



Rialtas na hÉireann
Government of Ireland

Renewable Electricity Support Scheme

Good Practice Principles Handbook for
Community Benefit Funds

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1 Ministerial Foreword

The Programme for Government – ‘Our Shared Future’ – correctly identifies that the unprecedented challenges posed by the COVID-19 pandemic have stretched our social and economic fabric in ways that were previously unimaginable. As we emerge from what we hope are the worst days of the pandemic and turn our attention to the urgent task of rebuilding communities, we cannot forget that we are also dealing with a carbon emissions crisis. It is vital that the initiatives and policies that we put in place now address not just the immediate challenges of post-COVID recovery, but also those longer-term environmental threats. Failure to do so would be a missed opportunity, an opportunity that may not be given to us again, a failure that future generations will find difficult to understand or to forgive. This is an enormous task, but one we are determined to accomplish, because only a green recovery can deliver the healthy environment and quality of life that our citizens deserve.

As part of this task we have committed to ensuring that by 2030 at least 70% of our electricity comes from renewable sources. The Renewable Electricity Support Scheme is the key driver of this ambition and with the first auction taking place in 2020 we can see the roadmap for the transition beginning. However, it is vitally important that communities across the country benefit from this transformation and see those benefits in a tangible form in their local areas when they host the key infrastructure that is required to make this transformation.

That is why we committed to ensuring that all renewable electricity projects supported through this scheme would have to provide a Community Benefit Fund for their local area. These Funds will ensure that communities can support sustainable initiatives and decide themselves as to what worthy local causes need support. The fact that these funds will predominantly benefit rural areas is crucially important in ensuring that those who are most impacted by our transition to a greener energy system receive the greatest benefit.

These Good Practice Principles will help guide communities and developers to a more just balance of benefits through cooperation and consultation ensuring that all will benefit from the energy system of tomorrow.

This is just one small step of many on our journey towards a brighter and more sustainable future, with local communities placed at the heart of it, and I look forward to seeing the successful delivery of these ambitious measures.

2 Introduction

The Renewable Electricity Support Scheme (RESS) is a key policy initiative to deliver on the Government's Climate Action Plan commitment to generate at least 70% renewable electricity by 2030. Support schemes like RESS, in place all over the world, are a way of ensuring that renewable energy technologies are incentivised to replace the use of fossil fuels in our economy. Governments contract to buy electricity at a guaranteed price for the long term, typically a period of about fifteen years. This gives developers the certainty they need to build the project. A cornerstone of RESS is that communities should benefit directly from renewable electricity projects and the RESS-1 terms and conditions (the “**RESS-1 T&Cs**”) contain various community requirements. One such community requirement – the mandatory Community Benefit Fund – is the focus of this Handbook.

A key feature of RESS is that all renewable electricity generation projects (“**RESS Projects**”) must establish a Community Benefit Fund (hereafter “**Fund**” or “**Funds**”) to be used for the wider economic, environmental, social and cultural well-being of the local community. Not alone that, but the amount payable by RESS Projects into the Fund is mandated at €2 per Megawatt hour of generation of the RESS Project. This means there are real and quantifiable funds being made available annually for the benefit of the local community. The amount of funding is substantially more generous than that arising from most community benefit funds attached to existing renewable projects today. For RESS-1 alone we envisage almost €4m in annual payments, over a period of approximately 15 years, into the communities that host RESS-1 projects. With several more RESS rounds (auctions) planned in the coming decade the total Funds involved are several hundred million euro in value over the lifetime of RESS. This Handbook aims to provide both members of the community and developers of the RESS Projects with a mutually shared roadmap of how they can maximise the overall value of the Fund. By doing so, there will be a very positive impact on the renewable electricity sector and the broader economy.

Ireland has a distinguished history of local community participation, endeavour and enterprise. From the GAA, to Tidy Towns, from farming co-ops to Group Water Schemes, Irish citizens have united in shared endeavours for decades. That collaboration is exactly what we seek to accentuate here. Already, in terms of renewable electricity, community benefit funds are well established in projects all over the country. [The 2019 Wind Energy Ireland \(WEI\) community benefit report](#) provides a wealth of good examples and there are some further examples available in Appendix 6. Most wind farms have engaged

constructively and happily with sustained success within local communities for many years. The Funds in RESS aim to build on this success.

This is the first edition of the RESS Community Benefit Fund Good Practice Principles Handbook (the “**Handbook**”). This Handbook is specific to the first suite of projects supported in RESS (i.e. those that were successful in the first auction, RESS-1). As RESS evolves, there will be other editions as we collaboratively evolve the guidelines through shared learning and as we continually monitor the process and the Department reserves the right to update, correct or otherwise amend this Handbook from time to time. The purpose of this Handbook is to facilitate an enduring relationship between communities and developers, where they will work together to maximise the benefits of the Funds to local communities living in proximity to RESS Projects.

This Handbook provides some guidance and recommendations on how to comply with the ‘Community Benefit Fund’ requirements contained in the RESS-1 T&Cs. An extract of the relevant RESS-1 T&Cs requirements is included at Appendix 1. All other guidance and recommendations are suggested as ‘best practice’ but are not mandatory for the purposes of compliance with the RESS-1 T&Cs. In the case of any conflict or inconsistency between the RESS-1 T&Cs and this Handbook, the RESS-1 T&Cs will prevail.

The key focus of this Handbook is simple: that the local community participates in all decisions on how the funding should be used. High quality administration, local where possible, is also a key expectation and we lay out commentary in that regard. Government is fully committed to ensuring successful delivery of Funds and we point to the solid structure that underpins this initiative, with the Sustainable Energy Authority of Ireland (SEAI) playing critical support and oversight roles.

This Handbook has been drafted by the Department of the Environment, Climate and Communications (the Department) in collaboration with the SEAI.

3 Key stakeholders in Community Benefit Funds

The key stakeholders in Funds are the Community, the Fund Committee, the Developer and the Administrator. We will briefly explain their focus and interaction here but further detail on the roles and responsibilities of the Committee, the Developer and the Administrator are outlined throughout this Handbook as we provide a commentary on how the Funds may operate.

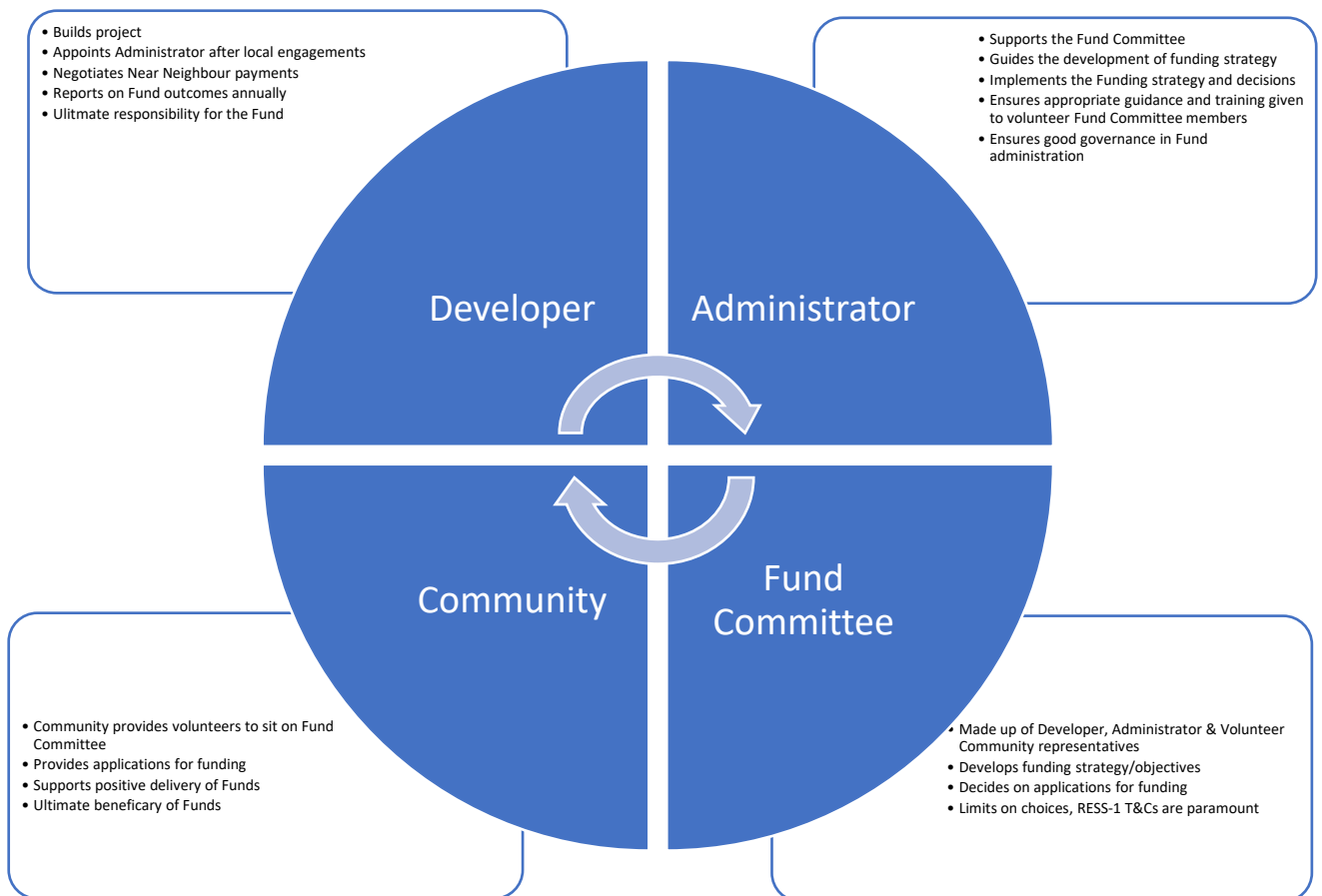


Figure 1 - Fund structure

3.1 The Community

The Community that lives close to the RESS Project is the beginning, middle and end of all of this. The Community hosts the RESS Project and without its support there can be no RESS Project. We do not propose a strict definition of “community” in this Handbook, neither do we propose to define “close to” a RESS Project. No two projects and no two communities are the same, so the community concept has to be sufficiently flexible to accommodate all RESS Projects.

It is self-evident that those living in closest proximity to the RESS project should be the immediate beneficiaries and that is why in the case of wind projects that some of those neighbours are designated for near neighbour payments. However, it is also critical that a much broader “community” benefits as well. County boundaries may be either helpful or unhelpful in this regard – some households may be located just a few kilometres from the RESS Project but in a different county and if a county boundary was prescribed, these households might be excluded from RESS Project benefits. That would of course not be fair, so we propose only that the community might be better considered, first, in terms of radius –

e.g. those living within a certain radius of the RESS Project, typically up to 10 kilometres (but can be significantly broader). Perhaps then, a county boundary or boundaries may still be applied so that the RESS Project benefits may be dispersed as widely as possible, particularly for smaller counties or bigger projects and for benefits accruing later in the RESS Projects' lifetimes.

To take an example, one of the key benefits we perceive for the Fund is the energy upgrade (retrofit) of homes, starting with those nearest the RESS Project, expanding year on year to homes further away. Another example would be a community garden located in a village 3kms away might be awarded funding one year and another, in a different village as far as 20kms away, might be successful in another later year. It is intended that Developers and Administrators should widely publicise the emergence of the Fund and the opportunity to join the Fund Committee and participate in its associated decision-making. Those citizens who participate can then define what they mean by the community involved and what distance from the RESS Project should be appropriate. This could evolve over time. Communities should then include all those who reside in the area agreed but this should not preclude any others from joining at a later stage.

3.2 The Fund Committee

The Fund Committee is the decision-making body of the Fund. We wish to place communities at the heart of the decision-making process. That comes with responsibility and some complexity as this Handbook will demonstrate, but we believe local decision-making is the key to the success of the Funds.

The Fund Committee consists of a number of volunteer community representatives, the project Developer and the Administrator. While Fund Committee sizes may vary depending on circumstances, it is envisaged that a Fund Committee would not be smaller than 5 persons, including the Developer and Administrator, nor bigger than 14. All involved must work together to ensure the best outcomes for the community.

Generally speaking, the Fund Committee should aim to represent the widest cross-section of the community possible. It would be advisable to try and build a Fund Committee that has a good balance of e.g. age, gender, profession and geographic location to broaden representation.

The Fund Committee has a key role in providing Climate Leadership within the community, and in ensuring the funds are used to facilitate sustainable development and climate action. Decisions the Fund Committee will take may have a significant impact on the lives and

livelihood of its community and will also contribute to the national effort to combat climate change.

