

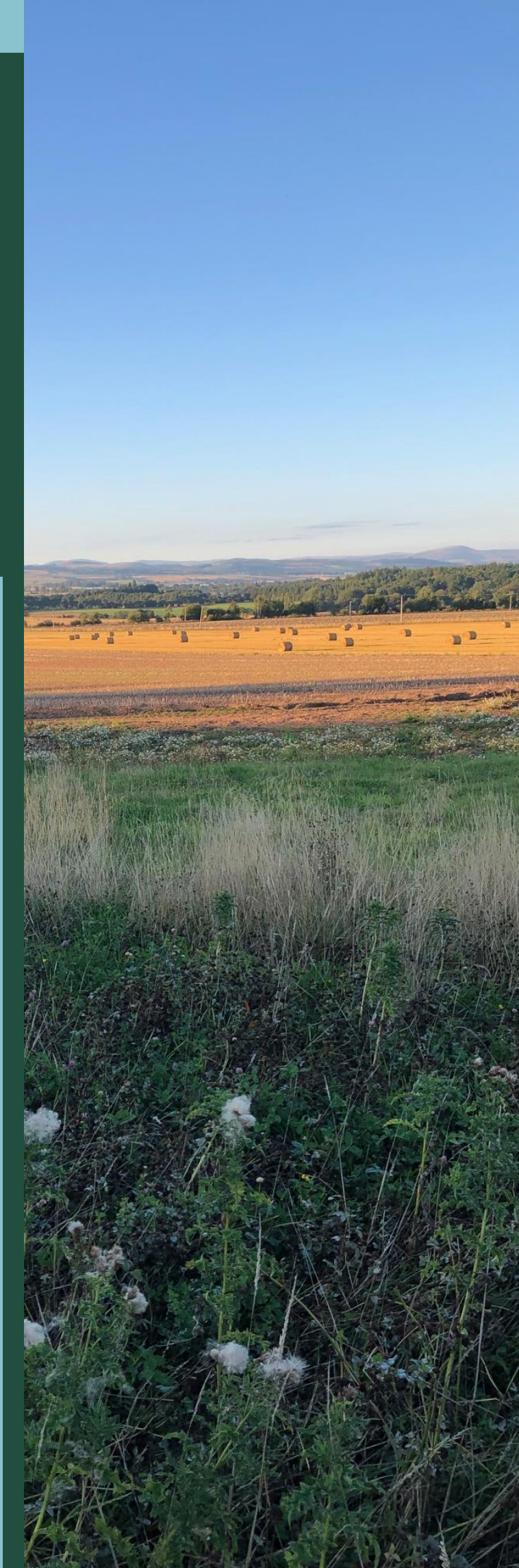


# The Energy Gold Rush

## The Landowner's Guide to Opportunities and Impacts

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[TERRAMAGNA.LAND](http://TERRAMAGNA.LAND)





# Introduction

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- Terra Magna was incorporated in June 2022 and is owned and directed by Merle Boyd and Peter Series
- Based in Perth with national coverage
- The business is a land consultancy company providing strategic land and property advice to a wide range of businesses which have an interest in land
- We specialise in compulsory purchase, renewable energy and utilities infrastructure



# Renewables

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## Opportunities for Landowners



# Market Overview

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- Unprecedented demand for new and re-powering sites at the moment in Scotland
- Government targets – Net zero by 2045 and to reduce emissions by 75% by 2030
- National Planning Framework 4, radical reform of planning policy and new blue print for renewable energy across Scotland. Many sites previously disregarded or failed now being reconsidered
- Energy market price increases
- Energy security
- Wider recognition of requirements for clean energy
- Improved technology



# Renewable Technology

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- Wind turbines
- BESS Schemes
- Solar
- Hydrogen
- Pump Storage Hydro
- Significant developers currently looking to secure land rights to accommodate these schemes



## What to do when you have a developer approach

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- Background checks
- Are the terms being proposed commercial and fair
- Rental offers against market
- Alternative options/land uses
- Potential to Tender
- Specific requirements/site matching



# Exclusivity Agreements

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- Often brought in to secure time for a developer to carry out initial surveys and give them security for a short period of time to negotiate head of terms.
- Typically 6 months – 2 years
- Seek to minimise duration, build in strive targets
- Exclusivity payments
- Expiry and termination dates must have minimal or no ongoing obligations landowners
- Essentially a door holder



