

November 2020

HEXHAM WIND FARM NEIGHBOUR BENEFIT SHARING PROGRAM



SHARING THE BENEFITS

In 2019 Wind Prospect developed a proposal for a Neighbour Benefit Sharing Program for the proposed Hexham Wind Farm, to ensure the financial benefits of the proposed project would be shared with those closest to the project.

The proposed program has been shared with the local community through door knocks, information sessions, drop in sessions at Hexham, Caramut and Ellerslie and mail outs. As part of this community engagement we have gathered feedback and used it to shape the Neighbour Benefit Sharing Program proposal outlined in this flyer.

Thank you to everyone who provided information on what would work for your community. This local response has been invaluable and has been used, after careful consideration, to develop the refined initiatives in this flyer.

Please note this program will only be implemented if the project is constructed.

Eligibility Criteria

Dwelling or retail premises

Payments are applicable in relation to dwellings and retail premises only, not land without dwellings or retail premises. Infrastructure is determined to be a dwelling or retail premises if it meets the criteria in the Moyne Shire Planning Scheme. Eligible dwellings or retail premises must:

- Not be dilapidated;
- Have existed at the 1st of July 2019;
- Have been occupied or operational for a minimum of six months in the year previous to the wind farm commencing operation.

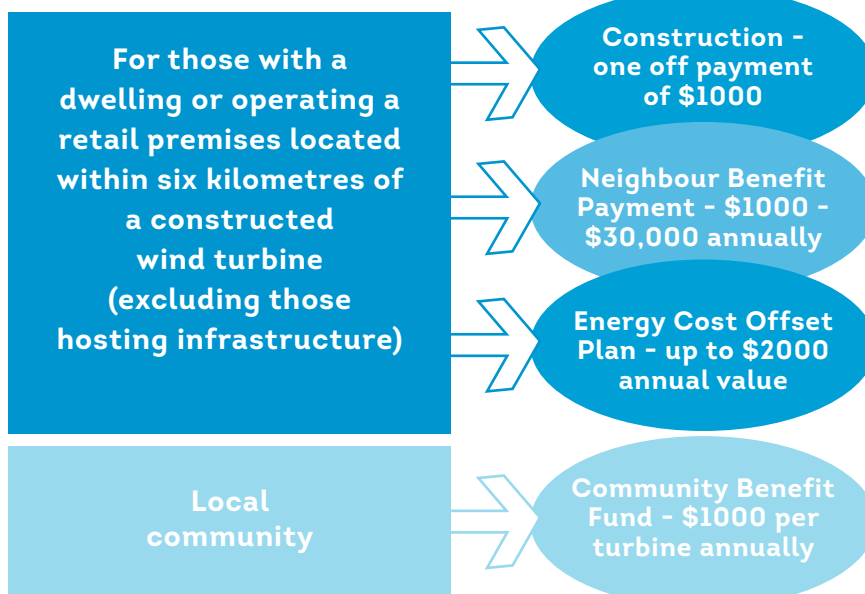
As always, please make contact if you have any queries.

Warm regards, the team at Wind Prospect

Under the Neighbour Benefit Sharing Program:

IF YOU	YOU WILL BE ELIGIBLE FOR
Own a dwelling or operate a retail premises located within six kilometres of a constructed wind turbine	The Neighbour Benefit Payment
Live in a dwelling or operate a retail premises located within six kilometres of a constructed wind turbine	The Energy Cost Offset Plan
Are an owner occupier of a dwelling or own and operate a retail premises located within six kilometres of a constructed wind turbine	The Neighbour Benefit Payment and the Energy Cost Offset Plan
Are hosting wind farm infrastructure	Neither the Neighbour Benefit Payment, Energy Cost Offset Plan, or Construction Payment
Are eligible for the Neighbour Benefit Payment	A one-off construction payment of \$1000

BENEFIT SHARING SNAPSHOT



NEIGHBOUR BENEFIT PAYMENT

The Neighbour Benefit Payment will provide annual payments to the owners of eligible dwellings and/or operating retail premises of up to \$30,000 per annum.

1. Eligibility:

a. All dwellings and/or operating retail premises located within six kilometres of a constructed turbine, and in existence at the 1st of July 2019. Eligibility of any dwellings or retail premises established after 1st July 2019 is subject to discretion.

b. Payments are for every dwelling and/or operating retail premises located on land with a unique registered proprietor. For situations where more than one dwelling or operating retail premises is owned by the same registered proprietor, the amount payable is calculated by establishing the highest calculated benefit for a dwelling and/or operating retail premises and adding \$1000 for every additional dwelling and/or operating retail premises located within six kilometres of a constructed wind turbine subject to the maximum payment described below.

2. Term: The program would commence at the commissioning of the wind farm and continue annually for as long as the relevant turbines are operational.

3. Payments: Annual amounts payable are equal to the sum of:

a. \$3500 per constructed turbine located within two kilometres of the dwelling and/or retail premises;

b. \$1000 per constructed turbine located between two kilometres and three kilometres of the dwelling and/or retail premises; and

c. \$100 per constructed turbine located between three kilometres and six kilometres of the dwelling and/or retail premises.

This initiative will have a minimum annual payment of \$1000 and a maximum annual payment of \$30,000 applied to each individual proprietor. All payments would be indexed annually to the Consumer Price Index, from the commencement of the program.

4. Recipient: Payments are made to the registered proprietor of the land (as provided on the property title) on which the dwelling or retail premises is located.

5. Construction Payment: All eligible participants of the Neighbour Benefit Payment would also be eligible for a one-off Construction Payment of \$1000, payable at the substantial commencement of construction.