Whilst the Fund Committee is the decision-making body of the Fund, the Developer is ultimately responsible for ensuring that the Fund is fully compliant with the RESS-1 T&Cs. This means there are certain limits to what the Fund Committee can decide on. For example, the Fund Committee cannot decide to distribute just 20% of the Fund towards the delivery of the UN Sustainable Development Goals (7.2.6 of the RESS-1 T&C requires 40% minimum) In such a scenario the Developer and Administrator would instruct the Fund Committee why this decision could not be implemented. In case of any dispute then the RESS-1 T&Cs should be consulted by all parties and solutions should be sought in line with the Funds oversight and dispute resolution process illustrated in Figure 2.

3.3 The Developer (Generator)

The owner/operator of the RESS Project is the “Developer” for the purposes of this Guidance. Without the Developer there is no RESS Project and therefore no Fund. Developers of renewable electricity generation projects, like all these projects in RESS, play a critical role in delivering on Ireland’s objective of fully supporting our economy with clean, green energy. Achievement of our national energy and climate objectives are firmly rooted in the delivery of these projects. The State supports their development because it is in the country’s best interests to do so.

Developers in RESS will come in all shapes and sizes but fall into two simple categories – community or commercial developers, with the vast majority comprising the latter category. In either case the Developer has ultimate responsibility for all administrative and governance matters relating to the Fund – its set-up, advertisement, administration, reporting and compliance.

It is expected that the Developer will already have built up strong relationships with the local community during the planning process. That the RESS Project is operational by the time the Fund kicks off formally indicates that all planning matters have been appropriately resolved and most locals will already be aware of the RESS Project.

It is in Developers’ best interests to work in collaboration with the communities that house their RESS Projects. They want their projects to be successful and their business sustainable. Developing additional projects elsewhere is dependent on public acceptance, that in Ireland of all places, is often driven by word-of-mouth recommendation.

These Funds provide a glorious opportunity for Developers – and by extension the wider renewables industry – to solidify the roots of their industry deep in our nation’s consciousness. RESS Projects are mostly located in rural Ireland where there can often be economic and resourcing challenges. The Funds can bolster local economies, rural heartlands and community wellbeing and activism.

The Developer is ultimately responsible for ensuring that the Fund is fully compliant with the RESS-1 T&Cs. It is a condition of the RESS letter of offer that a RESS Project complies with the RESS-1 T&Cs and failure to do so can lead to withdrawal and revocation of the RESS letter of offer.

3.4 The Administrator

It is anticipated, but not mandatory, that the Developer will appoint a third party to administer the Fund (an “**Administrator**”). Some Developers may choose to handle the administration of the Fund in-house, and that is perfectly acceptable. We stress however that there is a significant workload attached to the Fund administration. It is likely that if a Developer does manage the process internally, at least one employee will be required to handle considerable workload and responsibility.

It is likely that the Developer will delegate to the Administrator – be it employee or third-party appointee - the central responsibility to set up the Fund Committee and facilitate its functioning. The Administrator should then guide the Fund Committee in best practice of managing the Fund, should oversee all of its operation including its advertisement and assist in the decision-making process in respect of applications for funding.

The Administrator should be fully equipped and qualified to ensure the Fund adheres to the highest standards of governance in a manner that is fair, accountable and fully transparent. However, it is important to reiterate the Developer ultimately controls the Fund and, therefore, is ultimately responsible for ensuring the operation of the Fund is wholly compliant with the RESS-1 T&Cs.

Consideration has been given as to whether or not to formalise this role into a framework-type process – i.e. to set up a formal framework where approval must be granted by SEAI only to specialised Fund Management Service providers. At this point it is not proposed to do so as we feel this would unnecessarily preclude many localised solutions. A specialist framework, whilst having some clear attractions, would limit the number of local entities that may be well suited to carrying out this administrative role, if afforded the opportunity. Local Development Companies, SMEs and a myriad of locally based entities and individuals may

make a compelling case in a procurement process for their selection to the role, based on their own unique business track record.

This role of Administrator and who might fill it came in for significant attention, particularly from the community sector, during the consultation process town-halls and community focus group. A firm view emerged that the Administrator should work with the Developer's Community Liaison Officer and even consider the short-term engagement of an independent local facilitator to work with community representatives on the ground to garner support for the Fund Committee formation and to initiate the development of a community action plan or funding strategy for the Fund. In order to support the administration of smaller Funds, SEAI will put in place specific supports, from workshops to focused mentoring services, to assist this community engagement process.

As is the whole basis for this document, we simply propose guidance for this role both throughout the text and in more detail in Appendix 5.

3.5 SEAI

Supporting the delivery of the funds, by providing a framework for guidance, oversight and compliance is a significant task. It is particularly incumbent on the Department as the policy-maker to ensure this task is met.

SEAI have been appointed the Funds support, oversight and compliance body and as such have a key role in supporting the successful delivery of Funds. Within RESS, there are a variety of community provisions as the Department has sought to integrate community participation in the scheme. SEAI have a broad and critical role in enabling communities to develop their own projects and reap all the benefits arising. Here, we focus only on their role in relation to Funds.

The SEAI are well equipped for these supporting and oversight roles. They have vast experience in developing and supporting the existing Sustainable Energy Communities (SEC) network which they will utilise to good effect here. They will be available to assist and guide all Fund stakeholders throughout the various stages of the Funds' life-cycle.

In their supporting role, their guidance will be useful in all manner of ways – from advising on how best to engage citizens and communities, to providing guidance on setting up and implementing funding strategies, to supporting the resolution of any disputes that might emerge between Communities and Developers/Administrators or in the Fund Committees. A key part of their support function will be to facilitate education and capacity-building in the community sector. The SEAI will assess what supports may be required to build necessary

skills to maximise the impact of the Funds. These supports may include more targeted information than this Handbook can provide, training modules or mentoring through the RESS trusted intermediary service. Ultimately, SEAI will develop a Community Energy Resource Toolkit which will include a suite of guidance modules across a number of different technology and project development areas and will include guidance on Funds operation. In the case of any conflict or inconsistency between the RESS-1 T&Cs and such SEAI guidance, the RESS-1 T&Cs will prevail.

The SEAI are also the oversight and compliance body for Funds. This role requires that all projects adhere to strict reporting and compliance requirements. Central to this is the establishment of a Community Benefit Fund National Register (hereafter “**Register**”) for all successful projects. This Register will ensure open and transparent reporting of Fund outputs and will undoubtedly serve as a useful reference point and innovation source for communities nationwide. As communities see innovative use of the Funds elsewhere, they will quickly embrace that innovation for its added value in their own communities. We would expect to see this Register becoming a progressive conversation starter among and between communities immediately from its first reporting year.

SEAI retain the powers to assess or audit any Fund or seek any further information from the Developer as may be deemed necessary to carry out their compliance role effectively.

3.6 RESS Communities Steering Board

The commercial production of electricity is a complex business and most communities have no experience of it whatsoever. We know this is true because there is only one community electricity generation project operating in Ireland in 2021. Enabling communities to access a support scheme like RESS is tantamount to committing to the development of a new sector in our economy. This is a learning process. The Department has taken the decision to establish a RESS Communities Steering Board for the purpose of providing strategic direction for the ongoing development of this new sector.

The RESS Communities Steering Board will advise on all elements of community participation in RESS, including Funds, capacity-building and community-owned generation projects. The Steering Board will review the Funds’ outputs and advise on maximising outcomes such that the Funds remain relevant and fit for purpose over the lifetime of the RESS Projects, creating a lasting legacy within communities. In addition, the Steering Board will consider any disputes that cannot be resolved through consultation with the SEAI. Whilst the final arbiter in any such dispute is the Minister as referenced in the RESS-1 T&Cs, it is not expected that his intervention will be needed. The RESS Communities Steering Board is

to be chaired by the Department, and its membership includes representatives from the community sector, the local development sector, academia and relevant state bodies.

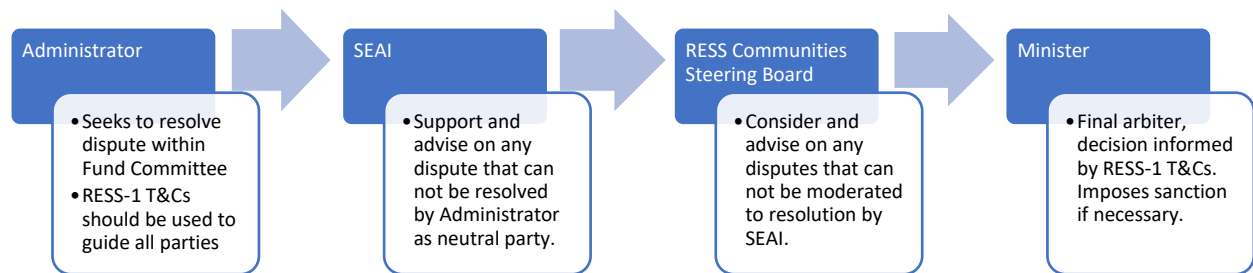


Figure 2 – Funds oversight and dispute resolution process

4 Key Fund Parameters

4.1 The monetary value of the Funds

It is useful at this point to consider the monetary value of the Fund for a few sample projects. Under the RESS-1 Fund, the direct annual monetary contribution (by the Developer into the Fund) is fixed at €2/MWh of Loss-Adjusted Metered Quantity.

For example, and in very rounded terms, this approximately works out as:

- For a 10MW wind farm, the Fund is expected to receive approximately €60,000 annually.
- For a 50MW wind farm, the Fund is expected to receive approximately €300,000 annually.
- For a 5MW solar farm, the Fund is expected to receive approximately €8,000 annually.
- For a 50MW solar farm, the Fund is expected to receive approximately €80,000 annually.

The Fund is not linked to the Consumer Price Index.

4.2 Time of first payment into the Fund

Technically, the Fund contribution by the Developer is payable in full on each anniversary of the Commercial Operation Date (as defined under the RESS-1 T&Cs and laid out in the RESS Implementation Agreement as linked to generation) of the RESS Project for the full duration of the RESS support, typically 15 years. Whilst the wording precludes payments

being made through the Fund until a project has reached commercial operation, it does not preclude – indeed we would welcome it – advance payments being made into the Fund by the Developer anytime within that first year of operation. This would be of immense value to the local community to kick off the benefits process immediately, rather than waiting until the end of the year to register the formal, final payment for that year. In such a case of advance payments, a simple adjustment calculation can be carried out at the end of the year to assess what additional (most likely) sum is necessary to balance the account. Advance payments in such a manner could continue for the duration, although the formal annual date due is as specified above.

4.3 How the Fund is to be divided: (categories a - d)

The RESS-1 T&Cs are very specific in how each Fund is divided (see section 7.2.6). These are replicated as follows:

- a) in respect of Onshore Wind RESS-1 Projects, a minimum of €1,000 shall be paid to each household located within a distance of a 1 kilometre radius from the RESS 1 Project;
- b) a minimum of 40% of the funds shall be paid to not-for-profit community enterprises whose primary focus or aim is the promotion of initiatives towards the delivery of the UN Sustainable Development Goals, in particular, Goals 4, 7, 11 and 13, including education, energy efficiency, sustainable energy and climate action initiatives;
- c) a maximum of 10% of the funds may be spent on administration. This is to ensure successful outcomes and good governance of the Community Benefit Fund. The Generator may supplement this spend on administration from its own funds should it be deemed necessary to do so; and
- d) the balance of the funds shall be spent on initiatives successful in the annual application process, as proposed by clubs and societies and similar not-for-profit entities, and in respect of Onshore Wind RESS 1 Projects, on “near neighbour payments” for households located outside a distance of 1 kilometre from the RESS 1 Project but within a distance of 2 kilometres from such RESS 1 Project.

For onshore solar farms, category (a) and “near neighbour payment” elements of (d) do not apply.

We will now consider each of these requirements separately and in some detail:

4.4 Costs of Administration (c)

The Administration function is significant. To this end, up to 10% of the value of the Fund can be used to cover administration costs. The Developer will decide whether to arrange the Fund administration directly 'in-house', or to outsource the role to a third-party administrator service to undertake the functions of the Fund independently. There are a number of specialist third parties that may provide this service and there are also likely to be a variety of entities, local to a project, that could also provide a quality service. Any such outsourcing of the administrative function does not in any way alter the obligations and responsibilities of the Developer.

A signal advantage of the securing of specialist fund management services to undertake the Administrator role is the positive effect of independence combined with the experience and skill to meet all the requirements of the role, in addition to third parties having a vested interest in the quality of their own industry standards of reporting and accountability.

However, there is also a strong argument to be made for seeking a local service to administer these funds. Local services will already be active on the ground, will know the territory inside out and will understand local nuances in a way that more remote specialist entities will not. While we have been explicit in our desire to ensure local decision-making in these Funds, local administration is equally welcome.

