

# Draft Collaborative Benefits Report for Statutory Consultation

October 2024

Maen Hir Project

Solar and Energy Storage

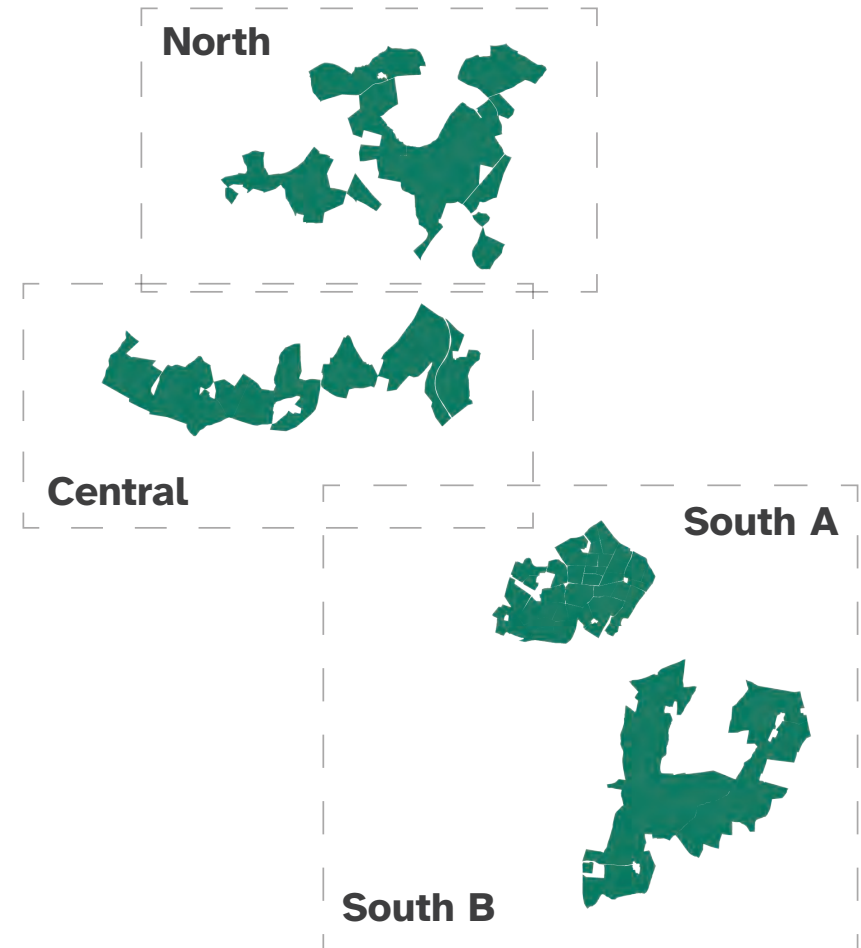




# 1. Introduction

This Draft Collaborative Benefits Report has been prepared on behalf of Lightsource SPV 204 Ltd (the Applicant) to support an application for a Development Consent Order (DCO) that will be submitted to the Secretary of State (SoS) for the Department of Energy Security and Net Zero (DESNZ) under Section 37 of the Planning Act 2008 (PA 2008).

Prosiect Maen Hir (the Project) comprises of the construction, operation and decommissioning of a solar photovoltaic (PV) generating station with a capacity over 350 megawatts (MW), with associated development including a Battery Energy Storage System (BESS), Project Substation, and a Community Solar Project in Anglesey, Wales.



## 2. Need for the Project

There is clear evidence that climate change is underway and urgent action is needed. In 2019, both the Welsh<sup>1</sup> and UK<sup>2</sup> Governments declared a climate emergency seeking to deliver rapid transformative changes across all aspects of society to avoid long term detrimental impacts. The delivery of renewable infrastructure will contribute to this by providing sustainable low carbon power generation.

There are clear international, national, and local policies, ambitions and statements that support the transition to a low carbon economy to act upon climate change. **As the Project is a renewable energy development, it will support both the UK and Welsh Governments in adhering to their legally binding targets<sup>3</sup>.**

The North Wales Energy Strategy<sup>4</sup> and the Anglesey Energy Island Framework<sup>5</sup> provide bespoke approaches to accelerate the transition to a net-zero economy. These strategies prioritise renewable and low carbon energy, aiming to not only reduce emissions but also stimulate economic activity and create green jobs in their respective areas.

