will discuss with the Community Bodies the detailed basis on which it will offer a CBF Agreement along the lines set out in clauses 1 to 3 above and Schedule 1.

5. Legal Effect

5.1 Recitals A and B of this MoU and the provisions of clauses 1, 2 and 3 and the Schedules do not create any legally binding obligations between the Parties. The Parties agree that all other clauses are intended to create legally binding obligations.

5.2 The Parties intend that, subject to successful further discussion between the Parties, this MoU would be superseded by the more detailed (and legally binding) CBF Agreement.

6. Confidentiality

The Parties agree (i) to keep all communications and discussions between them confidential at all times but (ii) that, once signed by all Parties, each Party will be entitled to provide copies of this MoU, in good faith, to such individuals, professional advisors and organisations as they shall see fit.

7. Communications & Media

Before publishing or releasing any communications or media releases the Community Bodies agree to consult with the Developer to ensure that information and facts about the Y Bryn Wind Farm Project and the associated planning and development process are both accurate and consistent. The Developer agrees to consult with the Community Bodies regarding relevant public communications and media releases concerning the Y Bryn Wind Farm Project that specifically mention the Community Bodies to ensure that any such communications, in so far as they mention the Community Bodies, are factually correct. In the event that either or both of the Community Bodies does not respond to the Developer within five (5) business days of receipt from the Developer of the proposed communication mentioning that Community Bodies, then the Community Bodies will be deemed to have consented to the publication of the proposed communication.

8. Entirety of Agreement

This MoU constitutes the sole and entire agreement among the Parties with respect to its subject matter. The MoU supersedes all prior discussions, agreements and understanding between the Parties, whether written or oral, with respect to the matters contained in this MoU.

9. Expiry

9.1 Unless otherwise agreed by the Parties, this MoU shall expire after six (6) years from the date upon which this MoU takes effect or (if earlier) upon the occurrence of any of the following circumstances:

7.1.1 this MoU is replaced by a binding CBF Agreement implementing a community benefit fund structure of the sort contemplated in clauses 1 to 3; or

7.1.2 the Developer publicly declares that it will not progress with the planning application (or any associated appeal as the case may be) in respect of the Y Bryn Wind Farm Project; or

7.1.3 the Developer publicly declares that it will not progress with construction of the Y Bryn Wind Farm Project.

10. Notices

10.1 Any notice given to a Party under or in connection with this MoU shall be in writing and shall be delivered by hand or by pre-paid first-class post or other next working day delivery service as follows:

8.1.1 in the case of the Developer, to its registered office marked for the attention of its Company Secretary; or

8.1.2 in the case of each of the Community Bodies, to its registered office marked for the attention of its Company Secretary, or to such other person and address as may be intimated by the Community Body to the Developer, in writing, from time to time.

8.2 Any notice shall be deemed to have been received:

8.2.1 if delivered by hand, on signature of a delivery receipt; or

8.2.2 if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second day (excluding weekends and public holidays in Wales) after posting.

11. Third party rights

Nothing in this MoU is intended to create any rights which are enforceable by any person who is not a Party to this MoU.

12. Counterparts

This MoU may be executed in any number of counterparts, each of which shall constitute a duplicate original, but all the counterparts shall together constitute the one MoU.

13. Governing Law and Jurisdiction

13.1 This MoU and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in

accordance with the law of England and Wales.

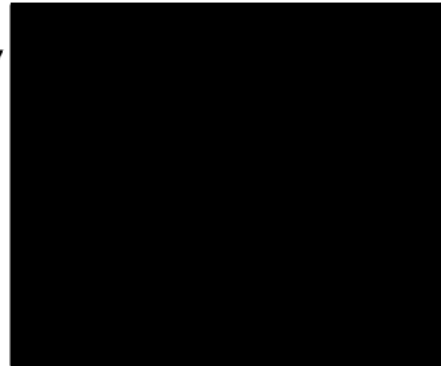
- 13.2 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this MoU or its subject matter or formation.

This Memorandum of Understanding has been entered into on the date stated at the beginning of it.

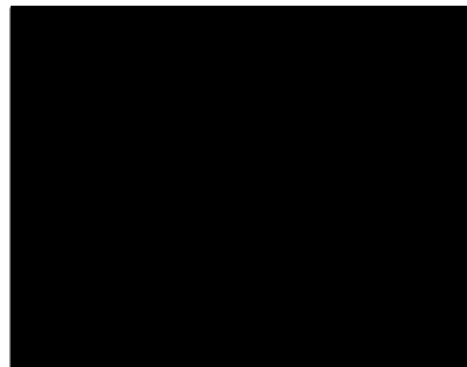
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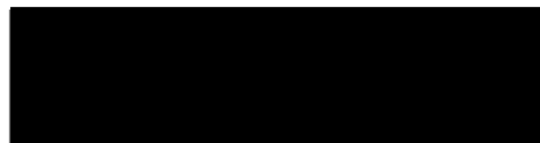
Executed by **NEATH PORT TALBOT COUNCIL FOR VOLUNTARY SERVICE** acting by:



Executed by **BRIDGEND ASSOCIATION OF VOLUNTARY ORGANISATIONS** acting by:



Executed by **AWEL AMAN Tawe** acting by:



SCHEDULE 1
COMMUNITY BENEFIT FUND AGREEMENT
OUTLINE OF KEY TERMS

The provisions of this Schedule 1 are not intended to create any legally binding relations and are for discussion purposes only.

The key terms for any CBF Agreement as mentioned in clause 2 of this MoU would be as follows:

1. Parties

- 1.1 The Developer
- 1.2 Community Bodies
- 1.3 NewCo

2. Purpose of the CBF Agreement

- 2.1 The objectives of the CBF Agreement will be to document the agreed approach in relation to the CBF and its ability to deliver economic, social and environmental well-being benefit to the Area of Benefit, in reference to the well-being goals of the Well-being of Future Generations (Wales) Act 2015 ("Well-being").

