SHARING THE BENEFITS OF RENEWABLE ENERGY

Why Northern Ireland Needs a Community Benefit Framework

Lessons from Policy and Practice Across the UK and Ireland

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EXECUTIVE SUMMARY

In 2012, The Fermanagh Trust published *Maximising Community Outcomes from Wind Energy Developments*, highlighting the opportunities for communities in Northern Ireland. Fourteen years later, renewable energy has become a central pillar of energy, economic and climate policy across these islands. Governments, industry bodies and communities have gained significant experience in developing community benefit frameworks that support local economic development, community wealth building and public confidence in the energy transition.

This paper examines current government policy and renewable energy industry practice across England, Scotland, Wales, Northern Ireland and the Republic of Ireland. The evidence demonstrates a clear and growing consensus: communities hosting renewable energy developments should receive meaningful and long-term benefits from those developments.

While approaches differ, every jurisdiction reviewed recognises the principle that host communities should share in the value created by renewable energy generation. Renewable energy industry bodies similarly support community benefit funds, local participation, transparency and increasing opportunities for community ownership and investment.

The challenge for Northern Ireland is no longer whether communities should benefit from renewable energy development. The challenge is whether Northern Ireland will establish a clear framework to ensure those benefits are delivered consistently, transparently and fairly.

The Northern Ireland Executive and the Department for the Economy should:

- **Publish Community Benefit Funds Guidance before the implementation of the Renewable Electricity Price Guarantee (REPG) scheme.**
- **Introduce a minimum mandatory Community Benefit Fund contribution of £5,000 per MW index linked per annum for all REPG-supported onshore wind developments.**
- **Create and maintain a publicly accessible Community Benefit Register.**
- **Require annual reporting on community benefit fund delivery.**

The forthcoming Renewable Electricity Price Guarantee (REPG) Scheme provides a unique opportunity to address this long-standing policy gap.

INTRODUCTION

This paper has been prepared by Community Energy Northern Ireland (CENI). Its purpose is to inform policy makers, elected representatives, renewable energy developers and community organisations about current policy and practice relating to community benefits funds from renewable energy developments.

The report reviews how policy and practice on community benefit funds have evolved across the UK and Ireland[i]. It examines both government policy and industry practice across jurisdictions and identifies lessons relevant to Northern Ireland.

The implementation of Northern Ireland's Renewable Electricity Price Guarantee (REPG)[ii] Scheme provides the Executive and the Department for the Economy with a timely opportunity to establish a modern Community Benefit Funds Guidance aligned with best practice across neighbouring jurisdictions.

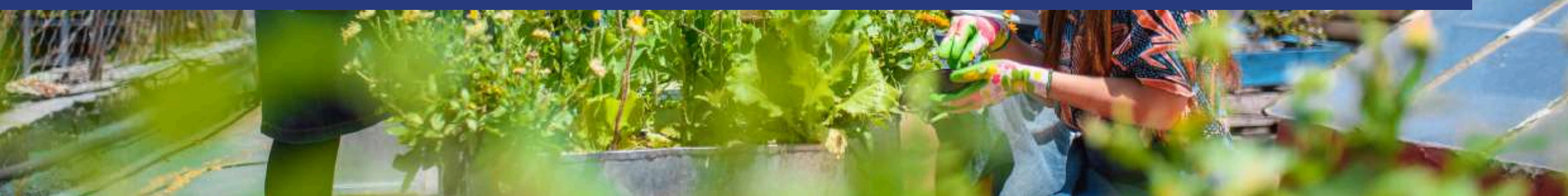
Community Benefit Funds: what are they?

Community Benefit Funds are long-term, financial arrangements with a commercial developer that provide reliable, predictable and democratically controlled funding to communities hosting renewable energy infrastructure, and they are now an established feature of onshore wind across the UK and Ireland.

The Scottish paper A Fair Energy Deal for Scotland (2025)[iii] clearly explains that Community Benefit Funds differ fundamentally from other benefits such as wider 'social value' contributions (e.g. jobs, training, infrastructure upgrades), which the Scottish report notes are "separate and additional" to community benefit funds or, from compensation or disturbance payments, which address direct loss and must be paid additionally ", and from individualised bill discounts or tariff schemes, which do not build collective assets or long-term community wealth. They also differ from shared ownership, which can deliver higher returns but is not always feasible.

