



Community Benefit Offer Position Statement

June 2025

Heolddu Solar Farm

Position Statement Overview

1. The purpose of this document is to set out a summary of the emerging community benefit offer for the Heolddu Solar Farm project, and to explain how it could work.
2. Before getting into the detail of the offer, it is helpful to set out short summaries of the following important contextual matters:
 - Who Qualitas Energy is and its wider commitment to being a good neighbour;
 - The Heolddu Solar Farm project and the applicant, Heolddu Solar Farm Ltd;
 - The need for more solar energy in Wales;
 - Welsh policy on community benefits and the approach taken to secure it on other developments;
 - Our emerging community benefit offer for the Heolddu Solar Farm; and
 - Next steps.

Qualitas Energy

3. Qualitas Energy is a leading global investment and management platform with a dual focus on both funding and developing renewable energy, energy transition, and sustainable infrastructure.
4. Since 2006, the Qualitas Energy team has dedicated over €14 billion to the energy transition worldwide. These investments have been deployed through six vehicles: Fotowatio / FRV, Vela Energy, Qualitas Energy III, Qualitas Energy IV, Qualitas Energy V, and Qualitas Energy Credit Fund I.
5. Qualitas Energy's existing portfolio currently comprises over 14 GW of operational and development-stage renewable energy assets – including solar PV, concentrated solar power (CSP), wind, energy storage, hydroelectric power, and renewable natural gas – across Spain, Germany, the United Kingdom, Italy, Poland, Chile, and the United States.
6. Over the past five years, Qualitas Energy has generated enough energy to supply 1.2 million homes and has successfully avoided the emission of 1 million metric tons of CO₂ equivalent.
7. The Qualitas Energy team consists of c.540 professionals across fifteen offices in Madrid, Berlin, London, Milan, Hamburg, Wiesbaden, Trier, Cologne, Stuttgart, Warsaw, Wroclaw, Santiago, Durham, Bristol, and Edinburgh.
8. To-date, Qualitas Energy has an operational output of 585 MW of solar with a further 6.1 GW in development. With offices in London, Bristol, and Edinburgh as well as over 20 staff in the UK, Qualitas Energy is committed to accelerating the energy transition in the UK. As

well as solar, Qualitas Energy is committed to delivering wind energy infrastructure and renewable natural gas with two operating renewable biomethane gas generating facilities and one gas injection hub under construction in England. With a pipeline of renewable biomethane gas projects (including a consented biomethane plant in The Highlands), Qualitas Energy expects to become the leading biomethane and green CO₂ producer in the UK.

Qualitas Energy's Wider Commitment

9. Qualitas Energy's plan for growth within the Welsh and wider UK renewables sector is driven by its commitment to protecting the environment by accelerating the UK's energy transition away from its heavy reliance on damaging fossil fuels, replacing them with renewable sources of energy. As such, Qualitas Energy strives for the highest standards possible across all business areas and activities.
10. Alongside the national benefits of environmental sustainability, energy security and affordability, Qualitas Energy also aims to bring localised benefits to the area by working with those local communities hosting solar projects through offering a community fund. Qualitas is committed to being a force for good for all its neighbours and host communities.

"Everything that we do, we do it believing in our purpose which is to enable a more sustainable and greener future for the generations to come".

Heolddu Solar Farm Ltd – the Applicant

11. Qualitas Energy currently develops greenfield renewable energy projects in the UK through Qualitas Energy Development Holdco Ltd ("Qualitas Energy Devco").
12. Qualitas Energy has set up Heolddu Solar Farm Ltd (HSFL) as the Applicant of its 40MW solar farm project located 1km to the east of Ferryside and 4km to the north of Kidwelly, known as "the Heolddu Solar Farm". HSFL is a limited company established to hold all of the assets relating to the solar project.
13. The use of a limited company is common for renewable projects in the UK since all such projects involve the execution of numerous legal contracts including leases, grid connection agreements, construction contracts and ultimately contracts to sell electricity. As a consequence, it is essential that all the assets and contracts relating to a renewable project are signed by the same legal entity. Qualitas Energy has considerable experience in developing projects in the UK and Europe, and all of our projects are developed in the same manner involving a limited company.

