

FOREWORD

Mr. Philippe ROCHER, Cabinet METROL, France

(Translated from French)

This workshop is organised in the framework of the European project "WELFI" for Wind Energy Local Financing, coordinated by Hespul, with the support of ADEME and of the European Commission. This workshop is following another one that took place in this same room in March 2003, but was embracing all sources of renewable energy, while we will speak today exclusively about wind energy.

This morning, like every morning, some people living somewhere in Germany or Denmark woke up and like every morning have opened their shutters and their windows and they've looked at some wind turbines that are part of the landscape. They looked at them and they started smiling because the wind was blowing and the blades were turning over. In fact they own shares in these turbines, maybe a modest part of it, but they actually own a part of them. Why do they own these shares and why do they take part in this project? What does it mean for them? And what does it mean for the project manager? And what does it mean for the local Community? These are basically the questions we are going to talk about today in the framework of this workshop.

Through accounts from local stakeholders who are involved in such projects, we will learn what kind of financial tools may enable such practice, and we will examine methods used for this purpose. We will speak about fallout of local investment, particularly those related with wind projects acceptance. We will try to sort benefits and drawbacks.

The schedule for today has been organised around an alternation of oral presentations and round table sessions from which we expect a significant feedback from actual field experiences. We have been invited today by Hespul, the coordinator of this European project. Hespul, of which you probably heard before 2001 under the name of Phébus as a main forerunner in the field of grid-connected photovoltaic energy, had been co-founded by Mrs Maguite Chichereau-Dinguirard to whom I will now hand over for a speech.



Mrs Maguite CHICHEREAU-DINGUIRARD, Vice-President of Hespul, France

(Translated from French)

Ladies and gentlemen, this is a great pleasure for Hespul and all our European partners to welcome you for this workshop about local financing in wind energy, in fact the main public event at European scale paving the implementation of the so-called "WELFI project". WELFI has been financially supported by the European Commission in the framework of the ALTENER programme and by the French National Energy Agency ADEME. I would like to take the opportunity of having the ADEME representatives with us in order to renew our thanks on behalf of all the partners. They have always kept to their commitments and we're very grateful to them.

WELFI has been carried out by a task force made up of 8 organisations from several member States of the European Union and I will rapidly list them: the Folkecenter and OVE from Denmark, BWE from Germany, Ecoserveis from Catalonia. French partners are Axenne, the financial company La NEF, and Hespul, with the support of Energies et Territoires Développement (ETD). WELFI started in February 2002 and will end in February 2004 with the publishing of a report on the European best practices that will summarise the studies and analyses carried out all along WELFI's programme, including a report of this conference. All these documents will be available on the Internet at www.welfi.info.

The wide range of participants and speakers like representatives of local authorities, engineering and design companies, agricultural organisations, financial organisations, NGOs, industrialists, State Departments and even Members of Parliament, clearly shows that this workshop is a matter of concern for all the main stakeholders of wind energy and is quite topical for them. This is not surprising when you remember that wind energy is by nature a decentralised energy source, established directly in the heart of the local territories. In order to succeed in integrating these new electricity production equipments, we have to encourage, like our German and Danish friends, the involvement of local players and more largely of local citizens, at different stages of the projects' development. How can we do this? Basically we have to consult local people as early on as possible and throughout the entire development process of the project. In order to increase positive impact on the local territory, we need financial participation from those people who are living alongside the wind farms. This is absolutely essential to us and this is the core of the WELFI project.

If these practices are to be widespread, we need to create new link-ups and new approaches involving everybody in the development phase at local level, and this means that this development will be, as such, sustainable. Local farmers can find in wind energy a new way for diversifying their activities. Local authorities are usually ignored in a centralised energy system while they can with wind actually be fore players in their energy and economic future. Even individuals can find a safer and far more ethical alternative to the American pension funds that are often told to be a source for supplementing pensions. And for the project's developers it's a way to shore up and secure their investments thanks to local people appropriation and their feeling to be owners of this project. Some financial organisations and banks have already entered this market. They will play an essential role in mobilising the citizens in favour of wind energy.

I'm not going to go any further, but I hope that you will pass a very fruitful day and I very sincerely hope that this meeting will be another step that will help us to see the emergence and the strengthening of these new financial practices. I can also tell you that we are thinking about the follow-ups that will be given to this project and to this meeting today. So I guess that we will meet up in the near future and in the meantime I wish you well for today.

INTRODUCTION

Mr. Jean-Louis BAL, Director of Building and Renewable Energy, ADEME, France

(Translated from French)

Ladies and gentlemen, I wish you a very good morning and I would like to welcome our colleagues from abroad, our European colleagues.

This workshop is taking place at a very particularly opportune time for us as French nationals. A national debate on energy has been concluded quite recently, notably by a report written by Mr. Jean Besson as Member of the Parliament, who will have an opportunity to tell you more about this later on when he takes the floor. Members of the Parliament will soon discuss this subject and then to pass a law expected to set up guidelines for the French energy policy for the coming 30 next years. A set of suggestions made by the Government has been published in a White Paper that you can find on the Ministry of Industry's Internet site. Any citizen, NGO or company is now asked to contribute to the preparation of a draft law that to be discussed and passed probably after the regional elections in May or June 2004. So I can really recommend you all to put forward proposals and in that way we will have reached our objectives today.

I would like our European partners to excuse me for talking here with a purely French viewpoint, but as French nationals, our interest today is to analyse best practices in other European countries and to see what can be transposed in our country taking into account our cultural and regulatory context and the legislation that goes along with it. Unfortunately we'll have more information to receive than to give, because we are in fact way behind our neighbouring European countries in this field.

The theme of the WELFI project – can local financing encourage these projects? – is very important in France because acceptance rates are of high significance. Throughout today we are going to look at what is legally possible in order to attract local financing. I would like to remind that the public calls for funding are under the control of the Financial Markets Authority and that the State cannot encourage or advertise the placing of personal funds. This regulation should be changed and the future energy law should be an opportunity for this. We should also explore further what is allowed by the present legal and tax regulation, particularly for farmers. I mainly think of co-operatives for agriculture machinery (CUMA). I also think of the possibilities for local authorities to invest in wind or other renewable energy in the framework of the current law on electricity passed in February 2000.

If we look at the acceptance of wind energy in France, we often observe negative reactions from minority but pro-active local opponent associations, triggering reluctance from the administration to agree building permits for these sites, resulting in a mere 120 MW of new installed capacity in 2003. This will more than double the figure from 2002, however this is very low compared with the wind potential in France and with the objectives of the RES Directive for 2010 (12 000 MW).

The capability of anti-wind associations to spread incredible rumours seems boundless. We heard about breast cancer caused by wind turbines, or about a duck breeder who feared the infrasound impact on the *foie gras*. Although such rumours cannot be under control, the public opinion nonetheless remains favourable to wind energy. ADEME recently ordered two surveys that were held with a 12 months interval throughout France with focus on areas where wind farms had been running for several years. We observed that the local opinion is very

favourable and even more favourable as people live closer to the wind turbines. A more recent survey carried out by the Languedoc Roussillon regional Government focused on the impact of wind energy on the tourist industry, which is a driving force in this area and thus a matter of concern. The conclusion is that tourists consider wind farms to be a very positive factor and foreign tourists more than others. Even large-scale wind farms would not frighten them away, although they are attracted in the area by beautiful landscapes as well as by a sunny climate.

92% of tourists consider wind farms as extremely positive, men more than women apparently, a fact already observed in previous surveys. 73% of tourists should agree with more wind farms, 56% think they're nice to look at, and 55% that it won't change anything for them. 23% say that they should visit a wind farms when having a tour, and 15 % that it could become a goal for a specific tour. Only 6% declare they will avoid those areas where wind farms are installed.

This means that public opinion is generally quite favourable to wind energy, and our Prefects and local Members of Parliament should take courage in this and the Ministry of Ecology, the Environment, Equipment and Sustainable Development should take note of the results of this survey.

ADEME will carry on providing objective information - I'm talking about objective information, not neutral information – to concerned people. We will consult them hand in hand with NGOs and with local Authorities as early on as possible to ensure the highest acceptance among local populations who are actually ready to welcome them. Thank you very much for your attention.

Mr. Jean BESSON, author of the Report on the National energy debate on behalf of the Ministry of Industry in charge of Energy, France
(Translated from French)

Ladies and Gentlemen,

I would like to talk about the personal impression I got from the National Debate on Energy during which the development of wind energy in France was among the main concerns.

I think we've got to a stage where it is even wrong to ask the question of principle: "must we develop wind energy or not?" This is no longer a question, this is a necessity, an unavoidable necessity if we are to meet the objectives that we have set to ourselves and that we have signed within international agreements. It's absolutely vital, if we want to move towards more virtuous energy sources and towards greenhouse gases emission abatement. One of the main lessons that I learned from this debate is that there now is a true consensus among scientists all over the world about the climate change due to greenhouse gases emission caused by human activities. And because of this we need to decide the measures that are necessary to improve the global situation.

We should be aware not to mix up objectives and means. The objective for France is to improve our situation regarding greenhouse gas emission and in this context, wind energy is a means, not an objective in itself. However, to develop wind energy as an industrial sector is another objective, a secondary objective if you like, and there are several obstacles on our way.

The first one is the problem of acceptance among the general public, which is a concern for other sectors as well, not just for wind energy. I think that we should better inform people. We must make efforts, teaching efforts, pedagogical efforts so that the general opinion is informed, if not educated, as to the reality of wind energy. Too many people think that it's a very noisy machine, a relentless machine that slices birds into 100 different pieces, and so on. Just last week I was talking a VIP in this country that I had visited lots of wind farms and never found bits of birds lying around the turbines and he said "only migrating birds, the others, the local birds have got used to the wind turbines and they're the ones that don't get cut up into 1000 pieces." I found that quite incredible. In fact I was speechless and I can tell you I'm not often speechless. So here, you can just see how profound these preconceived ideas are. We need to inform the general public and we really need to hand on real knowledge. There's a lot of effort being made in this field.

Efforts must be made about aesthetics, about integrating the turbines and the wind farms into the landscapes. Some wind farms, even if installed in very sensitive areas are absolutely not problematic, they fit in the landscape as if they'd always been there. And I've also seen others that put my back up because I wondered how on earth they could have been placed in that particular spot. Now I have the same reaction of course when I see high voltage overhead cables and pylons and I'm sure that they are far more detrimental to the landscape here in France.

Another obstacle lies in the way that the necessary public support mechanism is set up. How can we design it for being acceptable to those people who need that type of financing, the project developers, and those who feel that we should not sponsor these means of electricity production. We have to be aware of this problem when my former colleagues will actually have to vote on a draft law and to take decisions on the subject. We have to be very careful in the way we present things so that they're being put forward in a reasonable, attractive and supportable way. Some people regards the feed-in tariff system as providing over-benefits and thus as no

longer acceptable. We know on the other hand that any emerging industrial branch needs the right economic environment that will enable them to reach industrial competitiveness otherwise the branch will not be sustainable. We have to find in this area a path to follow, and this path has to be a reasonable one.

Of course there is also an urgent need for simplifying the administrative procedures, which are currently of an extraordinary complexity and bureaucracy, all the more when compared with those applying in other countries like Germany. If bureaucracy became a new category for race during the Olympic Games, France would surely win the golden medal every time! Everybody acknowledges this fact, including the perpetrators of bureaucracy who now all agree that we have to hardily work together so that this obstacle, if not fully lifted, should be made less formidable to cross.

Another obstacle comes from land planning and territorial preservation. Many people I met told me their concern to avoid haphazard development of wind farms. We have to make sure that wind farms are not established just anywhere and all over the place. This goes beyond aesthetics that I was referring to before. It's not just the way of integrating the wind farms into the landscape, it's a classification of areas where they should or not be installed. I made the suggestion in my report to establish a national map with regional maps deriving from it that could be set up by an independent and competent organisation under the auspices of ADEME where are the most acknowledged experts in the field.

This mapping system would replace those plans that exist at the moment, most of which being incoherent because the criteria used by the Prefects tremendously differs. These wind maps would identify those areas that are suited in terms of wind resource, avoiding those where it's technically not available. And of course we have to keep in step with usual planning laws.

It would be more consistent to have this mapping, and it would make the administrative procedures much more simple. It also would mean more responsibility for the local stakeholders. With this in mind, I made a number of proposals and I think that in the future, the local authorities, generally speaking, will also have to play a great role as compared to the past in terms of energy and energy-related strategies. I wish numerous measures to be taken in order to enable regional Authorities to actually get involved in the development of those technologies for which local involvement is needed like biomass or thermal energy and others. To that extent, I made a proposal that seems to be unanimously disagreed, that the building permit should be given by the mayors rather than by the Prefect as presently in order to increase the sense of responsibility at local level, the mayor being the first representative of the population.

Many people think that mayors will not be able to withstand the pressure coming from the lobbies. Well, as a former local elected representative my view is different. The main difficulty does not come from the pressure of the lobbies, but from disputes between local inhabitants concerning their rights to build on their land, a pressure that is much more difficult to resist as opposed to resisting pressure coming from the lobbies. But the law gives the mayor the right to manage the land planning in his Community and therefore he should be allowed to deliver the building permit for wind turbines.

In the field of land planning, the right approach should be rather based on offer than on supply, i.e. on the general interest as opposed to the financial interest, should it be public or individual. Many opponents attack the financial interest that seems to be one of the main drivers for wind farms development and for some land owners and even maybe local authorities as well. This could be one additional argument, but in our development strategy this cannot be considered to be a major argument for not building wind farms. The main argument

would be to build the wind farms where they are needed. One has to be very careful because opponents to wind energy often use this kind of argument.

We also have to face the rationale followed by the utility operators whether it be EDF or others. Quite logically, they prefer to support solar thermal expected to match the peaks of electricity consumption as opposed to wind energy that means for them additional constraints. This must be taken into account when defining any strategy.

I tried in my report not to just repeat what professionals in wind power energy explained during the debate, I did try to put into perspective some of the major proposals that might contribute to the smooth development of this technology that is at the same time a source of clean energy and a source of industrial activity and job creation on which we put great hopes.

Well I don't know whether all these measures or proposals or suggestions would be agreeable to you, I'm prepared to discuss of course. But if that were to be the case, or if you think that there are missing proposals or measures in this draft project, draft law get involved in this national debate so that we improve the draft before it is submitted to the parliament as quickly as possible. Thank you for your attention.

Mr. Didier LENOIR, Chairman of CLER (Comité de Liaison des Energies Renouvelables), France

(Translated from French)

We all here are Europeans citizen whereas wind belongs to everybody. It is not the property of a particular State or of any particular organisation. It's nobody's property.

Wind energy can thus be exploited quite differently depending on our cultural background as Europeans, and the way one exploits wind power or the manner wind farms are built does reflect the various European people consider their own democracy, their own public organisation. This should be a marvellous subject for a doctorate student in political science. We all know that having a common culture and heritage is the basis on which we have been able to establish the European Union as a driver for peace and prosperity. Our day-to-day activity however clearly shows that behaviour and methods are quite various, and this diversity is a wealth that must be preserved and highlighted. The world is worried about the damage done by the uncontrolled use of fossil energy and everybody expresses these concerns with regard to the climatic change and the future of our earth. Several European countries are at the cutting edge when it comes to the development of renewable energies as a whole and particularly wind power – Spain, Denmark, Germany.

Unfortunately France is lagging far behind them, and WELFI was launched by Hespul as a member of the CLER as a contribution for increasing acceptance of wind energy. As stressed by Jean-Louis Bal and Jean Besson, local initiative is a major concern for wind energy development and this means that farmers, companies, the inhabitants and local authorities have to take their part in these initiatives. In France however the approach concerning the way democracy should operate is usually very theoretical. We do like major declarations that may be accepted worldwide or at a European level regarding equality of rights, equality between citizens, freedom, brotherhood and so on. But when it comes to practice, then it rather look like what would happen in a “republican monarchy”, where the State is the owner of the wind and decides the conditions under which citizens or their organisations are allowed to make use of that wind.

In this field, the changes underway since the law on decentralisation passed in 1982 give back responsibility to local authorities, and they actually made efforts in the fields for which they obtained new competence. And if Mr Besson can suggest mayors should deliver building permits, the reason is that urban planning has been taken over by local authorities. Until 1982 only the State delivered all building permits after having processed alone the entire dossiers on technical and regulatory aspects. In the field of energy, we are at the dawn of a time when everybody, from the citizens to the companies, local authorities and of course the State are all involved and they need to come up with new rules for the game. This is the main purpose of the future orientation law to define the rules of this new game. We must say in these prospects that the draft of the law made public by the government in its White Paper available on the website do not match our expectations. Nothing in that White Paper deals with the way responsibility should be shared in the field of energy. And we rely on the support of Jean Besson and many parliamentarians to make sure that the sharing of responsibility could be changed.

Comparative studies such as made inside WELFI will show how giving more responsibility to local authorities and citizens can lead to create new sources of energy. These examples will undoubtedly pave the way so I'm convinced that within a decade we shall see wind energy developed in all European countries at the same extent as it is today in the most advanced parts of Europe..

Mr. Preben MAEGAARD, president of the World Wind Energy Association, Denmark (by video)

WWEA is a worldwide organisation gathering 150 members on the 5 continents, among which China, Japan, Korea, Egypt, Libya, Morocco, Tunisia, Algeria, South Africa, Argentina and Brazil, Russia, Poland, Germany and many more. We are supporting our members to promote the most successful solutions for implementation of wind energy and for this purpose we are doing consultation, we are making contacts at political level and we are also organising conferences. We are raising awareness of the possibilities and the advantages and potential of wind energy where in the world there are wind resources for the use of clean energy supply.