3. Management of NewCo

- 3.1 The CBF will be administered by NewCo in line with the principles to be agreed with the Community Bodies. NewCo will offer both reactive grant-funding on applications from individuals and organisations from within or serving the benefit of the Area of Benefit, as well as proactively seeking opportunities for improvements, through third-party led development initiatives, to Well-being throughout the Area of Benefit. Where relevant NewCo may sub-contract appropriate development initiatives to the Community Bodies.
- 3.2 In support of its activities, a Community Needs Assessment (and/or other such analysis, including public, political and other key stakeholder consultation) will be undertaken, leading to the development of rolling five-year (or such other period as may be determined) Community Action Plans.
- 3.3 NewCo and its activities will be promoted through a range of means, including both a dedicated website and the websites of the Community Bodies and appropriate social media channels, with the aim of maximising its visibility within the Area of Benefit.
- 3.4 NewCo and/or the Community Bodies under the CBF Agreement (as appropriate) shall have powers beyond those of a typical grant-funding entity, including:
 - (a) to employ such staff as are considered appropriate for the proper conduct of NewCo's activities, and to make reasonable provision for the payment of pension and/or other benefits for members of staff, ex-members of staff and their dependents;
 - (b) to design, prepare, publish and/or distribution information packs, leaflets, books, newsletters, magazines, posters and other publications, audio visual recordings, multimedia products and display materials, and to create and maintain a website or websites;
 - (c) to promote, operate, co-ordinate, monitor and/or support other projects and programmes (which may include workspace projects) which further the objects of NewCo ;
 - (d) to manage community land and associated assets for the benefit of the Area of Benefit and the

public in general;

- (e) to establish, maintain and develop and/or operate a centre or centres providing facilities for childcare, community learning, healthy living initiatives, educational and cultural activities, training activities, leisure pursuits and accommodation for community groups, healthcare facilities and for public sector agencies which provide services of benefit to the community, and which may include refreshment facilities;
- (f) to advise in relation to, prepare, organise, conduct training courses, educational events and activities or all kinds;
- (g) to provide information, advisory, support and/or consultancy services which further the objects of NewCo ;
- (h) to liaise with local authorities, central government authorities and agencies, charities/community benefit bodies, community groups, health authorities, organisations and others, all with a view to furthering the objects of NewCo ;
- (i) to register any interest in land and to complete any Community Asset Transfer, or to exercise any Community Right to Buy as may be brought into legislative effect in Wales over time;
- (j) to make any participation request under any Community Rights legislation
- (k) to promote companies whose activities may further one or more of the above objects, or may generate income to support the activities of NewCo , acquire and hold shares in such companies and carry out, in relation to any such company which is a subsidiary of NewCo or of the Community Bodies , all such functions as may be associated with a holding company;
- (l) to acquire and take over the whole or any part of the undertaking and liabilities of any body holding property or rights which are suitable for NewCo 's activities;
- (m) to improve, manage, develop, or otherwise deal with, all or any part of the property and rights of NewCo or of the Community Bodies in relation to managing the CBF and/or NewCo;
- (n) to sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of NewCo or of the Community Bodies in relation to managing the CBF and/or NewCo;
- (o) to lend money and give credit (with or without security) and to grant guarantees and issue indemnities;
- (p) to borrow money, and to give security in support of any such borrowings by NewCo or of the Community Bodies or any subsidiaries or related parties thereof in relation to managing the CBF and/or NewCo, in support of any obligations undertaken by NewCo or the Community Bodies or any subsidiaries or related parties thereof in relation to managing the CBF and/or NewCo or in support of any guarantee issued by NewCo or the Community Bodies or any subsidiaries or related parties thereof in relation to managing the CBF and/or NewCo;
- (q) to engage such consultants and advisers as are considered appropriate from time to time;
- (r) to effect insurance of all kinds (which may include officers' liability insurance);
- (s) to invest any funds which are not immediately required for NewCo 's activities in such investments as may be considered appropriate including social investments (and to dispose of, and vary, such investments);
- (t) to establish and/or support any charity, and to make donations for any charitable purpose falling within NewCo's objects;

- (u) to take such steps as may be deemed appropriate for the purpose of raising funds for NewCo 's interests;
- (v) to enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of NewCo, and to enter into any arrangement for co-operation or mutual assistance with any charity;
- (w) to carry on any other activities which further any of the above objects;
- (x) to do anything which may be incidental or conducive to the furtherance of any of NewCo 's objects.

4. Developers right to identify projects for funding

- 4.1 The Developer will retain the right to identify projects for funding at any time which in their opinion deliver Well-being to the Neighbouring Communities and may put forward such projects to NewCo for consideration for funding. The Parties agree that NewCo will have sole discretion as to whether to fund such projects, with such projects being subject to NewCo's standard criteria for consideration, and that the intention is not to grant the Developer any right to have such projects considered ahead of any other projects which are put forward by the community.

5. The Community Bodies obligations

- 5.1 The Community Bodies will initially provide between them a total of one (1) full-time equivalent ("FTE") dedicated staffing for the management and promotion of the CBF. In return for provision of staffing, the Community Bodies will be entitled to each receive a share of an annual fund management fee of the higher of £100,000 per annum (index-linked from completion of the CBF Agreement) or 10% of the Annual CBF Payment, to be deducted from the CBF, relative to their contribution to FTE.
- 5.2 The level of staffing and the annual fund management fee may be increased or decreased by agreement between the Community Bodies and the Developer from time to time, subject to any governance or policy rules of NewCo, and with reference to any Community Action Plans.

6. Auditing

- 6.1 NewCo shall be subject to regular examination of their activities, processes and policies, by an independent expert agreed between the Developer and NewCo (with consultation of the Community Bodies as necessary), who may make recommendations for changes and improvements to modes of managing NewCo to better meet its objects.

7. Termination

- 7.1 The CBF Agreement will specify the different circumstances in which termination can occur and what the consequences of termination will be in such different circumstances.
- 7.2 These circumstances will include insolvency of a Community Body providing services pursuant to paragraph 3.4(a) or NewCo; a Community Body or NewCo failing to distribute community benefit fund payments in accordance with relevant community benefit fund scheme objectives and parameters to be outlined in the CBF Agreement.

8. Decommissioning

- 8.1 If from time to time the Developer decides to reduce the generating capacity of the Y Bryn Wind

Farm Project through the removal or decommissioning of any wind turbines, then the Total Installed Capacity for the purpose of calculating the Annual CBF Payment shall be amended to reflect such reduction in generating capacity.

9. Extensions

- 9.1 If the Developer decides to extend or otherwise adds to the generating capacity of the Y Bryn Wind Farm Project through the addition of new wind turbines or other equipment (subject to planning permission) (other than in respect of any replacement of previously removed or decommissioned wind turbines), then the Total Installed Capacity for the purpose of calculating the Annual CBF Payment shall remain unchanged and the Community Bodies acknowledge that any such extension would be subject of a separate community benefit offer and agreements.

10. Repowering

If the Developer decides to re-power the Y Bryn Wind Farm Project then the Developer shall be entitled to terminate the CBF Agreement. In such circumstances, the Developer will pay a reasonable termination payment to the Community Bodies.

