



EARBA STORAGE

A GILKES ENERGY COMPANY

The Earba Pumped Storage Hydro Project

COMMUNITY BENEFIT FUND

WHO WE ARE?

Gilkes Energy is the UK’s leading independent hydro and pumped storage hydro developer. It also manages a portfolio of hydro schemes across Scotland, which it designed and built.

INTRODUCING THE EARBA PROJECT

Pumped Storage Hydro ‘PSH’ is an important part of decarbonising the UK’s power supply system, providing a natural large-scale energy storage solution and dispatching electricity when it is needed. The Earba Storage Project is a proposed pumped storage hydro scheme on the Ardverikie Estate wholly within the Laggan Community Council area in the Central Highlands. It will have an installed capacity of up to 1.8GW and stored energy of up to 40,000 MWh, making it the UK’s largest pumped storage hydro project and contributing to the UK’s efforts towards achieving Net Zero.

INVESTING IN COMMUNITIES

For the Earba Storage project we recognise that the community council areas of Laggan and its neighbouring community council areas will be significantly affected during the construction phase. We are focusing our early Phase 1 Fund into those communities that will experience this disruption the most.

Neighbouring Community Council areas are; Dalwhinnie, Spean Bridge Roy Bridge & Achnacarry and Newtonmore.

We place significant value on the communities involved with and affected by our projects. We are committed to supporting their long-term development and sustainability and will provide an annual community benefit fund to help accelerate and realise their long-term plans.

Our community benefit commitment builds on our knowledge and learning about community benefit in other sectors, particularly the onshore renewables sector that has been pioneering transformational community benefit arrangements with communities in Scotland for over two decades.

OUR APPROACH TO COMMUNITY BENEFIT

Working with others developing pumped storage hydro schemes, we have determined a total community benefit payment calculated at 0.5% of the total capital cost of the project. The capital cost of the project will be confirmed when the costs and funding arrangements for the project are finalised and which we expect to be in 2027.

We will make 50% of the total community benefit fund available during Phase 1 which is the construction period of the project. This sum will be invested into projects that will provide substantive and tangible impact to the community both during the anticipated 5-year construction period and long after. These are likely to be capital projects. Sums may be made available in approximate equal annual instalments or front loaded, depending on need. Those projects with match funding will be looked on more favourably.

The other 50% will be made available during Phase 2 which will be deployed over a maximum of the first 25 years of the operating period, again in annual instalments. The precise duration of this period will be determined based on the priorities and preference of local stakeholders.

The area of benefit for Phase 2 will be determined nearer the time and will take account of needs and

opportunities facing the Laggan community and its neighbouring communities at the time, other benefit funds available to those communities and wider issues that may be affecting the Central Highland region.

Through providing the Fund, our primary objectives are to:

- Create long lasting socio-economic and environmental benefits within and around the communities most immediately affected by the Earba Storage project, including during the construction phase.
- Support communities to deliver ambitious projects that build community wealth and wellbeing and ensure they remain vibrant places to live, work and visit.
- Provide robust governance of the community benefit fund, through the appointment of an independent fund administrator, enabling the communities to focus on planning and delivering projects that really make a difference to the long-term sustainability of the area. Gilkes Energy will make the final decisions on awards, advised by a Community Panel.

EXAMPLE FOR ILLUSTRATION ONLY:

Total capital expenditure for building a pumped storage hydro project = £2.4bn.

Total community benefit fund at 0.5% x £2.4bn = £12m.

PHASE 1:

50% x £12m = £6m paid during construction period.

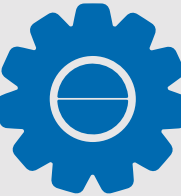
PHASE 2:

50% x £12m = £6m paid during maximum of first 25 years of operating period in approximate equal instalments = £240,000 pa for 25 years.