Only few countries in the world have a successful wind energy development, with Germany as number one and Spain as second, then comes United States, Denmark, Italy and so on. If the rest of the world had the same level of development, wind energy would already now represent a really significant share of the global supply of electricity. Such success in these few countries can undoubtedly be referred to proper legal frameworks that must fulfil 3 basic criteria. The first primary factor must be a fair access to the grid and the right to connect. Secondly, there must be a purchase obligation from the power utility to buy the electricity from the wind turbines. Third, there must be fair tariffs, which is of course a crucial point since the guaranteed minimum price system that has proved especially successful. Wherever this price principle applies and the price is fair, the development of wind energy will begin. If these conditions are not fulfilled, irrespective of other factors, the development is very slow.

To have a strong wind energy development, local involvement is very important. The local ownership is a condition for obtaining local acceptance also. We have seen some countries where they let financial investors from the outside take the role of investments. In such cases it has actually been very difficult to obtain the acceptance of local people. Well, if we go to Brazil, Australia, the United States, where you have vast areas, they have no neighbour problems, they have no objections from the neighbours. But in Europe, which is generally very densely populated, we must find way of having local acceptance, and ownership models are part of it. Local acceptance is obtained when you let people participate in the ownership of wind mills. Our long experience in Denmark shows that in areas where we have local participation, we may find up to 85% of the population giving support to the wind power. And the closer people live to the wind mills, the more they will support them. And why is it so? Because local ownership also improves the local economy, particularly in remote rural areas where the economy is declining. We have seen in several countries that marginalized regions have really flourished economically by having wind energy installed. So this is one more good reason to have it installed there, but you must involve the local population in the ownership, otherwise the local population has no interest in it, they only have the more or less negative impact of the wind turbines without having the benefits. This is one point we have to focus very strongly on. Through legislation we have to do whatever is possible to give access to local people to participate in the ownership of the wind turbines.

We will also see various models of ownership of course. In the Danish experience, we developed an ownership model where individuals in the community could participate in the wind mills. For a long time it was limited so that they could own 9,000 kilowatt-hours of annual production. This means that a wind mill that would produce 450,000 kilowatt-hours per year could have maybe 50 families participating in it. And they would all have to come from the same municipality. And that in itself created a new spirit of community. Because people gather, they were supporting the project. They were meeting every year to discuss the annual results of the wind mills, and if it was a good year with good winds, they were celebrating it by eating a good meal together.

We can find other models of financing, like local cooperatives, farmers but also urban citizens participating in it. People living in big cities have this opportunity, especially for big wind farms. We have seen several offshore wind farms financed by citizens' participation, and I can mention some very interesting examples in Germany, where they are presently organising the construction of huge wind farms. We have seen that for the city of Copenhagen, where several thousands inhabitants became owners of a very interesting big wind farm with 40 megawatts wind turbines at Middelgrunden. Now they can say that they are supplying their city with clean energy, otherwise the electricity used is mostly coming from coal or gas.

Our duty is now to switch from fossil fuels to renewable energy. This is a very important step to give people this opportunity to supply their city with clean power. This is a serious problem in most European countries where a large share of energy is coming from the fossil fuels and this share will increase in the coming years. But here we have the wind energy growing out of the initiative of people that can limit dependence on imported fuels and increase self-supply. This is in accordance with local interest, with national interest and with the interest of Europe as a whole. It will give us a more peaceful world.

Fossil fuel power plants with coal and especially nuclear power are usually very big and it's a top-down solution. In contrast the renewable energy forms that are by nature decentralised, they are bottom-up solutions. And this makes it possible for the population to participate in the development of the projects. This makes it possible for the citizens to finance them, to become actors of the future. And besides that, people have the satisfaction of saying "now we supply ourselves with clean energy".

Well, I have come to the conclusion of my presentation. I wish you a very good meeting that I hope will benefit to wind power. It has been a pleasure to participate in the WELFI project, which I am sure will be very important for the future development of wind power in France.

EUROPEAN EXPERIENCES

Mr. Jochen Twele, Director of the BundesVerband WindEnergie association (BWE), Germany

Ladies and gentlemen, for the second session of our conference, it's an honour for me to speak to you today during the conference in Paris.

BWE is the biggest interest group in the renewable energy branch in Germany and actually we have over 15,000 members. We represent these to the public and the politicians.

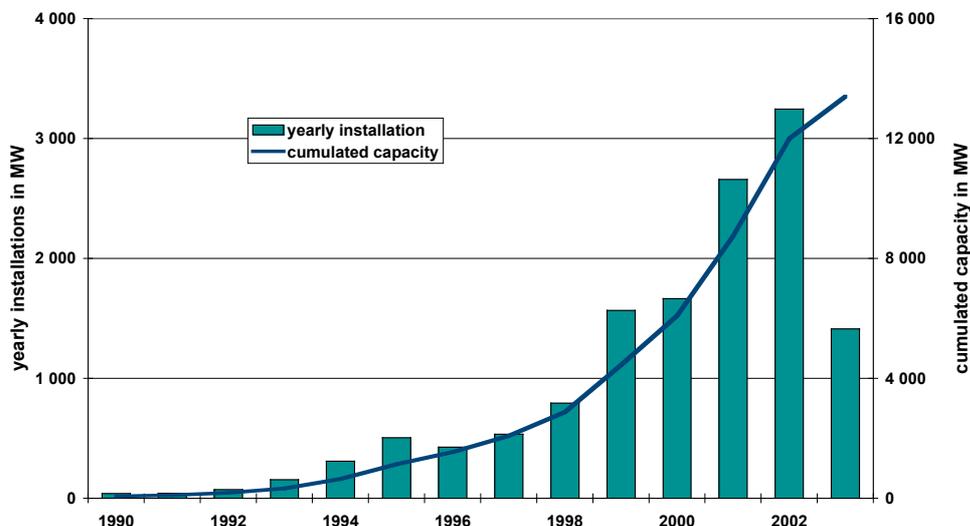
I want to follow the main question: why local investment in wind energy should be encouraged?

And I structured my presentation into 2 parts. First I want to highlight some aspects coming from different points of view. First looking from the point of view of a project developer or a project initiator, secondly having highlighted some aspects concerning the investor and thirdly I want to mention some aspects which are important for local communities.

In the second part of my presentation I will go into the planning phase in greater detail and ask the question how to proceed if we want to create local involvement, local content for wind energy projects. Finally, I want to draw some conclusions from the presentation

First of all I want to show you the actual figures of the German market. We have a very rapid development, which you may be aware of already. What we can see this year is a new installation, which is forecast for the end of the year 2005 and with 2,700 megawatts. So that we will have an accumulated capacity in the range of 14,000 megawatts. This is the first time that we can recognise a certain decrease in the installations and that is the first indicator that we have to be very careful and take care of local acceptance otherwise we won't have any perspectives for our branch, especially for inland sites. Local acceptance is one of the key factors for the further development of the branch. Offshore installations will take some time in Germany. We expect the first installations in 2005/6. Meanwhile we have created 45,000 employees and they need work so we have to provide new projects during the next 2-3 years before offshore gives new drive to the branch.

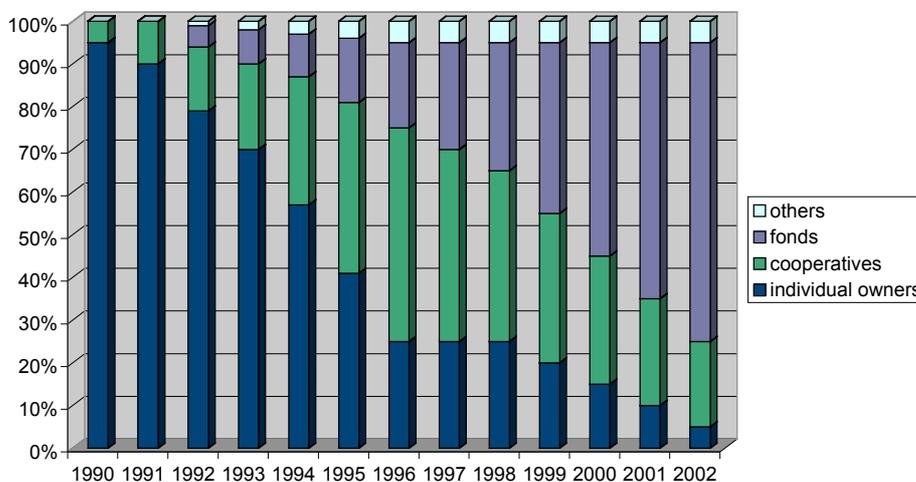
Installed capacity of wind power in Germany



Let's follow the idea of local investment and content by developing a project. One of the aspects for the project developer is a certain kind of minimisation of the time for the planning process. If he talks freely and informs very early about the planned process, if he presents his plans early, he will have less obstacles, especially from local authorities. The second aspect for the project developer is to create local acceptance. Because, if he doesn't deal with local acceptance we will have pressure groups complaining about birds, noise and getting more rumours from the yellow press and we will have a lot of problems if people living in the area are aware of the project only when the crane arrives at the site. So the aspect, which we promote, is that there is no better advertisement or promotion for the project developer himself than to have a successful project with the local content. It is the best possible reference for being in a good position to start other projects in the neighbourhood, in the same region or even in another part of the country.

The second point of view concerns the investor. It is obvious that the investor creates additional income by investing in a wind energy project. Secondly he creates personal responsibility to the investment if it is based locally. If you have private investors who are situated in New York or Tokyo, they won't have any emotional linkage to the project. It is very important to have personal, emotional responsibility for the investment. If the turbine is running in my direct surrounding, I will have to look at it every morning and will be quite happy to see it running. And that's the difference concerning noise: feeling music from the turbine or feeling ugly noise that disturbs me. And that's based and driven by local investment, by local content of the investor. If you see the structure of the investors, there are several changes in the last ten years. We started with single farmers, individual owners and small projects, installing single turbines in a power range of 250-300 kilowatts. In the middle of the 90s we found more cooperatives, private initiatives with small groups of people who initiated and financed the project and in the last five years we have a strong development and a strong professionalisation of the branch and we see public funds which are created by professional companies. These share the equity among a broader area on the landscape. But that's driven by the size of the project. We are not talking about single turbines at the moment. We are talking about installations in the range of 30/50/60 megawatts per wind park.

Typology of investors



Let's come to the third aspect, the local community. What does the local community benefit from? There's one aspect in creating tax income. But this aspect is based and conditioned by the size of the company. The operating company has to be sited locally, otherwise there won't be any tax income for the local community. So it's very important to have a locally based company that's going to operate the turbines. On the other hand, if local citizens are part of the project, we have a higher income and we have some driving for local economies, which brings a benefit to the local community as well. The third aspect is creating local employment. You know that a lot of jobs can be made locally concerning foundations, grid connections, roadworks and if the local bank finances the project there will be some benefit in the region and some employment created.

Coming to the second part of my presentation, and answering the question, how to proceed? What should we do, what should we keep in mind if we want to include local content, local involvement of citizens. You see the shape of the planning procedure, which is quite typical for the German market. We can see four phases of this planning process. (see table next page)

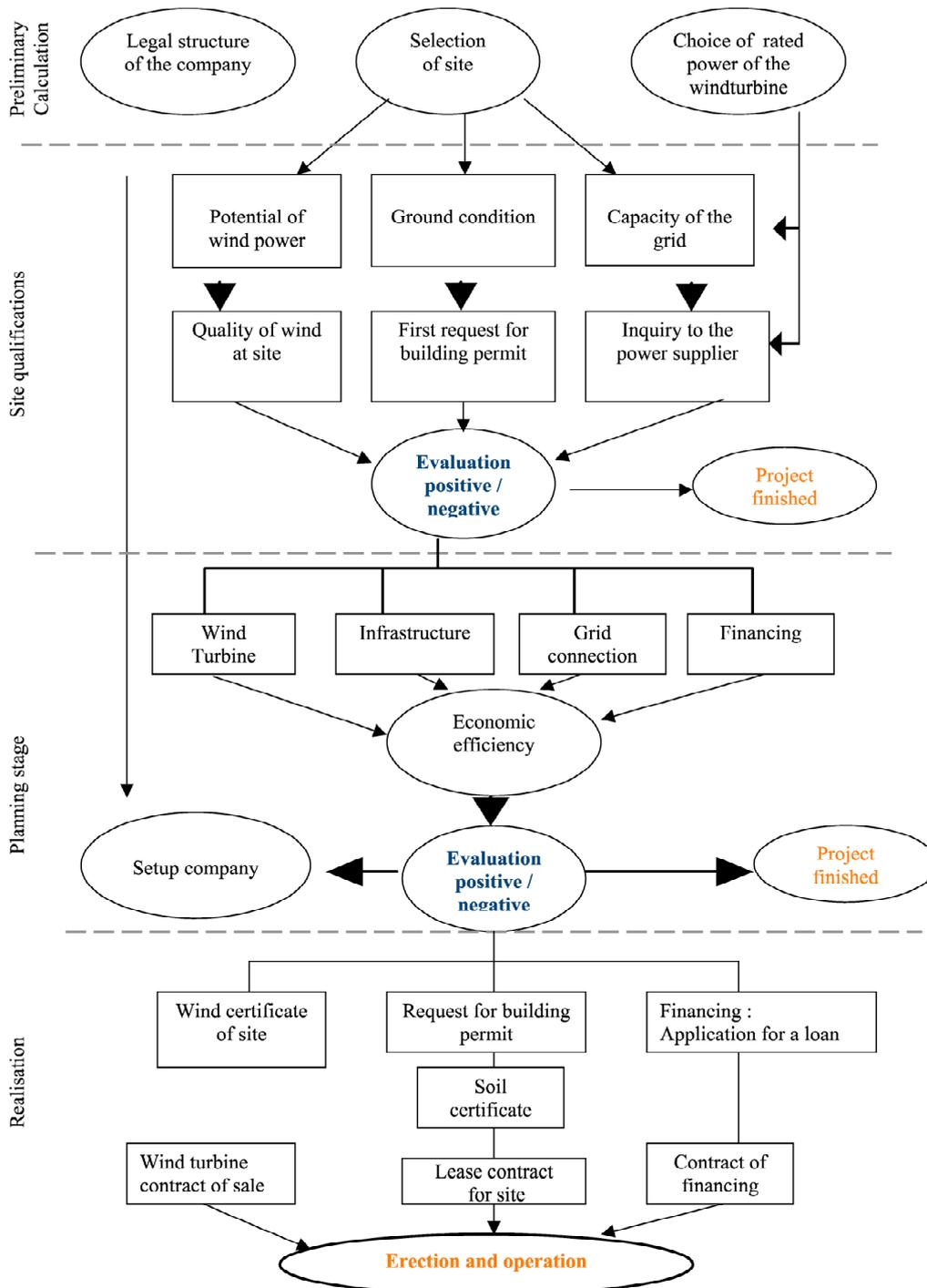
The first phase is a preliminary calculation, where the first steps are made. The second phase is site qualification, concerning all the conditions we have on our site. The third stage is the planning stage where we come into the detailed work which we have to do to proceed with our planning. In the last stage we are talking about the realisation, where the turbine is actually put on the site and is erected and commissioned.

What we have to keep in mind are these two key words: information and participation. If we look to the four stages I already mentioned, we can see that in the early stage we have to talk with people. We have to talk with landowners and with local people concerning the selection of the site. That's the first stage where we can get some information and we can put some information to the local inhabitants about our project. And we have to have the first ideas of the latest structure of our company in mind. That's mainly driven by the size of the project. If we have a small project, it could be a small cooperative from neighbours. And if you have a bigger sized project, which we have at the moment, then it must be a legally based company.

In the second stage we see the first request for a building permit. In some cases there are some public hearings made during this stage. But meanwhile we have in all areas in Germany what we call designated areas, so the process of the first request is more or less a formal thing, because the designated areas have proceeded already with all hearings and all public aspects in defining those designated areas. So it is much more simplified at the moment, to get a first request for the building permit.

In the third phase, we have a lot of detailed aspects that we have to keep in mind. We have to decide which type of turbine there should be, which size of turbines we want to buy. We have to make calculations about infrastructure, roadworks and so on. We have a lot of discussions with the grid utility, with the grid operator, concerning the grid connection. And we have to calculate the basic conditions for our financing framework. All of this influences the forecast for the economic efficiency.

Simplified, General View of Planning Windturbines in Germany

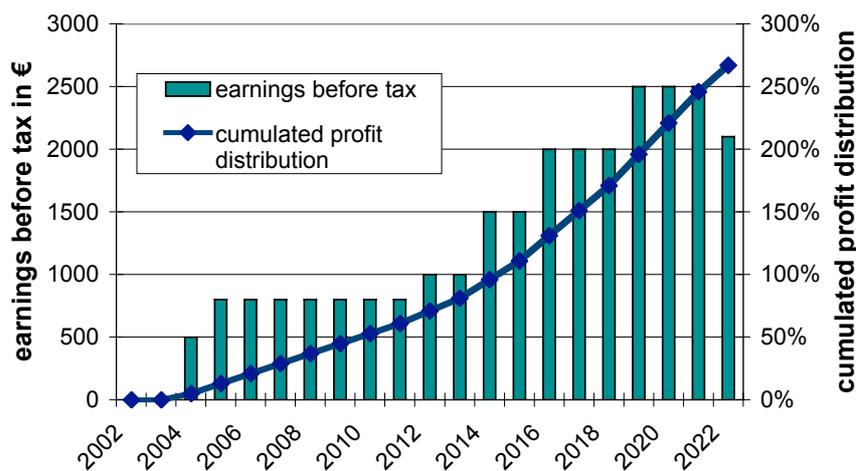


In the planning phase, we have to settle the size of our company and to found it. Even if it is a project with 50 megawatts and it is not possible to finance it 100% locally, the developer should keep in mind that there's a certain share which could be reserved for local inhabitants. If they don't have enough money to take this opportunity, so what? Then we have to go to other areas and collect the money from there. If you have a professional process for big companies, normally there is a printed brochure. This printed brochure is distributed and people are able to sign a contract and be partners of the project. But again, I want to highlight that we are in favour of having local people signing some contracts with the company. They are living in the area and they are aware of the impact on their landscape but if it is a dentist from Munich who's going to sign a share it's only a piece of paper and an investment like any other.