11. Assignment/Novation

The Developer can assign or transfer the CBF Agreement freely to any person or entity which owns the Y Bryn Wind Farm Project but shall ensure that any assignee accedes to the CBF and agrees to continue to support the community benefit fund in line with the existing agreements at such time.

12. Distribution objectives and parameters

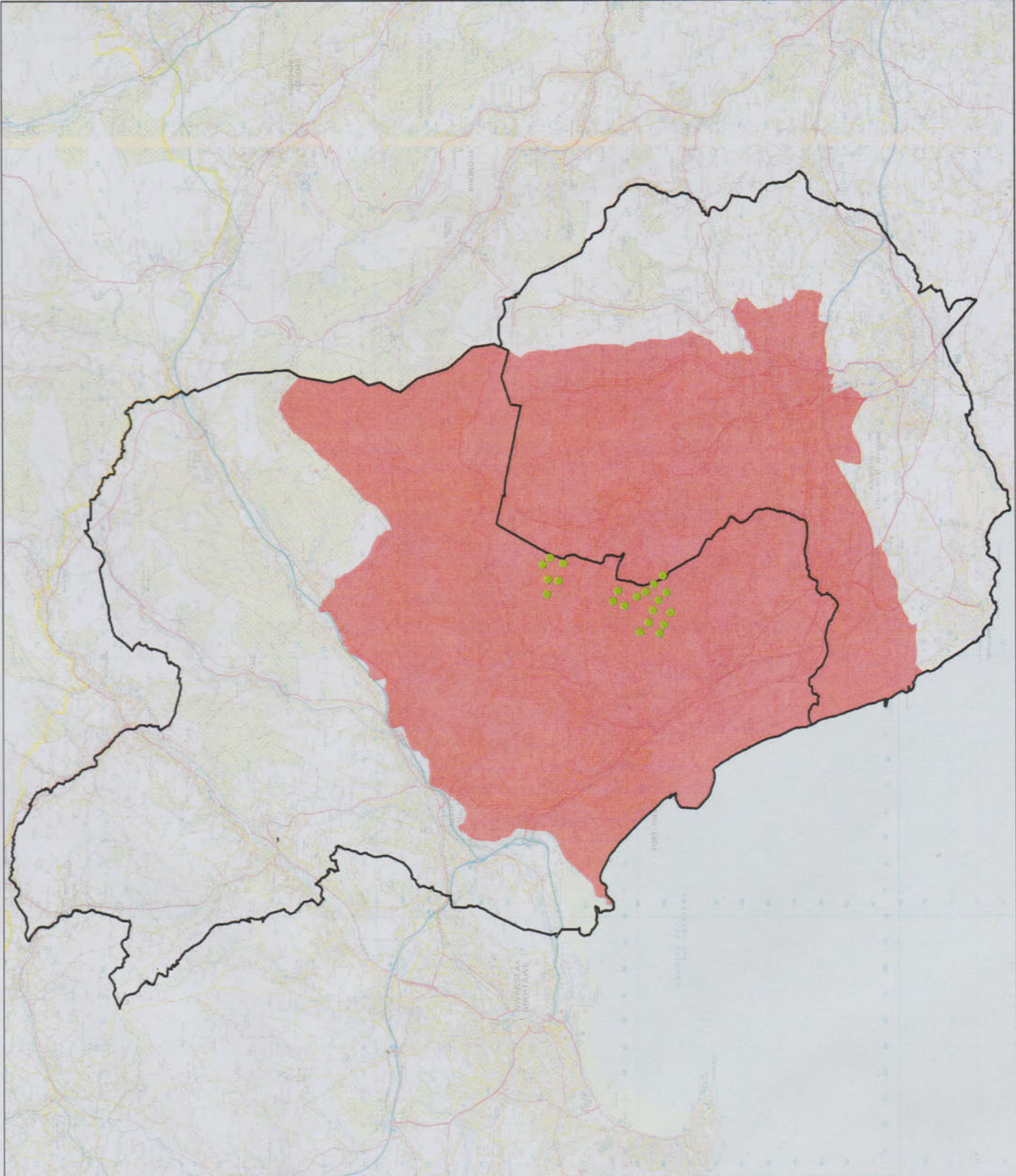
The CBF Agreement will specify how and when the Community Body or NewCo may allocate and distribute the monies paid to it under the CBF Agreement.

13. Governing law and jurisdiction

Law of England & Wales and English & Welsh courts (subject to expert determination where relevant).

SCHEDULE 2

PLAN OF AREA OF BENEFIT



Legend

- Y Bryn Turbines
- Core Benefit Zone
- Wider Benefit Zones

0 1.25 2.5 5 km

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Scale	1:140,000	Date	06/05/2022
Original	A3	Drawn	T. HUNTER
Size		Checked	T. HUNTER
Agent			



Applicant

Y BRYN WIND FARM LTD
22-24 King Street
Aberystwyth
Ceredigion
SY23 2EF
Tel: +44 (0) 1628 629 344
E-mail: trevor.hunter@coriolis-energy.com

Project

Y BRYN

Title

COMMUNITY BENEFIT ZONES

Drawing No.
FIG 1

Issue
01

DATE 23 December 2022

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO A PROPOSED
COMMUNITY OWNERSHIP AGREEMENT
Y BRYN WIND FARM, SOUTH WALES**

between

**(1) AWEL AMAN TAWE, (2) THE NEATH PORT
TALBOT COUNCIL FOR VOLUNTARY SERVICE
LTD and (3) BRIDGEND ASSOCIATION OF
VOLUNTARY ORGANISATIONS**

and

Y BRYN WIND FARM LIMITED

DATE 23 December 2022

MEMORANDUM OF UNDERSTANDING ("MoU") between

- (1) **AWEL AMAN TAWE**, a company incorporated in England & Wales (Company Number: 03958840) whose registered office is at 76-78 Gwilym Road, Cwmllynfell, Swansea, Neath Port Talbot, SA9 2GN ("**AAT**"), **THE NEATH PORT TALBOT COUNCIL FOR VOLUNTARY SERVICE LTD**, a charitable company incorporated in England & Wales (Company Number: 03341466 and registered charity number 1064450) whose registered office is at Ty Margaret Thorne, 17-19 Alfred Street, Neath, SA11 1EF ("**NPT**") and **BRIDGEND ASSOCIATION OF VOLUNTARY ORGANISATIONS**, a charitable company incorporated in England & Wales (Company Number: 07691764 and registered charity number 1146543) whose registered office is at 112-113 Commercial Street, Maesteg, Mid Glamorgan, CF34 9DL ("**BAVO**") (together, "**the Community Participants**");

and

- (2) **Y BRYN WIND FARM LIMITED**, a company incorporated under the Companies Acts in England and Wales (Company Number: 12194519) whose registered office is at 22-24 King Street, Maidenhead, SL6 1EF ("**the Developer**");

who are collectively referred to as the "**Parties**" and individually as a "**Party**".