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1 <https://www.gov.wales/welsh-government-makes-climate-emergency-declaration>

2 <https://www.parliament.uk/business/news/2019/may/mps-debate-the-environment-and-climate-change/>

3 <https://assets.publishing.service.gov.uk/media/6569cb331104cf000dfa7352/net-zero-government-emissions-roadmap.pdf>

4 <https://www.gov.wales/sites/default/files/publications/2021-11/regional-energy-strategy-north-wales.pdf>

5 <https://www.anglesey.gov.wales/en/Business/Energy-Island%E2%84%A2-Isle-of-Anglesey-North-Wales/What-is-Energy-Island%E2%84%A2.aspx>



## 2. Need for the Project

Over the past 25 years, Anglesey has faced significant economic challenges as its economy has grappled with a gradual deindustrialisation, decline in agricultural jobs and loss of key major employers on the Island. Isle of Anglesey County Council (IoACC) has long sought to address the economic challenges facing the region by establishing a system which can deliver long-term prosperity. In January 2019, IoACC adopted its North Anglesey Economic Regeneration Plan<sup>6</sup> to help create opportunities for sustainable jobs and investment.

The plan sets out priority themes around employment, tourism, transport & connectivity, housing & urban regeneration and the environment, culture & well-being. Priorities set around the employment theme highlight the need to assist existing businesses to fulfil their potential, support rural economic development opportunities and address skills, qualifications & employability needs.



6 <https://www.anglesey.gov.wales/documents/Docs-en/Business/Regeneration/North-Anglesey-Economic-Regeneration-Plan.pdf>

# 3. Policy Context for Community Benefits

In 2020, Welsh Government published a Policy Statement titled ‘Local Ownership of Energy Generation in Wales’<sup>7</sup>. The intent of the Policy Statement is to retain social and economic benefit from future energy infrastructure developments located in Wales. A further iteration of this document was released in 2022, under the same title (Local and shared ownership of energy projects in Wales<sup>8</sup>). **This advocated the use of Collaborative Benefits Reports as a tool in which applications should demonstrate the full economic, environmental and social benefits of development.**

One of the ways it seeks to achieve this is to secure an element of local or community ownership for new energy projects, in order to retain wealth within Wales and provide real benefit to local communities across Wales.

The policy statement states:

*“... we hope to see a broad range of non-financial benefits from development such as: a reduction in greenhouse gas emissions, increased social cohesion, empowerment, resilience, social well-being, transferable skill development, and promotion of wider awareness of energy related and climate change issues.”*

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7 <https://www.gov.wales/sites/default/files/publications/2020-02/policy-statement-local-ownership-of-energy-generation-in-wales.pdf>

8 [https://www.gov.wales/sites/default/files/publications/2022-06/guidance-local-and-shared-ownership-of-energy-projects-in-wales\\_0.pdf](https://www.gov.wales/sites/default/files/publications/2022-06/guidance-local-and-shared-ownership-of-energy-projects-in-wales_0.pdf)



