



RENEWABLE
ENERGY GENERATION

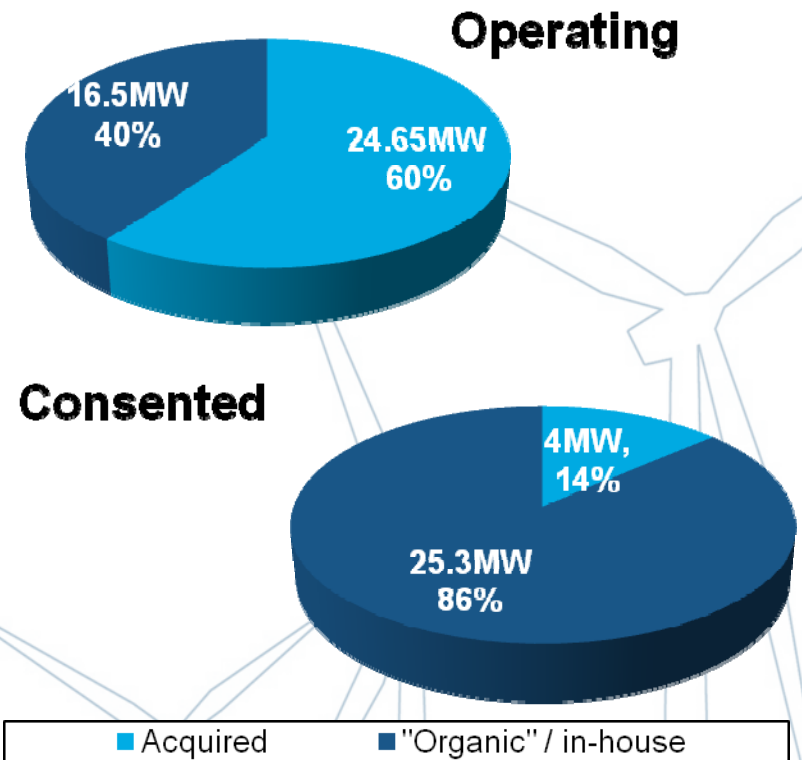
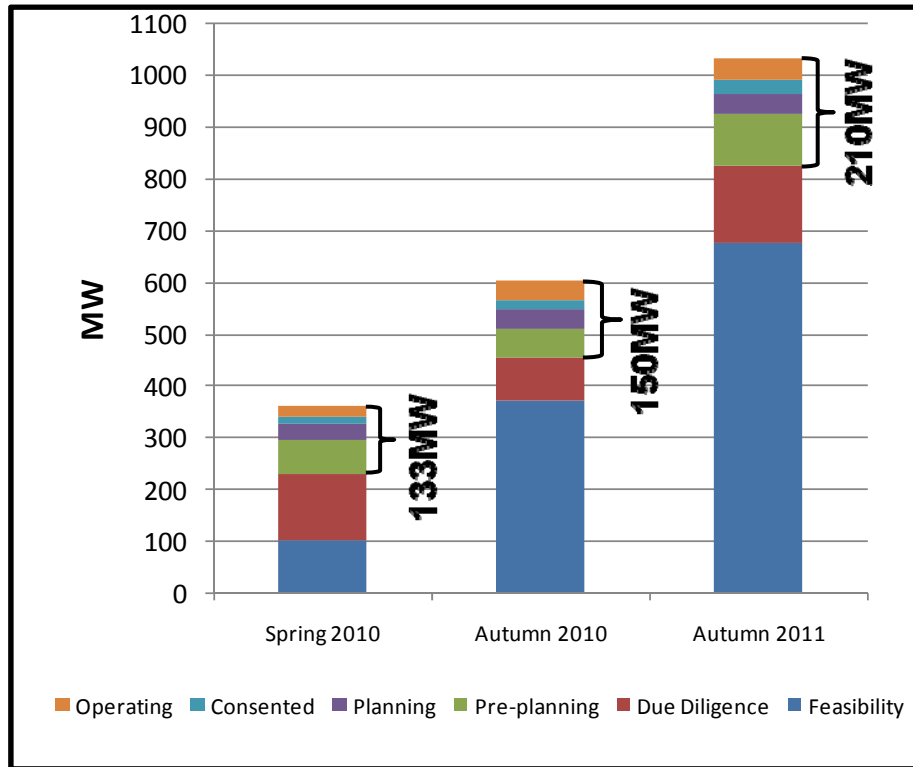
Delivering the Development Pipeline