In the fourth phase, in the realisation phase, we have to get the building permit. If you have a positive reaction on the first request there is no problem getting the building permit. But we have 2 aspects where we can create participation again. One is a land lease contract. We have to have a fair land lease contract with the owner to get some benefit and some income for the land owners as well. On the other hand we have to look for a locally based bank to deal with the process because they are in touch with local investors anyway because normally they have their accounts running in local banks. Then it's an advantage to have the same person to talk with.

I want to give you a brief example of the result of such an investment. I just took an average project which was commissioned in 2002, a medium sized project with 7 turbines with 1.5 megawatt, which is quite typical for the actual size of projects. We have 6.1 metres per second in the 80 metres of hub height. Total investment for these 7 machines, including oil, costs for infrastructure and so on would be in the range of 14 million euros. Normally the bank asks for 30% equity, so we have to share round about 4 million euros among the shareholders. The yearly income with these wind conditions and with this kind of turbines would be in the range of 1.7 million euros. The diagram shows the results for the investor, for the shareholder who put in 10,000 euros and the green coloured bars are the yearly earnings, which are coming from the operating company.

Example for a private investor with a share of 10,000 €



Project data:	7 x 1.5 MW	6.1 m/s in 80 m hubheight
total investment :	13,900,000 €	
equity :	4,193,000 € (30%)	
yearly income :	1,703,000 €	

You see in the first 2 years there is no pay back and then it comes in the range of 500 to 800 euros per year. And when the first pay back period of the loan is over it comes up a bit more. And if you look at the blue period, it's accumulated profit after 20 years it reaches a value of about 270%. It means you put 10,000 euros into the project and 20 years later you have accumulated 27,000 euros back. But with this sheet you can see it is not a question of getting quick money. You have some rumours in the yellow press that wind turbines are money printing machines. But if you are making an investment in renewable energies it's the long term investment, and you have to be aware of some technical risks. And these risks have to be covered by your income on that project. So it is an interesting investment in Germany but it's not for quick money.

To draw some conclusions out of this aspect, wind energy is a decentralised energy source and if we keep this in mind and understand wind energy as a decentralised process, all the other questions are very simple to answer. And local investment in wind energy is profitable for all actors if we have this understanding of this energy source. In our opinion and based on the experience in Germany, local investment is one of the key factors for local acceptance. Germany is a more or less crowded country, and local acceptance is therefore one of the main drivers for the further development of the market in Germany.

Thank you for your attention.

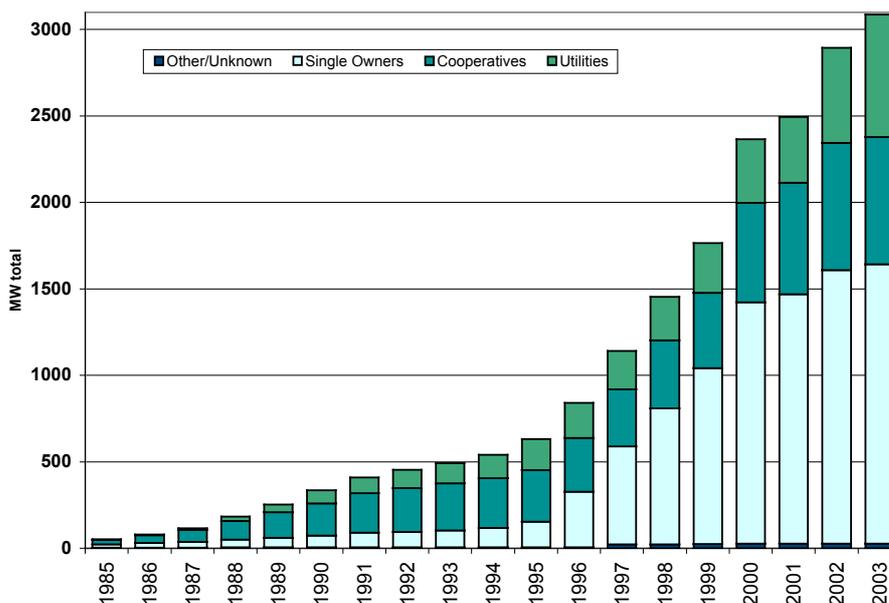
Mr. Gunnar BOYE OLESEN, OVE, coordinator of the INFORSE Europe network, Denmark

Thank you for inviting me here for this prestigious event. I'm very glad that you put the focus on local financing because in Denmark and in my organisation we find that it's of crucial importance both for present and for future support of renewable energy that these big structures that we install in the landscape also link with the people who are living around them and see them everyday.

My organisation for renewable energy is 25 years old and we have been working in Denmark with 2,500 members for all kinds of renewable energy in the framework of sustainable development. We have also been one of the founders of the international network for sustainable energy INFORSE.

Denmark is a small country, just one-tenth of France, where we've seen a remarkable development of wind power. This year something like 20% of the electricity supply, or more have been covered by wind. This actually started in 85, when we already had the first few megawatts installed. The cooperatives already played an important role at that time and they still continue to play a larger role. Already in the 80s, wind turbines were getting to a size that a simple, normal farmer couldn't use all the electricity. With the help of the State, an agreement was found with the utilities, who were not so favourable to the idea, so as the grid had to buy wind power at a rate of 85% of the consumer price. In return, each shareholder should not have more shares than his or her own electricity supply, a limit that was later on extended up to 8,000 kilowatt/hour and then 20,000 kilowatt/hour. So there was a clear understanding that these wind turbines were made for your own energy consumption. In addition you always had utilities which were interested to develop wind turbines but they were not too keen on it, so a small part of Danish wind power had been owned by the power companies. Then we had increasingly, over the last years, single owners, generally single farmers getting in and investing in wind turbines on their own land, who have effectively been driving the development since 1995.

**Danish wind power capacity
Ownership**



In this way, two-thirds Danish wind power are effectively based on local investments. Until 2000, regulations required that private investment should be local, with investors to be located within a certain distance from the wind turbines. First it was 10 kilometres, later it was up to the local municipality to decide how many from all neighbouring municipalities could be allowed for each particular wind cooperative. Land owners had a special regulation so that each farmer could own one wind turbine on his or her own land.

Cooperatives led the way and later farmers became the main investors. At that time special planning was made, so it was easy to find the places where wind turbines could be set. It was part of the planning process, there were places allowed for wind turbines. There was an increasing number of consultants and also local banks and whole areas got involved, people got specialised in wind power. In that way they could make it possible for farmers, who might not know so much about wind power also to take part without taking risks.

So if you look how the installation was year by year, you see that already in the 80s/early 90s, we had a kind of boom of wind turbines where cooperatives played a big role and there was very positive public opinion towards wind power. The economy was not as good as it is today but it was still good enough for people to invest. Investments were typically fairly small, like 3,000 euros per share or in that range, down to 500 shares was the smallest. And then there was a little bit of crisis in the 90s, where there was a problem with the land use. There were also discussions about feed-in tariffs and about grid connections. But that was solved around 95 and then you see the real boom of Danish wind power development in the late 90s, where it was mainly the farmers who invested. We also see the top in 2,000, the year when the feed-in tariff was cancelled. Since then beneficial tariffs are limited to re-powering programme, where you replace old small turbines with new bigger ones, which was the main driving force for the lowered development in wind power.

But also we have started offshore turbines installed by the power companies with no link with local investment, but it adds to the statistics. We have learnt a few lessons from our experience, mainly the cooperatives are building local support in most cases. If they are able to not always persuade all the opponents, they however create a general positive opinion.

In Denmark the final decision about land use planning is taken by the municipalities. We have bigger municipalities than you have in France. They are typically 5,000-10,000 people in each municipality in the countryside, more in the towns. We also have 14 regions, meaning that there are something like 300,000 people in each region. Both of them have elected politicians and these politicians take decisions about wind power, if it should be given planning permission. They usually support it when there is support among the constituencies and that's usually the case with cooperatives.

We've had a number of wind parks owned 50% by utilities and 50% by local consumers and cooperatives. This has proven to work well and build local support. It has some benefits in that the utilities are more professional on the technical side and the cooperatives are building the local support so that has been a successful part of the development. But even if it is in a way a local investment, we have had some incidents on the last turbines with single owners that create more local opposition, at least than cooperatives.

But all wind power projects can risk local opposition. In Denmark the experience shows that a minority of people is opposed if local financing is involved. So from our side the main argument for local investment is for the project development and for external investors their need to build local support. You don't want to have local opposition or protests and you can actually reduce that by opening the investment up for local investment, especially by involving those who live really close to the wind turbines, both in the discussions and the investments. For the local community, it also means a higher income from the local activities. We don't have such a thing as a professional tax in Denmark but benefits may come from investors' income taxes. Local

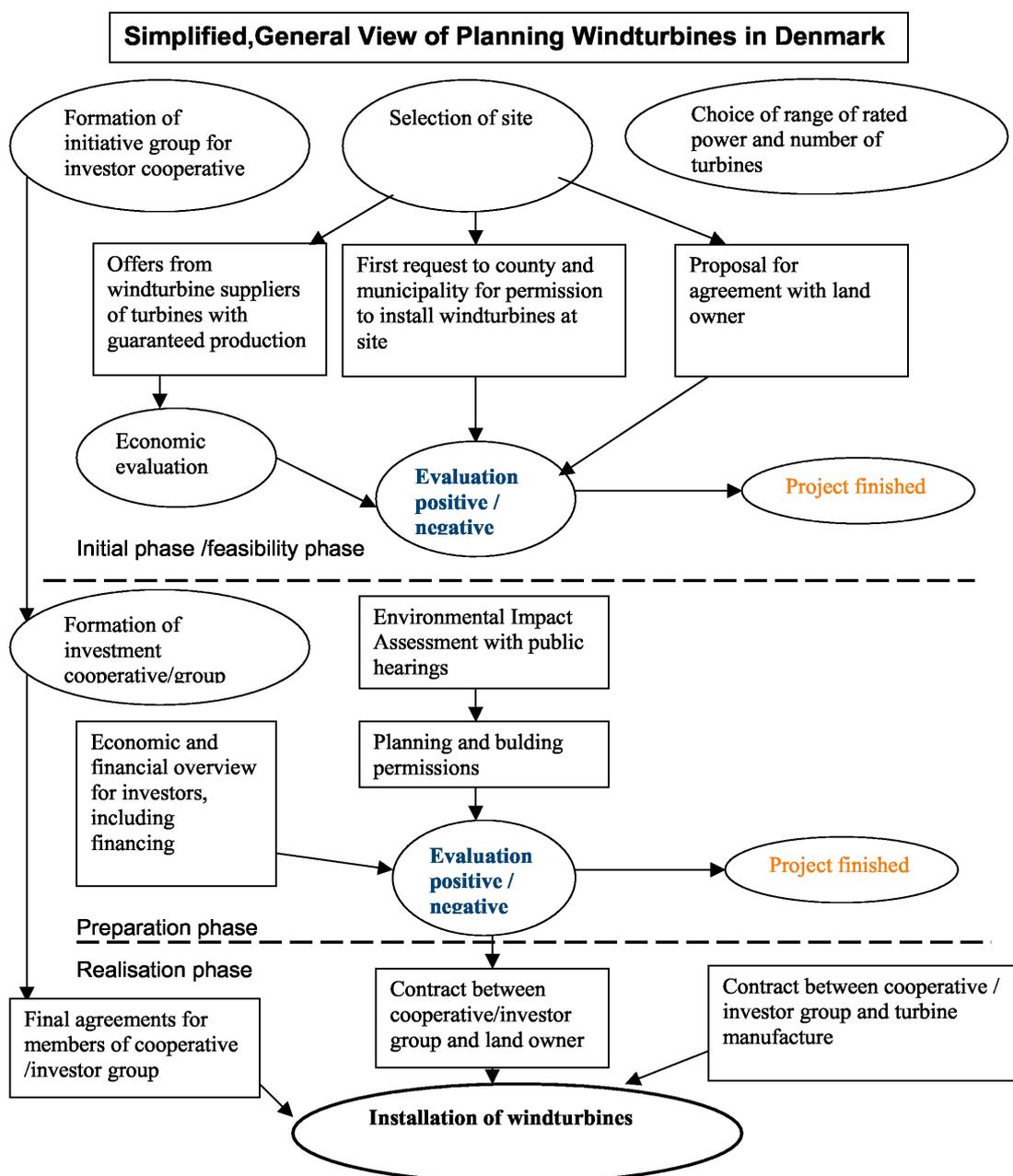
people can have more influence on local development if they are part of the investors. They also have a say on how this particular wind turbine is run and how it's sited in detail if they are part of the investment. If you're a planner or a political supporter of wind turbines, you see that with more local involvement in development you also get more support for the wind power policy and you get a more harmonious development.

I tried to make a little bit the same what you saw from Germany, how is it actually in general for the planning of wind turbines in Denmark. (see table next page)

Up in the top you have the creation of a group of cooperative investors, usually formed after some public meetings with those interested in the local areas taking part. Then there is the crucial selection of the site, a question of discussing with land owners for them to give their permission. Then you have the choice of range and rate of power. How many turbines, how big a scheme you are looking at? Is it just one or two turbines? 1 megawatt, 2 megawatt or 10/20 megawatt projects? Then you have to start looking at the offers from wind turbine suppliers. In Denmark they all give the guarantee of production, in fact a guarantee for the income you'll get from your wind plant, at least for the first 5 years. You have to give your request to the municipality to install the wind turbines at the site. Even though in Denmark we have designated areas for wind turbines, most of them are limited to wind turbines with a total height of 80 metres and most new wind turbines are higher than that. So in many cases we have to go through the whole planning process once again because these were all made in the mid 90s as a framework for this boom you've just seen. But there are still places available, it's just they're not so useful any more. So there is a planning process ahead.

Of all these things you have to evaluate, make an economic proposal based on the wind turbine suppliers and production. And then comes the first blue one, the evaluation whether it's positive or negative. If it's positive you go on below the dotted line by making the investment group, the legal structure. You also start an environmental impact assessment with public hearings and after that's over you ask for planning and building permission from the region and from the municipality. During this process all the involved partners are being heard. In opposition to what you saw from Germany, there is nothing here about grid connection and that's because we have a smooth system of grid connection. If a place is approved in the environmental impact assessment by the authorities, the power companies have to deliver the grid connection and grid reinforcement. And they have to do it at a price where the wind turbine owners are only paying the line until the nearest 10 kVA line. And they have to do it within a reasonable time so we have no real discussion about grid connection after this is all passed. This of course makes it much easier for local investors who don't really have the power to pressure the power companies.

Then you have to complete the number of investors, so as there will be enough investors, and then you pass the last dotted line by making your final contracts with the turbine supplier, and then the wind turbine has to be installed. The realisation phase is usually the smallest, it's just a few months. The first part here can take 2 years or something like that, more for big projects.



I'll just give you some examples of the growing role of cooperatives.

Back in 88, it was a typical cooperative with a 200 kilowatt turbine. They had 51 members from a village who would like to develop alternatives to the power production they had and they found that this was a good way of doing it. So they bought a 200 kilowatt wind turbine and shared it.

The second takes place in the mid 90s near Copenhagen, where there are 7 wind turbines, 700 kilowatts each, 3 owned by the power company and 4 owned by the cooperative that had 900 members. In these cooperatives everything is paid by the investors, the cooperative members, who can have loans from their bank that are specifically tailored to these small shares, 3,000 euros or so. The interests for the loans and what you get from wind turbines is more or less equal during the first years, and you start making a profit after 10 years.

The third one is a project from last year. Three 2 megawatt wind turbines each are replacing something like 16 turbines in a re-powering scheme where they got a little extra income. Here there is also a question of 800 members, all from this island of Aero with a total population of 8,000 people.

Last but not least, the Middelgrunden off-shore cooperative is located in front of the harbour of Copenhagen neighbouring an industrial area with a waste water plant and a coal-fired power plant on the other side. It includes 20 turbines of 2 MW each, financed by almost 8 000 private persons gathered in a single cooperative, all living in Copenhagen.

Thank you very much for your attention.

Mr. Josep PUIG, Director of ECOSERVEIS, Spain

(translated from French)

Wind energy was born in Spain when the National Commission on Energy published in 1953 the first map of wind resources. We then had to wait until the 1980s to see the technology being developed and the first 15 kilowatts turbine was connected to the grid in 1982. From the 1990s onward, wind turbines of 100 kW and more appeared, while they reached 2 MW and more since 2000.