The Developer has to decide its preferred approach to the administration of the Fund - in-house or third party. Given the long-term significance of this decision it would seem sensible for the Developer to canvass community opinion on the matter during early engagements (realistically the decision is likely to be made in advance of establishment of the Fund Committee).

10% is the maximum portion of the Fund that can be used for administration and no additional charges can be levied e.g. no charges for applications are permitted. However, there is nothing to preclude a developer supplementing from their own resources the cost of Administration (in addition to the 10% allowable from the Fund).

4.5 Near neighbour provisions (a) and (part of d)

Central to the commitments in RESS to enable communities to benefit from the development of renewable wind farms is the recognition that those living in closest proximity are most impacted by them. Their construction may cause direct inconvenience for a number of months and their ongoing existence may have some visual or noise impacts, for instance. Wind farm developers have traditionally engaged with and often provided benefit to such

“near neighbours”, but there has been inconsistency in approach over the years. Our research indicated that it was desirable to lay out with clarity the concept that near neighbours should receive direct benefits from the wind farm and we defined this as a requirement in the RESS-1 T&Cs. These provisions do not apply to solar farms.

This formal requirement is intended as a recognition that modest annual payments are appropriate for near neighbours, but it is not intended to consume a substantial percentage of the Fund. The fundamental intention of the Fund is that the wider community benefits from the RESS Project’s existence. Near neighbours are a small subset of this wider universe. It is fully expected that, apart from the direct benefit payments now mandated, near neighbours will benefit wholesomely from the remainder of the Fund as it facilitates wider, worthy community endeavours. To illustrate this point, let us consider one of the key outputs we anticipate from that spend we have mandated on SDG measures – that of an expected annual programme of energy efficiency upgrades in homes in the vicinity of the wind farm. We consider it would be both sensible and appropriate to commence the programme of deep retrofits in the homes of the nearest neighbours before extending kilometre by kilometre.

Some guidance is laid out below.

- The RESS-1 T&Cs reference near neighbours as two bands - those living within either 1km or 1-2km of the RESS Project. It is suggested that the distance specified is from the base of the nearest turbine to the nearest part of the structure of the occupied residence (not outbuildings or other such), the location of which is identified in the An Post geo-directory. The application of common sense is desirable in the finalisation of the two lists of near neighbours. For example, if in a cluster of four houses in a row, the last one would be technically excluded, perhaps an accommodation might be considered by the Fund Committee, in the interests of fairness and common decency.
- The near neighbour payment should be based on the principle of one payment per occupied dwelling, on a principal private residence (owner) or primary residence (tenant) basis. Thus, we do not anticipate that holiday homeowners should be classified as near neighbours. We also anticipate that the tenant rather than the owner should receive the payment in a rental situation.
- The near neighbour should be one nominated adult resident within the household. In a shared rental situation, the tenants should nominate one from among them.
- It is considered that the Developer will, during the planning process, have carried out a survey of the area (and updated within the preceding six months of first payment and updated annually), to identify the numbers of near neighbours and it is also

assumed that the Developer will have carried out an impacts assessment on near neighbours.

- It is further assumed that the Developer will have engaged progressively with near neighbours during the planning process - as referenced in the current [Wind Energy Development Guidelines 2006](#) and in accordance with the [Department's 2016 'Code of Practice for Wind Energy Development in Ireland - Guidelines for Community Engagement](#) - and may have agreed some benefits prior to the establishment of the Fund. Such benefits must at least match those prescribed in the RESS-1 T&Cs. However, we are conscious that it is possible that benefits may have been agreed at a much higher value than €1,000 and it is a real source of concern for us that a pre-agreed set of benefits may consume as much as 50% of the Fund. (These payments must take into account provision for administration costs and the obligation to meet the community funding obligations with regard to the Sustainable Development Goals i.e. these payments must not in combination exceed 50% of the Fund). It is recommended therefore that the Developer should only commit to any contractual arrangements in the knowledge that the Fund Committee will ultimately need to endorse such arrangements (in aggregate terms only) in the context of its role in Fund decision-making. A Fund Committee may or may not be happy to agree that as much as 50% of the fund could be used for what may be a relatively small number of members of the community.
- Under the RESS-1 T&Cs, the payment to all those residing within 1km of a turbine is set out as a mandated fixed annual payment of at least €1,000 and should be paid by the end of the first year of commercial operation, and on anniversaries thereafter but can be paid earlier within the first year of commercial operation should the Developer be in a position to do so.
- Should the numbers of near neighbours within 1km of the RESS Project be so numerous as to require a spend of more than 50% of the Fund to be discharged, there is a provision in the RESS-1 T&Cs that requires the Developer to seek a derogation from the Minister. This will necessitate in the first instance engaging with the SEAI to advise of the issue. The SEAI will engage with the local Fund Committee and will provide guidance, or, if necessary, direction on behalf of the Minister.
- In addition, category (d) as referenced, provides for payments of an unprescribed amount to those residing between 1-2km of a turbine, but this stipulation is based on the balance of funds left over after category (a), (b) and (c) are discharged and is included with payments to not-for-profit entities. In practice it is assumed that for most wind farms the numbers of category (a) near-neighbours will henceforth be

quite small, (owing to the tightening of planning requirements) but it might well be another matter entirely for those identified in category (d). It is here, that in the case of some smaller funds in particular the danger is most material of the near neighbour payments consuming the Fund. From a policy perspective, we are seeking appropriate, rather than disproportionate recompense of near neighbours.

- Resident households who are landowners in receipt of lease payments connected to the RESS Project are not assumed to be near neighbours, but those who may be in receipt of easement agreements connected to the RESS Project are assumed to be.
- In a situation where there are no near neighbours (either within the 1km or the 2km radius from the nearest wind turbine), those funds are assumed to be assigned for the other specified categories of the Fund, excluding administration costs.
- There is no explicit discretion in the RESS-1 T&Cs to increase the near neighbour scheme area beyond 2 km, however we reiterate the reference to common sense previously mentioned, or, if there were a particularly small number of near neighbours (categories a and d combined) the Fund Committee may wish to consider the designation of an expanded area.
- All near neighbour payments are subject to income tax as applicable in accordance with existing tax law and may impact social welfare thresholds. In this regard funds allocated to support projects in the community may often carry more euro for euro impact than near neighbour payments.
- There is no obligation for near neighbours to accept Fund payments.
- Payments should be offered but if not accepted, any liability will cease thereafter and cannot be accumulated or paid out retrospectively. However, it is assumed that such near neighbours are entitled to a change of mind for future payments over the lifetime of the Fund. Payments not accepted will return into the overall Fund and become available for redistribution.
- Near neighbour provisions do not preclude the capacity of developers to agree additional independent arrangements with near-neighbours as appropriate. Such arrangements are wholly separate and independent from the Fund.

It is envisaged that Developers will indicate the quantity and indicative values of near neighbour payments earmarked for payment when they prepare a Fund outline for early consultation with the Fund Committee. Deciding on fair remuneration of near neighbours at the outset is important in the long term so that those payments do not need to be revised during the lifetime of the Fund. The negotiations between the Developer and the near neighbours should be informed by the realisation that the Fund Committee must ultimately

consider the percentage of the Fund to be spent on near neighbour payments over and above those which have been mandated under RESS-1 T&Cs, which, if seemingly exorbitant, may prove problematic. We are conscious that there is a possibility of disagreement, should members of the Fund Committee be unhappy with the proposed spend on near neighbours. It is assumed that the Fund Committee is likely to include a mix of near neighbours and those from the wider community so there may also be significant – indeed unavoidable - potential for conflict of interest.

The possibility of the near neighbour payments being a potential source of disharmony in the community is our greatest concern in the drafting of this Handbook. However, a critical policy objective is that the decision-making function of the Funds rests squarely with the local community via the local Fund Committee. Sometimes, the discharge of that duty may not be entirely straightforward, but ultimately, we have great faith in the ability of Irish citizens to make the best democratic decisions for their communities. All too often this kind of responsibility is placed elsewhere. Here, we place it local, in the very heart of communities nationwide.

Still, in the (unlikely) event of the Fund Committee not being able to resolve any disharmony, we would expect the Fund Committee to seek guidance through the established local representative apparatus available locally. External input from independent organisations such as local authorities or community development entities may guide towards a fair and equitable outcome for all parties concerned. Should resolution not be possible through such local apparatus, the SEAI will be available for support and will ultimately give direction from the Minister, if absolutely necessary.

Near neighbour payments for wind farms will continue to be negotiated by the Developer directly with Near Neighbours and in accordance with the RESS-1 T&Cs. Once these are agreed between the Developer and Near Neighbours the overall percentage of the Fund that is to be spent on Near Neighbour payments should then be endorsed by the Fund Committee in its role as Fund decision-maker. The Fund Committee does not decide on individual Near Neighbour payments, only focuses on the overall spend from the Fund on Near Neighbours.

4.6 UN Sustainable Development Goals (b)

The RESS-1 T&Cs require a minimum of 40% of Funds to be paid to not-for-profit community enterprises whose primary focus or aim is the promotion of initiatives towards the delivery of the [UN Sustainable Development Goals \(SDGs\)](#). So, Fund Committees will need to consider in some detail what the SDGs are and their intent. Put succinctly, they are the goals that have been set by the UN for all countries to deal with the challenges that are faced worldwide in order to grow sustainably over the 21st century. The use of Funds to help address these challenges for local communities is important in developing sustainable communities in Ireland and in the achievement of a variety of national targets such as those pertaining to energy and climate.

Fulsome delivery of the SDGs will enable a fundamental change to a greener, more inclusive economy and, more resilient communities. To those ends, the RESS-1 T&C placed a particular emphasis on Goals 4, 7, 11 and 13 - Quality Education, Affordable and Clean Energy, Sustainable Cities and Communities and Climate Action. These goals have particular resonance for renewable electricity projects and the communities that host them.

- **Goal 4 - Quality Education:** Funds could support knowledge and skills needed in communities to promote sustainable development, through education for sustainable development and sustainable lifestyles. Formal training programmes to upskill communities are particularly desirable. Scholarship schemes are also encouraged.
- **Goal 7 - Affordable and Clean Energy:** Funds could support energy efficiency projects or initiatives that encourage and deliver renewable electricity generation projects. Giving local communities the ability to buy into the process themselves can be an important step in the development of sustainable energy communities.
- **Goal 11 - Sustainable Cities and Communities:** Funds could be used to strengthen efforts to protect and enhance the cultural and natural heritage of the local community. Funds could also help in implementing integrated policies and plans for communities towards inclusion, resource efficiency, mitigation and adaptation to climate change.
- **Goal 13 - Climate Action:** Funds can be used to improve education, awareness-raising and improve capacity on climate change early warning, mitigation, adaptation and impact reduction.

Along with the other SDGs, these four key goals provide great opportunities for Fund Committees to use a mix of discretion and creativity in the dispersal of their Funds, all the

while ensuring that Funds are spent on ensuring communities are sustainable for years to come. The possibilities are endless.

The SDGs are fully compatible with all of the following broad thematic areas as well as many others:

- Biodiversity – Your project helps to protect, preserve and enhance habitats and life in your community, in particular those that contribute to ecosystem restoration in your area. Community Biodiversity Action Plans are especially desirable and can be supported as well as actions arising such as community allotments or bird nature trails.
- Environmental Sustainability - Your project enhances the local, natural and built environment for the community. Actions to deliver on recommendations from Energy Master Plans, integral in SEAL's SEC initiative, are appropriate. So too are community energy efficiency schemes or old mill wheel restoration. Any measures that make a positive contribution to the evolution of the circular economy are particularly welcome.
- Recreation - Your project delivers community-based sport and recreation activities such as upgrades to running tracks for local athletics clubs or sensory areas in outdoor playgrounds.
- Social Solidarity - Your project generates greater social cohesion and/or generates health and well-being benefits. Men's shed activities or community transport initiatives are examples.
- Culture and Heritage - Your project increases cultural awareness and preserves and promotes your local heritage. Your local museum or heritage centre may need some enhancements.
- Tourism - Your project develops new, and strengthens existing tourism initiatives, which make a contribution to the local economy. Eco camp sites or water-based activities could fit the bill.

Fund Committees are encouraged to consider the SDG's as indicative. They are not prescriptive. There is every opportunity to undertake a holistic and creative response to the interpretation of the goals, however the primary aim should be to support sustainable energy and climate action initiatives.

One such possibility that would be fully in keeping with national climate objectives, as well as delivering wholesomely on RESS citizen participation objectives, may be the development of a community RESS Project. For example, perhaps part of the Fund from a RESS-1 wind

project could be set aside each year towards the ultimate development of a community solar project for RESS-3. Such a project would be wholly-owned by the local community and would enter the community category in the RESS-3 auction.