BACKGROUND:

- A. The Developer is proposing to develop, construct and operate a wind farm on Welsh Government forestry estate land between Port Talbot and Maesteg called Y Bryn Wind Farm (the "**Y Bryn Wind Farm Project**").
- B. The Community Participants intend to incorporate a new community benefit society ("**NewCo**") in order to facilitate a community ownership scheme and participation in the Y Bryn Wind Farm Project. Newco will be set up with AAT, NPT and BAVO as its founding members.
- C. AAT is a not for profit community energy charity. AAT is advising NewCo on its involvement with the Y Bryn Wind Farm Project.
- D. The Developer and the Community Participants (through NewCo) wish to support the opportunity for community shared ownership investment in the Y Bryn Wind Farm Project and management of the Community Benefit Funds.
- E. This memorandum of understanding sets out how the Parties intend to work together in relation to delivering the Y Bryn Wind Farm Project.

THE PARTIES HAVE AGREED AS FOLLOWS:

1. COMMUNITY OWNERSHIP OPPORTUNITIES

- 1.1 The Developer wishes to provide a community ownership opportunity to local individuals and charitable or non-profit organisations and local public sector bodies, to be managed by NewCo. This opportunity would be subject to the proposed arrangements:

- (a) being possible to structure in a way that would not have an adverse effect upon the Developer's ability to raise commercial finance; and
- (b) not causing any potential breach of Financial Services legislation, as more fully explained in clause 2.4 below.

1.2 In return for agreed payments to the Developer (to be made in a number of tranches, to be agreed in accordance with paragraph 2.6 of Schedule 1), NewCo will be entitled to receive regular payments equal to an agreed percentage (the "**Community Percentage**") of the net profits of the Y Bryn Wind Farm Project. The payments will be adjusted to take into account the dates on which NewCo makes payment under the relevant investment tranche.

1.3 **Method of calculating the Community Percentage**

The Community Percentage would be calculated as

$\frac{X}{Y} \times 100$ where:

- (a) 'X' is the amount that NewCo pays to The Developer, pro-rata from the date of each investment ("**Investment**");
- (b) 'Y' is the aggregate costs and expenses (including internal costs and expenses) of obtaining and satisfying all of the project consents and developing, financing, constructing and commissioning the Y Bryn Wind Farm Project in the manner and to the standard required by the Developer ("**Total Construction Costs**").

1.4 NewCo would receive payment of the Community Percentage of the net profits of the Y Bryn Wind Farm Project.

1.5 The Developer will pay a set amount to NewCo (£12,500 and indexed) on each quarterly payment date in arrears, with an annual balancing payment (which shall constitute the relevant Community Percentage amount for that year, less the quarterly payments made) to be made within 60 days of receipt by the Developer of the final information required to calculate the annual net revenue of the Y Bryn Wind Farm Project. Where in any year the Community Percentage is less than the cumulative annual minimum set amount (£50,000 and indexed) then any deficit shall be recoverable by the Developer through deductions in the following years annual balancing payments.

1.6 The maximum aggregate of the Investment from NewCo would be 20% of the Total Construction Costs.

1.7 The Developer will hold regular Y Bryn Wind Farm Project update meetings with AAT and/or NewCo throughout the development process and quarterly Y Bryn Wind Farm Project update meetings with NRW. The Developer will provide NewCo with an electronic copy of the draft application for development of national significance consent/planning consent and any development of national significance consent/planning consent in relation to the Y Bryn Wind Farm Project. If development of national significance consent/planning consent is granted for the Y Bryn Wind Farm Project each Party will consider and inform the other as soon as reasonably

practicable if they consider there is any unreasonable construction or planning condition.

- 1.8 Schedule 1 sets out further details of an outline structure for a Community Ownership Agreement.

2. Future Discussions

- 2.1 The Parties agree to discuss in good faith the proposed community ownership structure outlined in Clause 1 above and Schedule 1.

- 2.2 At or around the time that the Developer is planning to make its final investment decision in relation to the Y Bryn Wind Farm Project, the Developer will discuss with the Community Participants and NewCo the detailed basis on which it will offer a community ownership agreement along the lines set out in clause 1 above and Schedule 1.

- 2.3 The Parties agree to discuss, in good faith, arrangements for the Community Participants to form the NewCo. The intention is that the Developer would enter into a single agreement with NewCo that would cover a single community ownership arrangement.

- 2.4 The Developer is not authorised to carry on regulated activity for the purposes of the Financial Services and Markets Act 2000 and so any proposed structure for a Community Ownership Agreement (as contemplated in clauses 1 and 2 above and the Schedule) will need to be assessed at the relevant time to ensure compliance with relevant UK financial services legislation. In particular, any proposed structure must not constitute a collective investment scheme or alternative investment fund. Nothing in this MoU shall require the Developer to carry on any activity which the Developer considers amounts to the carrying on of a regulated activity and/or the communication of an invitation or inducement to engage in investment activity for the purposes of the Financial Services and Markets Act 2000 (as amended or replaced from time to time).

3. Non-Binding

- 3.1 This memorandum of understanding sets out the proposed terms of the community ownership of the Y Bryn Wind Farm Project. It is not intended to be legally binding except as specifically stated.
- 3.2 The Parties intend that, subject to successful further discussion between the Parties, this MoU would be superseded by a more detailed (and legally binding) Community Ownership Agreement.

4. Confidentiality

This paragraph is legally binding. The Parties agree (i) to keep all communications and discussions between them confidential at all times and (ii) that, once signed by both Parties, each Party will be entitled to provide copies of this MoU, in good faith, to such individuals, professional advisors and organisations as they shall see fit.

5. Communications & Media

Before publishing or releasing any communications or media releases the Community Participants agrees to consult with the Developer to ensure that information and facts about the Y Bryn Wind

Farm Project and the associated planning and development process are both accurate and consistent. The Developer agrees to consult with the Community Participants regarding relevant public communications and media releases concerning the Y Bryn Wind Farm Project that specifically mention the Community Participants to ensure that any such communications, in so far as they mention the Community Participants, are factually correct. In the event that a Party does not respond to the other Party within five (5) business days of receipt from that Party of the proposed communication, then the relevant Party will be deemed to have consented to the publication of the proposed communication.