In conclusion, Community Benefit Funds provide a guaranteed mechanism for communities to participate in the economic value of renewable energy infrastructure projects.

CENI believes that establishing a clear definition of Community Benefit Funds within REPG and more widely in the DfE Energy Strategy[iv], is therefore essential to ensure that communities here receive the same fair, transparent and future-proofed benefits that are now standard practice across the UK and Ireland.



GOVERNMENT POSITIONS ACROSS JURISDICTIONS

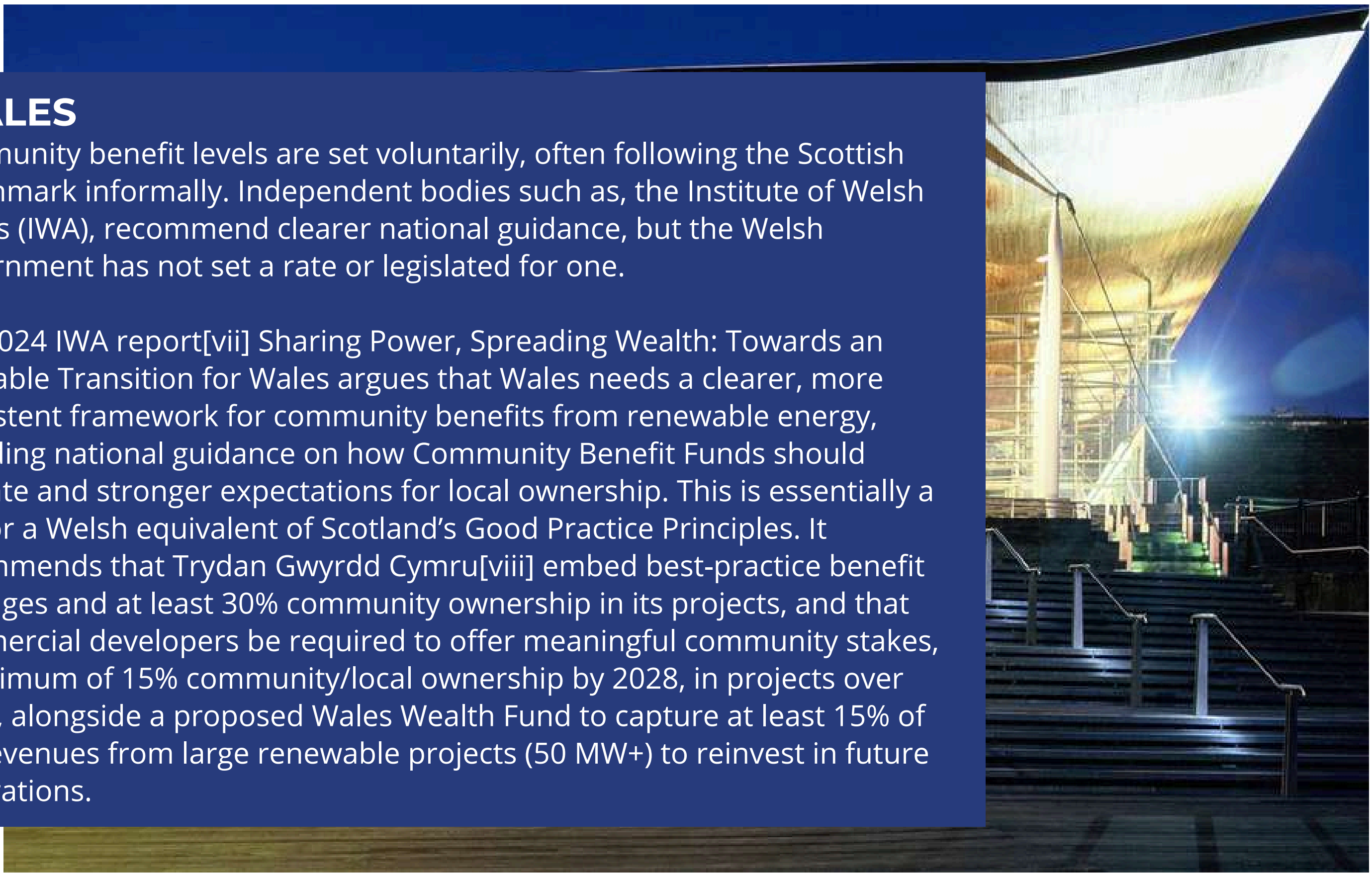
Community Energy NI (CENI) compared policy across Scotland, England, Wales and the Republic of Ireland and found broad agreement that communities hosting renewable energy developments should receive benefits. The main differences concern:

