



# The Aviation Central Fund

A proposal for funding the Aviation Plan

BWEA 30

22<sup>nd</sup> October 08

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# Aviation Plan – Draft terms of Reference

- the funded activity is for applied R&D looking to deliver technical or other solutions in accordance with delivering the Aviation Plan
- the primary aim of the fund is for the development of solutions, although it may also be used for appropriate roll-out programmes
- the solutions must have a meaningful chance of being shown to work, licensed and installed within a five year timescale
- Clear deliverables, milestones, costs, risks and success criteria will be defined and reported to the Aviation Advisory Panel, Aviation Management Board and Fund Management Board.

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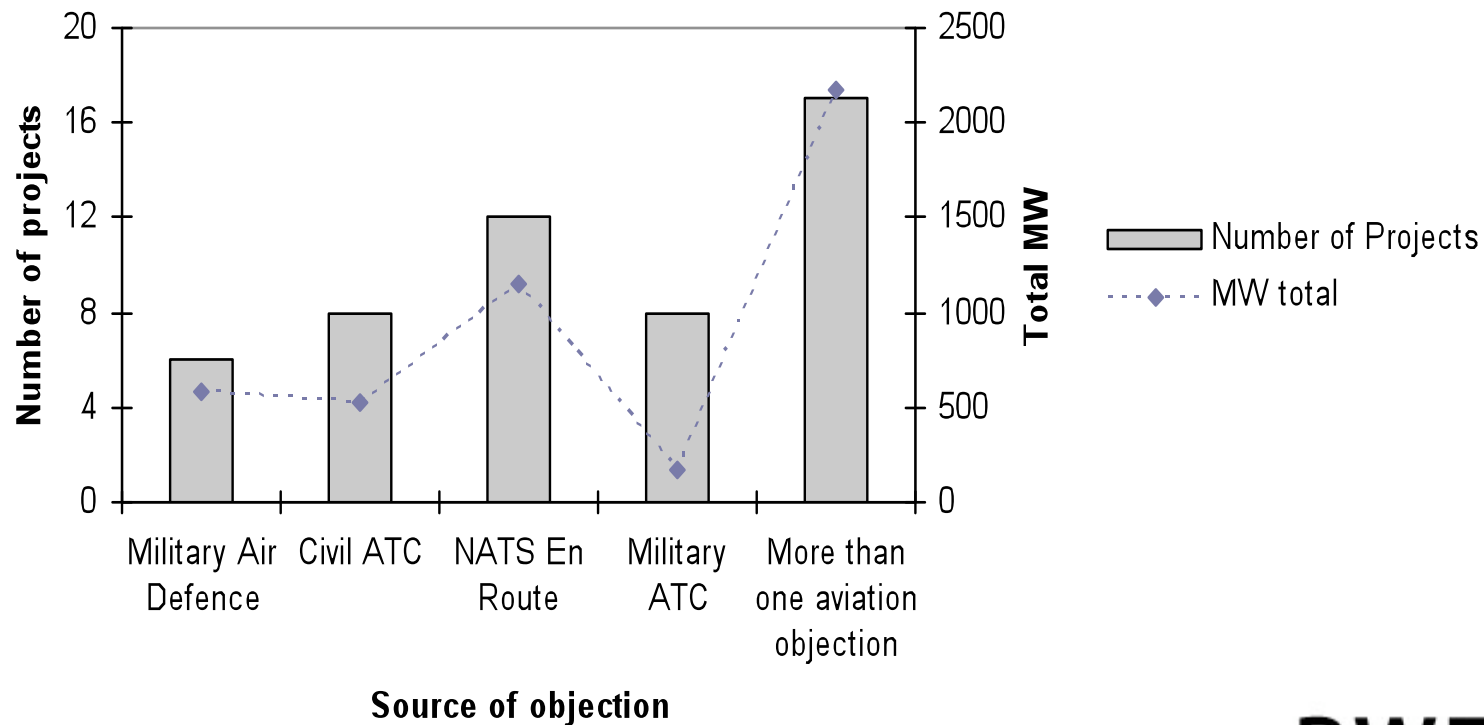
# Where are we now?