4.7 Supporting clubs, societies and other local entities (part of d)

Existing community benefit funds have traditionally been used wholesomely in the support of all kinds of local activities such as those presented by clubs and societies and other such not-for-profit entities in the area. We do absolutely want the Funds to continue such supports, indeed extend them, now that the Funds are mandated as being much larger than existing funds. In the “Who can apply” section (6.1) we provide some guidance around this based on EU State Aid rules to which RESS must adhere.

Typical Onshore Wind Project Community Benefit Fund

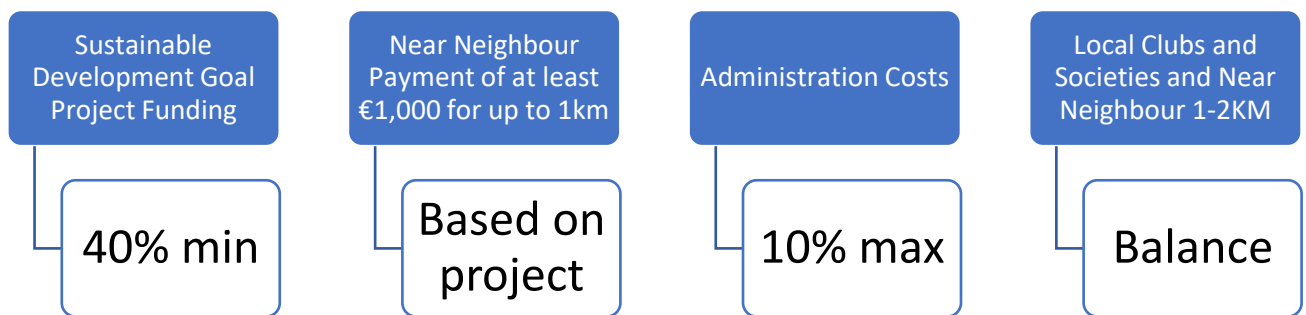


Figure 3 – Onshore Wind Fund breakdown

Typical Solar Project Community Benefit Fund

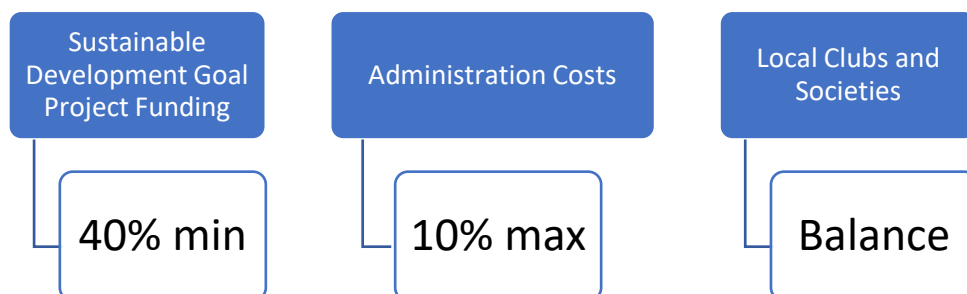


Figure 4 - Solar Fund breakdown

5 Operation of the Fund

SEAI will put in place an online information repository – toolkit - useful for Fund Committees. It will include useful resource suggestions such as the Wheel's excellent handbook - [Sustainable Communities: A Governance Resource Book for Small Community and Voluntary Organisations](#) (see in particular Principle 4), as well as any additional information identified as necessary in the successful delivery of these Funds. (The Wheel is Ireland's national association for community organisations.)

5.1 Pre set-up: engagement with the local community

Early engagement by the Developer with the local community in advance of setting up the Fund would be best practice. This early engagement should lead to greater buy-in from the community and greater clarity of purpose for the Fund's utilisation. It should also ensure that communities are involved from the outset in the development of the RESS Project and aware of its potential for benefit-sharing. It would be advised that this early engagement should set out indicative amounts and percentage of Fund to be distributed for:

- a) Near neighbour payments (wind farms only),
- b) Meeting UN SDGs
- c) Administration costs
- d) Not for profit initiatives from local clubs, societies, etc.

In addition, this early engagement should also serve to inform local communities about the breadth of possibilities for the Fund including the UN SDGs, demonstrating the range of projects that may be supported. It should also serve as an invitation for expressions of interest for volunteers to serve on the Fund Committee.

5.2 Establishing a Fund Committee

One of the most important functions of the Developer (or Administrator) is to facilitate the establishment of a local Fund Committee to undertake its vital role in determining the strategic purpose of the Fund and to undertake the assessment and evaluation of all funding proposals.

The Fund Committee consists of the Developer, the Administrator and members of the local community who volunteer to participate. The volunteer work of the Fund Committee involves a significant commitment. Each member is expected to engage collaboratively with other Fund Committee members in devising and implementing a strategic vision for the Fund and

to apply this strategy to the assessment and evaluation of all funding applications. A certain amount of time and work will be involved so volunteers need to be mindful of the responsibility and dedication involved. Members of the local community who join the Fund Committee may be familiar with or have a close association with those seeking support from it, so there are objectivity challenges in the role also.

We have mentioned elsewhere that the Fund Committee should be comprised of a broad cross-section of local citizens. So, its establishment, such that it is the best version of the community it represents, is not an insignificant challenge. It is recommended that the Developer/Administrator expends considerable effort into publicising the opportunity in standard and social media – everything from local media advertisement to parish notes in religious newsletters, to radio interviews, through the gambit of social media channels should be employed.

In addition, there is a substantive local representative apparatus that should be employed to spread the word – elected public representatives, Local Authorities, Local Community Development Committees, Public Participation Networks, Local Development Companies and others, as well as a wide array of social and cultural organisations such as TFI Local Link and Tidy Towns or representative organisations such as the IFA and Irish Rural Link. If you live in the locality of a RESS Project, it should be almost impossible not to be aware that a Fund Committee is being set up and of the opportunity to join it.

After expressions of interest have been called for and received the Administrator must turn its attention to the task of appointments to the Fund Committee. Whilst appointments should be made by the Administrator it is recommended that the process is undertaken in consultation with independent community organisations to give some impartial insight to the process.

The selection process is not straightforward and the independence of the Administrator is critical in it. It is highly recommended that the Administrator should engage with a variety of local community entities to take guidance in the selection process.

Some over-arching principles with respect to the establishment of the Fund Committee:

- The Administrator should aim to achieve geographic balance of representation from communities within the expected 'Area of Benefit' for the Fund and every effort should be made to ensure those communities closest are represented in the first instance.

- The Administrator should also attempt to achieve as broad a cross section of the local community as possible. Clearly, the Fund Committee should be set up on a non-discriminatory basis.
- Ideally, those appointed to the Fund Committee would be representing some strand of community life, rather than being “just” individuals. We are however mindful that not all citizens, with talent that might be coveted by the Fund Committee, may be in a “current” representative role, for instance, a person who may have stepped away from local community activism for a few years as they started a family or a new business, but who may “now” have enormous energy for such a role. Thus, we suggest this is not a red-line requirement.
- Ideally a variety of occupations or skillsets would be available in the Fund Committee.
- Fund Committee sizes may vary depending on different circumstances – where there are more communities in the direct vicinity of a RESS Project then the Fund Committee should attract enough volunteers to reflect this. Overall, it is envisaged that a Fund Committee would not be smaller than 5 persons, including the Developer and Administrator, nor bigger than 14.
- In the event of insufficient community volunteers putting themselves forward to sit on the Fund Committee the Administrator should renew efforts to advertise the opportunity and engage locally. If there is still a lack of participation, then the Administrator should notify SEAI who will assess and advise on options.
- The Fund Committee should agree the preferred maximum term to serve on the Fund Committee. The Fund is expected to be in place for approximately 15 years and whilst few volunteers are in a position to commit to that timeframe, perhaps they shouldn’t be encouraged to either – replenishment is important. An optimum number of years’ service should be agreed by the Fund Committee, but rotation is highly recommended especially in larger Funds. This, along with how new Fund Committee members are to be appointed, is important in terms of the transparency of the process and helps ensure the Fund Committee remains reflective of the wider community whose priorities are reflected in the funding strategy.
- It would seem apparent that the Administrator would chair the Fund Committee, but we would not seek to prescribe this as the Fund Committee may well have other ideas or there may be an outstanding candidate within the Fund Committee. A rotating Chairperson role is recommended.
- The Fund Committee may also agree to invite specific independent advisers to support or assist in its function. For example, a Fund Committee may decide it would

like to consider how best to go about a community retrofitting programme and they may seek external advice on how best to integrate that into the Funding strategy. Likewise, they may take counsel from community development organisations active in the area.

- The Fund Committee should oversee at least one funding round per calendar year (exemptions may be possible - see Section 7.3 on alternatives for smaller Funds).
- It is assumed that Fund Committee members will participate in accordance with the highest governance and reporting standards, as pertains to the Funds generally. A code of conduct and conflict of interest policy should be established and signed by all members of the Fund Committee – this may include a rotation policy to ensure a ‘fresh’ input during the lifetime of the process. A sample Code of Conduct is included at Appendix 3 and a sample Conflict of Interest Policy is included at Appendix 4.

In this Handbook, the Fund Committee is envisaged as concentrating on making the best decisions it can for the benefit of its community. The Developer/Administrator ensures that the money will be in place, the governance framework is built into the overall corporate obligations of the RESS Project, and the essential terms and conditions as laid out in RESS-1 T&Cs are followed. This Handbook will hopefully facilitate best outcomes via the taking of best decisions.

Further guidance relating to the Fund Committee is laid out in Appendix 2.

5.3 Funding Strategy

It would be good practice for the new Fund Committee to determine a funding strategy or community action plan for the Fund. This means identifying the best ways to maximise the impact of the Fund for the local community and to devise strategic plans towards that end. Establishing a number of essential strategic objectives so as to maximise the benefit of the Fund is the priority at the outset. A specific objective here is to identify substantive areas of funding priority that are likely to have an enduring positive impact on the community. The strategic plans should in particular focus on the UN SDGs. The Fund Committee should work quickly towards the development of the funding strategy for the long-term and ideally a working draft should be in place in time for the first applications process. It will likely evolve over time, but some starting point is essential so that there can be a solid basis for the advertisement for and evaluation of applications. SEAI will provide advice and support to Fund Committees about how to best devise a funding strategy.

In determining a funding strategy for the Fund, the Fund Committee should first research existing local or county development strategies for the purposes of alignment. Engagement

with local authorities and Local Development Companies and other community development organisations including Sustainable Energy Communities (SECs), with an Energy Master Plan already in development or completed, should be a pre-requisite during this research.

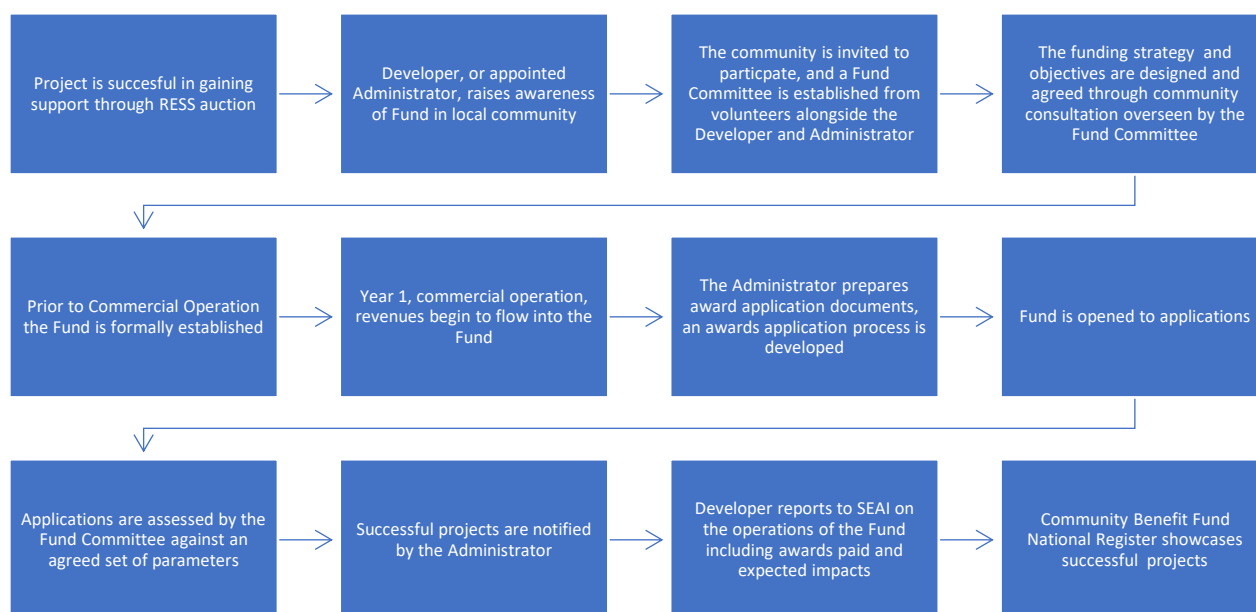
The Fund Committee can also invite proposals from the local community for ideas about strategic direction. The Fund Committee can consider all proposals with a view to prioritising focus areas for the most imminent dispersal of awards, but with a view to ensuring a cogent long-term funding strategy evolves. It should have broad objectives with examples of the types of activity that can be considered rather than being too specific. Funding strategies or community action plans should remain flexible and to be able to adapt to changing needs and priorities for the community over the lifetime of the Fund.