6. Entirety of Agreement

This MoU constitutes the sole and entire agreement among the Parties with respect to its subject matter. The MoU supersedes all prior discussions, agreements and understanding between the Parties, whether written or oral, with respect to the matters contained in this MoU.

7. Expiry

7.1 Unless otherwise agreed by the Parties, this MoU shall expire after seventy-two (72) months from the date upon which this MoU takes effect or (if earlier) upon the occurrence of any of the following circumstances:

7.1.1 this MoU is replaced by a binding Community Ownership Agreement implementing a community ownership structure of the sort contemplated in clauses 1 and 2 and in Schedule 1; or

7.1.2 the Developer publicly declares that it will not progress with the planning application (or any associated appeal as the case may be) in respect of the Y Bryn Wind Farm Project; or

7.1.3 the Developer publicly declares that it will not progress with construction of the Y Bryn Wind Farm Project.

8. Costs

8.1 This paragraph is legally binding.

8.2 The Developer agrees to pay the proper and reasonably incurred costs of the Community Participants in respect of the negotiation, preparation, agreement and execution of this MoU together with the separate community benefit MoU, up to an agreed amount of £7,500 plus VAT (or such other amount as the Parties may agree in writing).

8.3 The Parties shall agree the costs of the Community Participants relating to the Community Ownership Agreement on or around the time that the Developer makes its final investment decision as envisaged by paragraph 2.2 above.

9. Notices

9.1 Any notice given to a Party under or in connection with this MoU shall be in writing and shall be

delivered by hand or by pre-paid first-class post or other next working day delivery service as follows:

- 8.1.1 in the case of the Developer, to its registered office marked for the attention of its Company Secretary; or
- 8.1.2 in the case of the Community Participants, to its registered office marked for the attention of its Company Secretary, or to such other person and address as may be intimated by the Community Participants to the Developer, in writing, from time to time.

8.2 Any notice shall be deemed to have been received:

- 8.2.1 if delivered by hand, on signature of a delivery receipt; or
- 8.2.2 if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second day (excluding weekends and public holidays in England and Wales) after posting.

10. Third party rights

Nothing in this MoU is intended to create any rights which are enforceable by any person who is not a Party to this MoU.

11. Counterparts

This MoU may be executed in any number of counterparts, each of which shall constitute a duplicate original, but all the counterparts shall together constitute the one MoU.

12. Governing Law and Jurisdiction

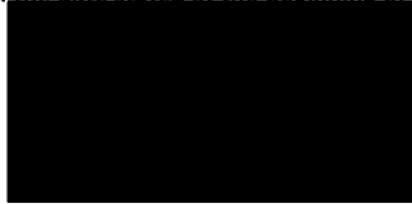
12.1 This paragraph is legally binding.

12.2 This MoU and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

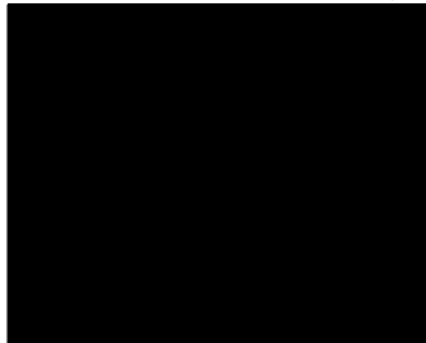
12.3 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this MoU or its subject matter or formation.

This Memorandum of Understanding has been entered into on the date stated at the beginning of it.

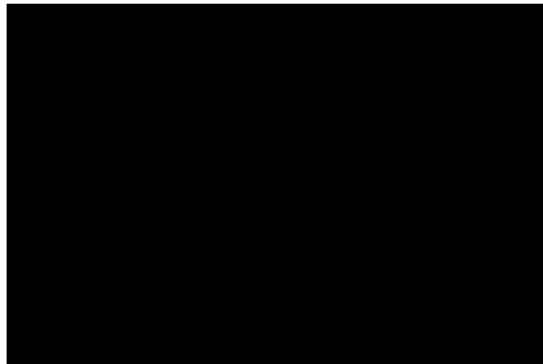
Executed by **Y BRYN WIND FARM LIMITED** acting by:



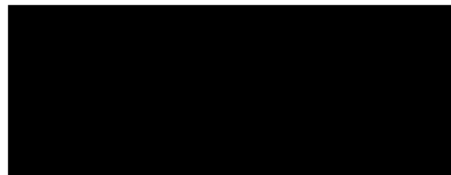
Executed by **NEATH PORT TALBOT COUNCIL FOR VOLUNTARY SERVICE** acting by:



Executed by **BRIDGEND ASSOCIATION OF VOLUNTARY ORGANISATIONS** acting by:



Executed by **AWEL AMAN Tawe** acting by:



SCHEDULE 1
COMMUNITY OWNERSHIP AGREEMENT
OUTLINE OF KEY TERMS

The provisions of this Schedule 1 are not intended to create any legally binding relations and are indicative only.

The key terms for any Community Ownership Agreement as mentioned in clause 2 of this MoU would be as follows:

1. Parties

1.1 The Developer

1.2 NewCo

2. Option to acquire an Ownership Interest

2.1 The Ownership Interest would preferably take the form of an entitlement to receive regular payments from the Developer to NewCo equal to a percentage of net profits of the Y Bryn Wind Farm Project in return for agreed Investment payments.

2.2 The percentage would be an agreed proportion of the Community Percentage as calculated under Clause 1.3 and 1.4

2.3 The ownership opportunity is only available if, collectively, the total Investments from NewCo exceeds ONE MILLION POUNDS (£1,000,000).

2.4 The Developer will use reasonable endeavours, subject to confidentiality provisions, to provide the Community Participants, and NewCo, with a copy of (or relevant extracts from) the lease with Welsh Government which evidences the requirement for the Y Bryn Wind Farm Project to include shared community ownership.

2.5 The Community Ownership Agreement would also need to allow the Investment ceiling to be revised if the Developer was obliged to offer additional interests pursuant to any legislation.

2.6 The Parties acknowledge that the NewCo is likely to need to raise finance for its Investments by way of a community share offer and that the Developer will not permit the NewCo to obtain any ownership interest in the Project assets or land. The Parties acknowledge that this would preclude the NewCo from raising third party secured commercial finance. As a result the Developer acknowledges that the NewCo will need sufficient time for the community share offer to raise sufficient funds and therefore the Community Ownership Agreement shall permit the NewCo Investment to be made in stages:

Date	Investment Amount
Completion of construction and commissioning	At least £1,000,000
up to 4 additional occasions, at least 6 months apart, prior to end of the 4 th year of commercial operation	Up to the remaining balance as described at clause 1.6 at the time being not less than £250k

Each Investment must be made in multiples of £250,000.