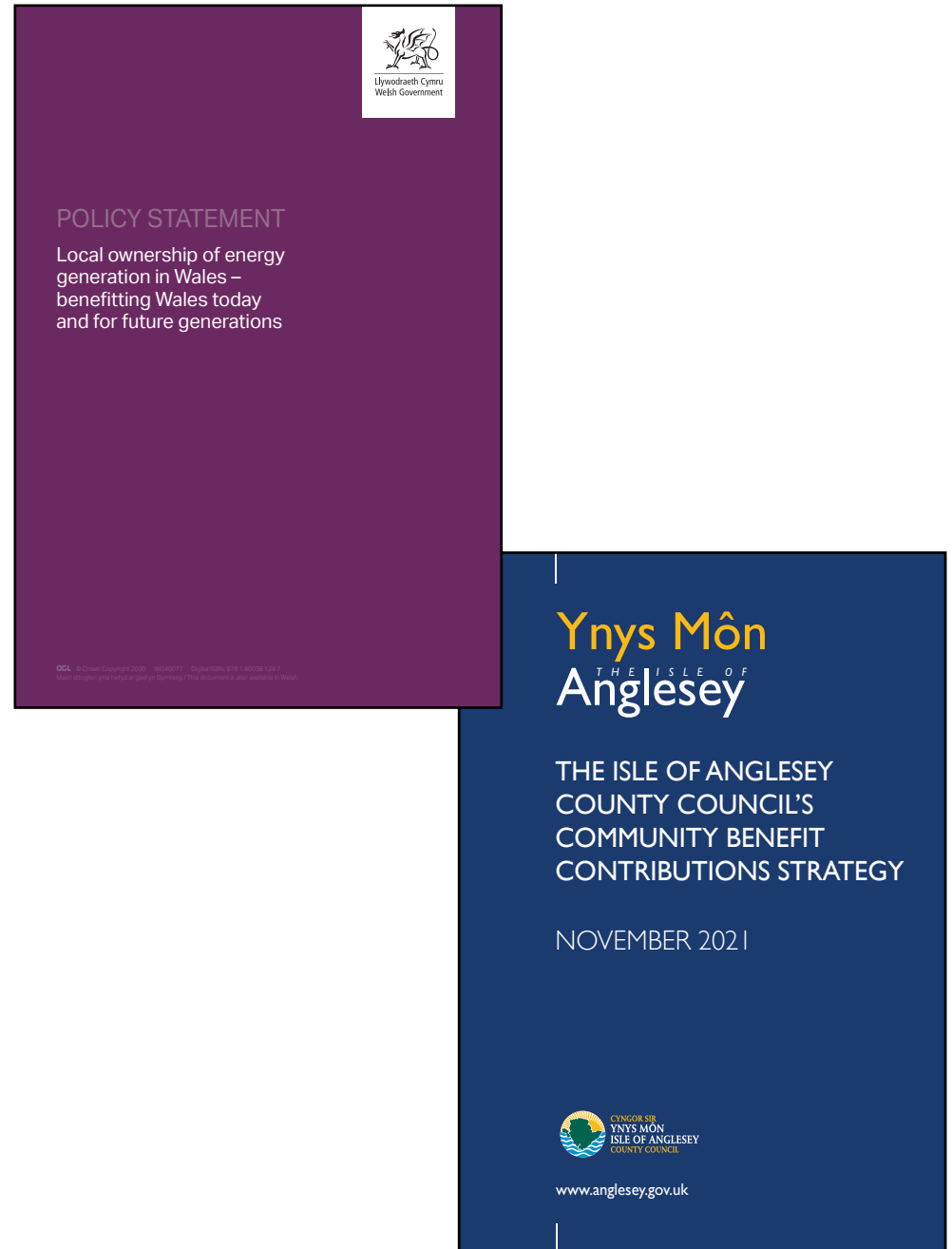
# 3. Policy Context for Community Benefits

In November 2021, IoACC adopted its Community Benefit Contributions Strategy (2021)<sup>9</sup> which established a ‘Proximity Principle’. This recognised that benefits derived from development proposals such as renewable energy should be directed geographically to areas with regard to the level of impact they will experience; the level of any impact expected in a community should be reflected in the proportion of benefits provided to that community.

Giving regard to Welsh national policy, Future Wales: The National Plan (2021) Policy 17 advocates that applicants must describe the net benefits that a proposed development will bring in terms of social, economic, environmental and cultural improvements at the local level.

The Project will deliver social, environmental and economic benefits on a local, regional and national level. The Draft Collaborative Benefits Report is a tool to improve the connection and understanding between the development process and stakeholders and seeks to establish what benefits could be delivered over the Project phases in quantitative and qualitative terms. It considers the local, regional and national policy and form the basis for further engagement and development of the benefits that also respond to IoACC’s Proximity Principle.

<sup>9</sup> <https://www.anglesey.gov.wales/documents/Docs-en/Business/Energy-Island/Community-Benefit-Contributions-Strategy.pdf>



## 4. Consultation and Engagement

In preparation of the DCO application, the Applicant has consulted and engaged with a range of consultees to help develop an understanding of the potential impacts of the Project and inform mitigation and enhancement measures. This engagement has informed the Preliminary Environmental Impact Report (PEIR) which documents the likely significant environmental effects of the Project at this stage. Through ongoing engagement, the Applicant is seeking to develop mitigation strategies that maximise opportunities to deliver wider net benefits.

**As part of the Applicants commitment to delivering open and transparent dialogue with the local community, the Applicant is publishing this draft Collaborative Benefits Report at statutory consultation stage and inviting comment on its contents.**

The Applicant considers that through this forum, economic, social and environmental benefits can be realised which reflect the needs and wishes of the community.







# 5. Benefits Delivered by the Project

The Project will work proactively with both IoACC and local communities to deliver benefits where the impacts are considered to be higher. The Collaborative Benefits Report has been developed in compliance with IoACC's Community Benefit Contributions Strategy.

