



An Roinn Comhshaoil,
Aeráide agus Cumarsáide
Department of the Environment,
Climate and Communications

Community Benefit Funds under the Renewable Electricity Support Scheme

Paul McGoldrick & Jesus Vazquez Solis

Renewable Electricity Division, Onshore Large Scale Route to Market
Department of the Environment, Climate & Communications

28 March 2025

paul.mcgoldrick@decc.gov.ie
jesus.vazquezsolis@decc.gov.ie



General Context

Government target for 80% renewable electricity by 2030

Challenges

- Lengthy and complex **planning process** due to: Environmental impact assessments, Multiple regulatory bodies, appeals and Judicial Reviews
- **Public and Community** concerns: visual impact, noise, competition for land with agriculture and effects on property values
- Occasional lack of **consistent and transparent community engagement** in the past

Response: Department sought and received State Aid approval in 2020 for new Renewable Electricity Support Scheme (RESS) which is one of the main Government policies to deliver renewable generation at scale and contribute to our renewable electricity targets and de-carbonisation goals. The RESS includes a mandatory Community Benefit Funds for all projects under the RESS. This is to ensure that communities benefit from the deployment of the renewable transition.



Renewable Electricity Support Scheme – How the Auction works



DECC publishes Terms and Conditions



Generators submit their bids



Bids are ranked by price and most economic projects are selected until total volume desired is achieved and below the Max. Price

Contract is signed with awarded bidders warranting a fixed price for next 15 years



The Community Benefit Funds – Total Contributions

- As part of the Terms and Conditions of RESS, generators must establish a Community Benefit Fund (CBF) to be used in the interest of the community in proximity to the project
- The mandated amount payable by the projects into the Funds has been set at a minimum of €2 per Megawatt hour of electricity generated during a year
- **Example:** a Community Benefit Fund established by a 10 MW onshore wind project, expecting to produce on average approximately 30,000 MWh of electricity per year, would have available funds of around **€61,000 per year**



The Community Benefit Funds – Long-term Benefits

- From 2024, Projects are required to maintain their CBFs for 15 years even if they leave RESS
- That means, that a 10 MW onshore wind project will contribute a total of **€800,000 (Real)** to their Community in 15 years
- Although it would seem a small amount on an annual basis, it could achieve long-lasting transformations to local communities if carefully managed with an appropriate **Fund Strategy**



Examples of Awarded Projects

Kilmihil Active Retirement - Excursions to heritage sites
Glenmore Windfarm Extension, Co. Clare



Kilmurry Ibrickane GAA Club - Upgrade floodlights
Glenmore Windfarm Extension, Co. Clare



Defibrillators for local first responders
Cloncreen Windfarm, Co. Offaly



New Therapy Garden for Edenderry's Acorn Project
Cloncreen Windfarm, Co. Offaly



The Community Benefit Funds – Governance & Roles

§ RESS Terms and Conditions

- Mandatory
- Set minimum contribution
- National Register
- Annual application process for community projects funding
- Basic roles: Developer, Administrator, Fund Committee
- Rules on Administration of Funds
- Annual reporting



Rulebook (prev. Handbook)

- Further rules, but also Guidance
- More details on each of the stakeholders' roles and governance
- More details on how Funds can be spent
- Detailed description of the Funding application process
- Strategic measures that CBFs are recommended to have
- Details on reporting

Public consultation recently held will inform the publication of the RESS 5 T&Cs and the publication of the new Rulebook



The Community Benefit Funds – Governance & Roles

- 1 Developer**
 - Has ultimate responsibility for all matters relating to the Fund
 - Establishes the Fund and provides funding
- 2 Fund Administrator (in-house or third party)**
 - Day-to-day operations, provides guidance to the Fund Committee, reporting obligations
- 3 The Community**
 - Provides volunteers to the Fund Committee, submit applications for funding, ultimate beneficiary
- 4 Fund Committee (Developer, Administrator, and Community volunteers)**
 - Provides governance to the Fund (applications review, Fund Strategy, etc.)
- 5 SEAI**
 - Maintains the CBF National Register, Oversees the Funds and performs the role of the compliance body
- 6 Minister**
 - Provides policy framework



The Community Benefit Funds – Spending Rules

- The **requirements** to allocate funds are the following ones:

Near Neighbour Payments for Wind projects for households
€1,000 annually for neighbours in the 0-1 km radius
Additional payments for 1-2 km radius

Local projects selected by the Fund Committee in a public application process (**min. 40%**)
Projects must be related to any of the 17 United National Sustainable Development Goals

Administrative costs (max. 10%)

- CBFs can **carry over** funds to following years and fund **multi-annual projects**
- **State Aid** restrictions must be applied



The Community Benefit Funds – State Aid rules

- Most applicants will be economically inactive and will include, for example athletics clubs, musical societies, social exclusion charities...
- “Undertaking” = Any person (natural or legal) “engaged in an economic activity”.
- The Funds should not give awards to “undertakings” or, if they do, the aggregated funding received should not exceed €300,000 over a 3-year period
- It is not allowed to fund any projects that would normally be funded from the local or national governments’ budgets.



The Community Benefit Funds – Cycle



1. Generator reports energy produced the previous year



2. Generator provides Annual Amount available to CBF based on the energy production of the previous year



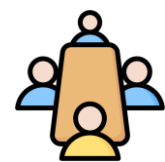
3. Call for funding opens



4. Community members apply with their initiatives



5. Call for funding closes



6. Fund Committee selects projects to fund



7. Funds are provided to the awarded community projects



8. Annual report submitted to SEAI → Publication of CBF's activity on the SEAI's Dashboard



The Community Benefit Funds – Review

Positive Impact

- Consistent framework for engagement between developers and communities during planning phase and whole project lifetime
- Standardised and stable benefits for communities, providing certainty for the next 15 years
- Changed the narrative from “compensation” to “opportunities for rural/local areas”

Challenges → Ongoing public consultation process

- Small-size CBFs not having enough resources to cover administrative costs
- Support needed to implement a strategic vision within Communities and long-term investments
- Investment in communities not always visible to locals and nationally



The Community Benefit Funds – Fund Strategy

Opportunity

- The Fund Strategy, devised by the Fund Committee, is a key element of the CBF
- It is highly recommended that inputs from all sectors of the Community are considered, including Local Authorities, local development companies and rest of stakeholders
- Instead of focusing on short-term projects, CBFs should invest the monies informed by a long-term Fund Strategy with the needs of the overall community in mind
- Local councillors have the broad vision of what their communities need, their inputs in **devising the Fund Strategy** and **raising awareness** in the Community is essential
- The funds will be coming to the Community for 15 years → Avoid a year-on-year mentality