

27th August 2019

To the Inspectors,  
Rossendale Local Plan

Dear Inspectors,

Hearing Re Rossendale Local Plan and the Inspector's Matters, Issues and Questions.

I am a member of the Rooley Moor Neighbourhood Forum, local resident and retired GP living in Rochdale close to the border with Edenfield . I wish to submit the following to the Rossendale Local Plan Hearing.

Two previous submissions have already been made during the consultation process with ID number 1775 on behalf of the group and these submissions have already commented on the Matter – Environment –that is the subject of this statement.

I would like to attend the hearing on Wednesday 2<sup>nd</sup> October when Matter 16 Environment is to be discussed if that is possible but to submit this statement alone if it is not possible.

I live near to Scout Moor Wind Farm and moved to the area knowing the wind farm was to be built and I raised no objections to its construction at the time. I have since wondered who will pay for its decommissioning and the restoration of the site when that time comes and having not received any satisfactory answers I feel it is important to ask these questions before and not after any future constructions.

This submission is concerning: -

Matter 16 – Environment, page 26, paragraph j), question

“Do policies ENV7 and ENV8 appropriately deal with .....decommissioning of turbines? “

The relevant sections in the Rossendale Local Plan Submission March 2019, chapter 4 environment, ENV7, page 89 and are -

“The submission contains a Construction Management Plan, including impacts on the Highway network, and incorporates proposals for managing the de-commissioning and removal of the turbines and the restoration of the site “

“A de-commissioning scheme is included “

There is no text in this Local Plan, which mentions the funding of that decommissioning and restoration, and in a previous representation ID 1775 dated 5<sup>th</sup> October 2018 it was suggested that the reference to decommissioning includes the text

“And a commitment to funding the entire decommissioning of the turbine/s and all associated infrastructure “

To which I would now add

“And the restoration of the site “

It is the contention of my statement that the decision to require ONLY the provision of “a decommissioning scheme “ for consent to build one or any number of turbines, without any reference to or explanation of how that decommissioning/ restoration would be funded is unsound.

That is to say that this decision is not based on reliable evidence or reasoning and not justified or effective. It is not “fit for purpose “in its current form and requires modification as suggested above.

Without modification it could leave the Rossendale Borough Council and the local community with the financial liability and responsibility to undertake the decommissioning /site restoration of any number of consented wind turbines at the end of their presumed 25-year operation e.g. by the insolvency of a wind farm operator. This would be a considerable expense.

Furthermore if those funds were not available to the Council at that time and the redundant turbines had to be left in place, this would result in the permanent scarring of a valued landscape and on health and safety grounds alone, this landscape may no longer be accessible to the local and wider community.

The remainder of this statement presents the evidence for the above assertions and includes two documents in the appendices, which are directly relevant and necessary to this submission and these are: -

1, A written statement by Alex Chisholm Permanent Under-Secretary of State dated 25th February 2019, Public cost of Decommissioning oil and gas infrastructure, “onshore liabilities, onshore wind financial security.

2, Heads of Planning Scotland “Position Statement on the Operation of Financial Mechanisms to Secure Decommissioning, Restoration and Aftercare of Development Sites “ June 2015

My understanding of document one is that as offshore wind farm construction takes place on the Crown Estate, Central Government is responsible for granting planning consent. Taxpayers effectively underwrite the costs of decommissioning and as those costs are known to be large, not unreasonably Central Government requires a statutory decommissioning scheme with financial guarantees such that the taxpayers are protected as far as is possible from those costs.

It is also clear from this document that Rossendale Borough Council (RBC) through its Local Planning Authority (LPA) and this Local Plan is exposed to considerable financial liabilities in the decommissioning /restoration of approved Wind Turbines schemes. Furthermore since 2016, when Local Planning Authorities became responsible for all applications for consent for onshore wind farms, Central Government and taxpayers do not underwrite those decommissioning/restoration costs. So effectively the local communities are now effectively underwriting all those costs .The level of that potential financial liability is clearly greater the greater the number of turbines involved e.g. in commercial schemes.

So what might those costs be?

I will use the example of a hypothetical commercial scheme e.g. a 12-turbine scheme to illustrate just what those decommissioning/restoration costs might be in such an application.

Document 2, appendix 3, outlines and thus gives some indication of what would be involved in decommissioning and restoration of a site, effectively a “construction in reverse “ such that it is easy to see how those costs might be incurred. Clearly the details will be site specific .

There is little actual information on these costs in the public domain as some of this information might be considered commercially sensitive, but ref 3 pages 27 contains the following sentence “Evidence from the case studies suggests that each turbine is anticipated to require work in the order of £60,000 in turnover when they come to be decommissioned “.

So using this information for 12 turbines this gives a total of £750,000 for the turbine work at 2012 prices and referring back to document one, appendix 3, this is not the only work involved so it would be easy to see the cost approaching £1 million in this example alone.

I recall that it was asserted at the Scout Moor Call-in Inquiry that the costs of decommissioning would be met by the “arising’s “from that decommissioning.

I think it would be important to see the evidence for this assertion if this belief underlies the apparent reluctance of the Local Planning Authority to include the suggested text above or indeed any text related to how those decommissioning/ restoration costs are to be funded.