A number of benefits have been identified as part of the Project. At this stage in the process the anticipated benefits of the Project are:

## Energy Generation and Carbon Savings

The Project will generate low carbon electricity for **approximately 140,000 homes** each year and offset around **70,000 tonnes of carbon emission each year** (dependent upon the composition of fuel types (gas, nuclear, renewables etc) in the UK energy production at the time of estimation), supporting in the transition to a low-carbon energy economy (this assessed across an operational phase of 60 years).



# 5. Benefits Delivered by the Project

## Community Benefits

The Project will also deliver a 5MWp Direct Current Community Solar Project, which will support Welsh Government targets to deliver 1GW of locally owned renewable energy capacity.

Income generated by the Community Solar Project will be used to finance projects and initiatives that directly benefit local communities and the environment in proximity to the Project. It is anticipated, based on current early-stage financial modelling, that the **Community Solar Project could generate profit of up to £247,000 annually** as a result of electricity generation operations. These indicative figures have been shared by the Applicant for the purpose of the statutory consultation and will require further refinement as development progresses.

The Applicant will seek to establish a Community Benefit Fund in collaboration with the local community using the community solar revenue. It is intended that the fund is available to be invested in local projects and initiatives including, examples of such initiatives could include:

- Projects to improve public amenities e.g. sports and recreation facilities, community halls;
- Environmental and wildlife projects, including improving green infrastructure;
- Activities to engage the local community in art, sports, and cultural activities;

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## Community Solar Project could generate profit of up to £247,000 annually

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- Activities to support children and young people;
- Decarbonisation and sustainability projects; and
- Job and skills training.

The Applicant is working with Menter Môn, a not-for-profit social enterprise that delivers a range of schemes throughout Wales, and the IoACC to ensure the fund will be accessible, and benefits will be realised across the operational lifetime of the Project.

The community ownership element of the scheme could lead to opportunities for local communities to utilise some of the community solar land. This is being actively explored, with potential uses like educational visits being considered, but will ultimately be dependent on the eventual location of the Community Solar Project (whether it is physically accessible) and the finalised agreement with Menter Môn.

# 5. Benefits Delivered by the Project

## Economic, Employment and Skills Benefits

The Project will create a range of employment, skills and supply chain opportunities. Most direct employment opportunities will be created during the construction phase. **It is anticipated that the Project will deliver up to approximately 1,320 construction job opportunities in total, with a peak workforce of approximately 650.** Other employment opportunities will also be created through the Project's supply chain and worker expenditure on temporary accommodation and local services. **It is estimated that 1,110 jobs will be supported through supply chain purchases (indirect jobs) and local expenditure (induced jobs) during the construction period.**

The Project will also create opportunities for local people, as well as ensuring local business participation in the supply chain. Emerging initiatives have been informed through engagement with IoACC and other key stakeholders such as the North Wales Regional Skills Partnership, Grwp Llandrillo Menai, M-Sparc and Bangor University. These initiatives, which are outlined in more detail in the Preliminary Employment, Skills and Supply Chain Plan (PESS) are being developed around:

- Actively participating in the Isle Of Anglesey (IoA) Energy Island Programme (EIP) working group focused on collaboration on skills and employment outcomes for Island residents;
- Enhancing local business participation and developing skilled workforce for renewable energy;



# 5. Benefits Delivered by the Project

## Economic, Employment and Skills Benefits (cont.)

- Promoting Science, Technology, Engineering, and Mathematics (STEM) education and training; and
- Enhancing the Welsh language and culture.

**During the operational phase, it is expected that the Project would require between 10-12 full-time employees (FTE).**

Occasional employment opportunities are expected to be created through requirements to replace panels and BESS cells (distinct activities from routine maintenance) throughout the lifetime of the Project. The jobs supported will also contribute to long-term skills development for local residents, helping to address identified skills shortages in the renewable and low carbon sector.

In terms of economic output, **it is estimated that the Project would support £1.6 million to £1.9 million of direct economic activity (GVA) per year<sup>10</sup>.** When considering supply chain and local expenditure impacts, it is estimated that **in total the Project will create a gross economic contribution of £5.5 million to £6.5 million per year to the economy.**

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10 [Solar Energy UK, N/A. Photovoltaic Memorandum of Agreement](#)



# 5. Benefits Delivered by the Project

## Economic, Employment and Skills Benefits (cont.)

Business rates in Wales are a tax that apply to non-domestic properties. The Project will provide additional revenue for the Welsh Government through business rates. In Wales, business rates payments for solar developments are calculated on a value per £6,600 per MW per year. **This would amount to approximately £2.4 million generated in business rates payments per year to the Welsh Government, based on 360MW.**

Solar farms offer an attractive diversification income opportunity for farmers, given they support multifunctional land use by generating clean energy and providing opportunities for livestock grazing. Financial agreements would be in place with local landowners. This additional rental income provided to landowners could mean that marginal agricultural jobs (that would otherwise have likely declined) will be retained in Anglesey. This approach offers a supplementary revenue stream for landowners, enhancing economic resilience.