14. In the event planning permission is secured for the Heolddu Solar Farm project, the permission runs with the land. HSFL has entered into long term lease agreements with local landowners under which it will lease the land necessary for the construction and operation of the Heolddu Solar Farm project. The lease agreements will contain the relevant rights for HSFL to construct and operate the project, and the intention is that HSFL will lease that land for the lifetime of the project.
15. Local residents have expressed concerns regarding what would happen to the community benefit fund offer if HSFL sold the Heolddu Solar Farm project either before or after construction to another company. It is important to understand that the community benefit offer will be made available by HSFL and funded out of the revenues from the sale of electricity. In practical terms, this ensures that the community benefit offer will be available for the lifetime of the solar project regardless of whether the ownership of Heolddu changes.

The Heolddu Solar Farm Project

16. The Heolddu Solar Farm site extends to 90.5 hectares, comprising of two areas; Solar Area West (55 hectares), and Solar Area East (25 hectares). An underground cable route will connect the two areas. The site will consist of solar panels, associated ancillary infrastructure including a 132kV substation, temporary laydown areas and landscape and environmental enhancements. The point of connection to the grid will be the existing 132kV pylon located in the north-east of Solar Area East. The construction period will take between 8-12 months and the project will be operational for 40 years.
17. The proposed project is expected to generate enough green energy to power approximately 10,770 homes annually and to reduce carbon emissions by around 9,961 tonnes annually. This would be enough to power almost all the homes in Kidwelly and St Ishmael, Trimsaran, St Clears and Carmarthen put together.

The Need for More Solar Energy in Wales

18. The development of clean renewable solar energy in Wales will provide a cleaner and more affordable alternative to the UK's ongoing reliance on climate damaging fossil fuels such as oil and gas, much of which is imported.
19. This in turn makes the UK's energy supply more vulnerable to growing global conflicts such as Russia's invasion of Ukraine, which has caused significant increases in our energy bills. Homegrown renewable power generation will help to secure our energy supply, make electricity more affordable and cleaner and protect our environment for future generations.

20. Welsh Government has set ambitious targets for renewable energy generation as part of its commitment to tackling climate change and achieving a net-zero economy by 2050. The key targets and priorities include:
- 100% Renewable Energy Generation: By 2035, Wales aims to meet 100% of its electricity consumption from renewable energy sources; and
 - Decarbonisation Goals: Achieving net-zero greenhouse gas emissions across all sectors, including energy generation, by 2050.
21. The Energy Generation in Wales 2023 report (published March 2025), which sets out the energy generation capacity in Wales at the end of 2023, estimates that Welsh renewable electricity generation is equivalent to 53% of Wales' current electricity consumption and to 27% of Wales' estimated 2035 electricity demand as electricity consumption is forecast to continue its rapid growth.
22. At present there is a total of 3.6GW of renewable electricity capacity in Wales (8% (274MW) of which is located in Carmarthenshire), with ground mounted solar providing under 1GW of that total. This solar generation capacity is contributing to the overall UK Government target of 70GW of solar by 2050, needed to meet legally binding net zero targets. Enormous additional solar generation capacity is therefore urgently required to help tackle climate change.

Support for Welsh Solar Energy Community Benefits

23. Both the Welsh Government and Qualitas Energy place significant importance on deriving positive outcomes for local communities hosting renewable energy schemes as set out in the following documents:
- **Future Wales The National Plan 2040:** In addition to repeating the aspirational target of 100% of electricity consumption in Wales being met from renewable sources, it sets out the following ambitions regarding local ownership noting that local ownership of projects, in whole or part, can ensure benefits are accrued over the long-term, although not material to the determination of planning applications:
 - 1GW of renewable energy capacity to be locally owned by 2030;
 - For new renewable energy projects to have at least an element of local ownership from 2020;
 - Guidance defines **local ownership** as “energy installations, located in Wales, which are owned by one or more individuals or organisations wholly owned and based in Wales, or organisations whose principal headquarters are located in Wales.”;
 - Guidance defines shared ownership as a project which “involves multiple legal entities, such as developers, community groups, individuals, landowners, or public sector organisations. To meet the Welsh Government’s target, at least one of the owners must fall under the definition of “local ownership”.

Future Wales also supports the principle of securing financial contributions for host communities through voluntary arrangements, noting again that this must not be treated as a material consideration in the determination of planning applications.