The total power installed in Spain by end 2003 will be over 5,000 MW. How could this happen ? The Spanish government in the privatisation law on electricity, established a promotion plan for renewable energies. The first one, applying from 2000 to 2010, was decided in 1999 with the objective of 12 % of the primary energy to come from renewable energy sources. For wind energy, this means 9,000 megawatts to be installed by 2010. The scheme relies on guaranteed tariffs, but different rules apply depending on the year of commissioning – first half or second half of the 90's. For 2003 the distribution of installed power by region gives. Galicia is rank One with more than 1300 MW, followed by Castellan-La Mancha (740 MW), and then Navarre (almost 700 MW), a pioneer region that already supplies 20 % of its electricity by renewable sources and plans to reach 100% by 2010, and then Castilla-Leon with 634 MW. The other regions have an average of more than 100 megawatt but Catalonia is far behind and has not yet reached this threshold.

Why this situation? The reason is that in the 1960s Pedro Blanco, the chairman of the national commission on non-conventional energy, wrote that the development of wind power is a matter of great interest for Spain because the country is not rich in conventional sources of energy. Then nothing was done until the 1980s but if Spain is so successful, why not Catalonia? In the 1970s nevertheless, this region had been the pioneer in wind power through a project designed and installed by a students association of an engineering school. The first conference on wind energy was organised in 1980, and the first training course in the same year. In 1981 was founded the cooperative Ecotecnia, the first Spanish company that built wind turbines. In 1982, the first book specialised in wind energy entitled "The Power of Wind" was published and the first doctorate on wind energy was defended, both in Catalonia.

As a consequence of these initiatives, the government was forced to develop a measurement programme in more than 80 sites around Catalonia, from which the first wind map of the region was published. Maybe it's not as favourable as in Northern Europe but this revealed average wind speed higher than 7 metres per second in the windiest areas. Why did Catalonia fail the development of its wind power? As part of an ALTENER project, the potential had been evaluated at 3,500 megawatts, capable to supply 50% of electricity consumption in Catalonia. The first wind farm of the megawatt class type (4.05 megawatts composed of 27, 150 kW turbines) was developed in the South of Catalonia, thanks to the will of two municipalities, La Comarca del Baix Ebre and Tortosa.

In the 1990s, the government published a framework plan with the objective of reaching 300 megawatts by 2005 and 1 000 by 2010. By the end of 1999 the General Direction of Energy had received not less than 100 applications concerning wind farms. And that was the beginning of the problem. A lot of opposition was developed. People said that this had a negative impact on the landscape. And from that period the Minister of the Environment in Catalonia took over this dossier and the development process of wind power. He then announced that he's going to come up with a wind map establishing where it's feasible and where it's not to

install wind turbines. The key period was March 2001, when a political battle took place between the Government of Catalonia and the Spanish Government about the national hydropower plan, leading to a standstill in wind power development. There was a moratorium on wind power development. In June 2002 the government published a regulatory decree on wind energy with a wind map. This law became effective in June last year. So this is the map I referred to, the red areas are those where one is not allowed to establish a wind farm. So this is not a resource map. It's a map of the areas in which it is prohibited. If you compare the 2 maps you will see that it is difficult to take advantage of wind power in the most windy areas. These are in the east and west but these are mountainous areas. The end result is that at the end of 2002, our installed capacity was 84.48 megawatts. The next question is why again this situation? In my opinion, the Catalonian government has always been sceptical with regards to renewable energy. It never adopted a clear policy to facilitate renewable energy development. In Catalonia, where 70% of our electricity come from the nuclear power stations, like in France, again part of the members of parliament in Catalonia were using the wind power issue as a way to try and develop their political interests. What about these private developers? They failed to inform people locally. In fact they went to different places, they tried to convince the elected representatives, but not the population. Then the local environmentalists, who are not in fact in the local areas but based in large cities and come to these areas just to spend their weekends and they were against having the wind turbines in such landscapes. What all that means is that we have failed to develop partnerships between all players. The politicians, land owners, residents and environmentalists, such a partnership was not developed in order to reach a consensus which would have led to wind power development in Catalonia. And because of these problems, in 2001 in the south of Catalonia, they adopted what they called an agreement for clean and renewable energy with the participation of the environmentalists, but also with the industries involved in wind energy.

From that period on things started to change. In 2001, a small rural municipality of less than 100 inhabitants with a lot of potential wind resources asked ECOSERVEIS to carry out a study aimed at developing a small project of less than 5 megawatts, with the participation of the citizens. The project was started 2 years ago. We established a measurement station close to that small municipality. After 2 months of measurements those who were opposed to the project destroyed the measurement station. That was in the south of Catalonia, in the Priorato area, well known for high quality wine production. This destruction of the measurement station stopped the process and in May there were the municipal elections. After the elections the municipality reinforced the project because it was the same team that won the elections and by an absolute majority. So in the months to come we shall install a new measurement station, in order to pursue the project. So much for the situation.

Maybe it is time for me to say a few words about the workshop we had in Barcelona on 25 September 2003 as part of the WELFI project. The idea is first of all to come up with a legislation applied to the small wind farms of less than 5 megawatts. Initially it was said that within just 6 months it would be possible to come up with the legislation. But after one and a half years, politicians failed to come up with such legislation and to regulate the development of these small wind farms. The law requires that it should be favourable to cooperatives and the procedure needs to be simple, not as complicated as it is today for the large farms. There should be a certain quota of small wind farms to be installed each year. In terms of funding, we talked with banks that are prepared to finance such projects. We also talked with cooperative organisations that are also prepared to get the owners involved in the cooperatives. So 4 municipalities were involved in that seminar in which you also had wind power manufacturers, you had associations, WELFI representatives and so on, as you have seen on the screen.



l'investissement local dans l'éolien **wind energy local financing**

Colloque européen
European conference

Paris, 28/11/2003

For us, developing small wind farms owned by citizens is a way for us to value the local renewable resources and at the same time, generating income without disrupting the natural ecosystems. But the key for making such projects acceptable to the ordinary people is another way also of displaying solidarity and cooperation between the urban, rich areas and the rural, comparatively poor areas, particularly in a country like Catalonia in which most people live close to the coastal areas whereas the rural areas are almost empty.

Thank you for listening.

Mr. Alain CABANES, chairman of the group of local Authorities of the Haut Vivarais region, coordinator of the CLEO network – local authorities concerned by wind energy, France
(translated from French)

Good afternoon Ladies and Gentlemen. I've got two hats on my head while speaking in front of you. First as local elected representative I had the opportunity to experience the development of a wind project based on local acceptance. And as Director of AMORCE, an association of local Authorities, I participated with the support of ADEME in the creation of CLEO, a network aiming at helping local representatives to deal with wind energy development on their territories.

The main message to be addressed to local politicians is: you must not and you cannot divert your interest from wind projects in your area, because the turbines cannot be hidden in the landscape when they reach 100 m high. The target is thus to create a new landscape including wind turbines. In addition, wind energy will have an economic impact, not much by creating job opportunities, but rather through direct and indirect tax resources. These are two reasons why local communities are concerned and why they have their word to tell. So we would like to see local elected representatives involved in the projects so that it can be properly controlled and not let the project be completely led by others.

The first important thing is that the project should be controlled in a grouped way, i.e. within structures gathering several different local municipalities. This way the corporate taxes to be levied from wind production will go to the whole surroundings and not to the single municipality where the turbines are erected. And working on a broader area will of course give access to more possible sites and consultation will be made much easier. Finally, you, as elected local representatives, have to set up environment-related demands whoever the operator might be, whether you or a private company.

The major constraint after visual intrusion is the noise level, so a distance of more than 400 metres from the nearest residence must be respected. Creating a new landscape must lead you to call on professional landscapers who have some experience in wind energy. You must put demands on the installation works that must be realised in a clean and harmless way. And you must not only pay attention to the turbines, but also to trenches and access roads.

We incite local representatives to anticipate economic integration of the wind projects. First they can bring added value for tourist activities, considering that the first turbines appearing in the landscape will raise interest from visitors and thus provide opportunities for local tourism. The second economic impact lies in local corporate taxes. In spite of uncertainty concerning detailed figures, we can claim that every installed MW will bring in at least 500 or 600 Euros for each digit of tax rate. The average rate being around 10%, each MW gives 5 000 to 6 000 Euros of yearly income for the Community. Then comes local investment as an opportunity for local economy. I will come back on this issue later. Finally, the local Authorities can also directly bring a part of the investment, either alone or through private/public partnerships, so taking direct profit from electricity sales.

Local Authorities can be involved at different level in a wind project. The minimum involvement is just letting the private operator deal with it and collecting the local corporate tax. Seeing it's the Prefect who gives the building permission, this is a possible solution, but it's very risky because projects of this kind are typically those enduring the most opposition. The second level is to be involved in the administrative procedure concerning

urban planning documents and their modifications if relevant. The point is to fit the rules so as they are compatible with wind energy future developments in terms of building permits, or on the contrary to exclude specific sites where you don't want wind projects to be developed. The third level consists in defining criteria for a good local acceptance, concerning both the landscape and the economy, and even the number of turbines or of wind parks to be installed. The fourth level is to be actively involved in the local consultation process, not simply waiting for the Prefect to organise public hearings at the start of the building permit examination, but taking the initiative of consultation before and during the official procedure. At the fifth level, local Authorities directly participate in the selection of the site and of the operator. At the sixth level - which is relevant only if the project is planned on a publicly owned ground - wind power production is considered as a local public service including a contractual delegation with a defined operator. Finally the highest involvement is when the local Authority directly finances the investment, either alone taking 100 % of it, or at 50% or so through a local public/private company (SEM). We expect local representative to be aware of these various levels of involvement that all are possible.

THE EXPERIENCE IN ST AGREVE (ARDECHE)

In 2001 a project started in St Agrève, in Ardèche Department. This small Community, of which I chair the local government, is made of 7 villages with a total of 4 000 inhabitants. At the time of local elections in 2001, we had already received not less than twenty applications for wind projects from various developers. We however decided to control the selection of available sites. We therefore drew up a multi-criteria wind potential map that led to identify nine possible sites that were immediately subject to consultation with the neighbourhood. After a one-year process with numerous hearings and discussion, we finally selected three sites, one main site and two in reserve.

Then came the question of investment. Since the Community was obviously too small for the local Authorities to be in position to finance it, we decided to call for a private operator. We had no legal basis for choosing him, as this is a private activity and not a public service. So we just sent to all applicants a questionnaire asking them whether they would follow our demands. Thirty companies had this way been contacted and, following from a detailed analysis of each project, we gave our preference to VSB. This was not an exclusive choice, since the other operators were free to develop their project in the Community area, but none of them turned up. VSB being a local company, this was also an opportunity to support highly skilled local employment in an environment-friendly technology with a great future. We did not emphasised on local investment, but we suggested to VSB to include in their equity two private people having previous experience in small hydropower and willing to invest in wind.

In my opinion, financial involvement of local people raises two questions. First, it's claimed to help local acceptance but I'm not convinced of that. Possible investors are rarely opponents to wind energy, but rather wind supporters. Therefore this is not so obvious that this will reduce local opposition. More important, even if we promote local investment, we have to-date no operational solution to suggest to those willing to actually invest: what legal form? for doing what? with which associated risk? In addition, the restrictive regulation to public call for funding in France put a strong limit to possibility. How can you collect local funds without advertising for your project?

THE CLEO NETWORK

In the framework of AMORCE - the networking association of local Authorities dealing with energy and waste management that I run as Director – we decided to launch the so-called “CLEO” network with the support of the national energy agency ADEME. This network made of interested local Authorities has two objectives.

First, exchange of information. Very often, wind projects appear in small Communities without any technical staff. Elected representatives are thus somehow lonely and helpless facing developers’ speeches, papers in press, reports on TV and rumours spread by local opponents. CLEO aims at disseminate reliable, proven and organised information so as to stop rumours and false information. It will base its action on exchange and spreading of information and experiences, should they be successful or more difficult.

Another objective is the training of elected representative and of technicians so as to make them able to have a clear view of the wind projects they are faced with. The first session will take place in Languedoc-Roussillon in December 2003.

Finally, CLEO is expected to be capable to build proposition to the State and to ADEME so as to improve applying procedures, financial support or tax regime.

Our first task is to identify all local Authorities that are concerned by a wind project and to send them a membership dossier. This is not so easy to achieve since almost one thousand projects are claimed to be on tracks to-date in France, but we hope succeeding in our task within next months and years thanks to the support of ADEME.

Thanks for your attention.

EXCHANGES WITH THE PARTICIPANTS

(*: translated from French)

Mr. Christian Briard, Zéphyr, France*

I am a manager of a consultancy in France and I have a question for Mr. Twele.

I would like to ask you the percentage of projects that are not profitable in Germany, why aren't they profitable and is there a difference in profitability between the different wind farms. I'm talking for example about the shareholding wind parks or the private wind parks and perhaps those held by companies that are listed on the stock market. Perhaps you could put paid to some rumours.

Mr. Jochen Twele, Bundesverband Windenergie, Germany

In fact the most important impact on the economical benefit of the project is the wind conditions and not the structure of the company. So we have very profitable examples and they are mostly sited at the coast. We have some examples that came into problems in the last years because we don't have a steady wind condition every year, so we have some fluctuations in that. Unfortunately during the last 3 years we have wind conditions that are under the long term average.

I have no statistics on that because not every result of any project is published. What is published mainly are results of big companies; that's more or less public because you can have a look at the Internet. And only the big companies are listed on the stock market but not a single project. Some big developers are listed in the stock exchange but not the projects they initiated, because normally for every initiated project there is an old company that's a closed fund. So it is not publicly publishing all the results.

M. François Williams, Mayor of Ceaucé, France*

We were contacted by EDF's subsidiary to set up a wind farm. We started the project with them. We went through most parts of the process. We wanted to get involved in the project and we wanted to finance at least part of it. So the individuals and also the local authorities would be investing. But the developer said "it's going to be all for me or nothing at all". So then we started again trying to see what system we could develop on our own. We decided to create a Company, a so called *Société d'économie mixte locale* (Local semi-public company) with 51% of the contribution made by the commune and 49% funded by a specific company so that any local person could invest through that newly settled company. It's a commitment between them and us. Now we have just established this company and we have carried out preliminary studies.

With regards to selecting the operator, there will be a legal procedure whereby there will be a sort of call for tender and the SEM will decide.

M. François Ciesielski, Association Énergies Renouvelables et Environnement de Haute-Loire, France*

I represent the Haute Loire renewable energy association. It's an association of 70 members including 10 local authorities, 8 villages, individuals, professionals, with voluntary workers.

Currently there is something like twelve projects in different stages of development in Haute Loire and we are facing the problem of acceptance, notably from an opposition organisation. We are making feasibility studies for the various municipalities who might ask us to intervene. So we have noted that whenever you are methodological, transparent and if you are providing information, the number of opponents is reduced. But I think that the authorities don't have the means to provide the necessary information.

My second consideration is what I would call the discrepancy between the regulations and the practices. So on wind power there has been three major things this year, the 3 January law, the circular addressed to the

prefects, the Mr. Besson report. The regional authority (*conseil régional*) of Auvergne had recommended a planning scheme, which is in keeping with the 3 January law but this regional scheme in fact has turned out to be one of the maps, which highlight the most important landscape sites in Auvergne, a map of constraints and barriers.

M. Alain Cabanes, chairman of the grouped local authorities of the Haut Vivarais region, coordinator of the CLEO network – local authorities concerned by wind energy, France*

On the means available to the municipalities, I can say two things. I suggest that ADEME states clearly how it can support municipalities who are willing to carry out a spatial study on the wind power projects.

In the frame of our project, we used another means. The building permit is now at the examination stage. We had an agreement with the operator. After selecting the operator, well, the work was done downstream, helped you to save time, so you have the land He accepted to pay back half of the amount I spent in order to make this territorial study. This studies/information stage has contributed to improve the acceptance of the population. Naturally, there is no link between this agreement and the subsidy provided by ADEME.

Ms Annabelle Jacquet, APERe, Belgium*

I am working in the association for the promotion of renewable energy in Belgium. I am facilitator of Wind Energy for the French speaking regions and we are facing similar problems to those that were mentioned. We don't have local trade tax, which doesn't make things easier. I have a question to Jochen Twele and to Gunnar Boye Olesen. Sometimes, when we organise information meetings there are a lot of rumours. One of it is that, in Germany and Denmark, they no longer want to hear about wind turbines. Is that true?

Mr. Gunnar Boye Olesen, OVE, coordinator of the INFORSE Europe network, Denmark

In Denmark we cover something like 20% of our electricity with wind power. We have come to the technical level where we have to gradually also change the electricity system. We have to have power plants, which are better adapted to regulating up and down. And it's not just because of wind power but most of the power, which is not wind power, is actually cogeneration of heat electricity. Which also gives limitations to when you can produce because you can just produce electricity when you are needing the heat. To build in flexibility into this system so we can accommodate more cogeneration and more wind power, we need to change both tariff systems and in the long run some of the power plants. This is the technical background for some slowing down.

But in addition to that there has also been growing opposition to wind power. First those projects, which were not so well rooted in local populations, have given some local opposition. There has also been one newspaper that has been particularly devoted against wind power. It was in the 70s and 80s, it was very much pro-nuclear and it looks like the same journalists are still there. They don't speak much about nuclear any more, but they speak very much against wind power.

We get more opposition than we did for wind power projects 5 or 10 years ago. Regarding the planning that there has been, from the government, they said that they would like to see more wind power offshore and not so much developing onshore. It is true, many of the best places are taken. But there would still be substantial place, for instance near harbours and also on the countryside. This question should be seriously discussed. The present conservative government doesn't want to have so much more wind power, and is not, as the previous one, pushing the regions to put more wind power into the plans.

The regions had promised at a previous date to have 1,500 megawatts of wind power in Denmark. Since we are now about 3,000, they estimate they have done their job. We need a whole new discussion to push wind power again. And we have a slow down in development because we need the technical adaptation after the 25% in the western part of Denmark.

