

Precognition from Bob Graham for the Inquiry Session on Economic Benefits/Tourism etc for the Dorenell Inquiry

Having been involved in a demographic survey on behalf of HIE, looking into the viability of a rejuvenation programme for the Cabrach I feel eminently qualified to comment on Infinergy's 'treasure trove' of promises. The population of the Cabrach has gradually reduced to something around 50 and this reduction is likely to continue. No amount of investment will change the inevitability of the remoteness, poor communications, little or no employment and extreme weather.

Before looking at the derisory community benefit of £2000 per Mw of installed capacity that has been offered, I would like to itemise the earning potential of this application. Infinergy would not be attempting to build this wind farm if it wasn't for the subsidies that are available. The main component of this subsidy is of course the Renewable Obligation Certificate (ROC)

The average price for a Renewable Obligation Certificate for 2009/2010 was **£49.00** per MWh, based on data from the Non-Fossil Purchasing Agency Limited (NFPA).
(<http://www.e-roc.co.uk/trackrecord.htm>)

Any electricity generated from a renewable source qualifies for the Climate Change Levy Exemption (CCLe) which is currently **£4.70** per MWh.
<http://www.ofgem.gov.uk/Sustainability/Environment/cclrenexem/Pages/CCLRenewablesExemption.aspx>

Thus for every megawatt hour MWh of electricity generated by industrial wind farms the wind industry effectively receives **£53.70** in subsidy. The cost of this subsidy is met directly by the consumer. This is a very conservative figure and does not include any additional costs (transmission, distribution, constraint etc mostly protected by 'commercially in confidence' status)

The current average auction price for wind generated electricity is **£96-70** per MWh. (This includes the ROC element).
<http://www.nfpa.co.uk/auctionprices.html>

I have taken these figures and using Infinergy's published data have concluded the following.

Installed Capacity of Dorenell = 177 megawatts.
Expected annual load factor (LF) = 30 to 40% at a maximum
Therefore average output would be 53 MW (LF 30%) and 70.8MW (LF 40%).

Number of hours in one year = 8760
Therefore the annual output would be 464,280 MWh (load factor of 30%) and 620,208 MWh (load factor of 40%).

The annual subsidy would therefore be **£24.93 million** (LF 30%) and **£33.3 million** (LF 40%)

The total annual income based on current prices would be **£44.89 million** (LF 30%) and **£60.59 million** (LF 40%)

The 'community benefit', or bribe as it has been more accurately described as, is £354,000 per annum, which represents an extremely shabby 0.57% of total income if the wind farm achieved a 40% load factor, and 0.78% if it achieved a 30% load factor. So the local people will receive less than 1% of the income from this wind farm and will actually be funding it themselves via the mechanism described above.

It is estimated that £1 billion per annum goes to the UK wind industry in the form of these subsidies. This is met by the electricity consumer, so every time a wind farm is built the poor and the elderly are driven deeper into fuel poverty.

In respect of tourism I include the figures from a 2003 survey conducted by 'Visit Scotland' and a press release from 'Wilderness Scotland' whose views I completely endorse.

I once again call upon the Reporter to endorse Moray Council's refusal of this application

	English (%)	Scottish (%)	U.S.A. (%)	German (%)	French (%)	Italian (%)	Spanish (%)
Beautiful scenery	94	91	96	94	90	97	95
Friendly people	82	74	85	87	77	77	86
Good place to relax	85	81	67	72	63	61	75
Interesting history/culture	76	72	87	86	44	73	78
Good for hiking/walking	66	62	71	79	70	46	49
Plenty to do and see	64	40	81	69	70	55	71
Slower pace of life	57	63	47	41	45	65	57
Good places to eat out	40	44	50	15	15	13	14
Local products to eat & drink	39	44	40	27	27	21	34
Good pubs	26	26	45	75	51	48	49

For more information on tourism statistics please refer to www.scotexchange.net

The above table (taken from the Visit Scotland “Tourism in Scotland” document) demonstrates the overwhelming reason why tourists come to Scotland – **BEAUTIFUL SCENERY**. The average from all 7 countries is **93.85%**

Wilderness Scotland - PRESS RELEASE

Wilderness Scotland, 3A St Vincent Street, Edinburgh, EH3 6SW, UK
Tel: +44 (0)131 625 6635 Fax: +44 (0)131 625 6636
E-Mail: info@wildernessscotland.com
Website: www.wildernessscotland.com

PRESS RELEASE - Immediate Use
20 March 2008

INDUSTRIAL SCALE WIND FARMS WILL SERIOUSLY DAMAGE SCOTTISH TOURISM **Award-Winning Eco-tourism operator questions the results of Government study**

Scotland's leading eco-tourism business Wilderness Scotland has raised serious questions regarding the accuracy and relevance of a recent Government-funded study into the impact of land-based wind power developments on Scottish tourism.