Financial agreements act as an investment into the local economy which could stimulate consumer spending and therefore induced jobs. After applying tax assumptions and the proportion of income that would likely be spent locally based on the goods and service categories of household expenditure, it is estimated that between £800,000 and £1 million could be spent locally per annum, supporting local businesses and therefore jobs. Applying an output per worker assumption in Anglesey, suggests between 35 to 45 gross induced jobs could be supported locally during the operational phase as a result of this investment into the local economy by the Applicant.



The Former Oil Depot Site at Rhosgoch is being explored as a potential location for the BESS and 5MW Community Solar Project

Subject to the final location of the Community Solar Project, the Project has potential to align with Freeport objectives and indirectly support economic growth at the Former Oil Depot site at Rhosgoch by improving the site's commercial attractiveness and viability. Current design proposals are exploring the potential to locate both the BESS and the 5MW Community Solar Project at this site, with space left for other potential proposals to bring forward employment uses at the site. This could be proposals for energy intensive employment uses given the potential for a private wire to be provided by the BESS. Engagement with the landowner and IoACC is ongoing regarding the proposals for the Former Oil Depot site.

# 5. Benefits Delivered by the Project

## Green Infrastructure and Biodiversity

Taking an ecosystems-led approach to delivering net-benefits for biodiversity, the Project will explore opportunities to maximise positive environmental outcomes identified through engagement with stakeholders and the outcome of ongoing environmental surveys. The proposals will also be informed by the North West Wales Area Statement<sup>11</sup> which highlights opportunities and benefits that arise from taking a place-based approach to managing and enhancing ecosystems. **To ensure that the benefits from green infrastructure are delivered close to where potential impacts are identified, the Project will use Design Principles to embed this approach into the design, which will be controlled through management plans submitted with the DCO Application.**

The Project will seek to create green infrastructure that delivers multiple beneficial outcomes for people and nature. Examples of multifunctional green infrastructure could include an ecological corridor which also functions as a recreational route with the potential physical and mental health benefits, wet-woodland planting that supports sustainable drainage, and restoration of cloddiau in a way that supports traditional local skills. The Project is also exploring opportunities for supporting broader ambitions for the local area such as enabling the re-use of the Anglesey Central Railway, a disused former railway, for recreation if feasible.

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11 [Natural Resources Wales / North West Wales Area Statement](#)



# 5. Benefits Delivered by the Project

## Green Infrastructure and Biodiversity (cont.)

The detail of proposed green infrastructure and biodiversity enhancements delivered by the Project are currently being developed but the proposals could include creation of new permissive footpaths to connect communities with green and natural spaces, improvements to the existing network of public rights of way, opportunities for community growing spaces and involvement in landscape management. Potential biodiversity enhancements could include woodland and scrub creation, habitat features, naturalisation of watercourses, and restoration of dilapidated field boundaries. These enhancements will happen in Mitigation and Enhancement Areas as well as fields with PV arrays or retained agricultural land.

The Project creates an opportunity for sustainable landscape management at a broad scale across multiple land holdings for the duration of the project. This aligns with the North West Wales Area Statement theme, Supporting Sustainable Land Management.



*Ideas to be explored with communities*



# 6. Approach to Future Engagement

This Draft Collaborative Benefits Report is a live document that will be updated through the DCO application process in response to engagement with stakeholders, the community and statutory consultees. It has been informed through discussions with a range of consultees and local communities to help develop an understanding of what benefits are sought, and what benefits can be realised.

As part of the Applicant's commitment to delivering open and transparent dialogue with the local community, and to maximise potential community, socio-economic and environmental benefits, the Applicant is seeking feedback on its draft proposals.

Feedback can be provided via the Prosiect Maen Hir Consultation Feedback Form via the project website [www.lightsourcebp.com/maenhir-cymraeg](http://www.lightsourcebp.com/maenhir-cymraeg) (Welsh) and [www.lightsourcebp.com/maenhir-english](http://www.lightsourcebp.com/maenhir-english) (English).

A final report version of the document, informed and updated through consultation throughout the development process will be submitted with the full Application.



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