Once funding priorities are established the Fund Committee should turn its attention to the further promotion of the Fund within the community to encourage widest possible reach. Encouraging the plentiful supply of good quality applications for the funding rounds is crucial to the success of the Fund.

The decision-making function of the Fund Committee includes the assessment and evaluation of funding applications in line with the funding strategy and the relevant RESS T&Cs. Finally, the Fund Committee should ensure that its decisions are properly and fully implemented by the Administrator.

It is advised that Fund Committees should engage with interested stakeholders on a regular basis for ideas and best practice in disbursement of awards. Whilst the Fund Committee will already have members well experienced in community development circles, ongoing engagement with their own organisations and others will be invaluable. It would be advisable to consult with all kinds of entities such as Local Authorities, Local Development Companies, LEADER programmes, charities, SECs, Tidy Towns groups and other community organisations. Ultimately the goal should be to continually evolve the funding strategy so that no double funding or duplication occurs and awards are spread fairly across local communities.

Fund timeline



6 Application Process

The applications process must be open, fair and transparent. We now seek to provide guidance to enable the Fund Committee to undertake the process in an open and fair manner and with the assurance that everything is being conducted in a proper fashion for all the community to see.

Each Fund must distribute its awards in line with the RESS-1 T&Cs. The Developer and Administrator should give guidance to the Fund Committee as to the approximate value and percentage available for each of the four categories of Fund distribution. As no two Funds will be the same, so too will the local priorities differ, but there are no additional conditions on minimum or maximum amounts to be spent in each category beyond what has been set out in the RESS-1 T&Cs.

However, it should be assumed that the priority for these Funds is to give the maximum possible priority to initiatives that support the SDGs to give the best possible impact to all citizens in the community and to best contribute to the meeting of national energy and climate targets.

The Fund Committee will decide on the number of funding rounds it requires over the course of the funding year – at least one unless an exemption is secured from SEAI - as they deem appropriate for their own purposes.

6.1 Who can apply for funding?

The Fund is open to individuals, and not-for-profit groups such as community and voluntary groups, charities, social enterprises and clubs and societies. All applicants that are entities should ensure they are appropriately constituted. It is to be recommended that entities are favoured over individuals in general. This is likely to reduce the administrative burden associated with too many individual funding awards. Perhaps individuals could be encouraged to engage with others in their community and form a group application where appropriate and applicable. Yet we do not want to exclude funding for individuals as there may be a variety of worthy individual endeavours within a community. For instance, a scholarship, an artist painting a mural on the community centre wall, an individual restoring an old mill wheel under the village bridge or an individual setting up a pollinator farm. All such examples should offer clear long-term positive impact on the wider community.

6.2 Not-for-profit entities and State Aid

Apart from the near neighbours, there are likely to be only a very limited number of individuals securing funding awards from the Funds; the vast majority of award recipients will be entities. But there are limitations on the level of funding that entities can draw down from the Funds, as laid out in EU Competition law – State Aid. State Aid refers to public assistance provided to “undertakings” which may distort competition. Support schemes such as RESS have to be approved by the European Commission – and confirmation given that they do not breach State Aid rules. State Aid rules are very complex and here we can only provide a cursory summary of the key elements.

Ireland secured State Aid approval for RESS, but the Funds within RESS are subject to particular rules. The Funds should not give awards to “undertakings” or, if they do, the aggregated funding received should not, over a three-year period, from all public sources, exceed €200,000. If it should, it would need to be designed to fit within the “General Block Exemption Regulation” or the Department would have to notify the European Commission in a separate State Aid application. The European Court of Justice described “undertaking” to mean any person (natural or legal) “engaged in an economic activity”.

According to the Department of Enterprise, Trade and Employment, “Whether an undertaking is a charity, a commercial business or a social enterprise – and irrespective of

the undertaking's income – aid to that organisation will be a State aid if it [meets the five State aid test questions](#).” All five criteria have to be met before there is a State Aid issue so it is important that the Fund Committee familiarises itself with these criteria.

The summary position is that we expect that the Funds, for the most part, will not be funding undertakings. Most funding award applicants will not be offering goods or services on the market. Most applicants will be economically inactive and will include athletics clubs, musical societies, social exclusion charities and SECs.

6.3 What is ineligible for support?

To ensure the proper governance of the Fund, we recommend that it should not be used to support any of the following arrangements, however if a Fund Committee would like to make a case to the SEAI for the inclusion of certain categories or elements, it will be considered, on a case by case basis:

- Applications that promote religious or political activities
- The direct replacement of statutory funding. The Funds are not designed to support statutory or other accountable bodies unless they can provide evidence that the project is community-led, open, accessible and for the benefit of the community and is not a statutory responsibility
- Retrospective funding
- Activities which do not directly benefit the local community or align with the funding strategy.

There are such a wide variety of possible applications that a Fund could receive and it is impossible here to cover off even a fraction of them. Many categories or indeed individual applications within categories may need case-by-case consideration by the Fund Committee, or Fund Committees may wish to issue guidance to the local community arising from its agreed funding strategy, approach or priorities. A typically complex category may be that of travel. Perhaps a Biodiversity Society may wish to apply for funding to support an annual day trip to a Visitor Garden, this may well be considered an appropriate activity to support, but if the Visitor Garden is located in Jersey, perhaps that might not be viewed in the same light. Yet, both trips may have the same outcome – a reinvigorated Biodiversity Society. We do not wish to over-prescribe, but in general we recommend thrift not extravagance. Again, we trust in the Fund Committee of locals to make the right decisions for its community.

Canvassing or lobbying should result in automatic disqualification of an application. Any Fund Committee member on the receiving end of such activity should bring it to the attention of the wider Fund Committee for consideration and decision.

It is in everyone's best interests the Fund succeeds. The message of this Handbook is to clarify there is a shared responsibility to ensure the Fund goes about its business in a fair and reasonable manner. It is hoped the guidance in this Handbook will work positively to help preclude unnecessary and/or inadvertent applications and thereby save everyone time and effort.

6.4 How the applications process might be operated

Appendix 5 provides some more detailed commentary on how the Administrator might facilitate the application process and the SEAI will additionally provide templates for application forms. Here we touch on some of the key parameters.

It is recommended that the Administrator should set up an online application process but we are conscious that some smaller Funds in particular may prefer a more traditional hard copy application process. It is assumed that the applicant would have to provide some supporting documentation with their application such as proof of applicant group banking details, group constitution confirming not-for-profit status and we recommend a statement that no directors or trustees are remunerated. In relation to the procurement of goods or services it is assumed that quotations should be provided in accordance with routine good practice principles.

For structural or construction, good practice should again inform the process – it is assumed for instance that evidence of landowner permissions, planning permissions or exemptions are provided to support such applications. It is also assumed that for expenditure in excess of €10,000 tax clearance should be available for both the applicant and service provider.

6.5 Evaluation of applications by the Fund Committee

Each application received by the Fund will be evaluated according to the criteria set by the Fund Committee. Those criteria may be given weightings in accordance with their importance for the local community or proximity to the RESS Project. Some examples of criteria that could be followed are as follows:

- Project location within the hinterland of the RESS Project, or provides services to the area from a Service Centre

- Evaluation of data on the need and potential impact of this proposal on the people and communities who live within the surrounding area
- Feasibility of the proposal including timelines and costs
- Assessment of thematic objectives and aims of the Fund as set out in its strategy
- Contribution of the proposal to sustainability and social inclusion
- It is recommended that extra weighting should be given to proposals that have energy efficiency, sustainable energy and climate action initiatives
- Longevity of benefits or legacy impact of the initiative.

6.6 Funding Decisions

Fund Committees should be mindful of the need to assess the impact of projects funded and provide information on this in the Developers' reports to the SEAI. It is therefore essential that a condition of the funding decision is the requirement for funded projects to report back some impacts information on the project. The SEAI toolkit will include a simple reporting template in this regard, seeking to track just a limited number of criteria.

There is a solemn duty of care on the part of each Fund Committee member to work to the greater good of the Fund in line with the agreed strategic objectives of the Fund. All members of the Fund Committee should have an opportunity to speak and decide on applications submitted to the Fund Committee. All funding decisions should be made in line with the funding objectives and the RESS-1 T&Cs.

All funding decisions should be decided by an evaluation and scoring mechanism that has been agreed by the Fund Committee in advance. The highest scoring applications should receive the funding.

All funding decisions should be implemented by the Administrator, and Fund Committees should be mindful that multi-annual commitments may impact on the choices available to a Fund Committee in later years.

In the instance of a profound disagreement within the Fund Committee, the matter should, in the first instance, be referred to the SEAI. The Fund Committee will be provided with support to resolve the issue in so far as the role of honest broker can be fulfilled. The matter may be referred to the RESS Communities Steering Board for consideration and ultimately the Minister may give a direction.

6.7 Payments

We do not propose upper or lower limits on funding allocations to applicants as the Funds and communities will vary dramatically. It is true to say that many community benefit funds in existence today apply a minimum funding parameter of €1,000 in order to reduce administration. The Fund Committee should discuss this matter and may decide to place limits as it deems appropriate. If such decisions are taken, it is assumed that they would be revisited according to circumstances.

It is proposed that the Fund may facilitate advance payments should the Fund Committee wish to do so. A useful rule of thumb, but not mandatory, is that proposals valued less than €5,000 and involving the purchase of goods, services and equipment may qualify for a 50% upfront advance payment, whilst proposals valued greater than €5,000 might be decided on a case by case basis.

In line with existing tax law and application, only if an applicant's organisation is not VAT-registered and/or does not have VAT recovery status on the specific costs, can a claim for payment be made for the VAT element of expenditure.

The Fund should not be used as security by any party against credit, loans or borrowings. The Fund is precluded from entering into any borrowing arrangements (as borrower, lender or otherwise) at any time whatsoever.

7 Strategic Measures

7.1 Larger Fund proposals

One of the most desirable outcomes of the Fund is that good quality initiatives emerge, designed for the public good and with long term impact. Such legacy/strategic projects may often be expensive – a community energy efficiency housing upgrade or the development of sporting facilities for example. We expect that Fund support to larger projects can be facilitated through a multi-annual agreement. In this case, an award agreement is issued to the group for an overall sum, which is then paid in set instalments on an annual basis e.g. €6,000 x 4 year = €24,000. In all such cases the Fund Committee will need to ensure satisfactory and appropriate governance is in place e.g. supporting documentation, evidence of formal permissions in place and evidence of the project maturing year on year.

In keeping with the opportunity provided to enter into multi-annual award agreements, there is also the opportunity to carry forward funds from year to year towards the realisation of substantive, strategic projects, by decision of the Fund Committee. Proposals to carry

forward funds must be notified in writing to SEAI. SEAI will consider such proposals and may make recommendations on a case by case basis but will be open to being supportive of such big-ticket initiatives.

In addition, we are supportive of the concept of fund retention beyond the lifetime of RESS (typically 15 years). Should Fund Committees wish to retain some of the money to extend the legacy of the Fund, SEAI should again be notified in writing.

The Fund could represent an excellent opportunity to create endowed funds for a community, where a certain amount could be put aside each year and invested for the permanent benefit of the community. Using a portion of the Fund in this way would be expected to create an income every year to further support the community. Funds could have a permanent impact with lasting legacy.

7.2 Surplus monies

In the event of surplus monies or in the event of insufficient appropriate funding requests this money can roll over to the next year's funding round following notification to the SEAI. All such funds should be held in the Fund's dedicated bank account. The Fund Committee should research and assess the reasons for the failure of sufficient or appropriate projects to come forward (which should be included in the Developer's annual reporting to SEAI). Lessons should be learned and further efforts towards communication and engagement with local organisations should be made in the forthcoming year.