- whether benefits are voluntary or mandatory
- whether minimum expectations are set and monitored

SCOTLAND

Scotland has the most developed community benefit framework in the UK. Since 2014, the Scottish Government has adopted an agreed Good Practice Principle[v] after consultation with the industry and communities.

Community benefits in Scotland are voluntary but now a well-established norm, guided by a national benchmark of £5,000 per MW per year[vi], index-linked and a strong emphasis on early, transparent engagement with communities. The principles shift the focus from simple annual grant funds to holistic, long-term benefit packages anchored in community-led action plans that set out local priorities. Developers and communities are expected to work in partnership, keep benefit discussions separate from planning, agree a fair area of benefit, and ensure robust, transparent governance. The overarching aim is to ensure renewable energy developments deliver strategic, lasting, community-defined value rather than ad-hoc or developer-led projects.



WALES

Community benefit levels are set voluntarily, often following the Scottish benchmark informally. Independent bodies such as, the Institute of Welsh Affairs (IWA), recommend clearer national guidance, but the Welsh Government has not set a rate or legislated for one.

The 2024 IWA report[vii] Sharing Power, Spreading Wealth: Towards an Equitable Transition for Wales argues that Wales needs a clearer, more consistent framework for community benefits from renewable energy, including national guidance on how Community Benefit Funds should operate and stronger expectations for local ownership. This is essentially a call for a Welsh equivalent of Scotland’s Good Practice Principles. It recommends that Trydan Gwyrdd Cymru[viii] embed best-practice benefit packages and at least 30% community ownership in its projects, and that commercial developers be required to offer meaningful community stakes, a minimum of 15% community/local ownership by 2028, in projects over 5 MW, alongside a proposed Wales Wealth Fund to capture at least 15% of net revenues from large renewable projects (50 MW+) to reinvest in future generations.

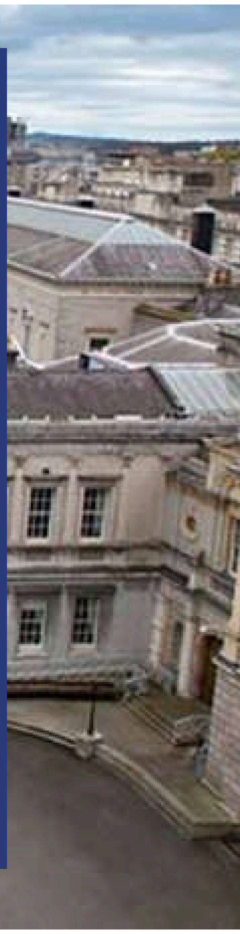
ENGLAND

The UK Government expects large onshore wind projects to provide community benefits, though these remain voluntary. The updated Community Benefit guidance[ix] sets out a voluntary, best-practice framework for how developers and host communities can design and deliver community benefits from onshore wind projects. It emphasises early, open engagement, the creation of community action plans to identify local priorities, and the use of clear, transparent processes for managing any benefit funds. Instead of prescribing a fixed payment level, the guidance provides case studies showing typical approaches around £5,000 per MW per year and includes examples of electricity bill discounts, in-kind support, and shared ownership options, illustrating how benefits can be tailored to local needs. It also includes practical tools such as a Community Benefits Agreement template, grant guidance, and examples of governance models, all aimed at helping communities and developers build long-term, accountable, locally meaningful benefit arrangements.