- Alignment with the **Well-being of Future Generations (Wales) Act 2015**, which requires projects to deliver long-term social, economic, environmental, and cultural benefits for communities. These aspirations are formalised in the ‘Seven Well-being Goals’, which are:
 - A Prosperous Wales;
 - A Resilient Wales;
 - A More Equal Wales;
 - A Healthier Wales;
 - A Wales of Cohesive Communities;
 - A Wales of Vibrant Culture and Thriving Welsh Language; and
 - A Globally Responsible Wales.
 - Qualitas Energy’s **Environmental, Social and Governance (ESG) Policy** commits Qualitas Energy to contributing to the United Nations Sustainable Development Goals (“SDGs”) to improve the local community or anything which promotes the economic, social or environmental sustainability of the local area. There is considerable synergy between Qualitas Energy’s aim and the Welsh Government’s “Seven Well-being Goals”.
 - Qualitas Energy’s **Approach to Delivering Community Benefit for Solar Farm Projects in Wales (draft) (February 2025)**. This explains the emerging community benefit offer policy statement for Welsh solar projects including the types of projects that would and would not be supported, the variable nature of the fund value according to viability factors of individual solar projects and administration options. This Policy has the commitment of both Qualitas Energy’s Board of Directors and Qualitas Energy’s Management Committee. The Policy is in draft at present to enable it to benefit from stakeholder and community feedback and, once finalised, it will remain a “live” document to enable it to be adopted as needed.
24. Qualitas Energy considers community benefit offers as being an integral part of its renewable energy projects. They help facilitate a positive relationship between Qualitas Energy and the local communities that host its projects, recognising the importance of the community’s role in contributing towards UK energy security, energy affordability and energy sustainability.
25. The community benefit offer associated with Qualitas Energy’s Heolddu Solar Farm project is entirely separate to its planning application process and would not represent a material consideration to the determination of the planning application. It is not necessary to make the application acceptable in planning terms, and it will not be a legitimate reason to approve or refuse planning permission. Furthermore, Qualitas Energy’s delivery of the community benefit offer is not contingent upon receiving local community support.

Examples of Welsh Renewable Energy Community Benefit Offers

26. It appears that, generally, discussions around community benefit offers have been driven mainly by onshore wind developers, where there is typically an expected amount per MW and sometimes an ownership option. The commercials for onshore wind development are very different to those for solar energy development.
27. There are fewer examples of community benefit funds for solar farm projects with a significant majority of Welsh solar farm projects offering nothing at all.
28. It is also Qualitas Energy's understanding that for the few known solar community benefit funds, there is quite a range of offers:
 - Solar scheme (Anglesey) - £7,000 per year of the project (c. £280k over the lifetime);
 - Solar Scheme (Neath Port Talbot) - £12,500 per year (c. £500k over the lifetime); and
 - Solar scheme (Newport) - £1,000 per MW (£65,000 over the lifetime).
29. The administration of such funds is typically either through the local Community Council(s) or a third-party community body such as Community Foundation Wales. Where it has been the latter, engagement with the Community Councils and local project groups has usually been beneficial as part of the consultation process, alongside launching early outreach to local organisations which may benefit from applying for support from the fund in future.
30. This approach could well change in the future. For example, Qualitas Energy is aware that Solar Energy UK consulted its members in March 2025 on its draft community benefit guidance which envisages developers offering £400 per MW (index linked) over the lifetime of the development for community benefit fund purposes.
31. Following such a solar industry backed approach for the Heolddu Solar Farm would deliver an annual Community Benefit Fund of £16,000, or £640,000 over the 40-year life of the project. However HSFL is proposing to provide a larger fund offer, reflecting the specifics of the site and surrounding local community.

Heolddu Community Feedback on Community Benefit Approach

32. During February to March 2025, Qualitas Energy undertook early engagement consultation on its proposals for the Heolddu Solar Farm, including engagement with local residents, Community Councils and elected representatives.
33. As part of that engagement local feedback was requested on a number of matters, including whether there were any suggestions for Community Benefit, and whether there were any local initiatives that were deserving of support.
34. The responses varied, with several suggestions made on how the fund could be used to benefit the local area. Multiple respondents expressed interest in using the fund to assist local households in Ferryside and Kidwelly by helping to offset high energy bills.
35. The following initiatives were specifically mentioned as deserving financial support from a Community Benefit Fund:
 - Ferryside Lifeboat: Qualitas Energy met with this organisation on 22 May 2025 to hear more about the organisation and what it offers. Qualitas Energy invited the organisation to attend the community benefit workshop event planning for June 2025;
 - Save our Signalbox (S.O.S);
 - Calon y Fferi Community Centre: Qualitas Energy also met this organisation on 22 May 2025, and extended an invite to the workshop as well;
 - Local food initiatives, such as those at Tir Awel;
 - Keeping the public toilets in Ferryside running as they are at risk of closure; and
 - The development of local energy projects.
36. Other suggestions included using a fund to support environmental initiatives, such as planting trees along footpaths, as well as offering reductions on solar panel costs and providing free or low-cost EV charging points in both villages.
37. Regarding the development and management of a Community Benefit Fund, one respondent emphasized the importance of consulting with the community to establish clear objectives, funding routes, and transparency. Another respondent suggested that the fund be administered by Community Council members, while a third proposed involving local schools and existing community groups in its management. Another respondent recalled past instances where companies promised funding before planning permission was granted, only for the funds to never materialise.
38. Other feedback received expressed strong interest in the creation of a Community Benefit Fund, and there were some concerns that such a fund might not be provided. There were also discussions about using local suppliers and businesses during the construction phase of the project.
39. Other views expressed some support for community ownership and involvement, and this included the responses of the Community Councils.