7.3 Alternative approaches for smaller Funds

We are acutely aware that there is an organisational challenge involved in the delivery of Funds. For very small Funds the administrative challenge may almost seem to overshadow the community return. So, we have considered options that might address this issue.

Conscious of the administrative burden involved for smaller projects – those with expected Fund values of up to €30,000 in size - we wish to provide opportunities for innovation in Fund delivery. The Department is open to the consideration by SEAI of any proposed alternative options but we recommend that any such option should include a clear timeline for a review to be built in to allow for amendment as appropriate.

One option, for instance, could see a number of like-minded Developers, with community support, in similar geographic areas, combine their resources for the administration of a number of Funds. The communities could benefit from a skilled Administrator leading out on

a number of Funds, thereby reducing duplicated effort and via the sharing of ideas with other communities.

Similarly, Fund Committees may themselves seek to reduce the administrative burden in consultation with developers and their communities by agreeing to only identify and fund a limited number of projects per funding round (but in accordance with the RESS-1 T&Cs).

The pooling of payments over a two-year period may also be useful to allow for the build-up of a reasonable sum for dispersal - funding rounds would occur every two years rather than annually in this case.

Another possibility may be that, again by agreement between the Developer and the Community, it might be decided to hand over the Fund to one agent, such as the Local Development Company, already active in community development in the area. That agent could then be entrusted to act as Administrator of the Fund in the best interests of the community, by identifying and funding particular initiatives without the need for a funding application process. This agent could be entrusted with the Fund for a set number of years after which it is reviewed. It would nonetheless have to ensure compliance with all T&C including engagement, reporting and governance matters.

This last option is perhaps also a desirable one in situations where a community appears inactive or unable to motivate themselves to service a representative Fund Committee for the Fund. It is entirely possible that such a situation may materialise despite all the best efforts of a Developer. All such options should be explored with the SEAI and every effort to secure the local community's consent should be made in order to proceed. A clear timeline for review should be built into all such alternative arrangements.

7.4 Leveraging the Funds

For maximum impact, it is recommended that the Fund Committee actively explores leveraging, blending and aggregation opportunities for the Fund. There are a variety of measures that the Fund may support that may also be eligible for funding from alternative sources. It is envisaged for instance that community retrofit programmes being supported by the Fund may seek to leverage supports from the SEAI's Community Grant Programme. This blending or aggregation of funding supports creates considerable scaling up potential that is highly desirable both in the enhancement of community well-being and in the pursuit of national climate targets.

Another form of blending is encouraged - perhaps one funding source may support e.g. a feasibility study into the development of a short walking trail looping a local hilltop and the

Fund may contribute towards its realisation. Such leveraging or blending can help to create the maximum impact for local communities and ensure the broadest range of experience or expertise being utilised.

Another very desirable initiative could concern capacity building supports such as energy training being undertaken on a partnership basis with other local supports and networks. In addition, the Department's Climate Action Fund has a local dimension and there may be leveraging possibilities with it too.

A more ambitious form of aggregation is also available for Fund Committee consideration. Fund Committees of projects located in the same geographic area may be able to come together to initiate an initiative with an even broader reach, bringing significant economies of scale – the community retrofit programme may be a much larger initiative if two Fund Committees can agree to work in collaboration.

Whilst the types of initiatives mentioned in this section appear worthy of funding, it is nonetheless recommended that Fund Committees consider the imposition of safeguards to ensure that the money is actually well spent. One such consideration should be around how to direct that a portion of the Funding award for certain measures should be used for professional services e.g. energy engineers or ecologists.

8 Reporting on the Funds

8.1 Fund activities and outcomes

It is a primary objective of the Department and SEAI to ensure full transparency of Funds to the community and to the wider public. Funds will concern the movement of several hundred million euro and, accordingly, the highest standards of governance and reporting are expected. In accordance with RESS-1 T&Cs (7.2.7), the Developer must submit an annual report to SEAI on the conduct and activities of the Fund over the preceding year which we would expect as being in full accordance with the highest industry and statutory governance and regulatory reporting standards. The report should detail the level of contributions, a breakdown of outgoings, information on successful applicants, disbursement of funds, and any funds to be carried forward. It should include signed testimonials from projects that were supported by the Funds that might be used as case studies for the Register. It should also provide copies of promotional and/or media material and case studies published by the Fund in reaching out to the local community. These annual reports will be made publicly available via the SEAI's Register.

The annual report is not just about reporting. It is also important to the sustainability mission of the Fund for the annual report to document the success or otherwise of the Fund by way of impact data - photos, stories, impact results etc. The objective is to create a record of the impacts of the Fund within the community over the lifetime of the RESS Project. Such a record will serve as a marker for ongoing research and analysis as the Fund evolves over time. In this way, the annual report will serve a purpose far grander than its core regulatory function: it will be a forum for discussions on the progress and future development of the Fund as part of the broader RESS initiative. It will also serve to share best practice amongst communities in regard to funding strategies and spending decisions.

Projects all over the country will be reporting on all kinds of award-aided initiatives. Imagine the discussions that will emerge in community halls nationwide as Fund Committees see what kinds of projects are being supported elsewhere! Consider also that this Handbook relates explicitly to just the first RESS auction. Several more auctions are in the offing and hundreds more projects will learn from those that have gone before.

As well as being published by the SEAI on the Register, it is assumed the Developer will be publicising the annual report on its own corporate website and that of the RESS Project itself, if there is one.

The role of SEAI is primarily in oversight and compliance with regard to Fund reporting and may initiate compliance checks as appropriate. SEAI retain the powers to assess or audit any Fund or seek any further information from the Developer as may be deemed necessary to carry out their role effectively.

8.2 Near neighbour payments reporting

In order to ensure financial privacy for near neighbours, the exact amounts paid to individual near neighbours should not be disclosed. However, the total figure and percentage of the Fund paid for near neighbour payments must be reported, as well as the total number in receipt of the payment, in order to inform the local community of the levels of distribution of the Fund and demonstrate compliance with the RESS-1 T&Cs.

8.3 Social and economic impact assessments

Developers are required to report on impacts of the Funds. It is therefore recommended that Fund Committees should attempt to carry out social and economic impact assessments to ascertain the impact of the distribution of the funds on local economies and societal well-being. We mentioned previously that it should be a condition of funding award that the

recipient would undertake to report on the funded project or activity. The SEAI toolkit will provide a simple reporting template designed to track a limited number of impacts criteria. This report will need to be signed by all members of the Fund Committee before being submitted to the SEAI by the Developer.

This information can inform Fund Committees in deciding future strategy and application decisions to ensure the fairest distribution for all the community. It is assumed that universities will be interested in researching such matters, perhaps on an aggregate scale, but even that would be of significant use to individual Funds.

8.4 Feedback and consultation

Whilst reporting to the SEAI on Fund outcomes is important, it is also equally important that the Fund Committee in each community should reach out to other local community organisations for their feedback on the operation of the Fund. Local Authorities, LEADER programmes, Local Development Companies, charities, Tidy Towns groups, SECs and a wide variety of other local organisations can all be approached for feedback on how they believe the Fund is operating in the local area and for ideas to improve the impact of the Fund.

It would also be envisaged that Funds in different areas would consult with one another to share experience and best practice in deploying their funds. This consultation may happen through informal and formal networks like the SEC network and through webinars etc. SEAI can support this process through introductions between communities and with assistance from the SEC National Mentor service.

9 Glossary of terms

DECC: Department of the Environment, Climate and Communications

RESS: Renewable Electricity Support Scheme: An auction-based support scheme operated by DECC to support deployment of large-scale renewable electricity generation.

RESS-1: the first auction in RESS.

SDGs: Sustainable development goals – United Nations Goals adopted by Ireland as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

SEAI: Sustainable Energy Authority of Ireland

SEC: Sustainable Energy Community

Appendices

1 RESS-1 Terms and Conditions – Community Benefit Funds Provisions

- 7.2.1. All RESS 1 Projects are required to establish a Community Benefit Fund prior to Commercial Operation of the relevant RESS 1 Project. The contribution will be €2/MWh of Loss-Adjusted Metered Quantity for all RESS 1 Projects.
- 7.2.2. A national community benefits register will be established by the Minister (or a nominated body) prior to 1 July 2021.
- 7.2.3. A Good Practice Principles Handbook will be published by the Minister (or a nominated body) prior to 1 July 2021. This will lay out a range of principles, including the need to ensure community participation in and decision-making via the establishment of a local committee, which should encourage successful dispersal of funds.
- 7.2.4. The Generator shall take steps to raise awareness and effectively promote an annual application process in respect of the availability of financial support from the Community Benefit Fund. Such steps may include but are not limited to:
- a) issuing notices in local newspapers;
 - b) delivering notices to the local inhabitants;
 - c) promoting it through a website and on social media; and
 - d) contacting community and voluntary organisations that may be registered on a database maintained by a national, regional or local authority including public participation networks.
- 7.2.5. The Generator or a procured agent, from either the private or public sectors (including entities such as local development companies, public participation networks and local community development committees), shall ensure that applications for funding under the Community Benefit Fund received are assessed in a fair, non-discriminatory and transparent manner.
- 7.2.6. The Generator or its agent will administer the funds contained in the Community Benefit Fund and shall distribute such funds for the duration of the relevant RESS 1 Project's RESS 1 Support as follows on an annual basis:

- a) in respect of Onshore Wind RESS 1 Projects, a minimum of €1,000 shall be paid to each household located within a distance of a 1 kilometre radius from the RESS 1 Project;
- b) a minimum of 40% of the funds shall be paid to not-for-profit community enterprises whose primary focus or aim is the promotion of initiatives towards the delivery of the UN Sustainable Development Goals, in particular Goals 4, 7, 11 and 13, including education, energy efficiency, sustainable energy and climate action initiatives;
- c) a maximum of 10% of the funds may be spent on administration. This is to ensure successful outcomes and good governance of the Community Benefit Fund. The Generator may supplement this spend on administration from its own funds should it be deemed necessary to do so; and
- d) the balance of the funds shall be spent on initiatives successful in the annual application process, as proposed by clubs and societies and similar not-for-profit entities, and in respect of Onshore Wind RESS 1 Projects, on “near neighbour payments” for households located outside a distance of 1 kilometre from the RESS 1 Project but within a distance of 2 kilometres from such RESS 1 Project.

If the Community Benefit Fund of an Onshore Wind RESS 1 Project does not contain sufficient funds in a relevant period to make the minimum payment to households as required under paragraph (a) above and to meet the requirements under paragraphs (b) and (c) above, the Generator shall seek a derogation from the Minister (or a nominated body) in respect of this Section 7.2.6.

7.2.7. The Generator will submit an annual report to the Minister (or a nominated body) which will be made publicly available and shall comprise of the following information:

- a) an overview Section outlining the main actions and activities of the Generator’s administration of the Community Benefit Fund for the preceding year;
- b) a Section outlining the finances of the Community Benefit Fund for the preceding year (detailing in particular, the level of contributions made to the Community Benefit Fund and the outgoings of the Community Benefit Fund and any funds to be carried forward);
- c) evidence of the promotional activity in respect of the Community Benefit Fund;

- d) the accounting policies and financial controls of the Generator in administering the Community Benefit Fund; and
- e) any other relevant information that is significant or material to the Generator's administration of the Community Benefit Fund in the preceding year.

7.2.8. Generators may offset contributions subject to any local authority-mandated funds against the contributions required to be made to this Community Benefit Fund subject to the condition that any offset contributions comply with Section 7.2.6 of these Terms and Conditions.

7.2.9. Proposals to carry forward funds must be notified in writing to the Minister (or a nominated body). Such proposals may include the setting aside of some funds over several years towards the delivery of a substantive, strategic project in due course. The Minister (or a nominated body) will consider such proposals but may also make directions to Generators in respect of carried forward funds.

7.2.10. The Minister (or a nominated body) shall have oversight over all Community Benefit Funds and may audit Community Benefit Funds for compliance with these Terms and Conditions.

2 Fund Committee Guidelines

General Information

The Fund Committee can expect to receive the active administrative support of the Administrator. This will include everything from booking meeting venues to the provision of relevant information such as papers to support Fund Committee meetings, to the annual review of the Fund and taking minutes of Fund Committee meetings.

How many meetings the Fund Committee should hold each year will depend on the available funds, demand for funding, number of funding rounds and on determinations on the funding strategy. We recommend that there should be at least three each year geared towards the preparation or review of funding strategy, plans and details for that year's funding round(s) and evaluation of applications.

Committee Membership is undertaken on a voluntary basis. However, all reasonable expenses may be met from the Fund once agreed by the Committee. For instance, should the Committee decide a study trip to a project elsewhere might be beneficial, then the associated travel costs would seem to be appropriate. Such costs are expected to be kept to a minimum and all administrative costs must not exceed the 10% annual Fund's value allocated for administration.

