



Power Factory

a wind farm in the Rhondda valleys

This case study provides an overview of a major project to build a wind farm in Ferndale village in the Rhondda valleys of south Wales. Power Factory is an equal partnership between the local community and a large utilities company and aims to generate clean electricity and long-term income to fund services for the area and create local jobs.

When did this project start?

Arts Factory took up the project in 1999. Originally it was hoped that the wind farm would be operational in 2004 however planning permission was initially refused delaying the process. Following an appeal the project was granted consent in March 2005 and currently the funding package is being finalised with hope to commission the work in the winter and begin construction in Spring 2006.

Who's involved?

Power Factory is a rare example of a large-scale initiative based on a partnership between the community and the private sector. The partners are:

- 1) **Arts Factory**, a community-owned development trust established in 1990. It offers free membership to local people who sign up to its values of self-respect, the right to learn and develop, and the right to live in a decent environment. It aims to generate money through a range of local enterprises that reinvest in the community
- 2) **E.ON UK**, which, in 2005, took the place of the initial commercial partner United Utilities Green Energy when that company sold its wind energy portfolio. E.ON provides the technical and market expertise, development funds and equity investment for the project.

“ I'm backing Power Factory because it's a unique project that will generate clean, green electricity and provide jobs and services for local people.

Catherine Berry, Arts Factory volunteer

How is it funded?

The estimated cost of setting up the wind farm is £10m. Currently the Arts Factory are looking to European Community Objective One funding for approximately £4.5m. E.ON will also be making a considerable contribution with the amount initially set at £3.5m, the balance will be borrowed by the joint venture company.

What are the targets and aims?

Ferndale has 30,000 households and faces the challenges that affect many of Wales's post-coal industry regions, including high unemployment and poor health. Power Factory aims to:

- build eight 1.3MW turbines, generating enough power for 6,500 homes
- provide a 25-year income stream (of approximately £400,000 a year) to reinvest in the regeneration of the community
- enable sustainable energy targets for the area to be met (CO₂ emissions should be cut by 23,500 tonnes a year).

How was the project implemented?

The original plans for a wind farm at Ferndale were first investigated by developer Renewable Energy Systems (RES) in the 1990s. Despite successful feasibility studies and a successful planning application, RES decided not to proceed with the scheme due to the market conditions at the time. In 1999, when Arts Factory asked its members for ideas on expanding the group's activities, reactivating plans for a wind farm as a locally-owned project was a popular suggestion.

Arts Factory proceeded to secure the support of the local community and, crucially, the local landowner concerned. Over 10,000 leaflets on the project have been distributed and around 50 roadshow events have been held to inform the community and answer any questions about the plans. Computer-generated images have been produced to show people how the finished wind farm will look and Arts Factory has given many presentations and talks to spread the word of the initiative. There has been good coverage in the national regeneration and energy-focused press, although local press has not always been positive.

United Utilities prepared the planning application and managed the technical aspects of the development including commissioning research to corroborate that already undertaken by Renewable Energy Systems. They will manage the wind farm when it is operational.

Achievements

- there is strong support for the development within the community (for example, 3500 have signed a petition supporting the scheme)
- a firm agreement has been reached between the partner organisations
- a full environmental impact assessment study has been completed and planning application submitted
- a successful equitable financing model has been developed that can be replicated by other organisations involved in large-scale community planning schemes.

Four key success factors

- 1) Arts Factory is an organisation with a long track record of working in the Rhondda, is trusted and has a strong brand. This credibility has helped in gaining support for the scheme
- 2) there is strong and committed teamwork and good communication within Arts Factory and between the partners
- 3) there is the ambition to think big
- 4) transparency is key: being completely open about what the project is and its impacts (both positive and negative).



As in many valleys of South Wales, the community of Ferndale suffer from nationally high rates of unemployment and poor health

LESSONS LEARNT

- 1 it may have been better to have all the information about the project ready before announcing the scheme to the public, so that all initial concerns could be answered straight away
- 2 it is important to make it clear that schemes of this type can take some time to get off the ground. Some people were disappointed when things don't happen overnight, and in this case the time frame went well beyond the expectations of Arts Factory
- 3 it is possible for sustainable energy initiatives to be viable businesses that meet immediate needs as well as addressing longer-term environmental concerns
- 4 know your partner and ensure you have a binding agreement with them
- 5 it is important to have funds available for expert advice, here the technical and management expertise relied on E.ON UK

Next steps

The initial prediction of an operational wind farm in 2004 has been delayed. The funding package is expected to be finalised soon with commissioning in winter and construction starting in spring. It is hoped that further revenue can be raised as a visitor attraction to raise awareness of renewable energy, and one of the turbines will have a viewing platform with views across the valleys. It is hoped that ultimately Arts Factory will offer consultancy services to help other organisations set up similar projects.

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Community Action for Energy (CAfE) is an initiative of the Energy Saving Trust that promotes and facilitates local community based energy projects. This case study is one of a series showcasing the most exciting and innovative of the 2500 projects that are part of the CAfE network.

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