# Option Agreements (All technology)

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- Provide the Developer with assurance of a lease if planning and consents are gained
- 2 – 10 years in duration, depending on technology
- Legally binding on signing
- Should be geared to ensure the developer has an obligation to progress the project
- Option Payments should be paid and reflect size and nature and duration of Option period



# Leases (All Technology)

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- 20-50 years typical however potentially longer in duration for large schemes
- Should be well thought through with other land uses in mind
- Tax position requires to be thought through
- JVs or other tax efficient structures can be considered



# Payments

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- Option Payments
- Base Rent
- Gross Revenue Rents
- Rent attracted for all additional infrastructure (masts/substations/compounds/3<sup>rd</sup> party access)
- Compensation







# Reinstatement

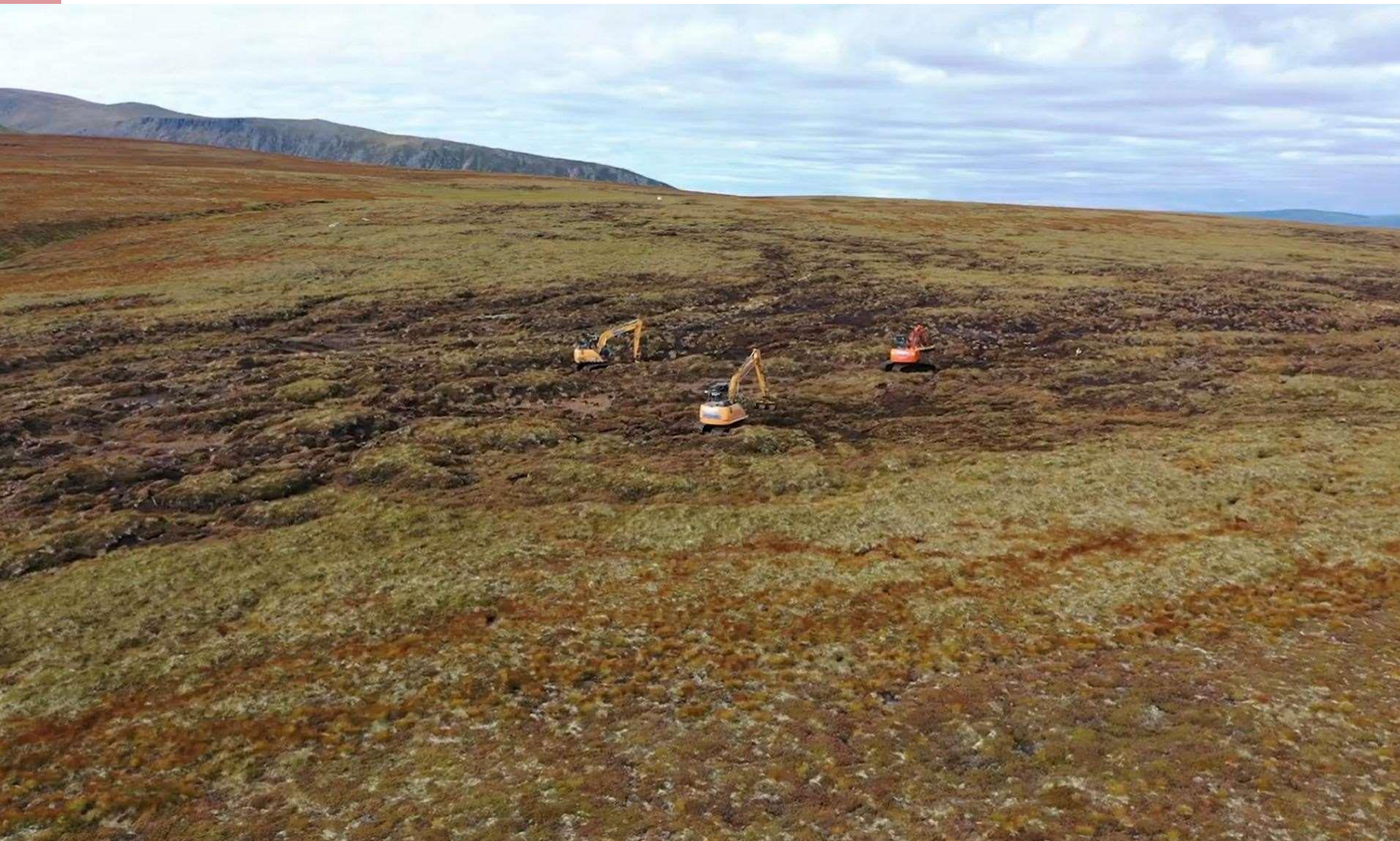
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- Bonds
- Letters of Credit
- Penalties
- Liability protections