9 September 2011

Matt Partridge, Development Director



REG Wind Development Pipeline - update

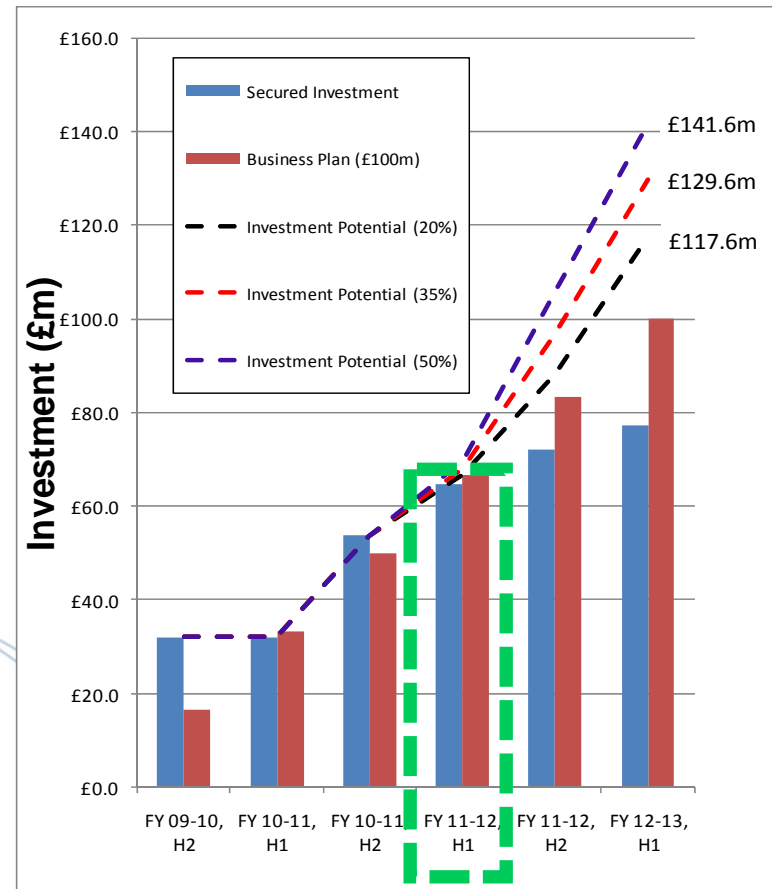
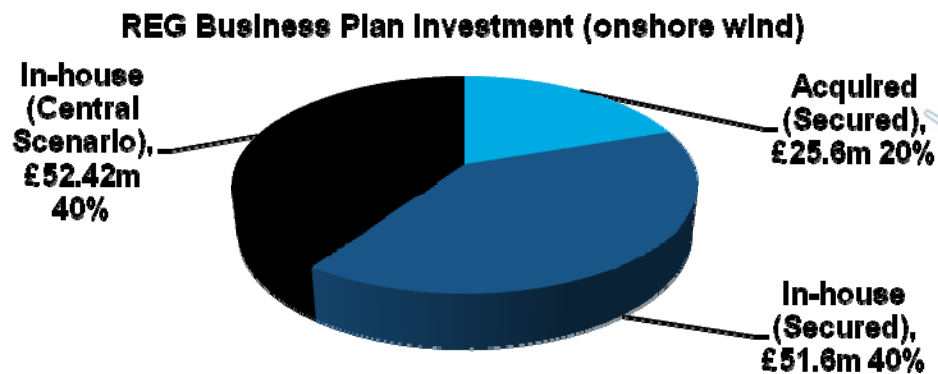


**Continued growth in overall size and maturity of the portfolio.
In-house development team delivering organic growth.**

Reaching the £100m investment goal

Re-modelled potential investment scenarios on the basis of *onshore wind* only, *excluding* possible, future acquisitions:

- ▶ **LOW** Assuming 20% Local Planning Authority (“LPA”) planning permission rate – **hits investment target**
- ▶ **CENTRAL** Assuming 35% LPA planning permission rate (against 34% current rate)
- ▶ **HIGH** Assuming 50% LPA planning permission rate – exceeds investment target by 40%



Business Plan on track; in-house development contributes 80%

Planning update

National Planning Policy Framework (NPPF)

- Contains a presumption in favour of “sustainable development”, which reflects environmental, economic and social criteria; seen as pro-growth, pro-development (witness National Trust and CPRE concerns).
- DCLG consultation that aims to “...streamline national policy from over 1,000 pages to just 52 pages of policy”; general guidance and deferral to National Policy Statements and local decision-makers.

National Policy Statement for Renewable Energy Infrastructure

- The NPS is a material consideration for planning applications in England and Wales and provides helpful advice against which applications can be assessed.
- The advice for onshore wind is underpinned by the specific acknowledgement that “*Onshore wind farms are the most established large-scale source of renewable energy in the UK. Onshore wind farms will continue to play an important role in meeting renewable energy targets.*”

Localism Bill

- The development community at large has lobbied extensively; many of the initial concerns addressed.
- Local engagement presents opportunities and not only threats. Requirement for local and neighbourhood plans to conform to national policy (which is strongly in support of renewable energy).

Planning policy agenda robustly supportive of renewables

Outlook

- ④ FY2011/12 will be characterised as a year of planning applications with current plans for 10 applications comprising over 100MW in aggregate, however...
- ④ ...we hope to build on the 5 planning permissions (25.3MW) secured in FY 2010/11.
- ④ Our business is supported on a number of fronts, including:
 - ④ Business rates retention consultation - DCLG consulting on planning authorities retaining business rates during at least part of the life of new renewable energy projects; *“Developers will find local authorities have greater incentives to grant planning permissions... This is especially true of new renewable energy projects that start paying business rates from year one of the system, as councils would keep all of the business rates paid by such projects.”*
 - ④ DCLG actively considering a Planning Guarantee whereby local planning authorities will mirror Planning Inspectorate’s target determination date of 26 weeks, meaning decisions should be faster in future, materially accelerating the evolution of the pipeline.
 - ④ Given the current economic uncertainties, the Committee on Climate Change usefully acknowledges that greater deployment of onshore wind *“...would reduce the costs of meeting the RED [Renewable Energy Directive] target.”*

We are excited and optimistic about the future, and can confidently say that in-house development is building momentum.