However, the voluntary framing is shifting. On 21 May 2025, DESNZ published a working paper[x] consulting on mandatory community benefits and shared ownership for low-carbon energy infrastructure. England's direction of travel seemed to be toward statutory requirements. However, since then, GB Energy, the new body for delivering renewable projects in UK, has published the Local Power Plan[xi], which commits up to £1 billion for community energy through Great British Energy and emphasises community ownership but does not mention the consultation or propose a mandatory benefits scheme.

The Government appears to be moving forward on community energy and ownership, but has not yet acted on the specific proposal to introduce a mandatory GB-wide community benefits scheme or a mandatory shared-ownership right. The absence of a published consultation response suggests the policy is still under consideration.

REPUBLIC OF IRELAND



The Republic of Ireland has adopted the strongest formal approach. Under the Renewable Electricity Support Scheme (RESS)[xii], all supported projects must establish Community Benefit Funds.

Ireland's RESS Community Benefit Funds are mandatory, requiring every supported renewable project to pay a minimum of €2/MWh[xiii] into a local fund for the wider economic, social, environmental and cultural benefit of the host community. The scheme also mandates direct household payments of €1,000 per year to homes within 1 km of onshore wind projects (with tapered payments out to 2 km), requires at least 40% of the fund to support projects aligned with the UN Sustainable Development Goals, and allows up to 10% for administration. Funds must operate for 15 years, even if a project exits RESS, meaning a typical 10 MW wind farm contributes around €800,000 over its lifetime. All funds must follow the national Rulebook and be recorded in the SEAI's Community Benefit Fund Register[xiv], ensuring transparency and consistent governance across Ireland's renewable sector.

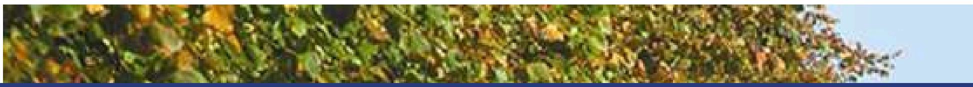
The Irish model demonstrates that mandatory community benefits can be successfully integrated into renewable support mechanisms.

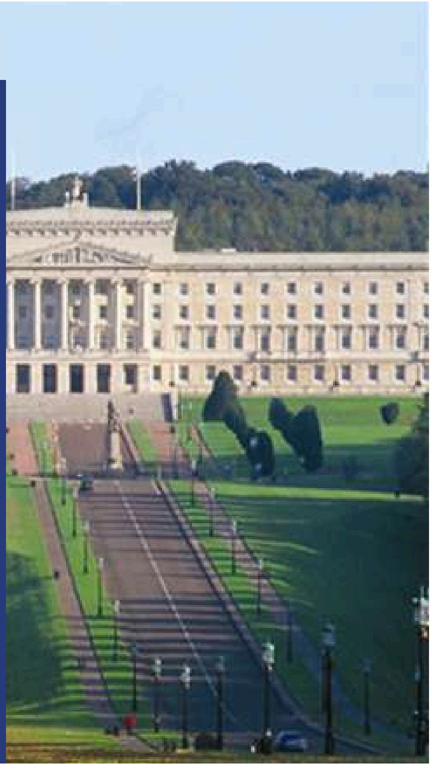
NORTHERN IRELAND

Northern Ireland remains the only jurisdiction across these islands without a formal Community Benefit Fund policy, despite the Executive-commissioned 2015 report Communities and Renewable Energy: A Study[xv]. At the time, the report called for the creation of 'Best Practice Guidelines' covering early engagement, clear definitions of "community," transparent benefit packages, and stronger processes for involving communities throughout project development. The proposed establishing a community benefit register to record all benefit arrangements, improving transparency and comparability across projects.

None of these recommendations have been implemented in the past 10 years.

While the DfE Energy Strategy recognises the importance of local economic benefit and community engagement, CENI believes that REPG provides an opportunity to address this long-standing gap.