SUSTAINABLE DEVELOPMENT GOALS

The Earba Storage Project Community Benefit Fund will be underpinned by the Sustainable Development Goals (or their successor post 2030). The Sustainable Development Goals are a universal call to action to protect the planet and improve the lives and prospects of everyone, everywhere.

In Scotland, the Sustainable Development Goals are embedded in Scotland’s National Performance/Wellbeing Framework. This Framework – or its successor – is for all of Scotland and sets out a vision for collective wellbeing.



**National
Performance
Framework**

nationalperformance.gov.scot



1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION 
7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 CONSUMPTION AND PRODUCTION 
13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 	

There will be a strong focus placed on supporting initiatives that align with one or more of the Sustainable Development Goals

The fund will encourage creative and innovative thinking around providing solutions on a local level and which are likely to be evident in local community plans that address sustainability challenges in communities. Projects supported through the Earba Storage Project Fund will demonstrate alignment both with local priorities and with the Sustainable Development Goals/Scotland’s National Performance Framework.

OPTIMISING THE OPPORTUNITY

We know that the hard work starts before the funding actually arrives. So, we will support a comprehensive consultation and planning exercise to ensure suitable projects have been identified and the communities are investment ready once our construction work starts and Phase 1 of the Earba Fund kicks in. This will be led by our Fund Manager. We anticipate this planning phase will start in late 2024 or early 2025 and be completed later in 2027 ahead of the commencement of construction.

Phase 1 – Indicative Timetable

DEC 2024

Foundation Scotland open for initial consultations with communities.

2026

Outline proposals considered for Phase 1 funding.

2028

Phase 1 funding available as construction begins.

EARLY 2025

Planning decision expected.

2027

Final community benefit fund confirmed initial Phase 1 proposals reviewed and confirmed.

AFTER 2028

Further Phase 1 proposals identified and confirmed.

A GILKES ENERGY COMPANY

OUR FUND MANAGER

We have appointed Foundation Scotland to manage the Earba Storage Project Fund including the setting up of arrangements ahead of Phase 1. Foundation Scotland is a Scottish charitable funder and Scotland’s only provider of community benefit fund services working nationally. Foundation Scotland comes with 20 years’ experience of working with industry and communities to maximise benefit from community funds including in the Highlands. Foundation Scotland will ensure that any entity bidding for funds has a sufficient level of governance commensurate with the sum requested. You can learn more about their work here - www.foundationscotland.org.uk/our-impact/community-benefit-funds.

ALIGNMENT WITH HIGHLAND COUNCIL’S SOCIAL VALUE CHARTER

Although not classified as a renewables generation project, the Earba Storage Project will, in consideration of Highland Council’s Social Value Charter for Renewables Investment, undertake to:

- Ensure the community benefit fund supports housing projects where that is the expressed wish of the community and deliverable projects are presented.
- Consider where Earba community benefit funds may enhance outcomes linked to any community Points of Delivery projects arising from the Highland Investment Plan within the local communities in the area around the Earba project.
- Adopt Highland’s Employer Charter including commitments to Fair Work and the Living Wage and ensure this is adopted within any organisations receiving funding from the community benefit fund.
- Provide a significant community benefit fund targeting areas directly impacted by the project.
- Collaborate with other stakeholders to ensure opportunities for maximising socio-economic benefits from the project.

EARBA STORAGE

GET IN TOUCH!

If you have any questions or want to know more about the project or our community benefit plans, please don't hesitate to get in touch. If planning permission is granted Foundation Scotland will be available to signpost organisations to further funding avenues and give advice on what will be required for Phase 1 funding applications.

📍 Gilkes Energy Ltd, Canal Head North, Kendal, Cumbria, LA9 7BZ

Business No: 03203285

🌐 www.earbastorage.co.uk

✉ info@gilkesenergy.com

✉ enquires@foundationscotland.org.uk

EARBA STORAGE
A GILKES ENERGY COMPANY



**Foundation
Scotland**