# Habitat Management Plans

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- Opportunity to offset or enhance biodiversity on the landholding
- Potential to cause additionality issues with other income streams (AECS/Carbon Credits/Planting)
- BPS reform
- Potential for additional rental for HMP sites



# Ancillary Agreements

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- Oversail Agreements
- Access and turbine blades
- Development Access
- Grid Connections – third party
- Carbon and biodiversity offsetting agreements





# National Electricity

## Infrastructure

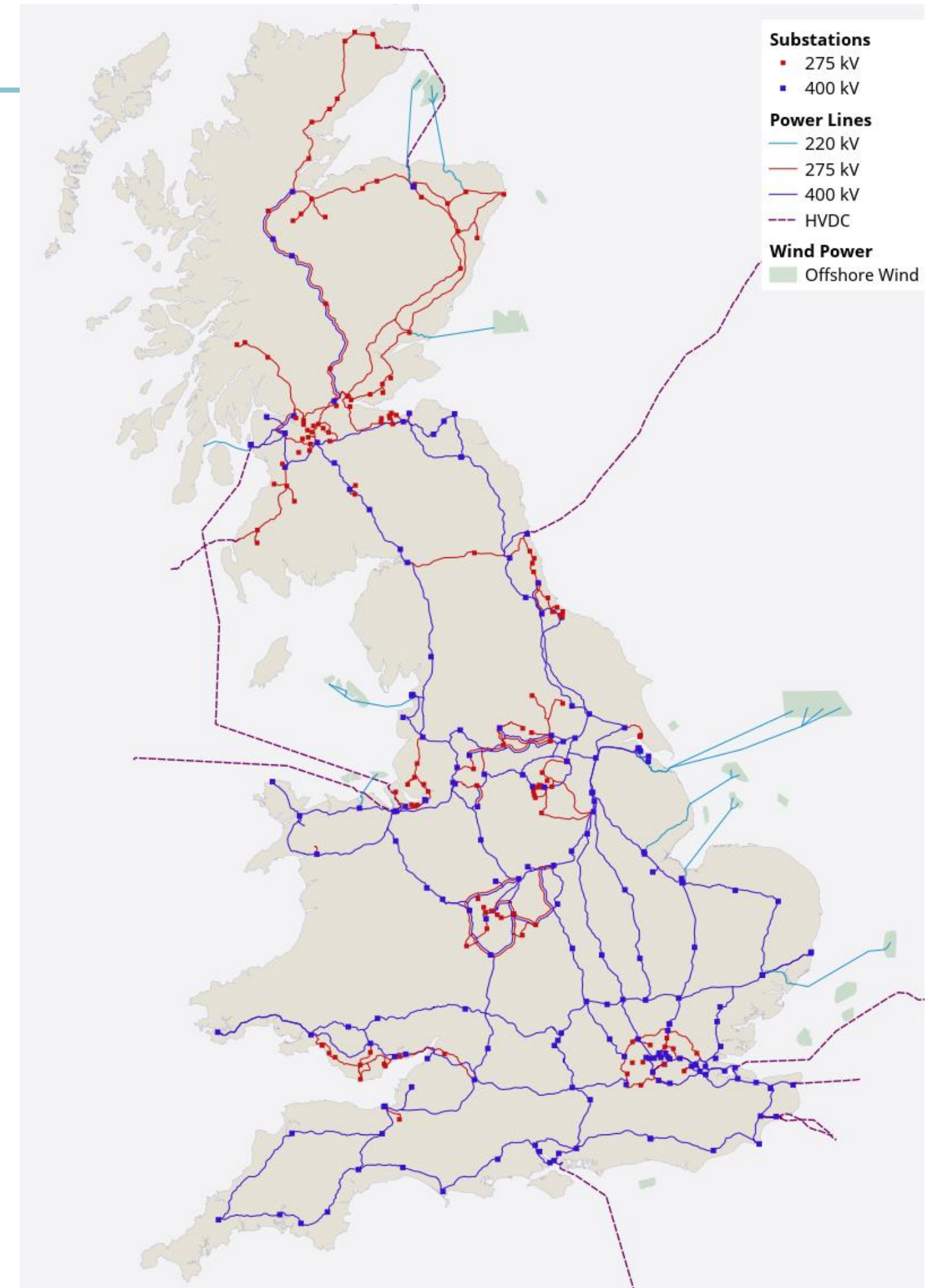
Impacts on Land and Dealing with

Approaches from SSE



# The National Grid Overview

- High-voltage electric transmission network serving Great Britain
- Connecting power stations and major substations and ensuring that electricity generated anywhere on it can be used to satisfy demand elsewhere.
- The network covers the great majority of Great Britain and several of the surrounding islands.