M. Jochen Twele

Looking to the German situation, I can't give you a general answer to your question, because it is different from region to region and it is different if you have a look at the time schedule. So we have a certain phase of opposition against projects at the very beginning and the reason for that is a lack of information. So it is not a public opposition against but there are some people who are against.

M. Paul Rocuet, Ener'gence, France*

Avel Pen ar Bed, a windpower association in Brittany proposed, with *Ener'gence* the energy agency in Brest, the principle of ZEFE (Zones Eoliennes de Fourniture d'Electricité - Zones of Wind Energy Production). We came up to this idea because we noted that Mayors didn't have control of the projects after the operators were selected in the frame of the *Eole 2005* program. Our purpose was to make sure local authorities could anticipate such projects by developing a territorial approach. And this is what Saint-Agrève has achieved.

I would like to ask Alain Cabanes how he has been able to get part of his initial expenditure reversed. Weren't you faced with some legal difficulties in getting that money back?

M. Alain Cabanes*

This reimbursement was based on a convention between the company and the grouping of local authorities. The local authorities spent money and the operator reimburses part of that. This was a contractual clause; there were no legal difficulties.

Concerning the choice of the operator, we sent a questionnaire to 30 companies. It is not a delegation of public services, so our actions were covered by weak legal foundation.

EXCHANGES ON ONGOING PROJECTS

Round Table led by Mr. Jacques QUANTIN, Energies et Territoires Développement – ETD (France)

Mr. Jacques QUANTIN,

(translated from French)

The WELFI partners wish that this conference could enable us to get feedback on practical projects that are ongoing in the field at the moment. The idea is to show that the wind energy projects that are financed locally are possible. We will also focus on the difficulties that these projects can encounter. To talk to us about these projects this afternoon we have invited 5 speakers and they represent 3 different projects, one in the UK and two in France. Angela Duignan will speak about the first one. The two others will be presented by Christophe Roger and Hubert Corpet; then by Gilbert Zieger and François Pelissier.

1. THE BAYWIND ENERGY COOPERATIVE

Angela Duignan, you are a project development manager in Energy4All. Energy4All is the consultancy created by the cooperative Baywind. Where are you based exactly in the UK? Could you describe the Baywind cooperative?

Ms. Angela DUIGNAN, Project Development Manager, Energy4All, United Kingdom

We are based in Cumbria, but our members are throughout the UK. So we cover the whole geography of the country basically.

Baywind's been up and running for 8 years now. Since then it is the UK's only renewable energy cooperative that is running on a commercial basis. So I was brought in specifically to develop new cooperatives throughout the UK.

This project was founded in 1996. The initiator in Cumbria was a Swedish wind company who came over specifically to form coops, so their model was to bring their technology to the UK, develop a couple of projects and then form local coops so that local people could own and run the cooperative. Then with that money they could go on and develop further sites. However, due to the planning status 6 years ago in the UK, they only managed to build 2 projects and retired out of the UK, which left Baywind as a sole cooperative in the UK, with 1,300 members.

Mr. Jacques QUANTIN

How did you actually mobilise so many shareholders? How did you communicate on the project and how did you attract them? In France, it's very difficult to communicate, apart from the issue of general subscription under the control of the AMF (Autorité des Marchés Financiers – the stock exchange committee).

Ms. Angela DUIGNAN

I think the key was they stayed local to the wind farm. So they did a leaflet drop into individual people's homes, telling them about the new opportunity in their area. And that received by far the greatest uptake. They also did radio interviews. But there are so many regulations about what you can and cannot say on radio regarding financial investments, that if you want to do a public advertisement it has to be very generic about renewable

energy assistance, rather than any reference to invest or to money, or else you get into trouble with the financial services authority. So it was basically individual leaflet drops that were by far the greatest way to get people's attention and response.

Mr. Jacques QUANTIN

What were the minimum and maximum stake holding figures that they could purchase in order to become shareholders? Did it have something to do with tax relief issues?

Ms. Angela DUIGNAN

Minimum investment for Baywind was £300. Simply because if you go any lower the administrative costs over 20 years are just too high. The maximum was £20,000 and that is still the same because it falls under cooperative law. The law hasn't been changed for almost a decade. So that 20,000 is a very restrictive, annoying limit on projects where you're looking to raise a couple of million. So we are looking for the coop legislation to be changed. But we do get tax relief on the money invested. It's a government incentive to invest in new technology. So you get your tax back when you invest in something like wind turbines.

Mr. Jacques QUANTIN

Who managed the project? 1,300 people together in one structure. That is a lot of people. We saw with the Danish and the Germans this morning it can be difficult. Who actually manages the cooperative and how is the power distributed? What power would I have if I were a small shareholder within the structure?

Ms. Angela DUIGNAN

The cooperative is a very socially minded organisation. So it is one member one vote regardless of the amount of money you invested. We run out of an office in Cumbria, which is North West England, where we hold the share database. Every year we give an annual dividend and when we give out that share on profits we hold an AGM where we present our information to our members. We have quite a high turnout for that AGM, well above a standard company. During the meeting we propose what we plan to do for the year ahead and our members vote their support.

We have a board which consists of 7 people, all of whom are from the locality around the wind farm. We have investors that are right across the UK, but the board of directors are from the area. From those 7 directors, 3 are now involved in Energy4All. So it is making sure everyone is included but it is tight enough so you can make decisions.

Mr. Jacques QUANTIN

How many people are in charge of the administrative side of communication? How many people manage those links with the shareholders?

Ms. Angela DUIGNAN

Just one who is based in our office. She is a trained accountant so she does all the accounts and also takes all the initial phone calls and requests for information we receive. Because we are quite unique in the UK we receive a lot of information requests from communities who want to build their own turbines, so she handles those. And we provide a newsletter to our members. We give them an update on what we think the issues are. We also mobilise our members to support our future projects. We have just had them all write to the Department of Trade and Industry to support our new wind farm in Cumbria which we had a massive response from and

which the government was overwhelmed by because they couldn't believe all these people were writing to support. They normally just get anti letters. So it was very successful.

Mr. Jacques QUANTIN

Do you have any similar projects that are pending at the moment and are you confident about further wind energy projects that could be locally financed in Great Britain in the future?

Ms. Angela DUIGNAN

We have a huge demand from the general public to invest in renewable energy. We have a large waiting list of several thousand people wanting to invest. We have two projects with planning permission for which we hope to form new coops next year. And we have one project that is awaiting planning permission in Scotland. We should hear about that next month. So in the UK we will have 1 to 4 next year. It has been a very good few months for us. But we have to work with other developers. Of those projects, one is led by a farmer and he has had to carry all those costs himself to planning before we got involved. The rest are in partnership with the larger developers who are pretty much the only people who are on the wind energy scene in the UK at the moment.

Mr. Jacques QUANTIN

The development of wind energy in France has been very similar to that in GB, at least at the outset. In the frame of the *Eole 2005* program in France, developers were particularly selected on their tariff proposition. So it has consolidated the projects on the very windy sites. Very often there were strong conflicts with local residents often caused by a lack of information. In Great Britain I think the *non fossil fuel obligation* was a very similar situation. Also in the UK there were conflicts. There were people who were very reluctant. There were opposition groups, like the *landscape warriors*. How have these pressure groups perceived your cooperative projects?

Ms. Angela DUIGNAN

Opposition in the UK is quite famous because it's run by Margaret Thatcher's old press secretary who's actually paid for by the nuclear industry. So it is a very well financed organisation called *countryside guardians* who boast quite literally that 1 person was responsible for the decline of 20% of UK wind farms. So it has been very successful in the past. But now I think people are very aware that a vocal few does not represent the majority and those shouting the loudest do not represent the majority that they claim to. There have been a lot of surveys and the same results emerged as in Denmark and Germany. The majority of people want wind farms near them. There is a difference between people who are from an area and those who have recently moved there perhaps from cities who believe they have bought their house plus a view. So they would be the two main opponents. We find that where we represent a local coop, because we offer something back to the community, local people are very keen to find out what that will mean to them in terms of finance, jobs and the local councils and stuff are also very keen. So it does help quite significantly.

Mr. Jacques QUANTIN

Thank you very much for your testimony, Ms. Duignan.

2. A PROJECT INITIATED BY FARMERS IN PICARDIE

Mr. Jacques QUANTIN

Christophe Roger you work for regional agency of ADEME in Picardie. How do you perceive today the development of wind energy in this region?

Mr. Christophe ROGER, project manager ADEME Picardie, France

(translated from French)

We try to perceive the development of wind energy in the most consistent way possible. I mean that wind energy as it stands today is a major subject for debate. One of our first missions was to make a certain amount of information available, whether it be for the operators or whoever. But wind energy must be accessible to local players, the farmers, the local companies, the SMEs, the local authorities, etc. In 2001, a feed-in tariff rate was established. At that time, there were a lot of concerns amongst the local population and the local elected representatives. Wind energy projects are not just linked to the wind energy potential, it's also a question of publishing documents. We published one in 2003 that combines all of the data required in order to implement a wind energy project.

There was a document that summed up the information on a local level and it gives technical and environmental information. It also gives information on regulatory affairs.

From an environmental point of view, it talks about the main migration paths of birds, wildlife, etc. From a technical point of view, it indicates the flight paths - whether military or civilian-, grid access. Each player in the wind energy development field has access to that type of information. Our neighbours, the Nord-Pas-de-Calais region, have set up a regional map.

These maps don't have any regulatory value. But with the regional council it has been drawn up. The idea was to make information available rather than to define different zones which said that there were certain areas that could be used for wind energy farms or not. We think that this should be addressed case by case.

On a regional basis, instead of considering this document as a regional type of map, we would transfer the responsibility to infra-regional and territorial level. And in fact we have done this with several different objectives.

Firstly we are trying to integrate the development of wind energy into territorial policies. The idea is to have some sort of consistency and a wind energy programme goes way beyond just the municipal scope. You have to have a global project and as Mr. Cabanes said, it would be a good idea to combine several different towns together in order to work better together. Perhaps by thus doing we can better grasp the local characteristics. For example we could delimit areas for landscaping efforts. In fact there are a lot of maps on a regional scale that cover a very vast domain.

Another point is to try and involve the local decision makers in the decisions. We can see that in our region the initiatives are usually taken by the operators who go and see the local authorities directly. The idea of this territorial approach is to turn this around and make sure that the elected representatives manage the development of wind energy projects. By thus doing they can participate much better in the decision making process. We have of course to encourage a consulting type of approach. In Picardie we have a consultation approach. We have technical and wind energy committees that meet together and we also participate in other local training schemes.

We try to have intermediate consultation levels that are a go-between between the territorial approach and the very local approach. We try to include all the players involved in the wind energy project. It is also the ADEME's

role to benefit from the “foot in the door” to include debates on producing power, talking about environmentally linked issues, energies conservation. That is basically what we have done to date.

Mr. Jacques QUANTIN

You have obviously given the answer that your neighbour Hubert Corpet, a farmer himself, has been looking for. I would ask you what you think of his initiative.

Mr. Christophe ROGER

I think it is great. It is very much part and parcel of the way we think and the way we try to develop wind energy projects. Obviously we try to involve more and more local players in these projects and that includes local investors. This includes the involvement of elected representatives. They are targeted in our information campaigns. They would also be involved at territorial level.

The Picardie Verte is an area that is considered favourable in terms of development. At that time there were other operators who were probably interested and who were going to address local authorities to see how they themselves could develop a wind energy project. But they and Hubert Corpet wanted to forge ahead and when we put together all of the parameters it seemed a good idea to have a combined debate on grouping together the different municipalities and seeing if this activity could take place.

Mr. Jacques QUANTIN

So the idea is to develop wind power at inter-city level. Is it due to the fact that there is not sufficient consistency in wind power development?

Mr. Christophe ROGER

This approach can fill in a lack of sufficient consulting among the cities. We are very aware of the fact that there are a lot of operators already in place. If everybody could just meet and think together then the wind power development would be more consistent and that would certainly help to promote local acceptance of wind power and generally make this approach transparent.

This approach would be in keeping with the interests of the operators, whether they be local or outside our department. But it also needs to respond to the needs of the local authorities. Especially when they need to develop other types of activities.

Mr. Jacques QUANTIN

Thank you Mr. Roger.

Now I would like to give the floor to Mr. Hubert Corpet. You are the chair of an agricultural development group. Can you tell us a little more about this group? How many farmers and what is the purpose of this group?

Mr. Hubert CORPET, President of the NGO ADER Picardie Verte, France

(translated from French)

In fact there are agricultural development groups everywhere in the country. The size might vary, it could be 10/30/50 farmers having common goals. These are people who tend to focus on farming techniques. What is specific in our group is that we also are open to other subjects such as training, the diversification of agricultural activities. These groups are led by technicians from the agricultural chambers.

Mr. Jacques QUANTIN

So you came up with developing a wind farm project during these discussions among farmers? How did it take place?

Mr. Hubert CORPET

In this group I did raise the question of wind power. That was at a time when many operators arrived in our territory. I said to myself if there are so many operators here, there are things to do and we want to be involved. We want to remain players. We can also do what they are doing. We might derive some income by making land available to them, but from an economic point of view that is not so much compared to what we could get by getting fully involved in wind power development.

Mr. Jacques QUANTIN

So you mean that, with classical operators, the local authorities can derive tax and a few farmers get incomes from land rental, but then the dividends in fact go outside the territory?

Mr. Hubert CORPET

Yes that is right. I felt it was a pity to establish equipment and machines on our territory without taking full advantage of such systems. Income that can be derived in the form of taxes and land rental, that is good, but the major part of the value added would leave our territory and not be profitable for the residents.

If we have to sustain the impact on the landscape, then it would be better to fully take advantage of the value added that might be produced.

Mr. Jacques QUANTIN

You implemented what you called an inter-city approach. What was the outcome?

Mr. Hubert CORPET

In our group we wanted to develop a local investment project in order to promote sustainable development. We had also noted that territory like ours was well adapted to the establishment of a wind farm. So we commissioned a study and it highlighted the most interesting sites for wind power.

We noted that for the most interesting sites, the so called professional operators with more experience than us, arrived ahead of us. So the agreements were already signed with the different regions and for us that was a pity.

Mr. Jacques QUANTIN

Why did you focus your research on just the Picardie Verte area?

Mr. Hubert CORPET

We are all farmers. We live in these communes. It seemed quite natural to us not to look for sites kilometres away but to look for sites close to our homes. That was also another way for us farmers who are criticised because of the various demonstrations we have, it was another way for us to establish a social link with the population of our inter-city area.

Mr. Jacques QUANTIN

Let's just presume that you cannot find a site in order to develop your project. Would you be interested in being the owner of 1 or 2 wind turbines in the farm of one operator already present on the territory?

Mr. Hubert CORPET

If it were to fail then I think we would be in favour of a solution such as the one you suggested. Because it would allow those who want to invest in wind farms to do it.

Mr. Jacques QUANTIN

Apart from ADEME did you get any support from regional or national farm organisation?

Mr. Hubert CORPET

Not that much support. For the time being our elected representatives just stand by and watch and they don't think we will be successful. But we are confident.

Mr. Jacques QUANTIN

What kind of company will you establish in order to develop that site?

Mr. Hubert CORPET

After a training with a lawyer we selected the type of company structure best adapted to our case which is known as Société par action simplifiée. It's a simplified company. It can be established within a few weeks.

Mr. Jacques QUANTIN

Thank you, Hubert Corpet.

3. A PROJECT INITIATED BY AN INDIVIDUAL IN LORRAINE

Mr. Jacques QUANTIN

Mr. Zieger, you are the chairman of the *communauté de communes de la Vezouze* in the *Meurthe-et-Moselle département*. You are close to another group of communes, *Le Pays des Etangs*, in *Moselle*. The reason I mention these 2 *départements* is that the project you will talk about is on the 2 territories. So may you give us a few figures regarding your territory?

Mr. Gilbert ZIEGER, President of the group of local authorities of La Vezouze, France

(translated from French)

The group of communes of la Vezouze is in Meurthe-et-Moselle. It is located to the south of Moselle between Nancy and Strasbourg, not far from Baccarat. It is made up of 34 different communes with only 6,000 inhabitants. It is a highly rural area, a very large area. From one border of the commune to the other there is something like 30 kilometres.

Mr. Jacques QUANTIN

When François Pélissier (ERELIA Company) came and said: " I have a project to submit to you", how did you react?

Mr. Gilbert ZIEGER

When he came I had already heard about his project before. So I said that it would be welcome in our territory because we are very interested in environmental protection and if we can use wind to produce energy, why not? At the same time it could generate jobs in our commune.

Mr. Jacques QUANTIN

The ERELIA Company wanted to develop regular and transparent communication on your territory and the elected representatives were all willing to act in such a way. So why did you insist on that communication drive?

Mr. Gilbert ZIEGER

Like many people before me this morning, I think that without consulting and without ownership by the residents a project like this one is bound to fail. It was clear that without the consulting process, the very few people opposed to the project would have been successful in spreading rumours. In several cases one or two people opposed to the project spread rumours, but with communication we have been able to stem such rumours and we know that broadly speaking our citizens are in favour of this project.

Mr. Jacques QUANTIN

How did you organise this consultation process?

Mr. Gilbert ZIEGER

Several actions have been carried out at the same time.

In the beginning we organised an information meeting with the political representatives of the groups of communes. It was important to make sure that each mayor could receive the same information. Then local political representatives established an inter-city consultation committee with various partners representing the state, the environmental organisations, representatives from both *départements* – *Meurthe* and *Meurthe-et-Moselle* - and from the groups of communes. It was a committee of 70 members with the determination to closely follow up the progress of the project.

