

**Minutes of the Special Meeting of the
Rhu and Shandon Community Council
Monday 26th May 2014
Held in Rhu Church Hall**

In attendance:

Rhu & Shandon CC

Jack	Rudram	(JR)
Pat	Pollok-Morris	(PPM)
Jean	Cook	(JC)
Linda	Duncan	(LD)
Fiona	Baker	(FB)
Brian	Fleming	(BF)
Jim	Duncan	(JD)
Olivia	Birch	(OB)
Tim	Lamb	(TL)
Ronald	Sandeman	(RS)
Jayne	Burnett	(JB)
Andrew	Nicholson	(AN)

Councillors

George Freeman	(GF)
Robert MacIntyre	(RM)

Guests

Ian	Fraser	(IF)
Andrew	Fraser	(AF)

Public:

John	Fenney	(JF)
Andrew	Fraser	(AF)
Alastair	Moore	(AM)
James	Fraser	(JF)
Elizabeth	Henderson	(EH)
George	Wilson	(GW)
Tim	Henderson	(TH)
Chris	Lee	(CL)
Alastair	Macbeth	(AMb)
Nigel	Millar	(NM)
Sean	Murphy	(SM)
Sam	Penrice	(SP)
Alan	Penrice	(AP)
Danny	Kelly	(DK)
Forbes	Ferguson	(FF)
John	McGall	(JMcG)

1 Welcome

Jack Rudram, convener of Rhu and Shandon Community and chairman of the meeting welcomed everyone and introduced Ian Fraser from Helensburgh Renewables

2 Apologies

Cllr Maurice Corrie , Gordon King

3 Purpose of the meeting

To provide the community with information on the proposed Helensburgh Wind Farm, which is sited on land within the Rhu and Shandon boundary. As the host Community Council, it was decided that we should become more proactive in seeking an understanding of the current status and progress of the project, and not just rely on what we glean from the public domain.

Description of the proposed Helensburgh Windfarm Project by Mr Ian Fraser of Helensburgh Renewables Ltd.

Mr Fraser provided display boards in the Hall and the attendees had an opportunity to view these from 7pm to 7.45pm, before the meeting formally commenced.

The following is a summary of his presentation, with minor additions On quoted papers.

- Helensburgh Community Development Trust, HCDT, is a common good fund, set up as a charity in 2011 with membership free to all residents and with Trustees elected by members.
- It owns a social enterprise company, Helensburgh Renewables, HR, whose directors are appointed by HCDT and whose income is gift aided to HCDT.
- HR is one of the three partners in the Helensburgh Community Wind Farm. HR provides community support, Luss Estates provides the land and Green Cat Renewables Ltd provides expertise and equity funding. A Heads of Terms agreement was signed in August 2013.
- Wind farms have funded town regeneration in Neilson, business enterprise in Gigha, a swimming pool, pipe band and pensioners group in Ardrishaig and free insulation and woodfuel in Fintry.
- There will be five 800 kW Enercon E53 turbines, 86m ground to tip. These are Class 111, gearbox-less, suit lower wind speeds and have high reliability since 2006. They come with Manufacturer servicing and have 97% availability and a 15 year warranty. They will connect to the grid at Woodend and are sited 1.2km from the nearest house.
- A Capacity Factor of over 32% is not unreasonable because they have a large 53m rotor to catch more wind.
- Enercon is the world's 4th largest wind turbine manufacturer, with 30 years in the business and has been the market leader in Germany since mid 1990s.. They have installed 22,000 turbines worldwide with average reliability of over 98.5%.
- Capacity factors of 37% over 4 years and 38% over one year have been recorded at Green Cat Renewable installations at House o'Hill and Arkhill.
- There was no visible degradation of output recorded over the 4 years at House o'Hill with the three E48 Enercon turbines contrary to the data produced by Professor Gordon Hughes for the Renewable Energy Foundation in 2012. There are reservations in some quarters on the Hughes report.
- Banks are still willing to lend money and existing wind farms are being bought by investment and pension funds, and of course Enercon is still providing 15 year warranties.
- Financial overview.
 - Capital costs estimate is £6.7M, largely loan funded with a specialist loan from Santander and Close Bros
 - No public funding
 - After commissioning
 - Green Cat fee for running the operation
 - Land rent to Luss Estates
 - HR gets first £40K
 - Each partner gets one third of the profits above £120K
 - The wind speed has been re-estimated in light of Cove wind speed data to be on average, conservatively, 6.7m/s, giving a capacity factor of 32%
 - Bank loan for 80% of costs over 15 years plus a 12 year loan for 16% from Green Cat.
 - HR expects average income as follows
 - Years 1-5 £80K -£90K pa (in warranty period)
 - Years 6-10 £100K-£110K pa (in warranty period)