40. Lastly, respondents recalled that the previously consented solar farm (Bryn Coch) on part of the Heolddu Solar Farm site offered some community benefits. The Bryn Coch solar farm (in 2015) offered an agreement with the Community Council to deliver the following:
- Provide a “solar facility” on the roof of Ferryside Village Hall;
 - Provide a “solar facility” on the roof of Llansaint Village Hall;
 - Provide a “solar facility” on the roof of Ferryside Primary School; and
 - £50,000 contribution to a “new wing” of a “new centre”.

Emerging Heolddu Solar Farm Community Benefit Offer

41. Having considered the above information, including community feedback, Qualitas Energy strongly favours delivering community benefits to the local community around Heolddu Solar Farm via its emerging Community Benefit Fund policy. This is in preference to pursuing part community ownership of this project. More detail is provided below but, in short, Qualitas Energy considers that a Community Benefit Fund provides significant community benefits and opportunities without the complexity and potential burden of a community ownership mode.

Part Ownership	Community Benefit Fund
<p>1. Funding</p> <p>Many community owned projects (including in Europe) have struggled to secure adequate, structured, and affordable funding. Delays, lack of certainty of funding and the absence of a clear process can become a very significant hurdle to ownership and developers. Certainty of funds on a secured and timely basis is essential for a successful development.</p>	<p>Qualitas Energy’s approach facilitates the community accessing funds without putting hurdles in the way of the project’s development and delivery. The community funding is available on the first export of electricity.</p>
<p>2. Complexity</p> <p>Developing clean power assets is complex and has high risks. Investors in this asset class are exposed to complex technical, regulatory, financial, and legal processes that can be daunting for communities. Qualitas Energy is experienced and resourced</p>	<p>Qualitas Energy’s Community Benefit Fund policy does not expose local communities to any risks. The risk reward ratio for local communities is much better with Qualitas Energy’s Community Benefit Fund approach.</p>

to manage the inputs whilst not exposing communities to these risks. Qualitas Energy's business model and funding sources enables it to navigate high sector attrition rates.

3. Support Teams

There's a shortage of qualified and experienced support available to community businesses, and local authorities are not well placed currently to provide the necessary assistance.

Qualitas Energy's Community Benefit Fund policy can be implemented by Community Councils or established Third Party Organisations. It is flexible and the administration approach to managing the fund can be made on a case-by-case basis. The Fund itself can be used to cover the cost of the administration, with the spectrum of individuals eligible wider than the equivalent needed to manage a part ownership approach given it requires less input and isn't as administratively burdensome.

4. Allocation of Benefits

Part ownerships typically require an investment to ensure there are no breaches of bribery and certain specific anti-corruption legislation. Investment funds are not generally readily available to a wide spectrum of local residents, and as such it could be more difficult to achieve a fair allocation of benefits.

Qualitas Energy's Community Benefit Fund policy is available to everyone and targeted to the most important needs of the community as defined by the community itself. It is more inclusive.

5. Liabilities and Financial Requirements

Uncapped liabilities, unexpected and high capex, and longer development periods can be a significant burden to community part ownership which,

Qualitas Energy's Community Benefit Fund policy does not expose communities to any potential liabilities.

under extreme scenarios, could dilute them significantly.

6. Guidance and Targets

There is a lack of solar precedents for targets and guidance for part community owned projects.

Qualitas Energy's Community Benefit Fund policy ensures that the area and scope of delivery of the funds is what best suits the local community, would be measurable by the local community and accountable to the local community.

