REGEN

# Final workshop

## Investigating shared ownership to fund community climate action through the Climate Hubs

Public version: June 2026

April 2026

# Agenda

1. Project work overview
2. Overview of the evidence case
3. Work programme for 2025/26
4. Next steps

# Overview of project tasks and outputs

| Completed tasks | Outputs |
|---|---|
| Desk-based research– into existing shared ownership projects | Changeworks have produced a comprehensive document on the current shared ownership landscape. |
| Stakeholder mapping | An overall stakeholder list with comments on power to influence, relationship to this project and knowledge on shared ownership has been created. |
| Discussions with key interest groups, collaborators, developers and investors | Full list of engagements and summary notes found in the appendix. |
| Analysis – for both existing projects and opportunity pipeline. | Graphs, tables and outline of analysis found in evidence case. |
| Model potential returns from shared ownership investments for onshore and offshore projects. | Comprehensive modelling report found in the appendix, with a summary in the evidence case. |
| Identify risks and opportunities of approaches – including policy, financial, governance | Has been integrated throughout evidence case. |
| Integrate evidence case to create a work programme for 2025/2026 | Work programme includes potential work, high-level tasks, resource requirements and reputational considerations. |
| Review high-level skills needs, costs and resourcing for taking the work programme forward | Job description has been drafted based on this review. |

# Potential returns

From illustrative modelling and stakeholder engagement

# Offshore wind base case

**Assumptions:**

- 1 GW offshore wind farm in southern Scotland
- Commissioned in 2028, operating for 30 years
- AR6 contracts for difference
- Join venture project
- Financed by a very low-interest (<2%) loan

Also modelled is a balance sheet project, and sensitivities around low revenue, high TNUoS, zero interest public sector loan and a grant replacing the loan.

**Upfront stake of £25 million for 2%:**

| Values in £million (2025, real, undiscounted) | 2030 | 2043 | 2048 |
|---|---|---|---|
| Revenue | 7.5 | 4.8 | 4.8 |
| Operating Costs | 1.6 | 1.6 | 1.6 |
| Commercial debt servicing | 4.1 | 0.0 | 0.0 |
| Cash flow from project to SO | 1.8 | 3.2 | 3.2 |
| Public Sector loan servicing | 1.5 | 1.5 | 0.0 |
| **Final SO income** | **0.3** | **1.7** | **3.2** |

# Onshore wind base case

**Assumptions:**

- 51 MW onshore wind farm in southern Scotland
- Commissioned in 2028
- Operating for 30 years
- AR6 contracts for difference
- Join venture project
- Financed by a very low-interest (<2%) loan

Also modelled is a balance sheet project and discussion around the impact of public sector debt and commercial debt.

**Upfront stake of £7.2 million for 20%:**

| Values in £million (2025, real, undiscounted) | 2030 | 2043 | 2048 |
|---|---|---|---|
| Revenue | 2.41 | 1.79 | 1.79 |
| Operating Costs | 0.69 | 0.70 | 0.70 |
| Commercial debt servicing | 1.24 | 0.00 | 0.00 |
| Cash flow from project to SO | 0.48 | 1.09 | 1.09 |
| Public Sector loan servicing | 0.44 | 0.44 | 0.00 |
| **Final SO income** | **0.04** | **0.65** | **1.09** |

# Onshore solar base case

**Assumptions:**

- 50 MW onshore wind farm in southern Scotland
- Commissioned in 2028
- Operating for 30 years
- AR7 contracts for difference
- Split ownership project
- Financed by a very low-interest (<2%) loan

**Note:** split ownership involves significant legal and operational costs because the community-owned portion must be capable of independent operation.

**Upfront stake of £9.1 million for 10%:**

| Values in £million (2025, real, undiscounted) | 2030 | 2043 | 2048 |
|---|---|---|---|
| Revenue | 0.67 | 0.67 | 0.54 |
| Operating Costs | 0.20 | 0.23 | 0.23 |
| Commercial debt servicing | 0.0 | 0.0 | 0.0 |
| Cash flow from project to SO | 0.51 | 0.44 | 0.31 |
| Public Sector loan servicing | 0.33 | 0.33 | 0.0 |
| **Final SO income** | **0.11** | **0.11** | **0.31** |

# Overarching conclusions

- The interest rate on debt used to purchase the Climate Hubs' share of a project will be a key determinant of the returns achieved
- Depending on the CfD round, there may be a period beyond the CfD (the ‘merchant tail’) where debt will still need to be financed but revenues won’t be guaranteed or consistent.
- Most revenue will be used to pay back commercial and other debt taken to finance the project (e.g. public sector loan). Therefore, there will likely be low returns in the first few years.