- Years 11-15 £170K-£190K pa (in warranty period)
 - Years 16-20 £400K-£450K pa
- HCDT carried out consultations and gave talks in 2103
 - Some 300 people took active interest,
 - 66 feedback forms returned
 - of these 64% were supportive or very supportive
 - small number very opposed and very vocal
 - the reaction of the supporters was that they could not see what all the fuss was about.
- Professor Andrew Bain's paper prepared for the John Muir Trust objection to the Muaitheabhal Windfarm on Lewis, is debunked because
 - it is based on out of date assumptions,
 - overlooks key technical issues
 - relies on Hughes' paper
 - large wind farms are subject to curtailment which will not apply to HCWF as it is distribution not transmission connected
 - his opinions on profitability are not shared by the investment community
 - economic arguments are not pertinent to planning
- In Summary
 - Public consultation shows majority support
 - Financials look robust even with lower wind speeds and loss of coOp bank
 - HR have confidence in high capacity factor because the hardware is reliable and the turbines match the site,
 - If the project is not profitable, it will not be funded and it is up to the banks, not TEG,HR or HCC to decide, but an indicative loan offer has been received.
 - Wind farm funding has not stopped.
- Next steps
 - Formal community consultation
 - Met mast measurements of wind speed
 - Planning application

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Questions & Discussion

Rather than minute the actual questions, I have grouped the responses of Mr Fraser to the questions under several headings.

Temporary Wind Mast and Wind farm Turbines: raised by SP, JD, LD, JC, CL

- Developers do not usually like to site Turbines or mast near a wooded area but Greencat approved this site and they have plenty of experience
- It does not matter that the mast and the turbines are not in the same location since extrapolation will be used to estimate the wind speed, even using data collected for the Cove wind.
- The mast could not be located where the turbines are planned, because the tenant objected.
- There is an issue concerning tenants which has still to be resolved.
- Maximum wind speed not yet known, but will be once the temporary mast has been in place for 1-2 years.
- The banks will probably be satisfied with one year's worth of data from the wind mast.
- The electricity produced will not go into the national grid but directly to the substation at Woodend.

- The difference in the height of the mast and the height of the turbines was not considered by HR to be significant in giving comparable wind speed data on which to ascertain the viability of the turbines long term..

Financial aspects: raised by CL, JD, OB, AMb, TL, JMcG, GF, JR

- No information available on the cost of maintenance after the 15 year warranty expires, although it would be possible to negotiate a further warranty for the remaining 10 years.
- No information given on the revenue rate £/MWh receivable from feeding / selling power generated by the turbines to the grid, but **IF** will forward this information.
- The minimum payment to HCDT expected to be £100k, rather than the £40K quoted.
- A decommissioning bond will be set up for the removal of the top 50cm of the plinths and replacement with top soil. The decision to remove the road will be left to the community
- IF recognised that the financial projections are out of date.
- Re a business plan, **IF** indicated that a meeting with partners will be held in mid July after which more information will be available, but no information will be released until they are sure of its accuracy.
- The July meeting will also reach a decision on the three issues of
 - Right to buy if one of the partners pulls out
 - Problems with the tenant
 - Minimum benefit to the community
- No response was offered to the statement that expert financial advice will be needed for HR. It can be assumed that the other two partners will have access to this.
- IF noted that the website is not up to date on financial matters.
- Currently all costs of the project have been borne by Luss Estates and Green Cat, but HR have contributed nothing. No information available on how much these costs are.

Planning: Issues raised by JD, AMb, OB

- An environmental study will be undertaken. This is likely to cost £170K and will lose its validity after a certain time period.
- Despite the fact that the wind mast has still not been received planning permission, it is expected that the planning application for the five, 86M high wind turbines will be submitted later this year. This will be before the data on wind speeds is available, and before funding commitment is secured from banks.

Other issues:

- The out of date map which the partners have been using so far was supplied by Argyll and Bute.
- HCDT has three trustees: Ian Fraser, Gordon Smith, David Baillie
- The directly owned company, Helensburgh Renewables has four directors, the three trustees from HCDT and Kati Svehla, who is the advisor on finance.
- The future financials may need to reflect that the turbines are sited within the R&S boundary
- HCDT will decide which communities will all receive a questionnaire.
- The two community councils will have to talk.

6 Proposals for action (if any)

It was proposed by AN, and seconded by JB that RSCC delay any consideration of the wind farm proposals until the next meeting of the Community Council on June 11th. This will allow the CC to reflect on the information provided by Mr Fraser. This was agreed unanimously.

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