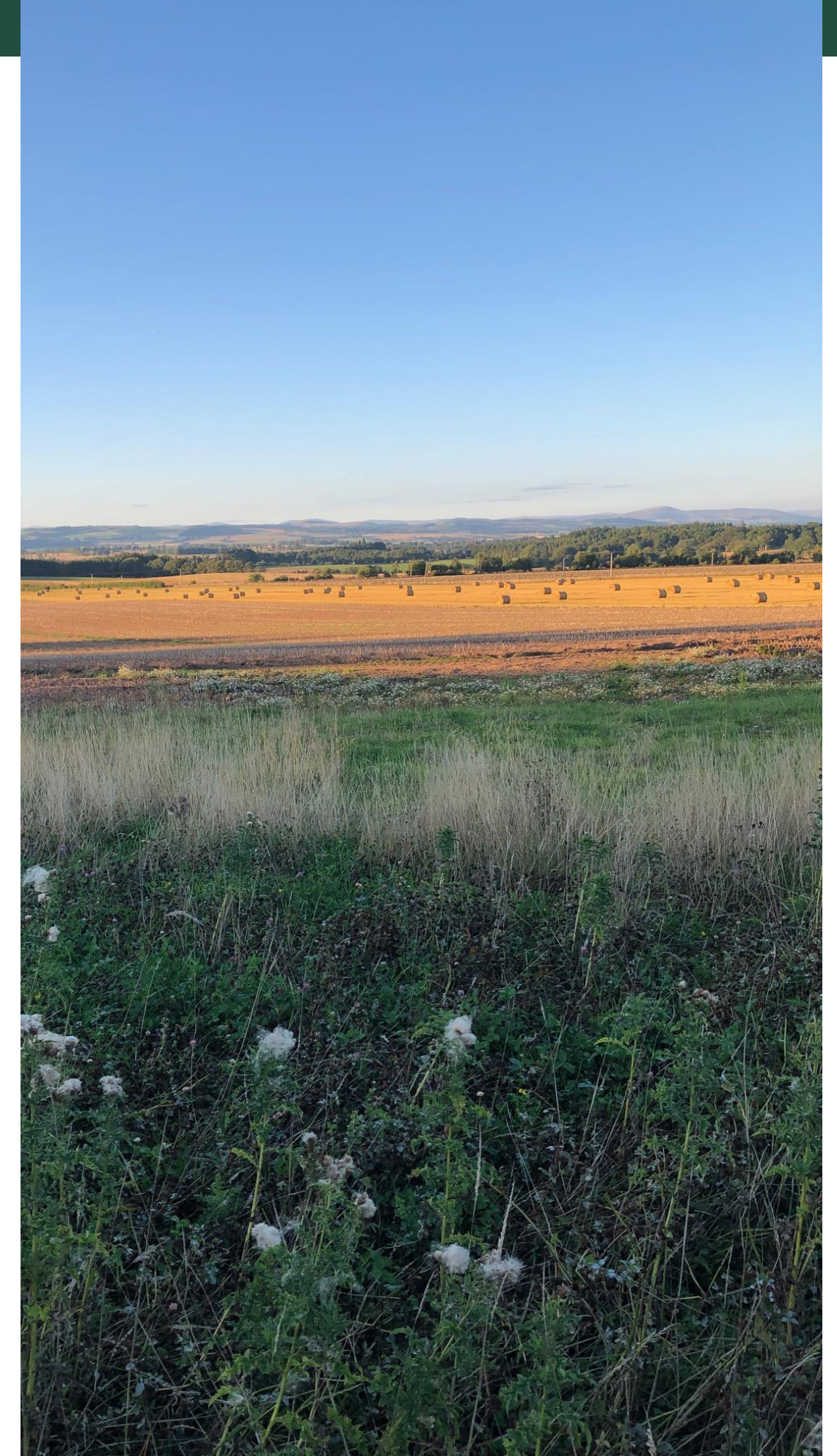




# Projects Across North of Scotland

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- East Coast 400KV
- Beaully to New Deer to Peterhead – 400KV
- Seagreen onshore connection – 400 KV
- Tealing - 400 KV
- ScotWind