**The Hubs will need to be clear on the timescale on which they are looking for significant returns from their investment, as returns can be low in the earlier years of a project whilst debts are paid.**

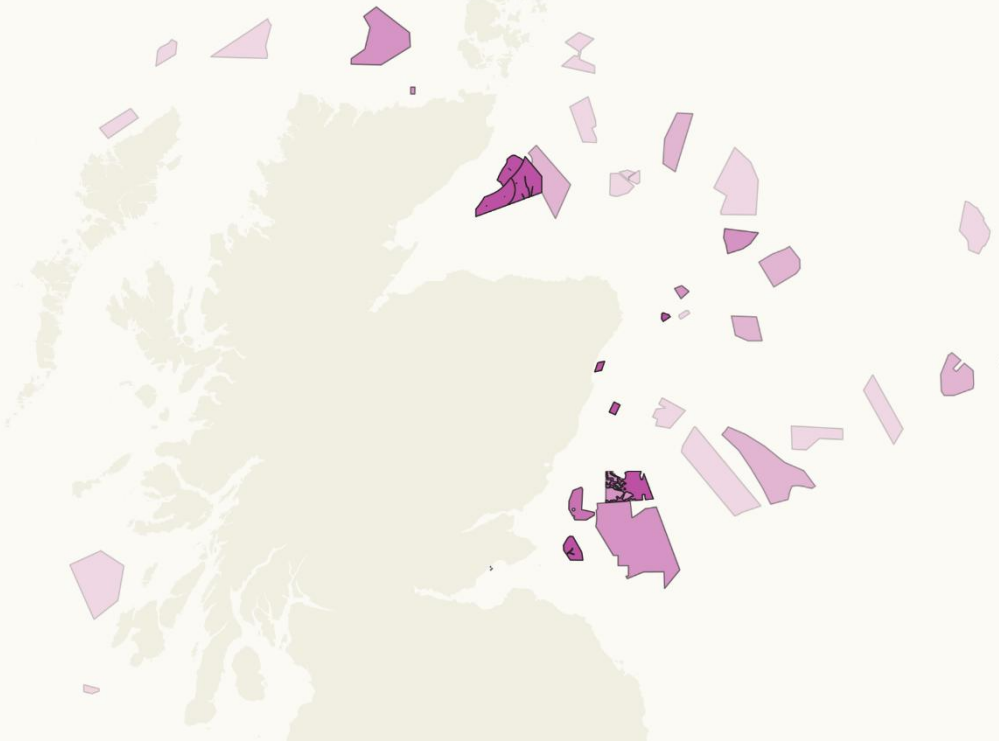
**To progress discussions with potential investors identifying a potential  pilot project would be the next step.**

# Opportunity pipeline

# Offshore

# Offshore opportunity

4.3 GW **Operational**
1.1 GW **Under construction**
7.2 GW **Consented**
9.9 GW **In planning**
20.5 GW **Pre-planning**



