

# **PE1885/Q: Make offering Community Shared Ownership mandatory for all windfarm development planning proposals**

## **Petitioner written submission, 31 July 2024**

The petitioner thanks the Minister for his reply. The petitioner would point out to both the Minister and the Petitions Committee that the Renewable Energy Generation Relief (REGR) is:

1. A negative tax - that is to say, if criteria set by the Scottish Government are met, the generator can claim a reduction in non-domestic rates (a form of tax).
2. Thus the Scottish Government despite all its footdragging on answering the petitioner's question, has now admitted that it DOES HAVE THE POWERS, to apply criteria through its devolved powers of revenue raising to steer developers towards outcomes that the Scottish Government desires.

If the REGR is the Scottish Government's preferred method of modifying the tax system to implement change then the petitioner notes that the REGR in its current form is useless in achieving the Scottish Government Community Ownership targets since the industry has changed dramatically in the last decade - 0.5MW is too small to have any impact for communities and only offering 2.5% of a rebate on developments of £4million plus is not worth any developer's time and effort. Typical onshore wind developments are now >50MW and utilise individual turbines producing between 4-6MW each, which cost ~£4-7 million per turbine.

In order for the REGR to be effective in assisting in securing high levels of Community Shared Ownership the following changes need to be made:

1. A single hurdle criteria of at least 15% equity in the development (Community Shared Ownership), via "at cost" investment in the development at Final Investment Decision or "merchant rate" investment at the development's Commissioning.
2. Removal of the 0.5MW criteria
3. A substantial rate reduction for modern commercial windfarm developments which are typically >£40 million - e.g. a 50% non-domestic rate reduction for developments larger than, say £30 million.

The petitioner asks the Committee to find out from the Minister when such changes, as outlined above, to the devolved tax/rate system will be made by the Scottish Government in order that Communities will be able to benefit from the increase in Community Shared Ownership that results.