Either way I think it is important to have an explanation and the supporting evidence for the LPA current position.

So how might the financial liability for decommissioning/restoration in this example arrive at the door of Rossendale Borough Council (RBC) and is it likely to do so?

Here are 2 of the possible scenarios whereby that may occur.

Using that example of a 12 turbine commercial scheme,

First scenario,

Once the wind farm is commissioned a regular income stream is guaranteed via contracts to supply electricity throughout the lifetime of the wind farm, some 20-25 years. The wind farm may be sold on to another operator during this time as frequently occurs, and although the turbines are

designed for 20-25 years as they approach the end of their designed lifetime they will require more maintenance just when those funds for decommissioning/restoration are needed .

If the operator of the wind farm is then unable to fund those decommissioning/restoration costs and becomes insolvent it would be impossible to secure those funds through civil proceedings and the financial liability would become that of the landowner or RBC.

Or in the second scenario,

Once commissioned the wind farm is sold on to another operator and that company is structured in such a way so that the owning /operating company of the wind farm is separate from the asset holding company and so it receives the income through the operating company. When decommissioning/restoration is due to take place just as the income stream is finishing there are no funds /insufficient funds in the operating company and thus this scenario defaults to the previous one. The financial liability would become that of the landowner or RBC.

So I have sought to illustrate using this example that the costs of decommissioning/restoration will be considerable and the chances of this financial liability becoming RBCs are in my opinion, high.

Document 2 compares the various financial mechanisms councils /landowners may consider to mitigate this liability and as most commercial wind farms are in Scotland it draws on their greater experience in this area. It is noted that they consider Section 75 planning obligations, Decommissioning Bonds and Escrow accounts to be of low risk to the LPAs .In England a Section 75 planning obligation is not available but might a Section 106 obligation be appropriate for a LPA to consider?

I do note that Decommissioning Bonds, Escrow Accounts or planning obligations are not legal requirements for planning permission to be granted for onshore wind farms in England but this brings to mind the following analogy: -

If I had a valued and expensive car and I leave it unlocked outside my house with the keys on the front seat and I return to find my car gone, my insurance company may well refuse to pay for the cost of a replacement car .I can say to my insurance company that it was not a legal requirement for me to lock my car.

I suspect that they would say to me that having left the car unlocked with the keys on view I should have foreseen this eventuality, locked my car and avoided it being stolen.

They might even say I acted in an “unsound “ manner.

In summary: -

I have sought to show that the future cumulative costs of decommissioning and site restoration of any number of wind turbines whether single or multiple, community led or commercially built in the Rossendale borough are very significant.

As the current Local Plan March 2019 is worded, these costs will be met solely by a plan to decommission, which is in reality only a stated intention to do so. As there is no wording in the plan to require a commitment to fund this decommissioning/restoration work the actual funding could be said to be dependant on the future goodwill, altruism and good fortune of the developer /owner.

One might even say based on “a wing and prayer “

Rossendale Borough Council is effectively underwriting these costs and ultimately this local community.

I wonder just how aware of this situation the local community are and have they given their informed consent for this action on their behalf?

If indeed the responsibility and financial liability for these decommissioning/restoration costs did end up being that of Rossendale Borough Council and if they were unable to meet them they would be forced to mitigate the risks that those redundant and ageing turbines would pose to any member of the public .

The cheapest solution might involve fencing off areas of valued landscape and leaving them scarred for future generations.

There are planning and financial “tools “ to mitigate this risk but on the basis of the wording of this March 2019 Local Plan RBC ‘s LPA seem to have chosen to use none of them.

As the wording stands it is my contention that this is “unsound “ and I would suggest that reference to decommissioning and restoration of any proposed site includes the text, which was previously submitted and now amended and that is

“And a commitment to funding the entire decommissioning of the turbine/s and all associated infrastructure  
And restoration of the site “

The inclusion of this text, or a suitable alternative text that the Inspectors judge addresses the concerns in this presentation, makes

it clear just who should pay for the decommissioning and restoration costs of consented onshore wind turbines here in the Rossendale area .It also facilitates an informed discussion on those costs by RBC and the LPA and a discussion of the appropriate mitigation of those costs. I feel it strikes the right planning balance of fairness to the local community and those developers seeking that planning permission.

These costs belong to and are the responsibility of the owner/operator of the wind farm who has had the benefit of the income from the project throughout its lifetime.

But without such a text and if the Local Plan remains unchanged I have sought to demonstrate that: -

Central Government will not be liable or pay these decommissioning /restoration costs

This local community may well end up paying some or all of the costs

And if they cannot, they and future generations here will have to live with the consequences.

Reference:

3, Onshore Wind, Direct and Wider Economics Impacts, May 2012 by BIGGAR Economics on behalf of renewable UK and The Department of Energy and Climate Change.

Appendix

Document 1, Public Cost of decommissioning oil and gas infrastructure, Alex Chisholm, Permanent Under-Secretary of State, February 2019 letter to Chair of Committee of Public Accounts

Document 2, Position Statement on the Operation of Financial Mechanisms to secure Decommissioning, Restoration and Aftercare of Development Sites, Heads of Planning Scotland , June 2015

Anne McKown