Consented projects

West of Orkney, TotalEnergies

Pentland, Highland and Islands Enterprise

Green Volt, Vagronn; Flotation Energy

Salamander, Simply Blue; Orsted

Seagreen 1A, SSE Renewables; Total

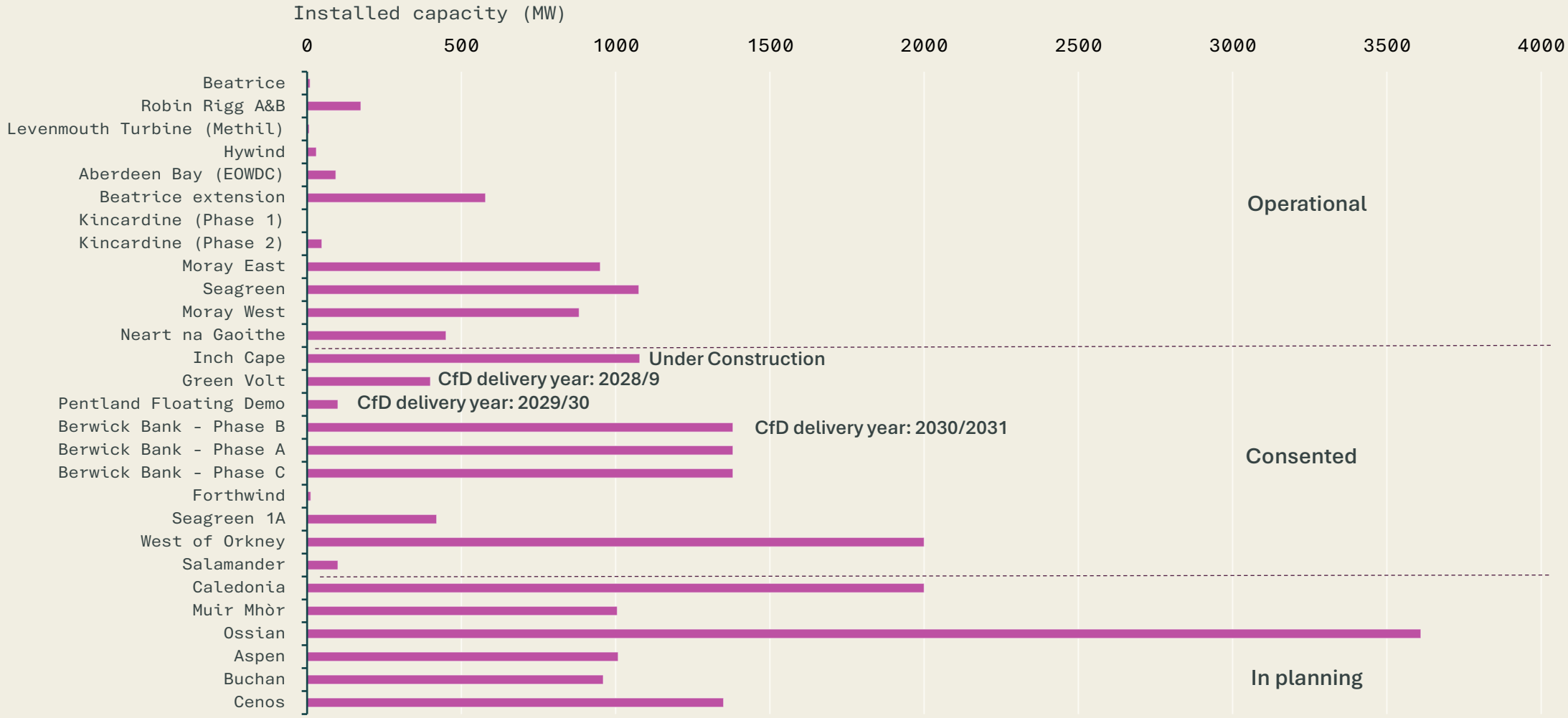
Inch Cape, Red Rock; ESB

Forthwind, Cierco

Berwick Bank, SSE Renewables

# Increasing scale of Scottish offshore wind sites

Projects over 1 GW will become more common in Scottish waters



# Offshore opportunities

- **Immediate opportunities** could include those in construction or those with a Contract for Difference (CfD).
  - Inch Cape – Red Rock Renewables & ESB
  - Green Volt – Flotation Energy and Vårgrønn*
  - Pentland Floating Offshore Wind - Highland Wind Limited*
  - Berwick Bank - Phase B – SSE Renewables

*Floating offshore wind are development projects, smaller and higher risk. This project's modelling uses fixed offshore wind farms.