Community Benefit Fund Amount

42. It is proposed to provide an annual amount of £20,000 (index linked) into a Community Benefit Fund. This fund would be made available over the 40-year operational life of the project. This amount, at £500 per MW, is higher than that advocated in the Solar Energy UK community benefit guidance (£400/MW). This would provide a total overall fund of £800,000 (index linked) to be used to the benefit of the community.

Availability of Community Benefit Fund

43. HSFL proposes to make the funds available from the date on which the Heolddu Solar Farm exports electricity to the grid. At present, and pending the outcome of the planning process, HSFL envisage energisation of the solar farm in early 2029.
44. HSFL suggests that the funds are available for use within the vicinity of the Heolddu Solar Farm, which includes the villages of Ferryside, Kidwelly and Llandyfaelog. HSFL would seek to agree this with the community fund administrator to ensure consistency.
45. Specifically, HSFL is proposing that immediate neighbours located closest to the Heolddu Solar Farm (within 500m and a direct line of sight or operational impact), would be eligible to claim from the Community Benefit Fund an annual amount of £800 to be used in payment towards their energy bills or for other such use as they consider appropriate.
46. The payment would be to the occupiers of specified properties (TBC) and, in the event that the current occupiers moved and new occupiers moved in post the construction of the solar farm, the availability of the payment to that property would be removed, and the amount made available to uses within the wider community benefit fund.

Administration of Community Benefit Fund

47. Given that the Heolddu Solar Farm is located in more than one Community Council area, it is suggested that a third party is appointed to administer the funds and ensure that they are shared with the community equitably.
48. At this time, we are exploring a number of options including partnering with strategic local partners, such as Community Foundation Wales, whose purpose is to bring positive change to local communities; and/or supporting a particular community project(s). In this scenario it is envisaged that eligible parties would apply to the appointed partner organisation for funds, subject to set terms of reference. Qualitas Energy met with Community Foundation Wales on 23 My 2025 and invited them to its community benefit workshop in June to share their approach with the local community.

Potential Uses of the Community Benefit Fund

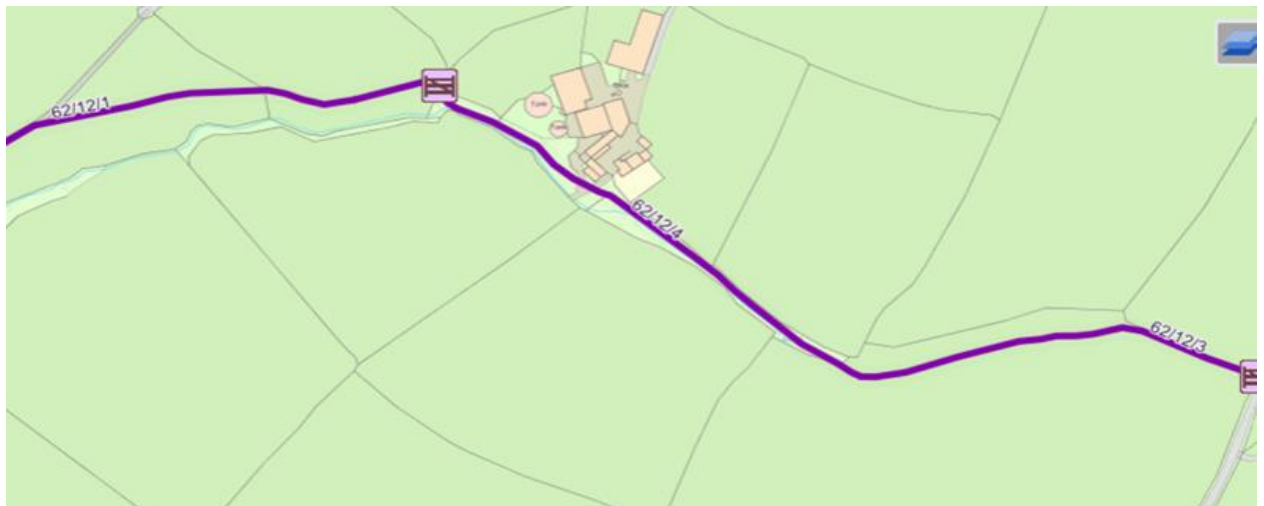
49. Examples of the types of projects likely to be considered suitable recipients of the Community Benefit Fund include:
 - Additional support for training and employment opportunities;
 - Education and culture including support for local facilities and organisations;
 - Social assistance to support projects involved with care and health;
 - Local sports, including improvements to facilities and sponsorship of local teams;
 - Promotion of local renewable energy initiatives including promoting the use of renewable energy in local council or community buildings through initiatives like photovoltaic roofs, energy efficiency measures in public buildings; and
 - Improvements to local infrastructure such as playgrounds and the local environment.
50. The Community Benefit Fund could be used to support a large single project or be disseminated across several smaller projects depending on the preferences of the local community.