2.7 In order to calculate the Community Percentage, the Total Construction Costs would be calculated on the following principles:

- (a) within a period of time after completion of construction and commissioning of the wind farm, the Developer will deliver a statement of Total Construction Costs to the NewCo. This period will be sufficiently long to enable the Developer to include finalised costs for the majority of construction cost items. There may still be some construction costs that are not fully finalised at this stage and the statement will identify which costs are finalised and which are estimates;
- (b) the statement will also set out the costs of obtaining and satisfying all of the project consents and developing and financing the wind farm. This will include both internal costs and external costs as well as any disturbance fees payable to landowners prior to construction completion;
- (c) the NewCo will have a period of time after delivery of the construction cost statement within which to decide whether to exercise the option to invest and receive an Ownership Interest;
- (d) certain information and construction costs may be confidential or commercially sensitive (e.g. payment terms under framework agreements with turbine suppliers). The Developer will not be required to disclose confidential or commercially sensitive information to the NewCo. If necessary, a certification mechanism by a Board Director or Secretary of the Developer, the Developer's auditors and accountants, or an independent person could be implemented in order to protect confidentiality for the Developer but still provide comfort to the NewCo as to the accuracy of the relevant cost items;

3. Payment of Net Profit Share

- 3.1 The net profit share would be paid by way of four quarterly set payments and an annual balancing payment, in arrears, and vary according to the commercial performance of the wind farm in the previous year.
- 3.2 The Community Ownership Agreement would contain a mechanism to calculate net profits, after tax, in accordance with standard accounting principles. Asset management charges and other central management costs will be charged on a fair and reasonable basis consistent with the Developer's practice. The mechanism may also include provisions to preserve the confidentiality of certain key information (from the Developer perspective) but at the same time afford the Community Participants confidence as to the calculations (for example appointing an independent accountant to certify certain matters or the Developer Board Director/Secretary certification).

4. Operational Information updates

The Developer would provide regular updates to the Community Participants as to the performance of the wind farm.

5. Financial Information

The Developer shall provide NewCo (or the Community Participants) with the following financial information and financial model assumptions at a date to be agreed prior to start of construction for:

- 5.1 Operating Life

- 5.2 Key Dates
 - (a) Development period (up to Financial Investment Decision (FID))
 - (b) Construction period- FID to Commercial Operation Date (COD)
 - (c) Operational period COD for X yrs as per No. 1
 - (d) Decommissioning period
- 5.3 Turbine - specifically the candidate turbine in planning application plus alternatives Y Bryn might choose.
- 5.4 DEVEX up to FID – initially as a £/MW estimate based on previous experience - but real Project DEVEX sunk cost figures at FID.
- 5.5 CAPEX
 - (a) WTG
 - (b) BOP - eBoP and cBoP
 - (c) Grid
 - (d) Other- lump all the rest together inc. DEVEX (post-FID)
 - (e) Contingency - % of CAPEX
 - (f) Spend profile- split and profiled over the construction period
 - (g) developers management fee
- 5.6 OPEX - either profiled as a yearly figure for the whole project or categorised into:
 - (a) WTG maintenance
 - (b) Community fund
 - (c) Grid charging
 - (d) Other - inc. BOP & habitat maintenance, insurance, bonding, tax & electricity purchase
- 5.7 Decommissioning costs
- 5.8 Developers management fee – annual
- 5.9 AEP
 - (a) P50 for turbines under consideration, this will include curtailment, on wind farm losses etc. based on layout options

6. Control over development, construction and operations

- 6.1 The Developer will have complete control over the development, financing, construction and operation of the Y Bryn Wind Farm Project (including sale of all output and green benefits).
- 6.2 For the purposes of calculating net profits payable to the NewCo, all reasonable and properly incurred operating expenditure ('opex'), depreciation and amortization, interest (if applicable), tax and asset management charges in line with standard Developer rates would be deducted.
- 6.3 For the avoidance of doubt, Developer group companies may provide such goods and services in respect of the Y Bryn Wind Farm Project as the Developer shall in its absolute discretion decide (including but without limitation, long term operation and maintenance services).
- 6.4 It is possible that the power output and any relevant green benefits will be sold to a Developer group power purchaser. Rather than disclose this internal power purchase agreement, the Community Ownership Agreement may create a deemed revenue stream in respect of power sales by reference to published day ahead power price indices (subject to an appropriate discount to reflect the pricing discount that an arms-length power purchaser would insist upon in order to

cover the imbalance charge risk (and other industry code risks) assumed by such a power purchaser of intermittent generation).

7. Termination

- 7.1 The Community Ownership Agreement will specify the different circumstances in which termination can occur and what the consequences of termination will be in such different circumstances.
- 7.2 These circumstances will include insolvency of the NewCo; the NewCo failing to distribute profit share payments in accordance with relevant community ownership scheme objectives and parameters to be outlined in the Community Ownership Agreement and the arrangements being considered to be a collective investment scheme and/or alternative investment fund.
- 7.3 If the Developer ceases to hold a controlling interest in the Y Bryn Wind Farm Project the Developer agrees that it shall (i) facilitate an introduction of NewCo to the purchaser of the controlling interest in the Y Bryn Wind Farm Project and (ii) ensure that the purchaser(s) accede(s) to the terms of the Community Ownership Agreement as part of the transfer of the controlling interest.

8. Repowering

If the Developer decides to re-power the Y Bryn Wind Farm Project ('Repowered Project') then the Developer shall be entitled to terminate the Community Ownership Agreement. In such circumstances, the Developer will (i) offer the NewCo the opportunity to reinvest in the Repowered Project as part of the repowering and allow the NewCo sufficient time to raise any additional funding which would be required, or (ii) if the NewCo does not wish to invest in the Repowered Project, pay a reasonable termination payment to the NewCo to bring NewCo's effective internal rate of return from Y Bryn Wind Farm Project in line with the Developers. .

9. Further capital expenditure

- 9.1 The NewCo would not be expected to (nor entitled to) contribute to any additional capital expenditure incurred by the Developer following construction completion, other than as already envisaged by the payment timetable set out in paragraph 2.6 above.
- 9.2 Where additional capital expenditure is used to extend the wind farm, then the NewCo's percentage interest for purposes of calculating its annual payments would be based on net profits attributable to the original wind farm to which the NewCo contributed, not to any extension. If income from the original wind farm and any extension are not separately metered, then an appropriate proportion of the income from the extended wind farm would be calculated.