The study, released on Friday, was said by Enterprise Minister Jim Mather to demonstrate that the development of large-scale wind farms in Scotland would not adversely affect Scottish tourism.

The findings contrasted sharply with studies carried out in the past 2 years by two of Scotland's leading tourism industry bodies. A study carried out in April 2006 by Wild Scotland, the association of wildlife tour operators, showed that 61% of operators in Scotland felt the impact of wind farms on Scottish Tourism would be negative. A further survey in the same month by Activity Scotland, the association of activity holiday operators, revealed that 88% of operators similarly believed the likely impact to be negative.

Wilderness Scotland, the 2005 Scottish Tourism Business of the Year and winner of many national and international awards for environmentally-focused tourism, conducted a survey among their clients in July 2005. This showed that 91% would not return to the Highlands of Scotland if wind farms are developed in a significant way. Over 1600 people responded, from 21 different countries, illustrating the depth of feeling on this issue around the world.

Wilderness Scotland's Director Neil Birnie commented "We were surprised and alarmed to read the Government study's findings. The tourism industry is vitally important to Scotland's economy and there has been widespread concern within the industry for many years regarding the development of large-scale wind farms in Scotland. We have largely kept quiet on this issue, recognising that it is a complex and emotive subject and hoping that our law-makers would reach sensible decisions on the way forward. We have no choice but to speak out however as this study clearly does not represent the situation accurately."

"This study appears not to have consulted the tourists who would be most affected by wind farm development - those who come to savour the unspoilt scenery and environment, and enjoy walking, outdoor activities and wildlife viewing. This type of tourism alone is worth over £1bn to the Scottish economy each year. However, the unspoilt scenery is important for all visitors to Scotland. According to survey results released by VisitScotland just 4 weeks ago, 72% of all visitors described Scotland's scenery as the most important factor in choosing Scotland for a holiday. This finding alone obviously contrasts sharply with the recent Government study and must cast doubt on the validity of its findings, especially when coupled with the results of the other industry surveys".

"Wilderness Scotland is passionate about the natural environment and we are strongly in favour of renewable energy as a means to tackle climate change. However, we feel that land based developments must be at a small-scale, community level and should be appropriately sited. Large scale developments in scenic and environmentally-sensitive areas will severely impact on Scotland's tourism industry and will destroy our precious wild places". **ENDS**

EDITOR'S NOTES:

1. Wilderness Scotland was started in September 2000 by Neil Birnie, Paul Easto and Gordon Birnie. Passionate about wild places, they shared a desire to run an ethically driven business and to introduce others to the amazing wilderness regions of Scotland.
2. Wilderness Scotland is now Scotland's leading specialist adventure tour operator, offering mountain biking, walking and adventure holidays, and tailor-made experiences in the most remote and beautiful regions of Scotland.

3. Wilderness Scotland is the only adventure tour operator in the UK to hold the Green Tourism Business Scheme Gold Award and won the Investing in the Environment Award at the 2007 **Highlands & Islands Tourism Awards**.
4. In 2006, Wilderness Scotland was awarded Highly Commended Status in the Tour Operator Category of the **World Responsible Tourism Awards**. In 2005, Wilderness Scotland won the **Visit Scotland Tourism Business of the Year Award**. This was in recognition of the company's innovative trips and commitment to sustainable tourism.
5. VisitScotland's survey results - www.visitscotland.org/news_item.htm?newsID=48924 - were released on 15 February 2008.
6. In 2003, Tourism Intelligence Scotland reported that the walking industry in Scotland was worth £952m to the Scottish economy each year. The rise in wildlife tourism and adventure sports tourism mean that this sector is now worth well over £1bn to the Scottish economy annually.
7. Please see the Wilderness Scotland website at www.wildernessscotland.com for full details of their full range of adventure holidays in the wild places of Scotland.

For further press information, photos or interviews contact:
Neil Birnie, Wilderness Scotland
neil@wildernessscotland.com
Tel: 0131 625 6635