



SCA introduces Revenue Sharing for Residents Near Wind Farms

SCA has decided to take the lead ahead of the government report "The Value of Wind" (SOU 2023:18) by implementing its own compensation model, inspired by the report's proposals, for residents living near new wind farms developed by the company. The amount of compensation will be based on the distance to the turbine and the revenue generated by the turbine.

"The proposal from the report is well-balanced, and that's why we want to take the lead in this area. However, our view is that increased electricity production and resolution of the conflicts of interest that follow require state ownership of a well-designed regulatory framework. It needs to address how companies share revenue with nearby residents, how the state shares existing taxes with municipalities, and how processes to upgrade existing parks can be managed significantly faster," says Martin Ingels, Head of Wind Power at SCA.

SCA has developed a revenue-sharing model entirely based on the proposal in the "The Value of Wind" report, which will apply to new wind farms developed by SCA until legislation is in place. If there are changes in legislation affecting revenue sharing or community funds, SCA's model can be adapted to the law.

"We see it as a fair and good measure to lead the way in terms of revenue sharing with nearby residents," says Martin Ingels.

Nearby residents will have the right to a share of the turbine's revenue each year during the turbine's lifetime. The size of the share will depend on how far the building is from the turbine. An individual residential building is entitled to a maximum of 0.25% of a single turbine's revenue. Revenue sharing will apply for a maximum of two turbines per residential building. The total revenue sharing can be up to 2% of the market value of the park's electricity production.

Full compensation will be given for properties one kilometer away, and for residents at greater distances, the compensation will follow a gradually decreasing scale, ceasing completely at a distance equivalent to ten times the total height of the turbine.

A building will qualify for compensation if it was classified as a single-family house, owner-occupied apartment, or rental building at the latest assessment and was constructed before the wind farm received legal approval.

The permit holder for the wind farm will be responsible for the revenue sharing payments, and the person who owned the building according to the property register at the beginning of the year will receive the payment.

"We are keen on fostering good development in the regions where we operate. With respect to wind power, there is currently a lack of legislation that would make fossil-free electricity

production more attractive to the local community. Our intention is to pragmatically improve the situation for nearby residents while waiting for legislation," says Martin Ingels.

Assuming an average electricity price of 0.40 SEK/kWh, weighted at 0.75 because wind power production negatively correlates with the spot price, the revenue sharing is based on a level corresponding to 0.30 SEK/kWh. A park developed with 290-meter-high towers, turbines of 8 GW, and 3500 full-load hours can then be expected to generate approximately 21,000 kronor to a nearby resident entitled to maximum revenue sharing. For residents at longer distances, the compensation decreases with distance, ceasing completely at distances greater than 2,900 meters.

For residents close to two turbines, double revenue is generated based on the distance to each turbine.

"Over the lifetime of a park, there will be a relatively large revenue sharing, and the intention is that the compensation should be proportional to the proximity and impact from the turbines. It is an extended responsibility that we have chosen to take while waiting for a comprehensive state approach to wind power," says Martin Ingels.

Currently, SCA, either independently or with partners, has several wind power projects in the planning phase, and if realized, these will be covered by revenue sharing for nearby residents.

In addition to revenue sharing for nearby residents, SCA also allocates 0.5% of the park's electricity sales revenue to community funds for the local community throughout the park's productive life. These funds will promote the development of nature and culture, recreational activities, tourism, or infrastructure and can be applied for by associations, village communities, schools, or other locally rooted legal entities that do not fall within the scope of what is the municipality's responsibility.

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