10. Assignment/Novation

The Developer can assign or transfer the Community Ownership Agreement freely to any person or entity to which the Developer has sold, transferred or assigned its interest in the Y Bryn Wind Farm Project. The Developer shall procure that any person or entity to whom it assigns, transfers or sells its interest in and to the Y Bryn Wind Farm Project shall also accede to the Community Ownership Agreement and agree to be bound by its terms, and to pay the relevant Community Percentage to the NewCo.

11. Nature of Ownership Interest

The right to an "Ownership Interest" is simply a right to receive a profit share payment from the Developer. The Ownership Interest confers no physical ownership or other interest in either the wind farm, any assets of the Developer or its share capital.

12. Distribution objectives and parameters

The Community Ownership Agreement will specify how and when the NewCo will allocate and distribute the monies paid to it under this Community Ownership Agreement.

13. Financial Services regulation

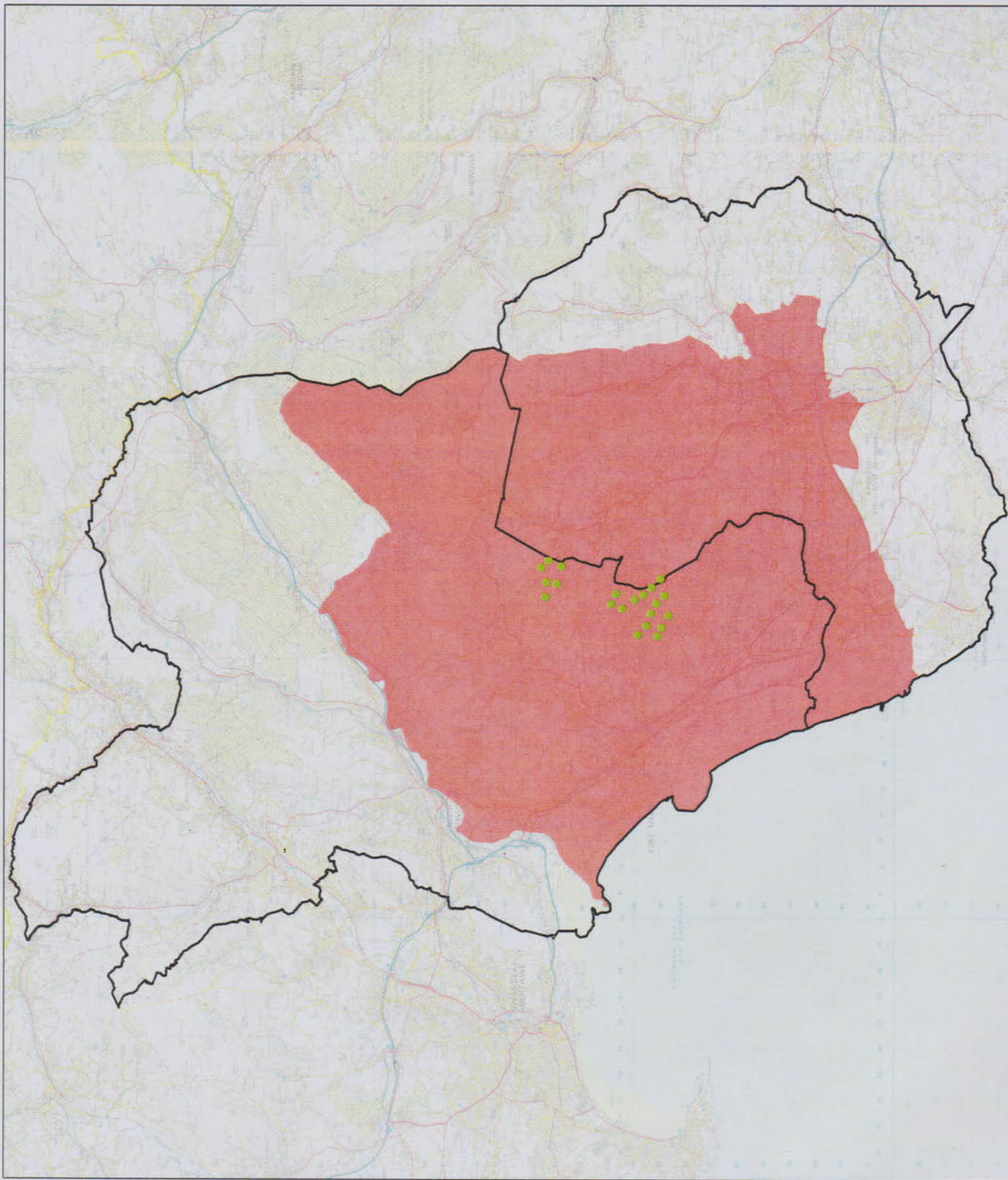
The Developer is not authorised to carry on regulated activity for the purposes of the Financial Services and Markets Act 2000 and so any proposed structure for a Community Ownership Agreement will need to be assessed at the relevant time to ensure compliance with relevant UK financial services legislation. In particular, any proposed structure must not constitute a collective investment scheme or alternative investment fund. Nothing in this MoU shall require the Developer to carry on any activity which the Developer considers to amount to the carrying on of a regulated activity and/or the communication of an invitation or inducement to engage in investment activity for the purposes of the Financial Services and Markets Act 2000 (as amended or replaced).

14. Governing law and jurisdiction

Law of England & Wales and English & Welsh courts (subject to expert determination where relevant).

SCHEDULE 2

**PLAN OF NEIGHBOURING
COMMUNITIES**



Legend

- Y Bryn Turbines
- Core Benefit Zone
- Wider Benefit Zones

0 1.25 2.5 5 km

Supplier Licence number: 0100017873
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Scale: 1:140,000

Original Size: A3

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Project: Y BRYN

Title: COMMUNITY BENEFIT ZONES

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Press release of MOU





Press Statement
November 2022

Coriolis Energy and ESB confirm agreements for multi-million pound Local Ownership Scheme and Community Benefit Fund for Y Bryn Wind Farm proposals.

Following COP27, and in time for Wales Climate Week 2022, Coriolis Energy and ESB have announced Memorandums of Understanding (MoU) with Awel Aman Tawe (AAT), Bridgend Association of Voluntary Organisations (BAVO) and Neath Port Talbot Voluntary Service (NPTCVS) to help deliver millions of pounds worth of contributions to the communities surrounding the proposed Y Bryn onshore wind farm, near Port Talbot in South Wales.

The arrangements mark the first step towards delivery of a key Welsh Government target to deliver deep, long-term benefits within host communities.

