



Llywodraeth Cymru
Welsh Government

01 December 2021

Dear

ATISN 15685 – Graig Fatha Wind Turbine

Information requested

Thank you for your request which I received on 15 November. You asked for:

1. The financial information Ripple Energy presented to the Welsh Government with their grant application and which was reviewed before their grant application was agreed. Including financial information to support the case that the proposed Graig Fatha wind turbine has a reasonable prospect of achieving its profitability targets and thereby being able to generate the £75,000 annual 'community benefit' cash flow (see 'CBF' above) for the 25-year duration of the project.
2. Information held by the Welsh Government which pertains to the question, what would happen in the event that the wind turbine fails to meet its profitability targets. Including information about whether payments to the Community Benefit Fund (related to the Welsh Government grant) would take precedence over payments to shareholders/members of the co-operative.
3. Information explaining the criteria against which this Wind Turbine project was assessed – in relation to the Welsh Government's renewable energy strategy.
4. Information about the historic financial performance of on-shore wind farms in Wales which underpins the Welsh Government's assessment of the viability of projects such as the Ripple/Graig Fatha wind turbine.

Our response

A copy of the information I have decided to release is enclosed.

I have decided that some of the information is exempt from disclosure under section 43 – Commercial Interests of the Freedom of Information Act and is therefore withheld. The reasons for applying these exemptions / exceptions are set out in full at Annex A to this letter.

Next steps

If you are dissatisfied with the Welsh Government's handling of your request, you can ask for an internal review within 40 working days of the date of this response. Requests for an internal review should be addressed to the Welsh Government's Freedom of Information Officer at:

Information Rights Unit,
Welsh Government,
Cathays Park,
Cardiff,
CF10 3NQ

or Email: Freedom.ofinformation@gov.wales

Please remember to quote the ATISN reference number above.

You also have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at:

Information Commissioner's Office,
Wycliffe House,
Water Lane,
Wilmslow,
Cheshire,
SK9 5AF.

However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

Yours sincerely

Annex A

Application of exemptions/exceptions

The Freedom of information Act/Environmental Information Regulations provide a right for anyone to ask a public authority to make requested information available to the wider public. As the release of requested information is to the world, not just the requester, public authorities need to consider the effects of making the information freely available to everybody. Any personal interest the requester has for accessing the information cannot override those wider considerations.

I have decided to withhold the following information:

- Graig Fatha financial model.

This information is exempt from disclosure under section 43 of the Freedom of Information Act and is therefore withheld.

This Annex sets out the reasons for the engagement of these exemptions and our subsequent consideration of the Public Interest Test.

Engagement of section 43 (Commercial Interests) - of the Freedom of Information Act

Information is exempt under Section 43(2) if its disclosure under the FOIA would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).

Officials have carefully considered all of the information captured by this request and consider that the financial model in question should be exempt under Section 43(2) of the Freedom of Information Act.

The financial model contains information that is commercially confidential and Ripple Energy have provided evidence that they would be put in breach of contracts if that information were to be disclosed. Such a breach would create a legal liability for Ripple Energy and the cooperative society with the counterparties involved with the Graig Fatha project.

Disclosure of the information would also affect their ability to enter into future contracts, and would disclose other commercial pricing information that would make it difficult for them to enter into future contracts and place them at a commercial disadvantage should the information enter the public domain.

As disclosure of this information would therefore be expected to cause them commercial loss, I find that the exemption is engaged.

Public Interest Test

In order to satisfy the public interest test in relation to the exemption(s), it is necessary to conclude that the public interest arguments in favour of withholding the information are sufficient to *outweigh* the public interest arguments in favour of release.

Public interest arguments in favour of disclosure

There is a strong public interest in the openness and transparency of decision making in government, and in allowing public scrutiny of the disbursement of any public money. There is a public interest in the ability to scrutinise decision making and hold government to account.

Public interest arguments in favour of withholding

It is not in the public interest that parties should suffer commercial loss through their interaction with government. Such losses would become an effective bar to the implementation of public policy. It is also not in the public interest that government disclose information in such a way that a company be placed in breach of contract with others, or that their interaction with government should jeopardise their future ability to enter into new contracts, all of which would cause commercial loss and subvert the very aims that grant aid was intended to achieve.

Balance of public interest test

Although there is a strong public interest in the openness of government, as described above, we believe that release of the balance of the information pertaining to this case goes some way to meeting that aim. The disclosure of the financial model would undoubtedly add some additional transparency for the decision making process, but I do not find that this benefit is sufficient to outweigh the very significant losses that would be expected should the information be released. Neither is there any specific reason in this case why the public interest in disclosure should over-ride the commercial interests of the affected parties.

On the balance of public interest, I therefore find that the information should be withheld.

A copy of the information

1. The financial information Ripple Energy presented to the Welsh Government with their grant application and which was reviewed before their grant application was agreed. Including financial information to support the case that the proposed Graig Fatha wind turbine has a reasonable prospect of achieving its profitability targets and thereby being able to generate the £75,000 annual 'community benefit' cash flow (see 'CBF' above) for the 25-year duration of the project.

[Ripple-Co-PilotWindProject-20210320.pdf \(rippleenergy.com\)](#)

2. Information held by the Welsh Government which pertains to the question, what would happen in the event that the wind turbine fails to meet its profitability targets. Including information about whether payments to the Community Benefit Fund (related to the Welsh Government grant) would take precedence over payments to shareholders/members of the co-operative.

We do not hold this information. However, we are happy to provide an explanation of the basis on which funding will be allocated to local benefit. The Welsh Government grant constitutes 26.6% of the capital costs of the project, therefore 26.6% of the revenue, less 26.6% of the operating costs of the wind farm, will be allocated to the Community Benefit Fund (CBF) and fuel poverty action. The Welsh Government's contribution to the CBF, as a result of the grant, therefore will not be reduced due to members' returns. The share offer document explains that returns are dependent on the turbine's performance, and therefore the additional element of the benefit fund not related to Welsh Government support will depend on performance.

3. Information explaining the criteria against which this wind turbine project was assessed – in relation to the Welsh Government's renewable energy strategy.

The criteria against which this project was assessed are listed below;

The Local Energy Fund Principles

- The Fund will aim to support the installation of new renewable energy installations by social enterprise and SME organisations based throughout Wales that maximise locally retained benefits.
- The Fund will support non-subsidy business models and emerging models that demonstrate new, innovative approaches.
- The Fund will aim to encourage and develop individual projects and organisations to the point at which they are able to access other sources of finance.
- The Fund will develop individual investment packages and terms that are tailor-made to the particular business context and objectives of each investee.
- The Fund will operate using a patient capital approach that enables flexible payment terms to be offered including, but not limited to, payment holidays, as well as investing in equity opportunities when appropriate.
- The Fund will assess the potential long term environmental, social, economic and cultural benefit from each investment as a basis for funding decisions.

- The Fund will pro-actively develop innovative financial products which will enhance the ability of communities to develop renewable energy projects.
- The Fund will aim to develop relationships with its investees based on mutual trust and shared commitment.
- The Fund will aim to invest where investees are unable to access commercial funding, and to invest where this may enable access to commercial funding.
- The Fund will share risk and work with investees to manage risk in the most effective way possible.
- The Fund will be flexible and will consider renegotiating investment agreements in the light of changing circumstances.
- The Fund will develop individual investment packages that generate financial, environmental and social return.

[Funds we manage | Development Bank of Wales](#)

4. Information about the historic financial performance of on-shore wind farms in Wales which underpins the Welsh Government's assessment of the viability of projects such as the Ripple/Graig Fatha wind turbine.

We do not hold this information.