Besides that we organised a public meeting for the territory as a whole in order to explain the project and how it would be implemented. We heard rumours about the noise that would be emitted by the wind turbines and we hired a bus to go to Luxemburg to visit wind farms there. And people were able to see that the rumour was not founded at all. People were therefore convinced. Then we met the elected representatives from Luxemburg and they explained how they implemented the project and responded to the various questions of the people who had come along on the bus. So we were very satisfied.

Today a large majority of people are in favour of the project. The minor opposition that existed dwindled away. As of today we are at the stage of submitting our request for a building permit and I think that people have taken ownership of the project.

Mr. Jacques QUANTIN

Thank you, Mr. Zieger.

François Pelissier, you are director of ERELIA Company. You are also deputy mayor of Nancy in charge of economic development and town planning. Can you give us the main figures of your project?

Mr. François PELISSIER, Manager of ERELIA Company, France

Both départements, 30 communes on the one side, 14 on the other one. It is a project with 16 turbines, 32 megawatts. We have selected 2 megawatts Repower turbines. There are three different farms. This represents around 35 million euros of investment.

Mr. Jacques QUANTIN

What has been your main motivation?

Mr. François PELISSIER

I am from this territory to start with. At the end of 2002, a farmer told me a German operator offered him to lease his land for a wind farm project. I asked him to wait, because I was interested in this idea of developing a wind farm. Then I surfed through the web and I looked at different things. I attended some conferences; I read different publications on this topic, notably from ADEME. I met different people at state level.

I also noted of course that a strong opposition to these projects is not rare. And I was convinced that this RE development project should be a real local development project.

So I drafted a charter when I acquired the skills to work on it. I highlighted 12 different commitments that I needed in terms of communication and consultation. In fact I took over the ADEME methodology, the consultation process, the monitoring process which was developed. An inter-city consultation committee has been created with a strong participation of the local population. Then I met M.P.s, the mayors and so on.

In March 2003, I established the ERELIA Company - a so called *société en participation* - with 100,000 euros. You need to have the capital to start with. If you add up the different studies, wind, soil, ground characteristics, don't forget that it takes a lot of time and you may not always have the same speaking partners, the mayor might have changed, there might be conflicts arising. So you need to move fast. And you need to have a consultation process that will continue. And within 9 months we had a lot of consultation. I organised no less than 12 meetings with just the land owners and farmers to explain. If you want to establish 16 different turbines you need to be clear about the land ownership or real estate issues.

Mr. Jacques QUANTIN

The land control should have been difficult, because this it is not simple to develop this project in three different sites?

Mr. François PELISSIER

It is very complicated. We took the national *APCA-SER-FNSEA* protocol. It's going to be 1,200 euros/megawatt for the landowner, 600 euros for the farm operator and 200 euros for the land organisation. In order to make things fair, we established a special adjustment. In a perimeter of 100 metres away from the location of the wind turbine, 70% of the abovementioned amounts are distributed to the person who has the turbine on his land and 30% to the person who has not. In this way we were able to convince 50 farmers to sign. Today everything is transparent, everybody knows who is getting what. Not everybody is getting the same but everybody knows who is getting how much. Because without that it would have been impossible to go on. I am also from that territory. I spent all my childhood in that territory. So knowing the background and the different relationships helped a lot and I think this is important.

Mr. Jacques QUANTIN

This is interesting because local operators could bring value added to these outside operators, who don't know so well the social link that exists.

Mr. François PELISSIER

Yes it is. But when you come to a given commune, if the project is interesting, maybe the 15 other surrounding communes might want to have the turbine in their own land. You have to select a site. When we did the pre-feasibility study, we selected areas on the commune and we also knew that there was military flight paths and a lot of other administrative constraints. In fact whenever the mayors think they have a site that could be used, it turned out to be already used somehow. And so there is just a limited area in which wind farms can be built.

I think in fact one has to be very consistent in terms of land use. In certain areas in *Meurthe-et-Moselle* you might have up to 6 overlapping projects in a 10 km perimeter. So again, elected representatives have to participate together to the choice of the sites. Otherwise many projects will end up in the scrap yard because people do not know much about the territory and the consultation is insufficient.

Mr. Jacques QUANTIN

Could you give us the major difficulties that you encountered in the project?

Mr. François PELISSIER

I basically went around to see all the State organisations. I met up with people from SDAP, ADEME, DIREN... But in fact when you start up a wind energy project there is really not only one office that is competent to deal with that. They are so many different players involved and it's really difficult.

Secondly the grid connection procedure is very complex. I think this stage should be simplified tremendously. I think also we should pay for the exploratory study. This is the only one study we don't have to pay for. And this is not a guarantee of reliability.

Mr. Jacques QUANTIN

There are 3 farms 1500 metres minimum apart and there are 3 different investment companies involved in those 3 farms, the SAS (simplified companies). 100 shareholders can participate in each SAS. You would like to get local shareholders – farmers or individuals. But apart with the agreement of the AMF (Autorité des marchés Financiers) which is equivalent to the stock exchange committee, you can't call on public funds.

So how are you going to get local shareholders, how are you going to attract them through these different investment companies without advertising?

Mr. François PELISSIER

In fact there are two main problems. The first one is raising the money for starting up so that you are actually in control of your own destiny. The second one is raising local funds without advertising.

The objective is to find 100 local shareholders for each company, who may contribute the equity. So we are working with the FIDEME (Fonds d'Investissement de l'Environnement et de la Maîtrise de l'Energie - Mutual Funds). We will try to contribute 10% of the equity with the local shareholders, 15% with the FIDEME and the rest should be covered by a bank loan.

What we want to do is create a company per wind farm but we would like to pool the risk. This business plan can still change in the future.

The three SAS will rent the farm to the operating company and establish the three contracts. There is a 15-year maintenance contract and the purchasing contract is a 15-year contract with EDF. There is also a 12 to 15-year loan plan with the bank. The operating company will sell the electricity to EDF and ensure the maintenance.

At first we wanted to have a fixed 7% profitability rate. But one day, somebody said to me: "your idea is not good, if I invest and the weather doesn't matter at all, I will always receive 7%". And I can remember, my father used to be happy on some days when it rained and very upset on other days when it rained. And I think this

weather variability has a tremendous impact on investment. People do not want guarantee but a real participation to the project, notably associated with the weather. So we organised a certain variability of the dividends depending on the weather.

We have a very limited number of residents so it will be difficult to raise enough money locally. The FIP (Local Investment Funds) that have been recently created could be an interesting tool.

The difficulty is getting started up. Parallel actions, like the technical studies, the impact studies, the consultation etc, have to be conducted within 9 months. So you have to start everything up. And somebody needs to bear the risk at that stage. We have invested more than 400,000 euros during 18 months for this. The ADEME method is great but it is very expensive. However the consultation has very important advantages.

What are the initiators actually doing? It is like capital risk companies. They know that out of a certain number of projects one site will see the light of day. So they get down the development investment on each site. The selling price of one successful project will cover the costs of the others that failed. But that is not how things should be done. The elected representatives should all focus their efforts on one site and we have a 90% chance of that site becoming up and running in the future. Instead of dispersing your efforts, this is how we should do things. Because it won't be dragging on forever, you'd be mobilising people more. But in the beginning you have to find somebody who is going to finance this development.

Mr. Jacques QUANTIN

Thank you very much, Mr. Pélissier.

EXCHANGES WITH THE PARTICIPANTS

(* : translated from French)

Ms. Annabelle JACQUET, APERe, Belgium

Ms. Duignan, I would like to go back to the problems that you encountered with calling on public funds. I would like to go back to your method and your advertising campaigns. You talked of using generic terms, not using too much detail. It doesn't sound easy but you succeeded where others failed. So perhaps you could tell us a little more about how you went about it. What did the brochures look like? Were you able legally to distribute brochures and what information could you actually give in those?

Ms. Angela DUIGNAN, Project Development Manager, Energy4All, United Kingdom

For the generic information. We have had for example over 2,000 people register on our website for further information. Because Baywind is up and running. It is a proven and tested model. So we can give the financial numbers out. They are in the public domain because they are facts. So we are allowed to do that. So that is one way we have of getting around it next year when we launch a new campaign.

The share perspectives. People have to come to us and say they are interested in receiving them. That contains financial information which has to be approved by the financial services authority. So there are 2 stages basically. At first, you say, are you interested in this concept of supporting this local renewable energy scheme or joining this local cooperative? If they say yes then you can send them out a government watchdog approved financial document. You get people in using generic terminology and then you can send them factual information asking them to invest their money. The first share offer was done in 2 stages. That is probably my key. Start small and work your way up. We had one round back in 1997 that raised £1.2 million. Then we opened up a second round to buy the rest of the turbines from the site. Of that, 43% of our investment came from our existing members actually increasing their shares.

Mr. Jacques QUANTIN *

Reynald Bavay would like to speak. You are expert in land planning in RE department of ADEME, in Valbonne.

Mr. Reynald BAVAY, ADEME, France *

We talked about the ADEME method of consultation. I would just like to point something out. In France, it is true to say, there are so many studies and stages that have to be carried out before wind energy projects are implemented. So we have to sum up all of the feedback and pinpoint best practises and also things that didn't work out and why. There is a guide called "Social and Territorial Insertion for Wind Energy Projects". You can find it on our Internet site, www.ademe.fr.

What are maybe the main results of this analysis? You have to give priority to an intermediate level between the regional level - because you need to look at the potential wind energy sites - and the local, municipal level. Because obviously even if there is one village or town concerned one has to look at the territorial level. Very often in France, the villages are very small and they have to be combined. And with the territorial approach, whereby we have to look at all the territorial issues, we suggest creating a territorial consultation committee. This is what ADEME is doing through its regional and central delegation.

Mr. Franck TURLAN, CAUE de L'Aude, France *

What is the minimum level for people to feel really involved?

Mr. François PELISSIER, Manager of ERELIA Company, France *

I would say the minimum would be 1,000 euros.

Mr. Franck TURLAN *

1,000, why not 2,000 or 3,000?

Mr. François PELISSIER *

Well, it's a simple calculation. I think the administrative costs would not be covered under 1,000 euros. This amount shows also a motivation, an interest for the project. I think we need to see how we can create also a maximum amount so that we are not creating imbalance and certain jealousies. We will not carry out any advertising campaign. We will work on an information leaflet that we will give to people from hand to hand. People will come to the showroom that will be no far away from the wind farm site and then they can have a one to one meeting with an advisor, if they want.

Mr. Jacques QUANTIN *

Please, Mr Jean-Yves Grandidier.

Mr. Jean-Yves GRANDIDIER, VALOREM, secrétaire de France Energie Eolienne (FEE), France *

I am speaking as chairman of the commission in FEE that deals with representatives of the electricity distribution network. I would just like to rectify something that was said. Mr Pelissier, you said it was something that should be paid for the exploratory study. We fought against this ourselves. There is going to be a new procedure: project developers will be able to register for the connection to the grid (i.e. to enter the "queuing up system") once they have the building permit. What we want to do is to give priority to the right projects as opposed to those projects that do have a lot of money behind them.

Mr. François PELISSIER *

You might have a good project, but the problem is: I don't know what EDF is going to do. Until I have building permission, I am going to have to invest 200,000 euros in my project without knowing if there is going to be any grid connection.

Mr. Jean-Yves GRANDIDIER *

This situation is the same for us promoters. But we prefer this procedure to exploratory studies with very ambiguous results. When you know that you are the first project that will have building permission and you must wait 5 years to get connected to the grid, because there are 235 megawatts ahead of you, it is a ridiculous situation. What we want to do is to make a map of potential capacity available. We are trying to do things properly. With the network managers, things are moving forward.

Mr Pelissier you explained that at your territory that had about a 30 km radius, the majority of it is covered by certain constraints that mean that you couldn't implant wind energy farms. I think that a certain number of regional contact people and people from the *départements* have to work to lift some of these constraints and make sure that the wind turbines can be in those areas where they'll be accepted the best. Christophe Roger, I think it would have been interesting to mention that between Abbeville and Amiens a certain number of people have worked very hard to raise the lower level of the flight path there in order to be able to establish wind farms.



L'investissement local dans l'éolien

Colloque européen
European conference

wind energy local financing

Paris, 28/11/2003

Mr. Christophe ROGER, ADEME Picardie, France *

No I didn't point that out because there are a lot of people working out there.

Mr. Jacques QUANTIN *

Thank you very much indeed for your testimonies.

HOW CAN THESE FINANCIAL INVOLVEMENTS BE FACILITATED?

Round table led by Mr Philippe Rocher, Cabinet Metrol, France

Mr. Philippe ROCHER

(*Translated from French)

For this last round table, we have invited:

- 2 bankers, Jan Poppe who is based in Belgium but represents Triodos, a Dutch bank, and Jean-Michel Youinou, Director of loans in La Nef, a co-operative finance company with 8,000 members, private persons and legal entities as well
- a representative of the Ministry of the Environment and Sustainable Development, Nathalie Guimbert, from the economic and environmental assessment department
- 2 representatives of wind professionals, Jean-Yves Grandidier for France-Energie-Eolienne and Antoine Saglio from the Syndicat des Energies Renouvelables
- a representative of the national agency for energy management ADEME, Philippe Beutin, head officer of renewable energy department.

Jan Poppe, you are responsible for renewable energy at Triodos bank, which is known as an “ethical bank”, the only bank of this size in Belgium. What is the difference with a “normal” bank?

Mr. Jan POPPE, Account manager project finance for renewable energy, TRIODOS Bank, Belgium

(*Translated from French)

Well in fact we manage money, taking into account not only financial but also social concerns. We offer loans in environmental protection, social development and culture. It is very important for us to make sure our loans and our investments contribute to sustainable development. The Bank was founded in the Netherlands in 1980. We started working in Belgium in 1993, in the UK in 1994, and we will start working in Spain, in Madrid, in January 2004.

Mr. Philippe ROCHER

You funded numerous wind farm projects with a cooperative structure. How does it work regarding financial arrangements?

Mr. Jan POPPE

We have to-date financed 250 wind turbines in the 4 countries I have mentioned. We have projects that were developed and operated by private operators, by utilities, by associations, by cooperatives, all sorts of customers. What matters to us is to fund the renewable energy activity as such. If we can do this in a citizen-oriented matter, that is a plus.

Mr. Philippe ROCHER

You also insist on the fact that you made bank facilities available. What is specific about your bank to that extent? Do you offer special arrangements to cooperatives when they invest in renewables?

Mr. Jan POPPE

We have heard today about your difficulties in France with the approval of Stock Exchange Commission prior publicly calling for funds. In Belgium, raising public money is free, with no need of approval by SEC, including for co-operatives. This status however put constraints when agreed by the State, like compulsory provisions and limitation to 6% of the dividends served.

We offer credit facilities to this kind of cooperatives. We first define the amount of own funding needed for building and operating the wind farm. Then we make the rest of money available for the operation by loans. Along the whole life of the project, the cooperative will be allowed to refund the loans by anticipation without penalties.

Mr. Philippe ROCHER

Where do these available liquid assets come from?

Mr. Jan POPPE

What happens is that cooperatives submit a project on paper. There are no turbines yet. Once the turbines are there people are much more interested, they no longer see it as a risky project. After the turbines start operating people become more confident and it is easier to raise money. That is why we are flexible with the cooperatives so they can refund earlier.

Mr. Philippe ROCHER

You worked on a 4 megawatt project in Flanders Region. Can you give us ratios regarding the equity you expect from the cooperatives?

Mr. Jan POPPE

I can give you the example of Ecopower, a cooperative based in Eeklo. They installed 2 Enercon turbines, 1.8 MW each in 2001, an investment around 3.5 million euros. They started with their own contribution of 400,000 euros, issuing from a subsidy by the regional government and we provided the rest. 2 years later they had more than 1 million Euros in equity and they were able to pay back 600,000 Euros.

Mr. Philippe ROCHER

This means that you consider investment subsidies as an equity?

Mr. Jan POPPE

We offer a kind of "deck loan" for pre-financing this kind of subsidies, benefiting from a lower rate of interest based on EURIBOR.

Mr. Philippe ROCHER

This type of subsidy is quite rare in France except in the case of the Champagne region, in which the ADEME and the regional government contributed. But that is something that no longer happens since feed-tariffs are available. So now, back to your case: how many people were in the cooperative at the beginning and what about now?

Mr. Jan POPPE

At the beginning the 400,000 euros in equity were shared by 100 members in the cooperative. But today they are 2,000 members sharing more than 1 million Euros in equity.

Mr. Philippe ROCHER

What average value of shares do you usually recommend?

Mr. Jan POPPE

In the case of Ecopower, it was 250 euros per share, a lower amount to make sure that as many people as possible could invest, so as to have many members and to get more public support for the project. This was a way to convince the municipalities to grant the building permit. The number of shares has no limit, but the voting rights will always be one per physical member based on the "one person, one vote" principle.

In such a system however, you have sooner or later to limit the issuing of new shares, since in a cooperative, they must be issued at their nominal value, not at their real value. That is a typical problem of cooperatives. Former shareholders get an equal dividend at 6% although they accepted higher risks than newcomers.

Mr. Philippe ROCHER

What about risk analysis in this type of financial package? What and who do you focus on and what are the criteria you use?

Mr. Jan POPPE

For us it is regardless of the legal structure of a given project. All criteria need to be met. For example, the choice of high-quality turbines, duration and conditions applying to the O&M contracts, and of course the conditions for sailing power on the long term. In France you have your 15 years sales contracts, but in Belgium it is more complicated since our system is based on green certificates, so it is more difficult to negotiate a long-term contract.