ENERGY COST OFFSET PLAN

The Energy Cost Offset Plan is designed to help the occupants of neighbouring dwellings and operating retail premises with the cost of electricity, with an annual value of up to \$2000.

1. Eligibility:

a. All dwellings and operating retail premises located within six kilometres of a constructed turbine, and in existence at 1st July 2019, are eligible for this program. Eligibility of any dwellings and/or retail premises established after 1st July 2019 is subject to discretion.

2. Term: The program would commence at the commissioning of the wind farm and continue annually for as long as the relevant turbines are operational.

3. Value: The value is up to \$2000 per annum, and is indexed to the Consumer Price Index, from commencement of the program.

4. Recipient: The occupier of the dwelling and/or operating retail premises and regardless of the presence of existing auxiliary energy systems such as solar/battery systems or the installation of new auxiliary energy systems.

COMMUNITY CO-INVESTMENT PROGRAM

Community co-investment involves a community investment body investing in a renewable energy project, acquiring rights to a portion of the project's profit but gaining no decision-making power or control over the project. In this arrangement, the community has no formal ownership or responsibility over the project. Co-investment is a common method for large-scale renewables globally, including Denmark where it is legislated that every wind project must offer local community investment. Further information on co-investment is provided in the Community Engagement and Benefit Sharing in Renewable Energy Development publication (DELWP 2017), which can be easily found online by searching the publication title.

Subject to sufficient interest from the local community, this program would provide an opportunity for community members and organisations to invest in the operational project and participate in the financial benefits. If planning approval is provided and the project becomes operational, a formal process would be established to assess community interest in investing in the project. If there is sufficient interest, the program would be developed to provide for investment into the wind farm by local community members and organisations.



COMMUNITY BENEFIT FUND

A fund which contributes \$1000 per year per turbine, for the operating lifetime of the wind farm.

- 1. Eligibility:** A formally established fund committee would assess eligibility and acceptance of applications for funding. The fund committee would determine eligibility associated with distance from the project, whether funds could be used for large infrastructure and whether funds are pooled with funds from other infrastructure programs.
- 2. Term:** The fund would commence at the commissioning of the wind farm and continue annually for as long as the wind farm is operational.
- 3. Payments:** The fund would comprise \$1000 per operational turbine per year indexed annually to the Consumer Price Index from commencement of the fund.
- 4. Administration:** The fund committee would comprise a number of community representatives and representation from the wind farm owner. The Moyne Shire Council may also participate with non-voting representation.

COMMUNITY FEEDBACK ON THE INITIAL PROPOSAL

When we mooted the idea of a Neighbour Benefit Sharing Program with the local community and other stakeholders, the feedback we received was used to shape the updated proposal in this flyer. Questions and feedback included:

Neighbour Benefits Program	
Feedback	Response
Wind turbines within two kilometres of dwellings or retail premises should have higher value.	An additional two kilometre distance band was added to the Neighbour Benefit Payment with an associated payment of \$3500 per turbine located within two kilometres of the dwelling or retail premises.
I have land within six kilometres of turbines, but no constructed or approved dwelling on that property. Am I eligible for a payment?	No. The Neighbour Benefit Sharing Program is an acknowledgement of the changes a wind farm can bring to people already living in or owning a dwelling or operating a retail premises located within six kilometres of wind turbines.
How do you apply?	Application procedures will be established by the wind farm owner when the program is established.
Energy Cost Offset Plan	
Feedback	Response
Using the Victorian average electricity usage as a benchmark is not reflective of electricity use in the local community.	This feedback has been acknowledged and reference to this benchmark has been removed from the proposal. The annual value of the plan has been increased from up to \$1600 to up to \$2000.
Does the offset only apply to residential dwellings?	The energy cost offset applies only to eligible residential dwellings and operating retail premises. Primary Producer businesses would not be eligible.
What if a dwelling has already installed a solar system?	Solar households and operating retail premises with solar are not excluded from eligibility. How these households and businesses benefit from the plan will depend on the method for delivery which would be determined by the wind farm owner.
How do you apply?	Application procedures will be established by the wind farm owner when the program is established.

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Community Benefit Fund

Feedback	Response
Is it possible that the fund could just be handed over to the local government authority to manage?	The fund would be administered by a formally established fund committee that comprises a number of community representatives and representation from the wind farm owner. The local government authority may also participate with non-voting representation to assist in facilitating initiatives and programs.
Could the fund be used to provide access to services and infrastructure such as mobile phone towers, NBN access, town water, road upgrades, a drought relief fund, three-phase power, increased power reliability?	The framework of the Community Benefit Fund will be flexible enough to provide for the funding of such services and infrastructure, however, will be subject to the decision making and prioritisation of the fund committee.
Could the fund be used to establish scholarship programs?	The framework of the Community Benefit Fund will be flexible enough to provide for the funding of scholarship programs, however, will be subject to the decision making and prioritisation of the fund committee.
What is the eligibility distance for participation?	The assessment of fund applications will be the responsibility of the fund committee. While there would not be a specific eligibility distance, this would be a consideration in assessing applications.

Community Co-Investment Program

Feedback	Response
<p>There were numerous enquiries about the structure of a community co-investment program, including:</p> <ul style="list-style-type: none"> • Could investors be paid a regular dividend? • What is the maximum investment period, and would it be possible to leave midway through that term? • What is the rate of investment return? • What is the eligibility distance for participation? 	<p>If sufficient interest is established, the wind farm owner will engage thoroughly with the community to establish the detail of the co-investment program.</p> <p>While the program's structure would be determined at this later stage, it is envisaged the program would provide regular dividends.</p> <p>Further information on co-investment is provided in the Community Engagement and Benefit Sharing in Renewable Energy Development publication (DELWP 2017), which can be found online by searching the publication title.</p>



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