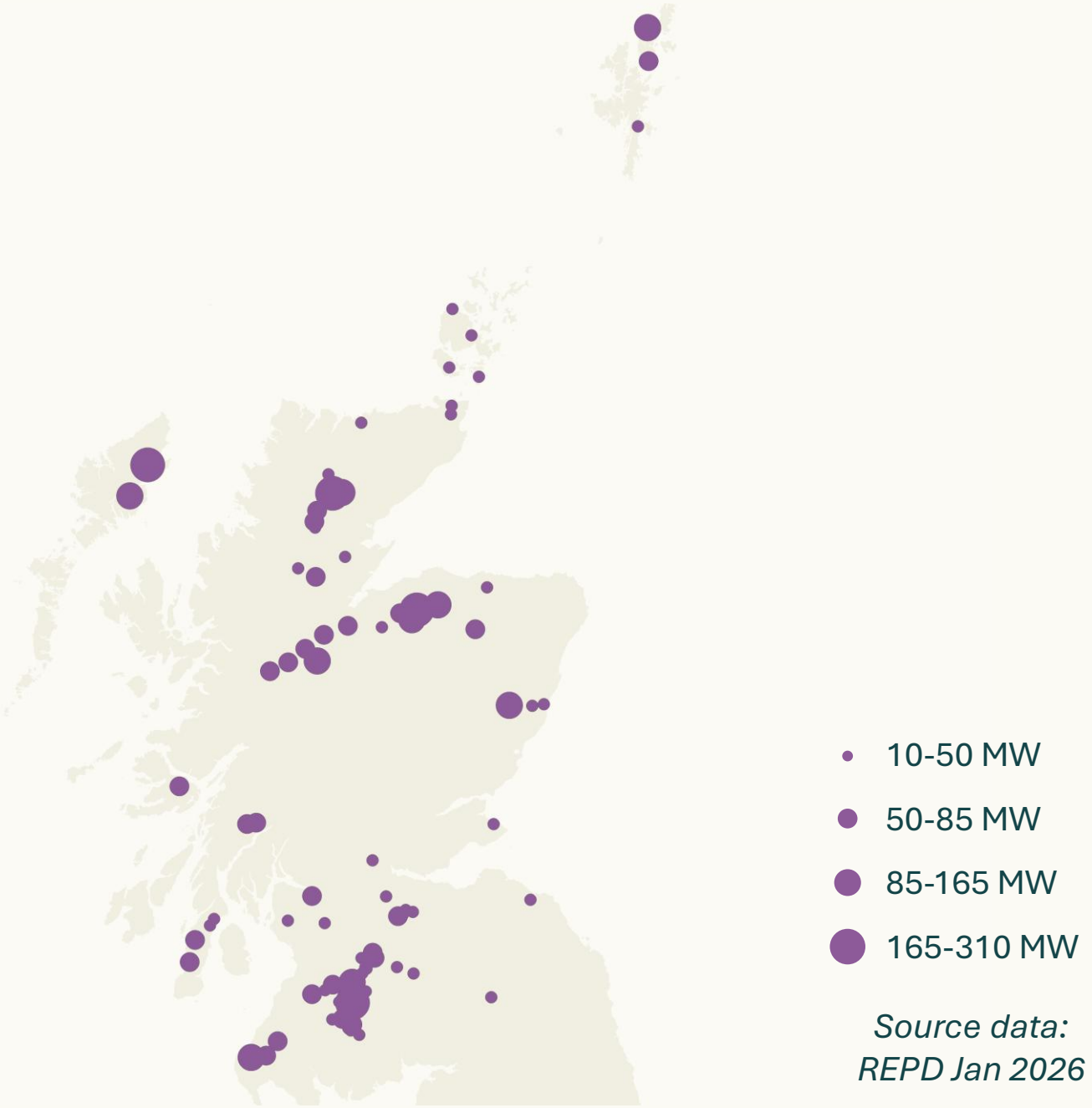
- **Medium-term opportunities** could include those that are consented but do not yet have a CfD.
  - Berwick Bank – Phase A – SSE Renewables
  - Berwick Bank – Phase C – SSE Renewables
  - Seagreen 1A – TotalEnergies and SSE Renewables
  - West of Orkney – Corio Generation TotalEnergies and RIDG

# Onshore

# Onshore opportunity

88 large-scale onshore wind sites (>10 MW) have received planning permission, totalling ~5.5 GW of installed capacity.

These sites are likely to receive a Gate 2 connection offer and proceed to connect before 2035.