Other Community Benefits via a S106 Undertaking

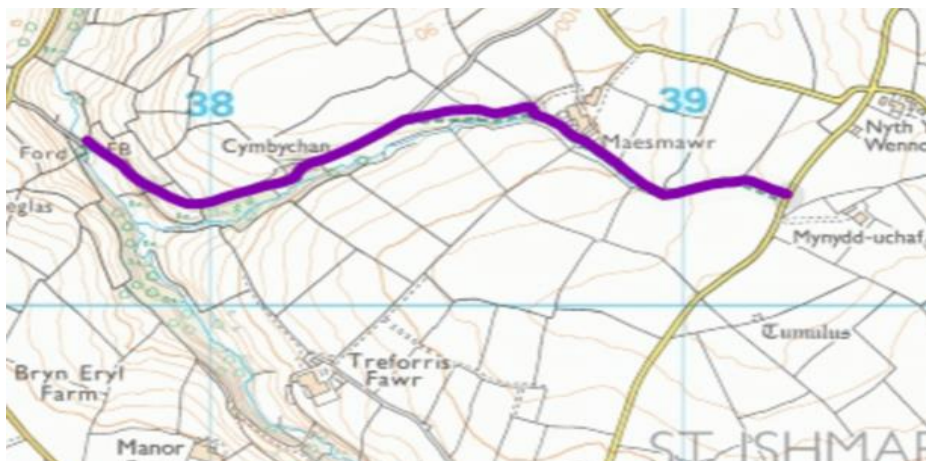
51. Qualitas Energy also consider that there is an opportunity to provide certain defined community benefits outside of the fund. These require further discussion between Qualitas Energy and Carmarthenshire County Council and other local stakeholders. It is possible that these types of benefits could be delivered/secured through a legal

undertaking (known as a Section 106) as part of any planning permission that may be granted for the Heolddu Solar Farm.

52. One such example relates to improving the existing public right of ways (PRoWs) located within the proposed Solar Area West. These PRoWs are, in places, obstructed by vegetation, are flooded at times and run through operational farmyards. They run along the centre of fields in the Solar Area West to the rear of the residential property, Maews Mawr as PRoW 62/12/4, and continue as PRoW 62/12/3 from Maews Mawr to the road. Qualitas Energy is currently discussing this opportunity with Countryside Access Officers at Carmarthenshire County Council, and potentially impacted local residents.



53. Qualitas Energy is also interested in a potential further PRoW improvement, where the above footpaths extend north-west outside of the solar farm site (PRoW 62/12/1), which is also obstructed. Again, options are being discussed with Carmarthenshire County Council Countryside Access Officers and have also been explored with the residents of the two dwellings at Cymbchan where the footpath goes through their landholding.



54. Local community feedback received through the informal public consultation on the Heolddu Solar Farm planning application is supportive of such footpath improvements being delivered, and HSFL is keen to deliver these where practicable.
55. On a separate matter, local people also wanted to be assured that there would be opportunities for local businesses, suppliers and contractors to be involved in the construction of the solar farm in the event planning permission is granted. HSFL is supportive in principle of such an arrangement, and there is potential for this to be provided for within any S106 undertaking.

Next Steps

56. Qualitas Energy has produced this Positioning Statement as means of continuing to engage with the local community on its emerging Heolddu Solar Farm community benefit offer. Qualitas Energy will present it alongside the other required technical documents published during the formal statutory consultation period for the Project.
57. Qualitas Energy is keen to receive feedback on this emerging approach and welcomes comments and suggestions from all interested parties.
58. Prior to the start of the formal statutory consultation, this document will be placed on the Heolddu Solar Farm project website for general review and comment from June 2025, and will be shared proactively with local stakeholders. A Community Benefit Workshop will also review and explore the points in further detail on 17 June 2025 at Llandyfaelog Community Hall.
59. Following consultation, a final version of this document will be produced and shared with interested parties for reference.