Mr. Philippe ROCHER

What kinds of drawbacks did you noticed in the projects that you supported?

Mr. Jan POPPE

In most cases the projects are submitted by developers, so there is usually no problem regarding the legal issues. They submit only ready-to-start projects, with all development risks eliminated before getting in touch with the bank. A bank cannot be involved before the permit is obtained and before the developer can demonstrate that the project could be profitable. So it is a matter of designing a proven project rather than assuming development risk.

Mr. Philippe ROCHER

You said that the approval of the Stock Exchange Commission is not requested for those cooperatives agreed by the State. Who in this case guarantees to future shareholders that the project submitted is valid? Is it the bank?

Mr. Jan POPPE

It is not the bank that tells the public to buy shares, but the developer who takes its own responsibility when advertising. The usual procedure with a leaflet approved by the SEC have the advantage to protect potential

investors, its main target, but this induces high expenses and time consuming for that. Next year for example, we are going to issue loan bonds for a package of 3 projects for which we will ask for the approval of the Stock Exchange Commission. This operation represents 4 millions Euros for a total investment of 12 million Euros. For such an amount you can follow the procedures set by the banking commission in spite of their extra costs.

Mr. Philippe ROCHER

So if you issue the bonds, will you distribute fixed income?

Mr. Jan POPPE

That is a solution to introduce local participation in projects that have been developed by commercial companies or utilities since they generally do not want to open their capital to other shareholders. That is our experience in Belgium. These fixed-rate bonds allow local investors to be involved in a safe investment, whatever the situation of the company should be, but with no voting rights.

This situation is following from the will to be in position to make strategic decisions. Under our system in Belgium, each operator must get each year a certain number of green certificates, and if they don't they pay penalties. This means that they have to permanently take decisions for purchase and sales. On the contrary, with your 15 years purchase contracts in France, you don't need any strategic decision during the whole operation period. So as to be sure that there will not be major debates or conflicts within the shareholders base, they don't open it.

Mr. Philippe ROCHER

How will you design and implement this bond loan?

Mr. Jan POPPE

In fact the project developer is a local public energy company. Triodos bank will prepare the leaflets and ask for the SEC approval. We will work in cooperation with a network of conventional local banks. Since we are established only in Brussels, we need working with local banks to reach people in areas around the projects.

Mr. Philippe ROCHER

As a conclusion, what is the philosophy behind your approach of renewable energy financing?

Mr. Jan POPPE

We started funding wind energy in 1986, just after the Chernobyl disaster, and we developed our own project in The Netherlands with a technical consultancy. That was a decision we took at that time to contribute to environmental protection, today to comply with Kyoto commitments. It is not just a commercial opportunity, we have been present in this sector for 15 years.

Mr. Philippe ROCHER

Thank you Mr Poppe.

Mr Youinou, you are the credit director in La Nef. It is not a bank, but a cooperative financial establishment. This means that each of your members somehow owns a share of La Nef. What is the difference between a cooperative bank as compared to a conventional bank?

Mr. Jean-Michel YOUINOU, Loans Manager, La Nef, France

(*Translated from French)

I will not give you all the details about banking regulation, but it is a matter of equity level, of sectors to be funded and of specific agreement with the Banque de France.

Mr. Philippe ROCHER

What sectors do you preferably fund?

Mr. Jean-Michel YOUINOU

We are no so different from Triodos, since our 8,500 members trust us for manage with their savings and to invest them in projects linked to environmental protection, to social and cultural activities. With regard to the environment, whether it be agriculture, safe products and in the field of energy we also fund solar thermal or photovoltaic energy, wood energy. We are more and more often contacted by people who want to invest in wind power, should they be simple savers or project managers.

Mr. Philippe ROCHER

What about what is known as solidarity funds, is it like ethical funds?

Mr. Jean-Michel YOUINOU

Most banking establishments do have in their range of products what they call ethical funds, based on social and environmental rating carried out by specialised organisations like Ethibel, Vigéo ou Core-Ratings. Solidarity funds involve an additional will to share the money: the saver gives back a part of his or her interest to an organisation or an association chosen among the partners of the Fund.

Mr. Philippe ROCHER

Do you restrict your participation in conventional industrial or commercial projects?

Mr. Jean-Michel YOUINOU

There must be an environmental or social concern behind the project if we are to fund it. It might be a large industrial project of several MW, but we will in any circumstances require an appropriate consultation process at local level. We tend to advise these investors to open their capital to local funding for acceptance purposes among others. It could also be cooperative projects like those described by Jan Poppe in Belgium or by Gunnar Boye Olesen in Denmark. In fact we don't exclude any approach as far as it clearly includes a fair relationship with local populations.

Mr. Philippe ROCHER

You would like to describe a potential financial tool known as Fonds Commun de Placement à Risques [Venture Capital Mutual Fund]. What is it?

Mr. Jean-Michel YOUINOU

There are several ways for local private persons or professionals to invest in wind projects, for example in the owner company or in the operation company. So it could be direct investment into the company or cooperative, whatever status, it doesn't matter, that is a legal consideration, and there is no ready-made solution. Another way is more indirect, through a delegated and common management of investor's shares, which can be a FCPR.

This gives additional advantages to the investors, since they are eligible to tax rebates on incomes and on appreciation, provided the shares are maintained for at least 5 years in the Fund.

Mr. Philippe ROCHER

Concretely, how does it work? What is the value of each share?

Mr. Jean-Michel YOUINOU

If we want it to be accessible to the largest public, the price per share must be relatively low. A figure between 250 and 1,000 euros seems realistic.

Mr. Philippe ROCHER

Do you think there is an acceptable or an optimum percentage of local investment in the equity?

Mr. Jean-Michel YOUINOU

Let's take a 10 to 12 megawatt project, roughly 10 to 12 millions Euros of investment. An appropriate balance between the private investor and the risk covered by the bank requires a significant part of own funds. Depending on the wind conditions of the site, between 20 and 30% of shareholders' equity will be requested, the rest being supplied by long-term loans. This means 2 to 2.6 millions Euros provided by shareholders' equity. The FCPR cannot anyway legally invest more than a certain share of the equity.

Local investment of private persons can be organised as follows. In case of a project supported by the local Authorities, the main operator will usually take 51% of the shares and leave the remaining 49% available to the local residents or neighbouring population. They should be farmers around the site, craftsmen or local professionals in the next village. For making up the investment, the FCPR will allow integrating a much broader population. By investing in a wind project, they show that, concerning, their are not only asking for profitability of their savings, but also for giving their use a special meaning.

Mr. Philippe ROCHER

To what extent is it possible for FCPR to give priority to local investors?

Mr. Jean-Michel YOUINOU

It is not necessarily included in the statutes of the FCPR. For being proposed by a bank network, a FCPR must be identified by a special code (named SICOVAM in France), making it by the way is accessible to everybody.

Mr. Philippe ROCHER

So we can say this not exactly local financing but rather ethical funding, can't we?

Mr. Jean-Michel YOUINOU

Another solution can be found with the Local Investment Funds, named FIP for Fonds d'Investissement de proximité, which had just been created in France. Their implementing regulation is not yet clear enough, but they give advantages, particularly regarding tax regime. A private individual can get tax relief up to 3,000 euros if he or she invests over 12,000 euros, doubled when married.

This is a main difference with the FCPR regime, which does not offer tax relief but a rebate on income and appreciation taxes since the money is left during 5 years.

Mr. Philippe ROCHER

Some rumours are speaking of astonishing profitability of investment in wind energy, up to 23%. What do you think of that?

Mr. Jean-Michel YOUINOU

Let's look at this FCPR, which as a mutual investment fund must include listed and unlisted shares in order to distribute the investments. Unlisted shares represent the "ethical part" of it, with a maximum rate up to 60% of the portfolio. Listed shares will provide more stability, since they are acknowledged values, subject to numerous transactions. That makes it more liquid as compared with unlisted shares, which need a longer period for investment and can be successful in certain cases and unsuccessful in other cases. So the choice of the sites to invest is a sensitive issue that must take into account their technical and wind qualities.

Mr. Philippe ROCHER

So when we talk about investments in listed companies, they don't have to work in the same sector?

Mr. Jean-Michel YOUINOU

Not compulsory. It is rather good to have diverse investments in different sectors, so as to spread the risk. In this kind of FCPR, you have the opportunity to also invest partly in the agricultural property, which has a strong link with wind farms. Of course the profitability rate on agricultural real estate is not that high, between 1.5 and 2.5% of safe yield. The land may be complementarily rented to farmers who want to set up their business there.

Mr. Philippe ROCHER

What about the costs of those funds? How are these costs spread?

Mr. Jean-Michel YOUINOU

All kinds of Mutual Investment Funds such as FCPR cause management fees because of the administrative structures that are required to manage them. These fees are taken off the final yield percentage, what means to be competitive if you reach a profitability of 6% or so. Social contributions must however been taken off this figure.

Mr. Philippe ROCHER

How do you get in touch with interested people?

Mr. Jean-Michel YOUINOU

Mainly through our structure. We are in fact a cooperative financing structure, with about 50 volunteers who actually get our cooperative up and running. They often are in contact with the local population and project initiators even through their professional activities and through their membership in different associations. We have advanced contacts in Brittany and in the North of France.

Mr. Philippe ROCHER

What are these people actually looking for?

Mr. Jean-Michel YOUINOU

Beyond any return on their investment, they want it to be meaningful from a social and environmental point of view.

Mr. Philippe ROCHER

You have also been given a mandate by the FEBEA, which is a European Federation of “ethical banks”. Does this reflect an evolution of your status?

Mr. Jean-Michel YOUINOU

Well La Nef is at the heart of several networks. You mentioned the FEBEA, we are also a founder member of Finansol, an association promoting ethical investments with several ethical and alternative banks and finance companies as members. We created the European Federation of Alternative Banks and we are in partnership with the Crédit Coopératif in France and with Etica Bank in Italia for the biggest. Our job is to federate a certain number of financing organisations sharing our values and to promote projects at European level.

Mr. Philippe ROCHER

So there is a new species of bankers appearing on the marketplace who of course are looking after secure and profitable investments but at the same after ethical projects. Thank you for your explanation.

Nathalie Guimbert, you are Head of unit in the Ministry of Ecology and Sustainable Development. You are probably not so much concerned by the financial and legal aspects we have just talked about. You tend to come in much earlier, during the procedure, don't you?

Mrs Nathalie GUIMBERT, representative for Energy in Ministry of Environment, France

(*Translated from French)

You advisedly pointed out that the issues discussed before are not under our scope. However the message that we would like to convey is that the upstream stages are of the highest importance, mainly the territorial approach and the association of different players as early as possible. A regulatory framework was set up over the past 12 months. We have tried to make sure that this is properly explained to the different players. A memo was sent out to the Prefects concerning this.

We want to incite the different players at different territorial levels to develop procedures that will consider the territorial aspect as early as possible. We are also developing territorial management tools. Different experiences had taken place in France with varying results: expert groups, local task forces, monitoring teams, and so on.

Some expert groups at regional or district level had developed very interesting initiatives like Charters, maps, plans, ... At national level, we are thinking of complementary tools, mainly widely targeted guidelines, useful for developers and consultancies, but local Authorities and associations as well, so as to properly develop a wind project.

Two examples of on-going projects. The first one, the “Guideline for wind project developers”, embraces all aspects of the development, it gives advice for the whole approach to be followed. It will be published quite soon. The second one, to be published in early 2004 will specifically cover the methodology to be used for the exploratory study and the impact assessment study. They will both be available to ADEME.

Mr. Philippe ROCHER

What is the Ministry's advice to project developers? You said they have to be involved as early on as possible: is it at the moment of the impact assessment study? Even earlier?

Mrs Nathalie GUIMBERT

What we advise and what we indicated in the memo to the Prefects is to associate local actors long before the impact assessment study start and before the public hearings. These procedures of course offer opportunities to give information and to make public participation possible, but they come very late into the process, that why we incite to start consultation before these steps.

Mr. Philippe ROCHER

The Memo to the Prefects we talked about the memo is now official, although non legally opposable. What is the objective of this document?

Mrs Nathalie GUIMBERT

The idea is to inform the Prefects and the different state departments as to how to apply the new legislation specific to wind energy projects. There are a certain number of recommendations there. The memo is an inter-ministerial memo, signed by the ministries in charge of industry, civil works and ecology. It concerns the entire development of wind energy projects: ground use, connection to the grid, environmental assessment... At our level we insisted on the consultation phase and on territorial involvement in the wind energy projects.

Mr. Philippe ROCHER

It seems that this memo is not taken into account everywhere?

Mrs Nathalie GUIMBERT

Well, we have heard of some problems. Of course it took a long time to be signed, it was impatiently expected, that a pity to see such reactions.

Mr. Philippe ROCHER

Back to our guidelines, do you think it should be possible to publish another one about local investment? Could we imagine an inter-ministerial working group on this topic?

Mrs Nathalie GUIMBERT

Well, the two guides I mentioned to be published do not consider local investment as such. This topic seems however interested to be investigated, may be through other tools, like a best practice book or an inter-ministerial exchange committee. I'm not sure that the Ministry of Ecology is the best place to tackle these financial and legal issues. But of course consultation would be a good idea.

Mr. Philippe ROCHER

We can see the impact on the environment is a top priority when developing a wind project, so of course the ministry is expected to play a very active role. Back to local financing, do you think there should a causal effect between local financing and a possible multiplication of small local project likely to strongly damage the landscape? We spoke of rather small projects and we said they should not be opposed to big ones. What does the ministry think of that?

Mrs Nathalie GUIMBERT

There are many important challenges to face and everybody must clearly know his competence. Basically we will contribute to the territorial coherence and environment conservation.

Landscaping is a complex issue that concerns all projects, whether small or large. Two elements of an answer: first to develop complete tools appropriate for territorial management prior to any wind project emergence so as to have a clear understanding of the territory as a whole and to be in position to make the different approaches coherent. Second, to carry out a true landscape study on a case-by-case basis so as to define co-visibility and other sensitive impacts.

Mr. Philippe ROCHER

Professional landscape gardeners say you should not integrate a wind turbine into an existing landscape, but rather create a new landscape. Would you agree with that?

Mrs Nathalie GUIMBERT

Yes, absolutely. The ministry also conveys this message. We insist on this in the memo. We will give details on methodology to be used about landscaping in further guidelines, but it is already written that the right way is to create new landscape including those big machines rather than insert them in the landscape.

Mr. Philippe ROCHER

Thank you Mrs Guimbert.

Jean-Yves Grandidier represents France Energie Eolienne, with roughly a hundred wind professionals as members. What is the position of FEE concerning local financing?

Mr. Jean-Yves GRANDIDIER, secretary of France Energie Eolienne, France

(*Translated from French)

One of the main issues is to clearly ascertain when and under which condition local financing can be introduced in a project. It might be very early in the development process, but you must be aware not to make it too risky for people who do not know much about wind energy. Even investors who are familiar to renewable energy sector are reluctant to finance the development costing 300 000 Euros beyond two or three years, even though building permits are not granted despite the memo. That is why I think local financing can be seriously considered only after the developer has obtained the building permit and is starting construction phase. Of course it can be considered later, but in that case, it will make loose time and generate extra costs. Developers needs to get their profit back when the project is ready to be built, so they will be tempted to get in touch with big investors so as to avoid waiting five to nine months more that are technically needed for involving local investors.

Local financing has the advantage to share the wealth created by the wind project, but developers are usually small and fragile companies needing to take profit from their development activity. Another problem is the need to get in touch with dozens or even hundreds of shareholders. We saw the difficulties in France to deal with the public calls for funding under the control of AMF [Autorité des Marchés Financiers], but in addition there is no particular incentive for the project manager to promote local financing. Well a local investor is likely to accept lower profitability than a big investor, but this is not sufficient for allowing developer to earn money from his work.

Mr. Philippe ROCHER

FEE brought out a quality charter for wind energy projects and this is like a commitment. Why doesn't this document refer to local financing?

Mr. Jean-Yves GRANDIDIER

We brought out this charter in order to obtain exemplary behaviour from developers all along the development phase. If a project complies with this charter of quality, it will also be beneficial for the environment, at first landscape, but projects do not need to be locally financed for being environment-friendly. This is a charter that people have to sign in order to enter our association, so we cannot set the bar too high otherwise people should not come in. Basically we prefer an educational approach. We keep our energy for promoting wind technology as a whole among institutional organisations and for ensuring that our message is properly conveyed to our members.

Mr. Philippe ROCHER

Tools like FIP [*Fonds d'Investissement de Proximité* - Local Investment Funds] and FCPR [*Fonds Commun de Placement à Risques* - venture capital mutual fund] has been explained sooner. What other type of local financing possibility could you see? What about contribution in current accounts?

Mr. Jean-Yves GRANDIDIER

When a project is mature we of course try to sell a part of it to investors – either several dozens of them or a single one. Instead of immobilising their money in capital it can actually be kept on a current shareholder account, which is in fact a kind of loan made to the company from which the shareholder will get interest in return. Within the 6 to 7 first years dividends cannot be paid on the investment, since the high level of depreciation leads to a result in deficit. During that time however a cash flow is generated and what we are looking for is a pay back through that cash flow. This way the money is not mobilised for a long period of time. Knowing that the bankers ask for a pay back that respects the ratio between the subordinated and the major loan.

Mr. Philippe ROCHER

Is there a counter-example of a locally financed project, i.e. a project that would not have taken the ideal course?