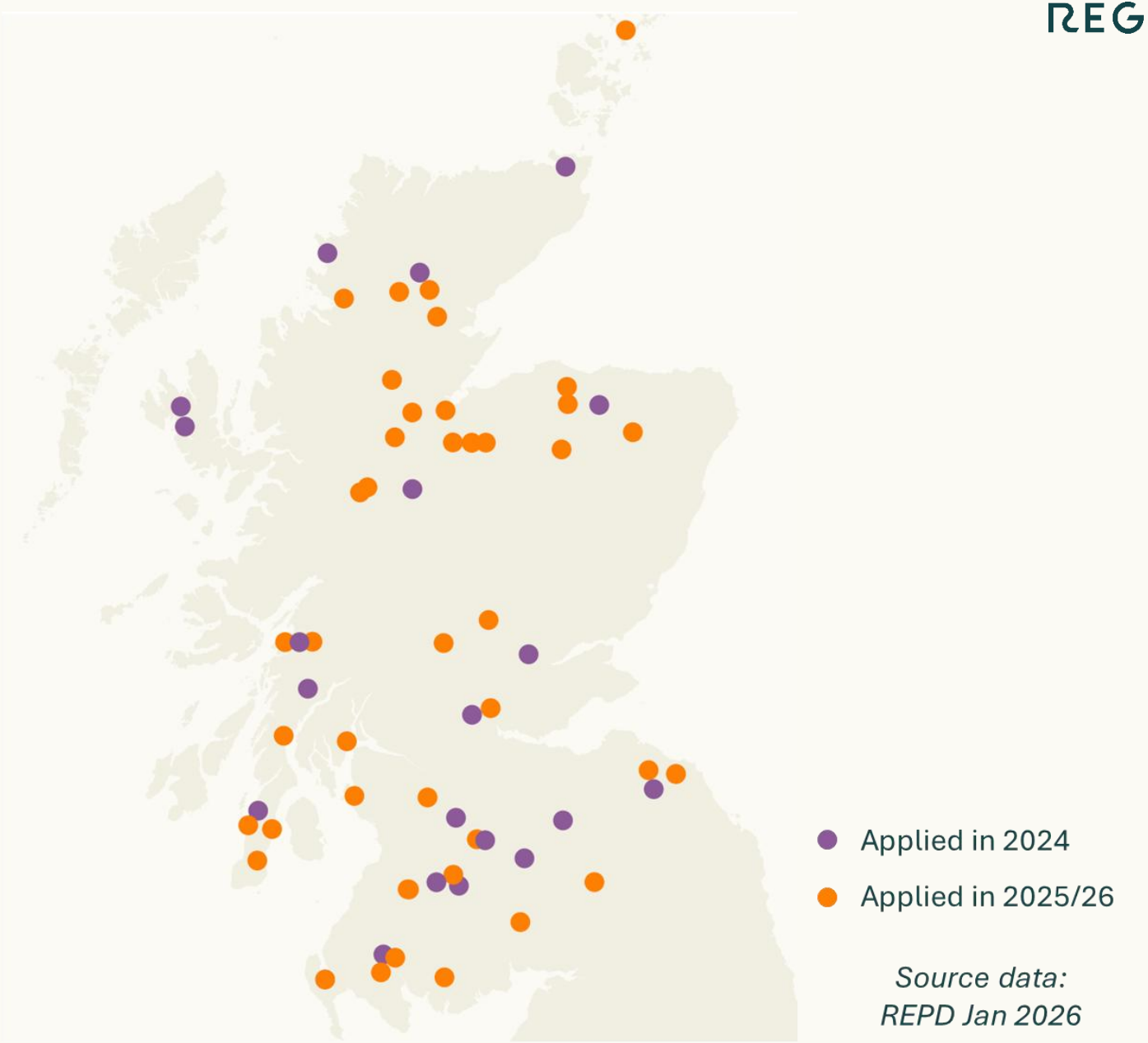



*Source data: REPD Jan 2026*

# Early-stage onshore wind projects awaiting planning decisions

67 onshore wind sites (>10 MW) have applied for full planning permission in the past two years and are awaiting a decision.

These sites may receive a Gate 2 connection offer and proceed to connect before 2035.




*Source data: REPD Jan 2026*

# Onshore projects with CfD & indicated support for shared ownership

| Project name | Size (MW) | Developer | Target commissioning date (year) | Climate Hub |
|---|---|---|---|---|
| **Moorshield Wind Turbines** | 15 | Wind 2 Ltd | 31/03/2029 | East Renfrewshire Climate Hub |
| **Camilty Wind Farm (FLS)** | 21.6 | Vantage RE Ltd | 01/04/2027 | West Lothian Climate Action Network |
| **Priestgill Wind Farm** | 22.4 | Muirhall Energy Ltd | 31/03/2027 | Lanarkshire Climate Action Hub |
| **Sallachy Wind Farm** | 44.1 | Boralex Inc | 31/03/2029 | Highlands & Islands Climate Hub |
| **Bettyhill Wind Farm Extension** | 48 | Eden Renewables | 01/03/2028 | Highlands & Islands Climate Hub |
| **Clachaig Glen Wind Farm (FLS)** | 52.8 | RWE Renewables UK Developments Ltd. | 03/04/2028 | Argyll & Bute Climate Action Network (ABCAN) |
| **Clashindarroch 2 Wind Farm (FLS)** | 63 | Vattenfall Wind Power Ltd | 31/03/2028 | NESCAN Hub |
| **Crystal Rigg 1 Wind Farm Repower** | 72 | Fred Olsen Renewables Ltd | 01/04/2026 | Scottish Borders Climate Action Network |
| **Heathland Wind Farm (FLS)** | 77.1 | EDF Energy Renewables Ltd | 31/03/2028 | Lanarkshire Climate Action Hub |
| **Cloich Forest Wind Farm (FLS)** | 78 | EDF Energy Renewables Ltd | 31/03/2028 | Scottish Borders Climate Action Network |
| **Pencloe Wind Farm (FLS)** | 85.5 | North British Windpower Ltd | 01/04/2027 | Ayrshire Climate Hub |
| **Hopsrig Wind Farm** | 85.8 | Muirhall Energy Ltd | 31/03/2029 | D&G Climate Hub |
| **Glendye Wind Farm** | 124.8 | Coriolos/ESB | 31/03/2029 | NESCAN Hub |
| **Glen Ullinish 2 Wind Farm** | 310.2 | Muirhall Energy Ltd | 31/03/2029 | Highlands & Islands Climate Hub |