- Our proposal to establish a central aviation fund has been endorsed by the BWEA Board and the BWEA Aviation Strategy Group (ASG) as a necessary vehicle to progress the development of solutions to the aviation barriers facing wind energy deployment.
- Planning applications for wind farm schemes currently blocked by aviation objections, or those with suspensive conditions, will not proceed unless solutions are found to the radar issues.
- The wind industry needs to pool resources to develop industry-wide solutions in order to unblock aviation issues.

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# The requirement for a Central Aviation Fund

Wind farm developments in the planning system with aviation objections, totalling 4.6GW of potential renewable energy generation



# What activities require funding?

<b>Air Defence</b>	<b>Aerodrome ATC</b>	<b>En Route ATC</b>	<b>Radar Interference</b>	<b>New activities</b>
T102, infill radar Radar review programme	Transponder Mandatory Zones ADT / SPE3000	Raytheon project	Stealth / RCS reduction techniques	Holographic Radar Classification of turbines



<b>Enabling processes</b>
Web based site screening tool, CAA revised remit

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# What is the estimated required investment?

Air Defence	Aerodrome ATC	En Route ATC	Radar Interference	New activities
£1.4M	£1.5M	£3.6M	£?M	£3M?
Enabling processes				
£1.1M				

Total current R&D in plan: £10.3M

Government funding £3.36 – further £6m industry investment required

# Funding the Aviation Plan

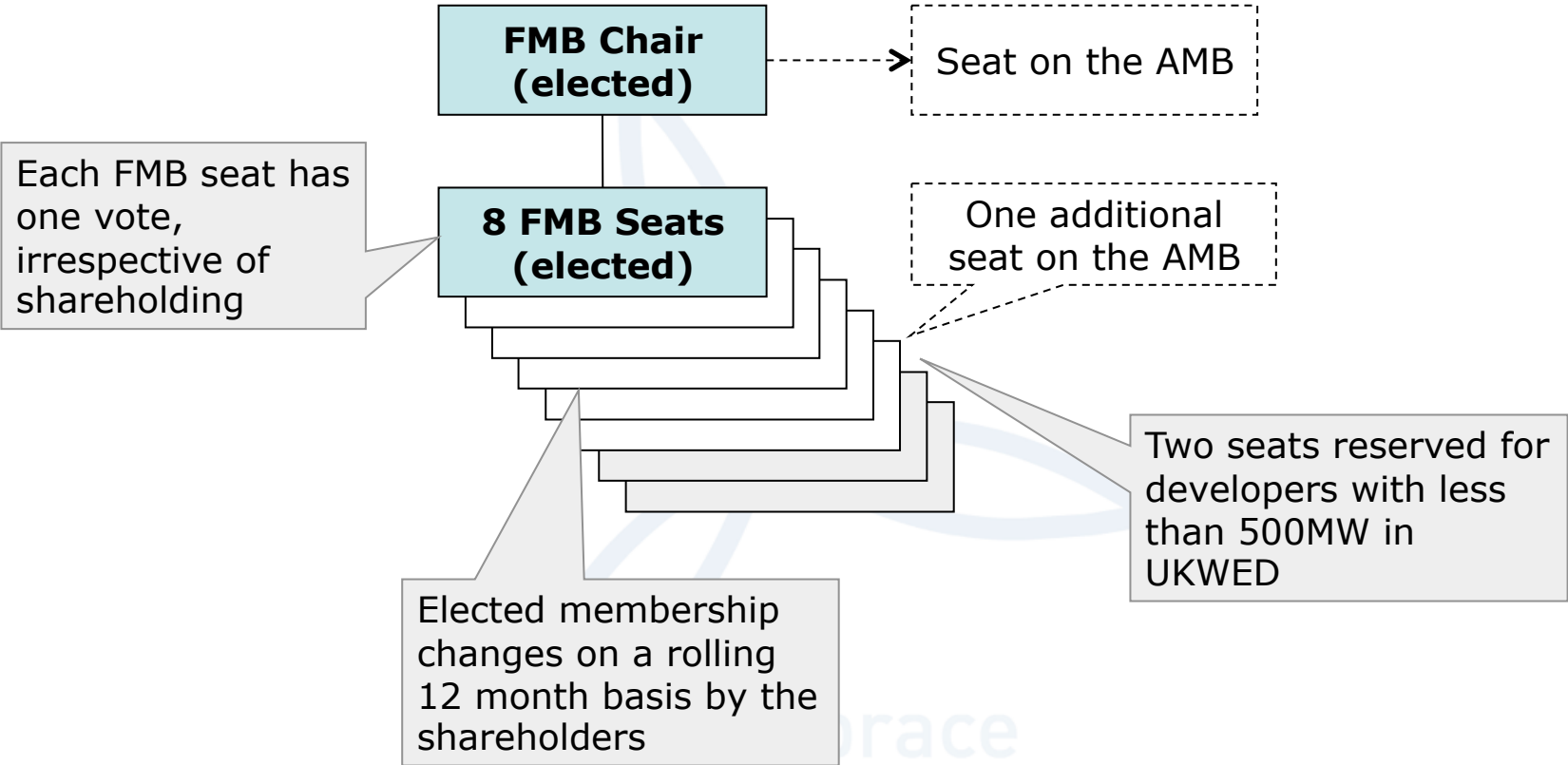
- Medium term commitment to multi-million pound (estimate £10m) programme, not a one-off request.
- Voluntary funding from wind community, BWEA cannot compel membership
- 2 types of funding needed:
  - Initial start up funding
  - Continuous investment into the fund
- Will push for every opportunity to seek funding from 3<sup>rd</sup> parties, early indication of significant seven figure donation already received from one interested party;
- Roll-out of solutions to be funded separately, but estimated at £100m, only 0.2% of anticipated capital spend on renewable energy over next twenty or so years.