The MoU's confirm arrangements to bring forward multi-million pound benefit to the region through a Community Benefit Fund which can be spent on local projects in the area around the wind farm. Arrangements have also been confirmed on setting up a new community benefit society called 'Awel y Bryn Co-op' which will enable the Community Ownership Scheme and Community Benefit Fund and will be managed by AAT, BAVO and NPTCVS.

Through Awel y Bryn Co-op, up to a fifth of the Project will be available for community and public sector ownership, which will contribute greatly to Welsh Government targets of having at least 1GW of renewable energy in community ownership by 2030. Given the nature of the project, the Y Bryn ownership model would be one of the largest part-owned community projects in the UK.

Equally ambitious in scale, the industry leading Community Benefit Fund, could total upwards of £1million per year for the lifetime of the Project – one of the largest community benefit pots in the UK from an onshore wind project of this nature.

Trevor Hunter, Y Bryn Project Manager said:

"The Y Bryn project will play an important role in delivering against Welsh Government Net Zero targets, and will make a significant contribution to energy security, helping to bring down energy costs for UK consumers."

"Therefore, we are really pleased to be able to announce the signing of these Memorandums of Understanding with our community partners during Wales Climate Week.

"From the outset, we've been looking at how best to incorporate Community Shared Ownership investment in the Y Bryn Wind Farm Project and management of the Community Benefit Fund, and I'm excited that the project has partnered with AAT, BAVO and NPTCVS to help deliver this."

"The unique agreements will ensure that both opportunities are managed appropriately and by partners who understand the needs of the local community. AAT, BAVO and NPTCVS all have significant past experience in managing similar funds, and are well known and respected locally."

"We are keen to understand further thoughts on the various opportunities for community ownership or in identifying areas in which the Project can deliver local community benefit."



Dan McCallum, Chief Executive, Awel Aman Tawe said:

“We have a rapid and urgent need to deploy renewable energy projects across Wales to help us meet our carbon reduction obligations. Whilst most people understand and support the principle for new renewable projects in Wales, we understand that many also want to know how these large investments can provide direct benefit to the communities within which they are built.”

“That is why we’re extremely excited to be working with Coriolis and ESB, as well as BAVO and NPTCVS, to bring forward this industry leading local ownership opportunity and community benefit fund with Y Bryn Wind Farm.”

“This will allow local individuals to invest directly in the project, and see the direct benefit of the project through significant benefit contributions straight away. This co-op model will engage a lot more people in our shared struggle to tackle climate change, and also retains greater value within Wales and our communities”

“Now that we have an agreement in place, we can really begin to explore these opportunities in detail with local residents, community groups and public bodies.”

For more details on the Project please visit www.ybryn-windfarm.cymru, where you can also register for regular updates as the Project progresses.

ENDS

For further information, please contact Will Morgan – will.morgan@thirty47.co.uk or call 07717 492911.

About Y Bryn Onshore Wind Farm

Coriolis Energy and ESB are seeking to develop a wind farm in South Wales, known as Y Bryn wind farm.

The proposed wind farm site is split into two blocks. The Bryn block is located to the south of the B4282, with the Penhydd block located to the north of the road. The Llynfi and Afan valleys lie to the east and west of the wind farm site respectively. The M4 motorway, the main arterial route running east to west through South Wales, lies to the south of the site.

The proposals have evolved during the course of the project, and at this stage, the project proposals include:

- Up to 21 turbines of up to 250m maximum tip height
- transformers housed either within or adjacent to turbines
- onsite access tracks plus underground cable runs alongside
- a site sub-station building
- a battery energy storage facility
- one or more permanent anemometry masts (at the hub height of the turbines)



Early consultation on initial proposals took place in Summer 2021, with a second phase taking place in Autumn 2021. As the Y Bryn Project will deliver in excess of 10MW of wind energy it constitutes a Development of National Significance (DNS) under the Planning (Wales) Act 2015, meaning formal pre-application consultation will take place prior to a planning application being submitted. The developer proposes for this to take place in Spring/Summer 2023.

About Coriolis Energy and ESB

Coriolis Energy was formed in early 2007 by a group of long-time managers of a major utility's renewable energy business where, between them, they were responsible for the successful development of some 300 MW of wind farm projects throughout the UK.

After becoming independent the team delivered over 100MW of consented projects under a partnership with Falck Renewables Ltd, all of which are now in operation. It is now continuing to develop 1.5GW of onshore wind energy projects in partnership with the Irish Utility company ESB and also active in the development of battery storage projects.

Electricity Supply Board (ESB) was established in 1927 as a statutory corporation in the Republic of Ireland under the Electricity (Supply) Act 1927. With a holding of 95%, ESB is majority owned by the Irish Government with the remaining 5% held by the trustees of an Employee Share Ownership Plan.

As a strong, diversified, vertically integrated utility, ESB operates right across the Irish electricity market currently supplying electricity to approximately 2.3 million customers. The company operates a range of assets across the Republic of Ireland and the UK including 9 hydro stations, 10 thermal stations and 18 wind farms.

The UK is a key growth market for ESB where it currently owns and operates 125 MW of wind farms and has recently built a new 884 MW CCGT gas fired power station at Carrington near Manchester.

Coriolis Energy and ESB have been working in partnership since early 2015 and have already delivered several consented wind farms. ESB are a secure, long-term partner for all project stakeholders.

About Awel Aman Tawe

A community energy charity, Awel Aman Tawe, was started by local people 21 years ago and is in the Upper Amman and Swansea Valleys, a former coal mining area 20 miles north of Swansea. Awel Aman Tawe have an award-winning track record in consultation, developing large scale and domestic renewable energy projects, and engaging local people through an innovative programmes of community arts activities.

About Bridgend Association of Voluntary Organisations

Bridgend Association of Voluntary Organisations is the County Voluntary Council for Bridgend County Borough. They provide free support and assistance to all member community and voluntary groups, not-for-profits and social enterprises in the Bridgend area.

Their aim is to provide support, guidance, practical assistance and information to local voluntary sector groups to develop skills, services and activities, ensuring they are represented across a wide range of issues locally, regionally and nationally.



About Neath Port Talbot Council for Voluntary Service

Neath Port Talbot Council for Voluntary Service was established in April 1997 as a Charitable Company to support, promote and develop the participation of voluntary organisations, community groups and individuals in the voluntary sector in Neath Port Talbot.

Neath Port Talbot Council for Voluntary Service help organisations and communities to develop new projects, and to sustain existing services that meet the needs of the local community, enhance participation and improve the quality of people's lives.