POLICY COMPARISON AT A GLANCE

Jurisdiction	Community Benefit Guidance	Minimum Expected Contribution	Community Benefit Register	Voluntary or Manadatory Community Benefit Funds	Main Policy Approach
England	Yes	£5,000/MW per annum	No	Primarily Voluntary	Community benefit funds, bill discounts and shared ownership
Scotland	Yes	£5,000/MW per annum	Yes	Voluntary but strongly institualsed	Community funds, shared ownership and good practice principles
Wales	Yes	Ownership Focused	Limited	Voluntary	Local ownership and shared ownsership
Republic of Ireland	Yes	€2/MWh Mandatory	Yes	Mandatory	Community benefit funds linked to generation
Northern Ireland	No	None	No	Voluntary	Focused on supporting generation

The table illustrates a significant policy gap. Northern Ireland is now the only jurisdiction across these islands without formal guidance, minimum expectations or transparency mechanisms relating to community benefits from renewable energy developments.

INDUSTRY POSITIONS ACROSS THE UK AND IRELAND

The renewable energy industry is broadly united in supporting community benefits, but differs on standardisation, minimum payments, shared ownership, and whether benefits should remain voluntary.

RenewableUK

Renewable UK co-authored UK community benefit protocols and strongly supported the widely adopted benchmark of £5,000 per MW per year for onshore wind[xvi].

Renewable UK quantifies annual community benefit investment across the UK:

- over £55 million in Scotland
- over £10 million in England
- over £6.5 million in Wales
- over £3 million in Northern Ireland

Its longstanding position is that, community benefits should accompany renewable developments, developers should provide long-term funding, not one-off payments and benefits should be agreed with local communities.

However, it generally opposes making benefits a planning obligation, arguing this risks turning them into transactional payments rather than voluntary partnerships. Its position can be summarised as: host communities should share in the success of renewable developments, but community benefits should complement, not replace, good planning and engagement.

RenewableNI

Renewable NI[xvii] does not have a detailed, standalone community benefit fund policy. Its overall position is that renewable energy should support local communities, regional economic development and Northern Ireland’s transition to net zero. Reflecting the DfE Energy Strategy, its industry members focus on electricity security and affordability, as well as jobs and skills.

It works closely with Renewable UK and Wind Energy Ireland.

Wind Energy Ireland[xviii] strongly supports the mandatory RESS model, arguing that local communities should share directly in renewable energy revenues, that mandatory funds strengthen public confidence, and that schemes should be transparent, locally controlled and supported by opportunities for community investment. Unlike some UK bodies, it accepts mandatory arrangements because they provide consistency and certainty.

Scottish Renewables[xix] has been the most active trade body on community benefit policy. It strongly supports community benefit funds, community wealth building, local supply-chain opportunities, community ownership and shared ownership. Having worked closely with the Scottish Government on the Good Practice Principles, it treats community benefit as a normal and expected part of project development and frames it not as compensation for impacts, but as participation in the economic opportunities of the energy transition.

SUMMARY

Organisation	Position on Community Benefits
RenewableUK	Strongly supports voluntary community benefits and shared ownership; helped develop UK guidance.
Renewable NI	No standalone community benefit fund policy. Its overall position is that renewable energy should support local communities, regional economic development and NI's transition to net zero.
Wind Energy Ireland	Supports mandatory RESS Community Benefit Funds and local participation in renewable projects.
Scottish Renewables	Strong advocate of community benefit funds and shared ownership; views benefits as a core part of project development.

CENI RESEARCH FINDINGS ON NI INDUSTRY PRACTICE

CENI has compiled data on existing community benefit funds covering approximately half of Northern Ireland's onshore wind farms. The evidence shows:
·contribution levels rose from ~£1,000/MW in 2010 to modest increases by 2018
·this falls well short of practice elsewhere in the UK
·only two known NI wind farms operate at or near the GB benchmark
·NI outcomes fall far below what is now considered normal in Scotland, England or Ireland

The evidence demonstrates that standards regarded as normal elsewhere in the UK have not been adopted by the same industry operating in Northern Ireland.

This divergence is structural, not accidental. In the absence of government guidance, all negotiations occur privately between developers and communities, outcomes depend on developer goodwill and community negotiating capacity, benefits are unequal, inconsistent and often minimal, and finally, a significant portion of the industry does not treat community benefit as standard practice.

Crucially, this is a policy failure, not simply a market failure. In every other UK jurisdiction, governments have set clear expectations that shape industry behaviour. Northern Ireland has not.

