



Community benefits and renewable energy projects: the case of offshore wind

Norway/Brazil Weeks – Offshore Wind Session

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Renewable Energy and Resistance

- Renewable energy projects often near people



- Or nature
- They bring about benefits to community
- Jobs, economic activity 'fame'
- Give access to clean energy
- Bring about lots of issues like NIMBY





Community benefits



- Have a utilitarian purpose
 - Mitigate negative effects of local impact
- Often associated with distributive justice
 - Give something back to those affected
- Can be a way to give a voice to communities
- But seen as a bribe?



Defining the concept

- Broad perception?
 - Benefits to the country as a whole
 - Clean energy, economic activity, access to energy...
- Or a narrow perception?
 - Benefits granted to the 'hosting' community as a whole
 - Do we include here compensation payments?





Who is a beneficiary?

- Geographical criteria often used
 - Those close to the development (Denmark or the UK)
 - Based on kms (Denmark) or looser ways
- Administrative/jurisdictional criteria
 - A kommune in particular
- Other users
 - Fisheries, like the case of Norway





Offshore wind community benefits?

- Where are offshore wind farms located?
- Near or far from the shore?
- If I don't see the wind farms, should there be any kind of compensation?
- What are the practices out there?





National and functional comparison

- Denmark, Germany, Norway, UK (England and Scotland), US
- Based on forms of benefits and not country by country
- Shows an interesting mix
- And still on-going benefits even if located offshore
- Some more effective than others





Voluntary vs Mandatory schemes

- **Voluntary schemes are rather common**
 - UK, with England and Scotland are at the forefront
 - The Netherlands or USA are also examples
 - Backed up by a «good neighbor» logic
 - And with some set of good practices enacted by governments
 - Rather flexible and can evolve over time
 - Can be tailored to each project and community





Mandatory Schemes

- Examples are Denmark and Germany
 - And particularly Denmark to promote renewables since 2009
- Predictable, rigid and imposed
- Little tailoring
- Not very effective (surprise)



"To show our love for our employees let's see more of them with mandatory overtime!"



Some examples

- **Community funds and one-time payments**
 - Quite popular and widespread
 - Tend to be typical of voluntary systems
 - Can be set up by developer
 - Or the State as Denmark
 - Linked to size/capacity of the project

East Coast Community Fund – covering the Yorkshire, Lincolnshire and North Norfolk Coast - Ørsted has committed to pay an amount of £465,000 per year to support communities within the coastal areas of its Hornsea and Race Bank OW Farms – 20 years





Some examples

- **One-time payments**
 - Seen in both mandatory and voluntary systems
 - Danish system with “Green Scheme” was set up in 2008 for 10 years
 - Danish state was to pay to the benefiting hosting community DKK 0,004 per KWh
 - UK related to income received through the lease of the seabed
 - Leasing of the seabed by the Crown Estate
 - Paid back to communities (Scotland)





Some examples

- **Community ownership**
 - Pioneered by Denmark
 - And removed in June 2020!
 - For offshore and onshore wind
 - Law required any developer to offer local citizens the opportunity to acquire up to 20% of the shares
 - But you had to be in the vicinity
 - Free funding for a private developer?





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- [Wind Farm](#)
- [Local Environment](#)
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EQUITY PARTICIPATION FOR THE REGION





Some examples

- **(Voluntary) community ownership**
 - Examples in the Netherlands
 - Case of German municipalities owning offshore wind farms
 - Danish support of DKK 500,000 for preliminary investigations and license applications if wind farm to be built by an energy community
 - Is a guarantee, not capital injection





Some examples

- **Compensation to other users**
 - Are these «community benefits»?
 - The weird Norwegian example of fisheries
 - Offshore Energy Act in its §9
 - Financial losses to fishermen should be compensated
 - Who/how?
 - » A special committee
 - Examples also in the UK
 - Ørsted donated £300,000 to the West of Morecambe Fisheries Fund





Some conclusions

- Varied landscape
- Offshore community benefits exist
 - Even if the turbines are far
- Voluntary schemes seem to work well
 - While the Danish model has been changed and changed and changed
- What about benefits regarding network and on-shore installations?



Some conclusions

- Is this of relevance for Brazil?

Muito obrigado!