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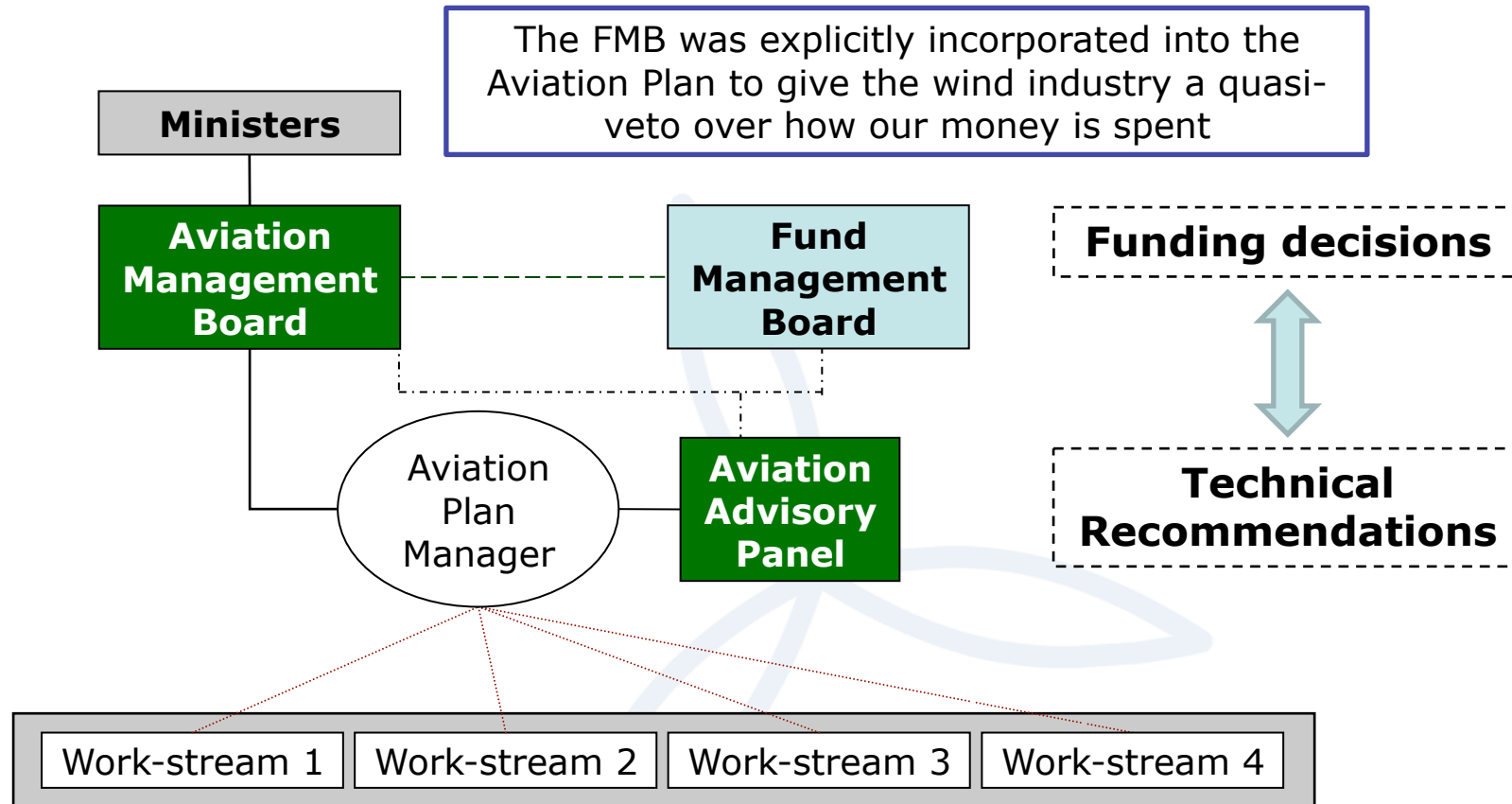
# The funding vehicle options assessed