Mr. Jean-Yves GRANDIDIER

There are actually few projects in which people had invested without expected returns. Several factors should have lead to this situation, for example a wrong choice for the turbine, an under-estimated wind potential or the need to stop the turbines at night because of noise...

We must offer as much guarantee as possible to those investors who are not professionals or experts in wind energy. Wind study in particular must be very accurate, if needed submitted to a second expert opinion, and one should prefer a proven turbine rather than a new head of series. You also must get guarantee from the manufacturer for the longest possible period of time. To-date, manufacturers currently offer their guarantee for ten to twelve years on power curve and on turbine availability, thus securing the investment. Finally the project initiator, who perfectly knows his project, should take his remuneration after the local investor, who generally do not know is so well.

What we are trying to do is to maximise security for people who are investing. Thank to special arrangements that I had already experimented, it must be possible to pay a 12% interest rate to investors even if the actual wind is only 80 % of the expected one.

Mr. Philippe ROCHER

The need for clear information about appropriate legal status or financing tools seems obvious. Would it be a good idea for FEE to publish a guide for the local investors in wind power?

Mr. Jean-Yves GRANDIDIER

It is quite possible, but again there are a number of obstacles against local financing, even if restriction to public call for fund can be justified. I know a project that had been sold to German investors following from the diffusion in Germany of a leaflet for potential investors. I had the surprise to read in it that the annual indexing rate for purchase tariffs was claimed at 2.4%, while calculation based on official ratings from the last 4 or 5 years led to a mere 1.6%. In this leaflet, there was not a single justification for this figure. In such a case I agree that the sincerity of the documents must be controlled.

Mr. Philippe ROCHER

Mr Grandidier, thank you very for your speech on behalf of France-Energie-Eolienne.

Mr. Saglio your organisation SER represents large part of professionals from the renewable energy sector with roughly one hundred members, of which 40% are involved in wind. If we look at the lobbying power that you have, it is quite important. But what actual effect can you have on local authorities.

Mr. Antoine SAGLIO, Director of Syndicat des Energies Renouvelables, France

(*Translated from French)

Our main action toward the government is to be a central negotiator for laws and regulations concerning renewable energy as a whole. That was the case for the feed-in tariff level and for the planning document published (PPI) in 2003. Concerning local financing, our task is to remind the State that project holders and investors are generally favourable to it. But local investment is not so much developed in France. In concrete, we have pushed an amendment to the renewable energy chapter of the on-going draft of the future orientation law on energy suggesting in general words that specific incentives for local financing should be established.

Different things in my opinion are on the one side the need to mobilise huge amount of savings for being in position to comply with the wind targets set up for France, and the will to promote local participation in wind projects, for which France is obviously lagging behind.

Mr. Philippe ROCHER

If we consider the recurrent figure of 6 to 10 GW of wind energy to be developed, what is level of funds to be mobilised for reach them?

Mr. Antoine SAGLIO

The European Wind Energy Association has just published a detailed summary of a study forecasting 75,000 megawatts in Europe in 2010, as compared to the current 25,000 MW in operation. According to this study, France will probably not reach its objectives, but is likely to have installed 6,000 megawatts of wind energy at that time. Given that 1,000 megawatts represents about 1 billion euros in investment, this means we have to

leverage 6 billions of private money in France. That is a lot of money, so we need to call for private savings funds not only for funding from banks.

Mr. Philippe ROCHER

Don't forget that local financing can create jobs, in banks, or for managing legal entities. New skills will be needed for reinforcing the search for local financing. Renewable energies are based on local natural flows, like wind or sun, which are coherent with local financing, aren't they?

Mr. Antoine SAGLIO

This is obviously true for small wind or for solar projects, but also for large wind farms. Two recent opinion surveys, one concerning French people as a whole, the other focused on tourists clearly shows that general appreciation in France is quite favourable to all these projects.

This shows that people are ready to become more involved in local projects because they know them better and thus are more positive. For this, local authorities also need to convey a more positive message. The problem today is that projects holders fearing a refusal in the sensitive process for obtaining building permit prefer not to make too much publicity around their projects. Without public support, they are reluctant to speak about their projects before they are legally secured so we as professional organisation hardly get reliable information on project under development.

Mr. Philippe ROCHER

Some main actors in the energy branch considered that wind is a purely speculative activity. Can local financing change this view?

Mr. Antoine SAGLIO

You are probably talking about the comments made by the Regulator CRE in June 2002 when the feed-in tariffs for wind were published. They were speaking of yield rates up to 20%, a figure that was claimed to offer unjustified profitability. In fact, we never observed such rates with actual projects when operating, and we told that to the Regulator when giving them our figures. The internal profitability rate is rather about 10% on average, and interest served on investment around 5 to 6 %, which is not so high. If French nationals were more involved in wind projects from a financial point of view they would be able to grasp this fact very quickly. Basically we need to give private individuals accurate information if we want them to get involved in projects.

Feed-in tariff and economic development costs are another issue. Legal prerequisite and related costs have considerably increased during the passed years, and so many projects failed that you must develop several of them before a single one can succeed. During the negotiation on the feed-in tariffs, we finally accepted a 3.3% yearly drop, but now we are finding it very difficult to stand. In addition the limitation to 12 megawatts excludes large projects. Without large wind turbines to be installed, wind energy as a whole will fail to develop in France, French people will not appreciate it and even small and medium farms will be blocked.

Mr. Philippe ROCHER

Isn't it a shame that the development that has been reached has been based on a time frame rather than a wind energy capacity?

Mr. Antoine SAGLIO

Yes it is a shame. At the time, this was a way to find a compromise so that the government could publish feed-in tariffs and we thought it was not really a difficulty, but it is now actually one. Another example of cost increase is the discussion that took place recently about financial provisions for dismantling wind farms. A draft decree was about to consider them as classified installations for the environment protection, meaning extortionate expenses for a totally environment harmless machine, the main question being landscape. This shows how more and more constraints are continuously slowing down the development of wind energy in France.

Mr. Philippe ROCHER

Do we have other examples of local investment that involves major building projects in other sectors? Or is it quite new?

Mr. Antoine SAGLIO

Over last decades there has been some good examples of mixed public/private company set up. The so-called Compagnie Nationale du Rhône, a major power producer, is one of these semi-public companies involving several local Authorities as direct shareholders. This was also used at the Widehem wind farm in North of France, with the Regional Government and the City of Dunkerque as shareholders.

We are actually taking things a little further when we want to have not only local Authorities involved but also the local residents, or at least a certain part of the population willing to invest their money in a specific way, not blindly, through these ethical funds.

Mr. Philippe ROCHER

So will it be the professional association that will govern this? Would there be a cooperative with membership?

Mr. Antoine SAGLIO

We could have individual members who are operating wind farms, but not in the same way as for example the German organisation BWE, which gathers several thousands of them. This is not the role of a professional association like ours. Our members are industrialists and professionals rather than private owners.

Mr. Philippe ROCHER

Thank you Mr Saglio.

Mr Philippe Beutin, ADEME is a state organisation with the mission to support renewable energy technologies. What is your position about local financing?

Mr. Philippe BEUTIN, head of Renewable energy Unit in ADEME, France

(*Translated from French)

Wind projects are supported and monitored by our regional delegations so ADEME is in a good position to get information about difficulties for projects to succeed. Some people here have already referred to the difficulties for obtaining building permits from the Prefects. The context is not very positive today, even though in 2003 things changed positively. No doubt that all the reasons that had been referred to are actual and real, but social acceptance per se is of a particular importance. Faced with this observation, the work done with local authorities and local players, should they be farmers or individual or grouped private persons, appeared to be crucial to us in ADEME. This is why we have over the past two years developed a lot of actions targeted to local

Authorities, at first to Regional Governments. In many parts of France, the regional delegations of ADEME are involved in studies, a background duty carried out in linkage with local Authorities, mainly with grouped municipalities. This is expected to help good projects to succeed.

Mr. Philippe ROCHER

Can you please give us some information about the so-called FIDEME, a financial tool set up by ADEME?

Mr. Philippe BEUTIN

We have focussed today on what we could call a collective management of savings or the management of a financial tool, i.e. Mutual Funds. FIDEME is a similar type of tool that was created about 18 months ago and ADEME is one of its main contributors, with a third of the 45 million euros that are available today for funding projects. The remaining two thirds are made up of private banks, like the Caisse des Dépôts, CDC IXIS and an Italian bank.

FIDEME can be called up through an original mechanism, since it enables the shareholders' equity to be strengthened for a given project in a form that is intermediary between equity and senior debt, being considered as near-equity contribution. For a project promoter who has not so great financial resources, this can reduce his capital involvement to 10%, the additional 10% coming from the FIDEME leading to a usual 20% of equity or near-to-equity contribution.

Mr. Philippe ROCHER

How many projects have actually been studied by FIDEME and how many have gone through?

Mr. Philippe BEUTIN

There are two steps in the FIDEME procedure. First we study the eligibility of the projects according to a range of criteria. We carry out a first sorting process and after that the projects go before an investment committee, a usual structure in the banking industry. Then we put forward a financing offer. Over the past 18 months ADEME, with the Caisse des Dépôts and CDC-IXIS, which is the asset manager, has analysed 20 different wind energy projects, ranging from just a few megawatts to 12 megawatts.

The minimum budget to be eligible is statutory said to be 5 million euros, which correspond to 4 or 5 megawatts. Among the 20 projects that have been reviewed, some were not retained after the initial scrutiny because regarded as too weak, for example because wind studies were inadequate or even lacking.

Out of these, 15 were finally selected, which is quite a high ratio. Under conditions that the important questions will be properly solved, such as insurance contracts, operating and maintenance contracts, etc., these projects are likely to go through to the financing stage.

Mr. Philippe ROCHER

Don't you think there is a risk if we promote too much local investment?

Mr. Philippe BEUTIN

Our position is that there is enough room in the marketplace taking into account the commitments taken by France for 2010. There is room for traditional investors, for energy utilities or for people willing to invest in local development. All these are issues that depend on the degree of acceptance and ownership taken by the local

population. We try to go forward in a pragmatic way, with any kind of investors who appear, with this specific view to local authorities as I explained sooner.

Mr. Philippe ROCHER

So there is not a unique way?

Mr. Philippe BEUTIN

No. Specific risks linked to the raising of local funds for local projects and especially if such projects are not well designed have already been underlined. I could mention examples that are considered to be local initiatives but led to almost failure. So one has to be very careful to the contents of each project, to the way the projects are structured. When you talk about projects, whether it is conducted locally or designed by large companies, the processes need to be the same. The split in appropriate phases along the whole process is crucial, from the basic studies that need specific funding until the implementation of the project itself. The quality of the approach is of the highest importance, even more than the legal structure.

Mr. Philippe ROCHER

As a conclusion, couldn't we use this image of an energy bunch that could leave room for conventional energy and renewable energy as well, and that should be funded through a bunch of different financial tools as we told about during this round table?

Mr. Philippe BEUTIN

I do think that we need to be more creative regarding financial arrangements. Some of them have been highlighted today, like the Mutual investment risky Funds or the Proximity investment Funds created by the law in July 2003. This later initiative is expected, while ensuring a mutual management of money collected, to allow a certain share of risks among several projects. They should be implemented at regional level, possibly involving two adjacent regions. Until operational decrees needed for their actual implementation are on the tracks, we will think of a way to use this possibility, for example for a limited number of locally-initiated projects with a certain size by gathering such a Proximity Fund with major private banks, some of them having already shown their interest, and this way joining together FIP [*Fonds d'Investissement de Proximité* - Local Investment Funds] and FIDEME procedures. We must be innovative in financial arrangement but at the same time we must bring safety to savers. We must anyway avoid leading them on a wrong path and creating negative references.

DISCUSSION WITH ATTENDERS

(* translated from French)

M. Paul ROCUET, Emergence, Agence de maîtrise de l'énergie du Pays de Brest, France *

I would like to speak about a complementary tool that has not been listed yet, the so-called CIGALES (Investors Clubs for an alternative management of local and fellowship savings). It can be just 5, 10 or 15 people investing in a given company, but with just 1 person being represented officially in the company. This could be a way of funding. If they combine their funds or their savings, it could be, for example, each person just contributing 1,000 euros, another person 100 euros, and all of that is considered to be just one shareholder.

Mr. Fred URBAN, BASE Agency, France*

In the region of Alsace and also in the district of Moselle, we have cooperatives regulated by a specific local law, which could be used to raise public money locally: we are working on this issue.

Olivier KRUG, KRUG Sarl, France*

I am retailer and installer of small-scale wind turbines and I have a question for the bankers. Are you likely to fund projects led by individuals who had already financed their wind potential studies? Second question, when it comes to small installations, would you be ready to provide loans for individual buyers of a small wind turbine or hybrid wind/PV systems as you already do for buying a car?

Mr. Jan POPPE, Triodos Bank, Belgium*

We collect the money from individuals or financial institutions as well, but we do not provide personal loans, so we cannot fund projects with personal loans. Since we are working with money that was entrusted to us, we have to be very careful. We can't join any project before the building permit is granted.

Mr. Jean-Michel YOUINOU, La Nef, France*

I talked about the approval we got from the Bank of France as a cooperative bank. This approval limits us to funding only associations or cooperatives. So it is necessary for individuals to be organised into a cooperative or an association for us to be in position to fund their projects.

Mr. Michel LECLERC, Eoliennes en Pays de Vilaine, France*

For helping small organisations and grouped individuals, should it be possible get a support for preparing submission to the SEC, so it can provide control, but not provoke blockage?

Mr. Jan POPPE, Triodos Bank, Belgium*

Well, this is a service to be provided by banks, but again, banks are profit-making organisations. So you would have to pay the banks to analyse the viability of the project. That is again the reason why public fundraising, you need to have projects with an amount around 12 million euros. If it is less than that amount, it is not worth it for the bank.

SYNTHESIS

Mr. Jacques QUANTIN, Energies et Territoires Développement (France)

(* translated from French)

Marc Jedliczka, Director of HESPUL, has been retained in Germany and asks you to excuse him. I will replace him for this conclusion, and I will try to be brief.

Throughout the day, listening to the various European speakers and to yourselves, we have all been able to observe that local investment, citizen investment in wind turbines is not a utopia but is in fact a reality. In Germany and Denmark, citizen financial participation clearly contributed to the development of this energy system.

The major advantage of local participation - as was often pointed out today - is that it increases social ownership of projects by establishing conditions that are conducive to equitable sharing of the wealth generated. And this significantly improves acceptance of these projects.

In France, opposition to projects is quite common and this new approach to defining investment is worth considering for operators. Jean-Yves Grandidier spoke to me about this again just recently. All operators are faced with conflictual reactions.

Although local participation may be financial - and this was the theme of our conference today - it can also be expressed through a programme of consultation and dialogue throughout the project's development phase.

The vital importance of implementing a plan of pertinent and regular communications was stressed by many speakers today. It is certainly not easy to implement these consultation procedures, but they nevertheless should not be perceived by operators as an extra obligation, but on the contrary as a means to increase the chances of their projects being finalised and to make their investments even safer.

It is also important to pursue the efforts being made to simplify administrative procedures and to adapt, wherever possible, certain technical constraints and obligations currently in place. Another difficult point that was raised is access to the power grid, which is still a real problem for developers, local or otherwise.

Another point that was often raised today is the territorial approach and the implementation of intercommunal wind turbine programmes. The experience in Saint-Agrève and those mentioned by Christophe Roger illustrate that local authorities and intercommunal structures, encouraged by the ADEME, are willing to set up consultation and dialogue on the integration of wind energy projects in their regions.

Although local elected representatives play a major role, numerous other players need to be involved, including the operators. These procedures are described in detail in the ADEME guide entitled "Outil d'insertion sociale et territoriale des éoliennes".

In the same way that these territorial exchanges highlight the interest of local players in the projects, they can also pave the way for local financial involvement.

Whether projects are led by local players or conventional operators, it is vital - Philippe Beutin just reminded us of this - to avoid non-compliance.

If the project is being developed by local players, it is crucial that they call on the services of professionals from the sector. In this case, the risk - which is also run by conventional operators - is failure to obtain the building

permit. Good territorial and local consultation, in which the decentralised State services participate, can considerably reduce this risk.

Generally, conventional operators develop the projects and obtain the permits. As Jean-Yves Grandidier reminded us earlier, they are more likely to turn towards large investors rather than waste their time involving local investors.

The current difficulty experienced by operators in obtaining their permits and operational licences cannot but encourage them to sell up quickly, to make their investment profitable as quickly as possible.

Another difficulty that was raised: the mobilisation of shareholders. Implementing a public issue procedure endorsed by the capital markets Authority would probably be long and complex. Jan Poppe nevertheless pointed out that this is still economically feasible for projects between 10 and 12 million euros. It is also common practise in Germany.

Still on the subject of citizen financial mobilisation, I noted the ADEME's decision to follow the implementation of the *Fonds d'investissement de proximité* (FIP - Proximity Investment Funds) and to consider setting up specialised FIPs with support from large banking groups.

A certain number of possible actions were expressed. The ADEME and the MEDD's suggestion to start up an interministerial working group on local investment that would involve, I suppose, the Ministry of Finance and the Trade Unions, is an interesting idea.

Now I need to conclude. Within the framework of the WELFI programme, today's proceedings and a booklet on European practices in this field will be published on Cd-Rom. They will be forwarded to all participants. Information on local investment in Renewable Energy is also available on www.cler.org/predac/wp1.

To finish, on behalf of all the WELFI partners, I would like to thank you for participating in this conference. I would also like to thank all the HESPUL team and especially Elenn Mouazan, the WELFI project coordinator, without whom this day would not have been possible. Thank you for your attention.