# Stakeholder feedback

# Community benefits

- There is no recommended amount for a community benefit fund from offshore renewables.
- Out of the 10 operational wind farms, there are four live community benefit funds.

**Explore the possibility of collaborating with Foundation Scotland through the local Hub.**

**Feed in to refresh of the Good Practice Principles, advocating for the potential role of the Climate Hubs in receiving community benefit funding from offshore wind projects.**

# Potential role of the Hubs

### Offshore

1. Shared revenue or Joint Venture with a commercial developer.
2. Apply for community benefit funds for local Hub projects.
3. Proactively pursue shared ownership opportunities and develop pilot projects.

**The Hubs will likely need to work with an experienced community energy developer such as Energy4All, Communities for Renewables or Sharenergy to develop pilot projects and navigate the complexities of shared ownership projects.**

### Onshore

1. Support the community with capacity (alongside other projects such as Community Energy Launchpad). Potentially with a  % ownership for Climate Hubs.
2. Take a shared ownership stake in projects where communities don’t wish to take it up.
3. Share knowledge and expertise of shared ownership between Hubs.
4. Proactively pursue shared ownership opportunities and develop pilot projects.

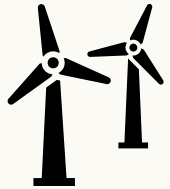
# Collaboration

- There can be multiple well-meaning individuals and organisations trying to support communities in an area. This can become confusing for communities themselves.
- The Scottish Community Coalition on Energy (SCCE), consisting of Community Energy Scotland, Development Trusts Association Scotland (DTAS) and Community Land Scotland, is active in advocating for shared ownership.

**Climate Hubs should set up regular meetings with support organisations to coordinate efforts to support communities in pursuing shared ownership opportunities.**

# Overall conclusions

The Hubs will need to be clear on the timescale on which they are looking for significant returns from their investment, as returns can be low in the earlier years of a project whilst debts are paid down.



Local Hubs could work alongside communities to pro-actively approach developers and create shared ownership opportunities.

The Hubs will likely need to work with an experienced community energy developer to develop pilot projects and navigate the complexities of shared ownership projects.

The Hubs could leverage the network's strengths by sharing knowledge and opportunities across Hubs to increase portfolio diversity and reduce risk.

# Overall conclusions

Climate Hubs should set up regular meetings with support organisations to coordinate efforts to support communities in pursuing shared ownership opportunities.

Work alongside Foundation Scotland and other community benefit administering bodies in local areas to access suitable funding to support specific projects.

It’s important to negotiate hard on the project's valuation at the point of purchase, seek the lowest possible interest rate on any debt, and fully understand the risks of investing in renewable energy projects.

Feed in to refresh of the Good Practice Principles, advocating for the potential role of the Climate Hubs in receiving community benefit funding from offshore wind projects.

# Pilot project feasibility

# Pilot project feasibility

Developing and understanding how a shared ownership project may work for one project would build confidence in the model for the  developers and increase the capacity and knowledge of the Hubs in how to pursue shared ownership projects.

A variety of innovative models to raise finance could be explored.

**Note: this is a very high-level overview of a complex and changing process.**

| Task |
| --- |
| Engage with developers to understand requirements, timelines and key considerations. |
| Identify and seek support from a community project developer to tackle legal, governance and financial issues. |
| Establish internal governance processes for investment decisions, including due diligence and monitoring. |
| Work with the project developer partner to look at options to raise investment through public finance, social investment, community shares etc. Explore innovative models of raising finance. |
| Work with the project developer partner and legal, governance and finance experts to understand, negotiate and finalise the offer. |
| Engage and collaborate with the local community to create a mutually beneficial offer. |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