<p>Option 1: Hold funds in a BWEA account</p>	<p>Option 2: Establish the fund as a Charitable Trust</p>
<p><b>Option 3: Establish the fund as a Limited Company with Shares</b></p> <ul style="list-style-type: none"><li>• A familiar concept</li><li>• Fair distribution of influence with respect to investment</li></ul>	<p>Option 4: Establish the fund as a Limited Liability Partnership</p>

# How will investment be managed?



# Governance Structure



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# Tiered investment structure

	MW in UKWED	Investment over 2 years	No. of Developers	Fund Value
Tier 1	>500MW	£600k	6	£3.6M
Tier 2	250 – 500MW	£300k	8	£2.4M
Tier 3	125 – 250MW	£150k	16	£2.4M
Tier 4	50 – 125MW	£75k	18	£1.35M
Tier 5	<50MW	£20k	49	£0.98M
Total			97	£10.73M

# What is the return?

- The main return for developers will be that wind farms get built, and that a suite of technical and other mitigation solutions become available to help address the concerns of the aviation community.
- This will hopefully move us towards the situation where the clarity, consistency and timeliness of being able to deal with aviation objections improves significantly.
- In addition the Fund Management Board will negotiate royalty structures with solution providers where possible.

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# OVER TO YOU

- All developer members of the BWEA (and non-member developers we know of) will have received a letter and business case seeking investment into the Aviation Fund.
- The suggested investment amounts are exactly that, suggestions. Feel free to invest more, or less, as your circumstances allow.
- Progress will be proportional to funding, the more we fund, the more we can do, the quicker things will happen.
- We have tried to get the information to you in time to meet most annual budget cycles, and would like indications of commitments by early December, with a view to having the fund up and running by the end of January.