We seek to promote openness and transparency in all matters pertaining to the Funds and the Annual Report will include names and affiliations – representation, if any – of all Committee Members.

Responsibilities of each Fund Committee Member

Determining and reviewing the Fund Strategy: The Fund Committee will work with the Administrator in the preparation and agreement of a Fund Strategy which details the Fund plans and priorities, distribution mechanism, award sizes, award frequencies, and so on. Committee members will endeavour to make decisions compatible and consistent with the Fund Strategy and contribute to its ongoing review as appropriate. The Committee is encouraged to regularly review how the Fund Strategy is working and the financial position of the Fund.

Attend an induction session and any further training: Led by the Administrator, these will focus on forming an effective Fund Committee and the development of a Fund Strategy.

Reviewing funding proposals: The Administrator will provide documentation relating to funding proposals for consideration by Fund Committee Members before each decision-

making meeting. Fund Committee Members are expected to review these and request any further information if required prior to Fund Committee meetings.

Reviewing feedback from those receiving funding and monitoring impact: The Administrator will also provide information on the achievements and outcomes/impact reported by award recipients in their monitoring impacts reports. Fund Committee members are expected to review this information as it will feed into the annual reporting by the Developer to the SEAI.

Attending Fund Committee meetings: Fund Committee members should make genuine efforts to attend Fund Committee meetings as scheduled. Meetings will reach decisions on funding calls and applications, consider the financial position of the Fund and any matters regarding awards made and any other relevant items of Fund business.

Promoting the Fund locally: Fund Committee members are ambassadors for the Fund. They are encouraged to play a role in Fund promotional activity e.g.: distributing posters, disseminating information through their network of contacts and attending publicity events.

3 RESS Fund Committee: Sample Member Code of Conduct

This sample Code of Conduct is designed to provide a working charter for each Fund Committee Member to undertake their role. Administrators appointed to the Funds may already use alternative codes of conduct and may continue to do so. This sample is for guidance only and can be adapted and improved.

As a Fund Committee member you will have an important and valuable role to play in ensuring money is used to address local needs and aspirations in line with the community's own priorities in accordance with the Fund Committee Guidelines (Appendix 2 of the Handbook).

Although voluntary and not expensed, this role is accompanied by several responsibilities, set out below. Please read this Code of Conduct carefully and, having understood it, sign and date both copies, and return one to your Fund Administrator.

As a Fund Committee Member you are expected to:

- Attend regular Fund Committee meetings. Continuity is a matter of importance and members will be expected to attend on a regular basis. Those who do not attend three meetings consecutively, without reasonable explanation, may be removed from the Fund Committee.
- Should you not be able to attend a meeting, convey this information to the Administrator in advance of the meeting and at the earliest opportunity.
- Arrive on time for meetings and having reviewed the agenda and papers.
- Contribute to Fund Committee discussions in a relevant and constructive way, bearing in mind the role of the Fund Committee and the meeting agenda.
- Conduct yourself appropriately, in particular by listening keenly to the views of other Fund Committee members, not interrupting other speakers, and respecting the authority of the chairperson to direct the meeting.
- Treat all information as being given in confidence and not for disclosure to anyone outside of the Fund Committee. Data protection is a vital strand of the code of conduct and all data should be treated in accordance with GDPR obligations. Bear in mind that the Fund Committee serves your community as a whole and not just your own demographic or special interest group.

- Attempt to reach decisions by consensus and respect the final decision of the Fund Committee.
- Make unbiased and fair judgements of requests for support from the Fund against the agreed purpose(s) and priorities for the Fund and any other agreed criteria.

[SEAI promote openness and transparency in all RESS Fund activities and will place your name and affiliation – representation, if any - on the RESS Register (an online, accessible database).]

I agree to abide by this Code of Conduct:

Signed _____

Print Name _____

On behalf of _____ (name of community)

Date _____

4 RESS Fund Committee: Sample Conflict of Interest Policy

It is inevitable that Fund Committee members, most of whom are members of the community, living local to a project, will find themselves conflicted on occasion during their membership of the Fund Committee. For instance, the group they represent, or a family member, may be an applicant to the Fund.

This sample Conflict of Interest Policy is designed to set out a basis for dealing with such situations. Administrators appointed to the Funds may already use an alternative Policy and may continue to do so. This sample is for guidance only and can be adapted and improved.

All Fund Committee Members should complete a Declaration of Interests Form listing groups or organisations in which they have a direct interest and will update this at least annually. A Register of Fund Committee Members' Interests should be maintained by the Fund Administrator and shared with all Fund Committee Members.

A direct interest means any of the following:

- a) they/or a family member¹ are a Committee or Board member of the organisation requesting funding
- b) they/or a family member have been involved in preparing the funding application
- c) they/or a family member are, or are likely to become, a supplier/contractor in relation to the project or activity that is the subject of the funding application.

A direct interest does not preclude membership of the Fund Committee, only impacting the evaluation process where it is material to a particular funding application.

Where a Member has a direct interest in regard to any element in an application, they must declare this at the relevant Fund Committee meeting prior to any discussion over the application in question. Members will not participate in decisions regarding any application in which they have a direct interest and must leave the meeting while the funding evaluation and decision is made.

¹ A family member is defined as the Fund Committee Member's spouse, civil partner, any person with whom the Fund Committee member lives as a partner in an enduring family relationship, a sibling, child or stepchild of the Fund Committee member, a sibling, child or step-child of a Fund Committee member's partner, or the Fund Committee member's parents or their siblings.

Conflicts of interest should be a standing agenda item at Fund Committee meetings and all declarations of interests in applications being discussed should be recorded in the minutes.

If a Fund Committee Member is in any doubt about the nature of their interest or the application of these rules, they should consult with the Administrator and / or Fund Committee. If in any doubt a Fund Committee should consult with the SEAI. The majority view of the Fund Committee members present should determine the appropriate course of action, where this does not contravene this policy. The outcome of the Fund Committee's decision should be recorded in the minutes.

It is to be expected that Fund Committee members will know many of the applicants as neighbours or friends and it does not seem practical to define such acquaintance as a "direct interest". We do not wish to have evaluation decisions being made constantly in the absence of, possibly, several Fund Committee members. We have faith in Fund Committees reaching the best decisions in the common good.

5 Further guidance on the role and responsibilities of the Administrator

The primary role of the Administrator is Fund management. It should meet the essential requirements of operating a Fund in full compliance with the RESS-1 T&C and, it is expected, fully in keeping with all statutory and professional regulatory and governance rules. On this basis, the Administrator should have a capacity to provide, as follows:

- Skilled management of funds
- Community development and project management
- Advisory support to applicants
- A clear and accessible application process. It is recommended that this process should be online if possible
- Reliable and robust evaluation of funding proposals (and support Fund Committee members to undertake this process accordingly)
- Comprehensive financial reporting and analysis for consideration and audit

In its work we would expect the Administrator to conduct the Fund broadly in line with the following stages, as a minimum:

- Prepare a draft Fund outline for distribution to the community
- Establishing working contact with the SEAI and registering the new Fund with the SEAI
- Supporting the local community in setting up their Fund Committee
- Formal establishment of the Fund with an official address and banking/payment facility

In addition, the Administrator will work collaboratively with the Committee on the following:

- Devising and agreeing a funding strategy for the Fund
- Promoting the Fund and its calls
- Developing the application process
- Receiving, vetting and evaluating applications
- Agreeing terms of award and arranging payment
- Communicating with all applicants
- Monitoring and following up on the implementation of all awards
- Securing the impact assessment data from projects funded
- Providing an annual report on activities and funding outcomes

We will now provide a commentary on how some of the key workstreams for the Administrator might be progressed. These are drafted as a means of ensuring best practice, but they are not laid out as mandatory requirements (except where otherwise stated).

Scoping the Fund

The Administrator should undertake an initial scoping of the Fund. It would be advised that the resulting outline should set out indicative amounts and percentage of the Fund to be distributed for:

- a) Near neighbour payments (if required),
- b) Meeting UN SDGs
- c) Administration costs
- d) Not for profit initiatives from local clubs, societies, etc.

This draft Fund outline should be made available to the local community for consultation at a very early stage to begin the conversations that are vital to ensure an effective Fund. Local media, social media, parish notices and a community hall meeting should all be considered and employed as appropriate. In addition, this consultation should also serve to inform local communities about the UN SDGs and provide some examples of projects that may be supported. It should also serve as an invitation for expressions of interest to serve as a volunteer on the Fund Committee.

The Administrator should assess the consultation responses and in line with this should revise the draft funding outline for the incoming volunteers on the Fund Committee for final approval, after having been briefed fully on the consultation responses.

Registering the new Fund with SEAI

Registering the Fund with SEAI is a mandatory requirement. Registration is necessary via the RESS Register administered by SEAI.

The Administrator should regard the relationship with the SEAI as extremely important to the operation of the Fund. The SEAI are the key support body for all matters pertaining to Fund operation and should be notified if any problems and/or other concerns affecting the administration of the Fund should emerge at any time.

Supporting the Fund Committee community volunteers

One of the most important functions of the Administrator is to facilitate the establishment of a Fund Committee to undertake its vital role in determining the strategic purpose of the Fund and to undertake the assessment and evaluation of all funding applications.

The Administrator should advertise the Fund locally and online with details of the expected funding available and an outline of the application process for funding. This promotion process should seek feedback from the community on funding priorities and long-term impact goals. It should also double as a call for volunteers from the local community to work as part of the Fund Committee.

As the other members of the Fund Committee will be volunteers, it is vital that the Administrator supports them in so far as possible to obtain the necessary skills and information that are required to make decisions on applications for funding. Training materials, seminars, webinars, reading material and examples of other well-established community funds could all be provided or referenced to assist volunteers to make more informed decisions. SEAI will also be assessing what such materials are necessary as the Funds begin to materialise.

Formally establishing the Fund

The Fund should function wholly in compliance with all statutory and regulatory standards of financial reporting, conduct and accounting. The Fund should have a separate banking/payment facility so that Funds are clearly separated from project finances. The Fund should also have an official address on all documentation (including an email address) so that it is open to correspondence from any interested parties.

Devising and agreeing a funding strategy for the Fund

Agreeing a funding strategy in collaboration with the community will undoubtedly increase the overall impact the Fund will have on the local community and ensure that funds are distributed fairly across the long term. The SEAI will assess what supports might be necessary to facilitate high quality strategies emerging and guidance will form part of its support toolkit.

This funding strategy can have a significant influence on the success of the Fund. The strategy is about creating a workable vision for what the Fund hopes to achieve, what kind of values it retains, and how it is disposed to an inclusive and diverse relevance to the local community. This does not mean micro-managing the funding process, rather agreeing its own principles in creating an open dialogue whereby individuals and groups in the community can have confidence of fair and respectful consideration.

Development of the application and assessment process

This includes putting in place all the requirements of an open and accessible application process, ideally online. The process should be clear with an easy Fund Application Form and other relevant information including deadlines and key dates (as determined locally by the Committee). It also means devising procedures in regard to the following:

- Receipt and acknowledgement of proposals
- Internal procedures and protocols governing the treatment, evaluation and assessment of proposals
- Formalities around final notifications of results
- Policy on consideration of feedback and/or appeal.

Communicating with all applicants

The Administrator and all prospective applicants are encouraged to engage in active, supportive and mutual communication at all times as participants committed to the success of the Fund.

Evaluation of applications by the Fund Committee

The Administrator, as a member of the Fund Committee, should work with the Fund Committee to ensure all funding applications meet the Funds' eligibility criteria. The application will then be assessed, during which time the applicant may be contacted by the Administrator to provide more information and/or discuss the proposal in more detail.

The Administrator should present an evaluation "scorecard" process suggestion for the consideration of the Fund Committee. Agreement should be reached on how precisely applications will be scored.

It would be advised that they be given weightings in accordance to their importance for the local community. Some examples of criteria are listed in section 6.5.

Each application received by the Fund should be evaluated according to the criteria set by the Fund Committee. The decision to award funding is in the gift of the full Fund Committee, in accordance with the scoring system agreed. The Administrator should implement the decisions accordingly.

Canvassing or lobbying of any character of any Fund Committee member should be notified to the Administrator and broader Fund Committee and will result in automatic disqualification of the application.

Agreeing terms of award and arranging payment

The Administrator should immediately notify all applicants of the Funding Decision. The Administrator should shortly thereafter provide successful applicants with a provisional award offer letter and contract. This offer contract should be accepted, signed and submitted to the Administrator within 15 working days. The provisional award offer letter may stipulate conditions which will need to be fulfilled within the 15-day timeframe. The offer should stipulate the condition that an impacts assessment should be undertaken and reported in the template provided. Along with the contract, successful applicants will receive guidance relating to the drawdown of funds. No expenditure in relation to funded elements of the project should be incurred until the signed contract has been received by the applicant and signed by both the applicant and the Administrator.