In Northern Ireland, communities have borne the brunt of the energy transition, experiencing landscape, environmental and ecosystem impacts, yet have had the least influence over decisions or benefit distribution. Provision varies widely; some communities receive substantial benefits, others little or none. Developers face uncertainty, communities lack clarity, and transparency is limited.

A Community Benefit Fund Guidelines would not create a new burden. It would provide consistency, certainty and fairness around a practice already widely accepted across the renewable sector.

CONCLUSION & RECOMMENDATIONS

Support for community benefit funds is no longer contested. Governments across the UK and Ireland, and the renewable energy industry itself, recognise that host communities and beyond should share in the value generated by renewable developments. Northern Ireland is increasingly out of step with neighbouring jurisdictions. REPG provides a unique opportunity to address this policy gap.

The Northern Ireland Executive and the Department for the Economy should:

1. Publish Community Benefit Funds Guidance before the implementation of the REPG scheme.
2. Introduce a minimum mandatory Community Benefit Fund contribution of £5,000 per MW index linked per annum for all REPG-supported onshore wind developments.
3. Create and maintain a publicly accessible Community Benefit Register.
4. Require annual reporting on community benefit fund delivery.

Adopting these measures would align Northern Ireland with established best practice, provide certainty for developers and communities, and ensure that the benefits of the energy transition are shared fairly.

The Department for the Economy should also consider complementary measures, including:

1.Mandatory shared ownership models, where appropriate

2.Investment in community capacity building

The Utility Regulator in Northern Ireland, similarly to Ofgem, should also consider:

3.A Discounted Electricity Bill Scheme[xx], linked to localised settings with significant renewable energy schemes located

The question is no longer whether communities should benefit. The question is whether Northern Ireland will use REPG to establish a fair, transparent and consistent framework that ensures communities share directly in the value of the energy transition.

REFERENCES

[i] The Fermanagh Trust's Maximising Community Outcomes from Wind Energy Developments provided a similar comparison in 2014. This report intends to update the findings.
[ii] Final Scheme Design for a Renewable Electricity Support Scheme for Northern Ireland - Renewable Electricity Price Guarantee | Department for the Economy
[iii] Community Energy Scotland (CES) A Fair Energy Deal for Scotland (2025)
[iv] Northern Ireland Energy Strategy 'Path to Net Zero Energy' | Department for the Economy December 2021 and Mid-Term Review of the Energy Strategy – The Path to Net Zero Energy | Department for the Economy December 2025
[v] Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments and the most recent Onshore renewable energy - refreshing the good practice principles for community benefits: working paper - gov.scot dated February 2026
[vi] Proposed to increase to £6,000 per MW per annum in Communities benefit from renewable energy - gov.scot working paper in February 2026
vii] Sharing power, spreading wealth: Towards an equitable energy transition for Wales - Institute of Welsh Affairs 24th March 2024
[viii] See Home | Trydan Gwyrdd Cymru
[ix] Community benefits guidance for onshore wind in England: resource kit (accessible webpage) - GOV.UK Updated July 2025
[x] Community Benefits and Shared Ownership for Low Carbon Energy Infrastructure: working paper 21st May 2025
[xi] Local Power Plan | Great British Energy, February 2026
[xii] Community Benefit Funds under the Renewable Electricity Support Scheme last updated 26th May 2025
[xiii] At NI capacity factors, this equates to roughly £4,300–£4,600 per MW per year, broadly comparable to the £5,000/MW benchmark used in Scotland/England/Wales.
[xiv] Community Benefit fund National Register (Ireland) at https://cbfnationalregister.seai.ie/
[xv] Communities and Renewable Energy - A Study_0.pdf 2015 commissioned by DETI, DoE and DARD.
[xvi] Community benefits from onshore wind | RenewableUK
[xvii] RenewableNI - The voice of NI's renewable electricity industry
[xviii] Wind Energy Ireland
[xix] Scottish Renewables | The Voice of Renewable Energy in Scotland
[xx] Electricity Bill Discount Scheme for transmission network infrastructure. This scheme is for households located close to new transmission lines, substations or other major grid assets. They will receive up to £250 off their annual energy bills and the scheme is administered in GB by Ofgem.