

Scottish Community Coalition on Energy

March 2026

Response to the Scottish Government [working paper](#): Refreshing the Good Practice Principles for Community Benefits from Onshore Renewable Energy

Section 1 - Technologies in Scope and Co-location

Summary of section

The Scottish Government recognises the need to include a broader range of technologies than in the previous good practice principles. The previous principles encouraged “all renewable energy businesses, regardless of technology type” to consider what community benefits packages they could offer, and also suggested that “non-renewable technologies may wish to adopt” the principles. The new principles specifically include:

- *Renewable electricity generation technologies including onshore wind and solar power*
- *Battery energy storage systems*
- *Hydropower generation and pumped hydro storage*
- *Commercial-scale bioenergy*

For emerging technologies like hydrogen production, carbon capture, utilisation and storage (CCUS) and heat networks, the guidance encourages developers to engage with communities on what potential benefits might be but suggests that annual funding may be less feasible.

Electricity network infrastructure is not in scope, due to the fact the UK Government has already produced [guidance on community funds from transmission infrastructure](#).

Co-location – where multiple technologies share a site or grid connection – is specifically considered, and the expectation is that community benefits funds would generally be the sum of the £ per MW guidance level for each of the technologies, with the exception of developments with both generation and storage, where a different way of deciding the total level ‘may be more suitable’.

Our response

- The previous Good Practice Principles applied to a broad range of technologies. The step taken to specifically list which technologies are eligible is a positive step, and flexibility to add to this list in the future would be welcomed.
- Continuing to encourage non-renewable technology operators to follow good practice would be welcomed.
- Having different but equally ambitious guidance for each technology is a useful approach for setting expectations.

Section 2 - Fund levels

Summary of section

The Scottish Government is proposing to continue the approach of setting the community benefit fund level as £ per MW of installed capacity per year, index-linked to inflation for the lifetime of the development. They are also suggesting producing differing guidance for each, depending on a range of factors such as technology maturity, revenue predictability, existing community benefit practices and future anticipated projects. The following fund levels are proposed:

Technology	Proposal within new guidance	Existing good practice principle benchmark
Onshore wind	£6000/MW/yr, index linked	£5000/MW/year, index linked for all renewable technologies
Solar	£700-£1000/MW/yr, index linked	
Battery Energy Storage Systems (BESS)	£150/MW/yr, index linked	
Hydropower	No specific fund level recommendation	
Pumped hydro storage		
Commercial scale bioenergy		

Our response

The proposed fund levels are deeply disappointing, for the following reasons:

1) Devaluation in real terms value of community benefits contributions

The working paper acknowledges that the figure of £6000 does not represent the full value of the £5000/MW/year figure, which was first set in 2010. If this £5000 figure was linked to inflation, it would represent between £7795 and £9362 per MW per year, depending on the inflation index used.

2) Not index linking the benchmark itself

There should be parity between all developments going forward – this means that the benchmarks themselves should be linked to inflation. (Under current proposals, the starting payments are fixed at £6000, regardless of the year of operation, but then they are inflation linked. This means in practice that a project that starts operating this year would be paying significantly more than £6000/MW/year in five years' time (e.g. assuming 5% inflation every year, they would pay £7657/MW/year but a new project that starts operating in five years time would pay £6000/MW/year)

3) Basing a benchmark on MW rather than project revenue

The Scottish Community Coalition on Energy has advocated for community benefits contributions to be calculated as a percentage of project revenue, with a floor price as a safety net. Linking community benefits to revenue is the fairest for both developers and communities. For developers, it would mean that if generation and revenue is low one year, they do not have to pay as much to communities, as long as the floor is met. For communities, the floor provides some certainty of income, but they can also benefit from higher payments in years when revenue is higher. Linking community benefits to revenue also accounts for constraint payments, which can form a significant part of wind farm income but are not captured by providing a sum per MW of installed capacity or sum per MWh generated.

In the example of onshore wind, our proposal is that 4% of project revenue should be paid as community benefits, with a floor of £7795/MW/year which would apply in the unlikely event that 4% of project revenue is lower than this figure.

4) Review for repowering projects, change in grid connection or sale

The guidance should additionally emphasise that when a development is 'repowered' or put up for sale, there is an expectation that existing community benefit will be reviewed and as a minimum brought up to current good practice.

Section 3 – Governance and Distribution

Summary of section

The Scottish Government is proposing updates to the 2019 guidance that it says will ensure arrangements are transparent, proportionate and community-led, with a clear and consistent local-first approach across all technologies covered by the final updated Good Practice Principles. This includes:

- *Clearer and more consistent governance expectations*
- *A new set of practical indicators to show what good governance and fair distribution looks like in practice*

- *Updates to existing tools like the Community Benefits Toolkit, and proposed new tools including:*
 - o *Area of Benefit Record – boundaries, share of benefits, rationale and review date*
 - o *Distribution Decision Pathway – evidence-based case for change when the area of distribution is changed*
 - o *Coordination note – roles, responsibilities and contributions across co-located or multiple developments.*
- *Clearer governance structure options with consistent standards and minimum expectations that apply regardless of the structure chosen.*
- *Detailed roles and responsibilities*

The new Good Practice Principles will maintain a local-first approach, but will also include guidance on decision-making around sharing the benefits more widely, co-located developments and construction-phase benefits.

Our response

This section is more comprehensive and an improvement on the previous version of the GPP. The Scottish Community Coalition on Energy members look forward to participating in the process of developing new indicators and guidance that the document says will be developed with communities, developers and partners.

The Scottish Community Coalition on Energy has called for the Scottish Government to consider the creation of a Scottish Community Wealth Fund to ensure that the benefits from the energy transition are shared across Scotland. Some consideration of this approach, which would take the form of an additional contribution from developers, would be welcomed.

Section 4 – Supporting Communities

Section summary

This section details measures to build the capacity and skills of communities to engage in and benefit from community benefits, including:

- *The launch of a Community Benefit Peer Forum pilot over 2026/27, delivered by Local Energy Scotland (LES). It will involve regular networking events that will be shaped by the participants, but could include thematic workshops, guest speakers, and case study sharing.*
- *Updating the existing [Community Benefits Toolkit](#).*
- *“Continuing to explore possibilities for supporting capacity building efforts for communities across Scotland.”*

Our response

It is disappointing that there's nothing specific in this section about financial help or access to impartial advice or expertise – despite the fact that it is clear in the working paper that there was strong stakeholder feedback that communities require access to free or subsidised advice and support, called for the creation of paid development officer roles and requested industry or public sector funding that communities could bid into to source and recruit experts that meet their specific requirements. The idea of a central Community Benefits Champion team or service has previously been discussed by the Scottish Government and this would also go some way to meet this gap.

This support is needed to rebalance the current situation where communities that have access to people with sufficient free time and experience (of commercial negotiations, estate management and renewable energy development) are in a much stronger position to negotiate a fair community benefit arrangement with developers. If additional support is not provided for other communities, existing inequalities will be entrenched. More communities must be supported, upskilled and resourced to engage with developers in a credible manner, and to effectively manage and distribute the resources secured through these negotiations.