Closing Dates

All offer contracts should contain a closing date after which time the award offer will lapse and cease to be payable (generally this should be 6 months from date of issue). If, for some reason, the approved proposal has become delayed and will not be completed by the closing date, the Administrator should be notified immediately and the Fund Committee can consider the matter.

Payment Name of Grant Recipient

When processing a grant payment, the Administrator should make the payment only to the name of the group/organisation stated on the award contract. All the documentation required, such as invoices, receipts, etc., should be in the same name. Bank Account and project payments specific to the application should have a bank or credit union account in the name of the group/organisation and all payments should be made through this account. In exceptional circumstances, and through prior agreement with the Administrator, organisations/groups that do not have their own banking facilities may nominate an associated organisation to hold the funding on their behalf. In the case of individual awards payments should be made to a bank account specific to the individual.

Award Claim

Funding should only be paid out when all the necessary documentation required is submitted to the Administrator. It is recommended that the Administrator issue a 'Claim for Payment Guide' when issuing a contract stipulating the details of the documentation required. Missing or incomplete documentation could delay the processing of the claim.

Project Monitoring

Successful applicants should return the impacts assessment form as conditioned in the award contract. It is advised that the Administrator reserves the right to undertake a monitoring visit by advance agreement to any of the funded applicants for the purpose of evaluating its efficacy. Where multi-annual funding is agreed, an appropriate monitoring framework should be worked out and agreed.

On completion of the approved project, each applicant group should be required to provide invoices, receipts and bank statements to demonstrate project expenditure was undertaken in accordance with the contract. In the event a group does not complete a project in full accordance with the contract, the Fund may seek reimbursement of the initial funding provided to the group/organisation.

SEAI may carry out inspections or request additional information from the Fund to ensure compliance with RESS-1 Fund obligations.

Feedback to applicants

The Administrator should provide feedback on unsuccessful applications within 20 working days, if requested in writing. There is no process of appeal on the decisions of the Fund Committee. Unsuccessful proposals can be resubmitted to subsequent funding rounds and applicants are advised to discuss their proposals with the Administrator.

6 Case Studies - impacts from existing projects

Irish Examples

Wind Energy Ireland (formerly IWEA) – community benefits

Wind farm communities across the ROI received funding of just under €3.5 million in 2019. The best community benefit programmes put local people and the priorities they have identified at the heart of decisions around how the funding is allocated, empowering them to invest in their local area and to shape their own future.

The top 5 counties to receive community benefit funding from wind farm developments include Galway, Cork, Roscommon, Tipperary and Limerick.

Ballyfad Community Centre, ESB/Greencoat Renewables

Ballyfad Community Centre is due to be completed this year, much to the delight of the local community who have been campaigning for a local centre there since 2003. Located just 1km from their local wind farm at Raheenleagh – the community benefit fund was central to their success.

“We are grateful that for generations to come groups and people of all ages and backgrounds will have this hall as a welcoming place, said Myles Carroll of the Ballyfad Community Centre Committee. The hall will be a focal point and will keep the community together and offer the opportunity for people to come together and enjoy their leisure time in a modern comfortable facility.”

“Our project coincided with the development of Raheenleagh Wind Farm Project which is near the village. From the beginning, the joint partners of the wind farm showed a keen interest in our new hall development.”

Along with funding from other sources including Wexford County Council, fundraisers and voluntary donations from people in the community the hall is now almost ready to open.

<https://iwea.com/images/files/iwea-funding-communities-single-pages-2020.pdf>

SSE – Supporting Communities across Ireland

SSE began providing voluntary community benefit funding in Ireland in 2002 and since then have awarded over €8.5 million from wind farm developments, supporting more than 2,500 local projects.

Community groups within a 20km radius of the wind farms have been eligible to apply for the funds, however, priority has been given to those located within 5km. Each fund has been

paid out annually, starting one year after the wind farm started producing electricity, with funding awarded to projects focused primarily on sustainability, energy efficiency and safety. By providing this funding SSE Renewables have sought to enable local regeneration through community-led economic, social and environmental development.

<https://www.sserenewables.com/communities/community-fund-locations/ireland/>

North Cork

Through SSE's Coomacheo and Curragh Wind Farms in North Cork, €100,000 per year has made available for local projects promoting energy efficiency and social sustainability through SSE's Community Fund programme. SSE have been donating to local projects in the area since 2010 and with the latest contribution in 2019, approximately €1.3 million in total funding has been awarded across the North Cork region.

A total of 30 local groups benefitted from funding in excess of €115,000 in 2019. Comhaltas Cosanta Chuil Aodha is putting its funding towards energy efficiency insulation and the installation of an energy monitor for the Halla. Other projects supported include lighting upgrades for Millstreet GAA, Ballyvourney District Council, West Muskerry AC, and Ballinagree Community Development Council, heating upgrades at Cholaiste Chobnatan and Shandrum Hall, and replacement windows and doors for Millstreet Pitch & Putt, 28th Cork Macroom Scout Group, Kilcorney National School, and Millstreet Community Housing Association. Additional support was made for rainwater harvesting at Rylane National School, supporting an education programme for Cuman Bheachairi Mhuscraí (Beekeepers), and improving disability access at Linn Snamha Conchubar O Laoghaire, Carriganima, and at St. John's GAA Club.

Coomacheo and Curragh Wind Farms have a combined capacity of almost 60MW and produce enough green energy to power around 40,000 homes. The Community Fund is operated by sister company SSE Airtricity on behalf of SSE Renewables.

<https://www.sserenewables.com/communities/community-fund-locations/ireland/north-cork/>

ESB – SECAD

The Wind Farm Community Funds were established by ESB and their joint venture partners Galetech Energy, Greencoat and Enercon, with the intention of helping the communities neighbouring their wind farms to become more sustainable through the support of positive local initiatives and activities. The funds seek to address current and emerging issues, needs and opportunities within communities, enriching lives and creating brighter possibilities for local residents.

SECAD Partnership CLG administers these 16 Irish community funds which surround 13 wind farms owned by ESB subsidiary companies, and 3 other wind farms such companies co-own with Galetch Energy, Greencoat and Enercon.

Typically, these funds are available to community and voluntary organisations for projects which are based within a given distance of a particular wind farm. A maximum of one application can be submitted from each group/organisation per annum.

The funds support projects/activities which clearly benefit at least one of the following categories:

- Education and skills
- Health, safety and wellbeing
- Environment and habitat conservation
- Energy efficiency and sustainability
- Culture and heritage
- Recreation, sport and social inclusion

<https://windfarmcommunityfunds.ie/>

Energia - Meenadreen Windfarm CBF

Energia is a modern customer-centric energy utility company and are heavily involved within communities across Ireland. Energia supports the growth and prosperity of local communities and are committed to making a positive contribution to the communities in which they operate through the provision of charitable donations, community benefit funds and national sponsorships. In 2019, Energia has awarded over €1 million in cash donations to communities across the country.

https://www.bitc.ie/business_impact/energias-impact-map-2019/

Via a number of community agreements and collaborations Energia operate several Community Benefit Funds around wind farm sites in Ireland. These schemes take the community needs into consideration and are monitored and adjusted where needs are seen to have changed over time.

Energia's 95MW wind farm at Meenadreen in South Donegal is one of the largest in Ireland. With 38 turbines, it's capable of producing enough electricity to power 50,000 homes using green energy, which will reduce the island's carbon dioxide emissions by 100,000 tonnes each year.

At the opening of the wind farm, Managing Director of Energia Renewables, Peter Baillie, announced a community benefit fund totalling €95,000, initially for 2017/18 and continuing into 2019/20.

The Energia Meenadreen Fund is now in its 4th year, having provided 62 grants totalling €142,112 supporting a range of organisations within the immediate vicinity of the wind farm and extending to Donegal Town on occasion. The fund is split into 3 strands:

Strand one: general support to local non-profit and charitable organisations up to a maximum of €10,000

Strand two: large-scale local infrastructure projects up to the value of €60,000 over 2 years

Strand three: student scholarship scheme, newly introduced in December 2020, Community Foundation Ireland, together with Energia now offer grants of up to €3,000 to students within 10-14km of the wind farm

<https://www.energia.ie/community>

Scottish Examples

Soirbheas

Soirbheas is a registered charity and a company limited by guarantee. It aims to strengthen and support the communities of Glenurquhart and Strathglass through investment in local renewable energy schemes. It was formed to invest in the Corrimony Wind Farm, through ownership of a virtual wind turbine. A virtual turbine is where a community have bought into a larger commercial project but do not own a specific physical turbine at the site.

In addition to income received from Corrimony Wind Farm, Soirbheas receives community benefit payments from other renewable energy projects in the area including SSE Bhlaraidh Wind Farm and Green Highland Renewable micro hydro in Glenurquhart.

Monies are invested in the community via the charity's grant programmes as well as through key projects in partnership with other organisations and local community groups. Funds are used to support local initiatives that aim to protect the environment, provide training and employment opportunities, or create more resilient communities.

Since 2013, Soirbheas has developed 4 grant programmes to support local development. Tier 1 (up to £1,000) and Tier 2 (up to £10,000) were introduced in 2014. Tier 3 (up to capital £30,000), which launched in 2018, is a 2-stage grant process and supports projects to identify and secure match funding in order to fully develop their project. Projects supported include the purchase of community assets and building and renovation projects.

Grant funding has supported several renewable and energy saving initiatives. These include various installations such as a heat pump to improve energy efficiency at the local care centre, a PV solar array at Cannich Hall, a renewable system at the sustainable education centre, and electric tracks for transporting children to an outdoor nursery. Other projects supported have been improvements to social housing and village halls, and heritage, cultural and sports projects.

Soirbheas Community Development staff provide advice and guidance to local groups on how to apply for matched funding from other sources to maximise overall benefit to the community.

A spokesperson for Soirbheas said “As well as funding, we also invest a lot of time and effort into community development. This approach has built strong community partnerships and we feel this is a more sustainable approach to developing resilient communities, rather than just acting as a funder. This approach has also helped to improve community capacity and allow significant transformational projects to be developed.”

<https://www.localenergy.scot/projects-and-case-studies/case-studies/community-benefits/soirbheas/>

Fintry

After long negotiations Fintry, in rural Stirlingshire, Scotland, became the first village in the UK to enter a Joint Venture (JV) agreement with a wind farm developer that secured a wind turbine for the community.

Fintry is a small rural village with around 311 households, over half of which suffered from fuel poverty. From the income stream the turbine generates, Fintry Development Trust, which was established to make decisions on how the income from the turbine should be spend within the community, was able to carry out energy use surveys within the village and homes and as a result has given free insulation, including roof and cavity wall insulation, to more than half of all households in the village. A number of homes and community amenities within the village have also installed renewable heating systems, replacing expensive oil and LPG boilers with air source heat pumps and biomass (wood chip) boilers. These energy efficiency measures have reduced energy bills across the community by approximately £90,000 per year, and alleviated fuel poverty by a quarter. These local projects have also helped to support local employment opportunities in the village.

The income from the turbine is between £30,000 - 50,000 each year, expected to rise to around £400,000 after the community have repaid their development loan to support the

project's development. The community continue to roll out a number of projects to target the key challenges faced by the community, with the aim of making Fintry a carbon neutral and sustainable community.

<https://www.localenergy.scot/projects-and-case-studies/case-studies/community-benefits/fintry-renewable-energy/>

Cumnock and Doon Valley – Community Councils Join Forces

A number of local community councils in the East of Scotland have joined forces to form a working group (9CC Group) which aims to become a dedicated single Trust for wind farm developments and future community benefits in the area. The aim is to ensure fair distribution of windfarm Funds borne out of developments such as Over Hill, North Kyle, Pencloe and Greenburn wind farms in the Cumnock and Doon Valley area of East Ayrshire, Scotland. The group will work together to agree the best method for allocation, distribution, management and administration of Community Benefit Funds from consented future wind farm developments located across neighbouring areas.

https://www.cumnockchronicle.com/news/19024027.community-councils-unite-wind-farm-funds/?ref=rss&utm_campaign=1881479_CARES_Newsletter_Feb2021_KL&utm_medium=email&utm_source=Energy%20Saving%20Trust%20Scot&dm_i=2PT0,14BRB,7FDB1X,4BB,PS,1

For more information visit 9CC Strategic Area Plan Facebook page:

<https://www.facebook.com/The-9-CC-Strategic-Area-Plan-102892798382505>