# Kintore to Tealing 400KV Upgrade





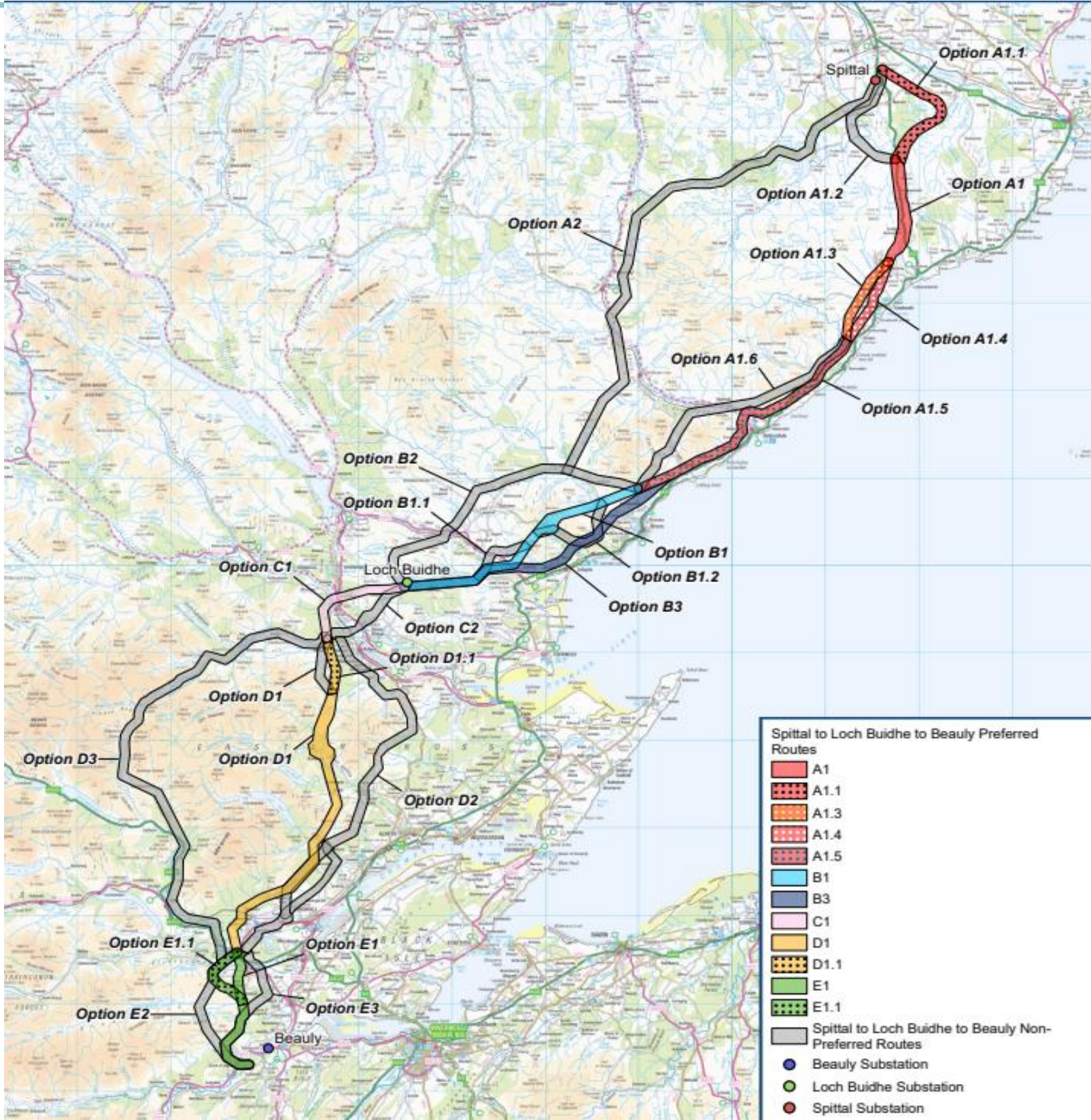
# Beauly – New Deer - Peterhead

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# Spittal – Loch Buidhe – Beauly 400 KV

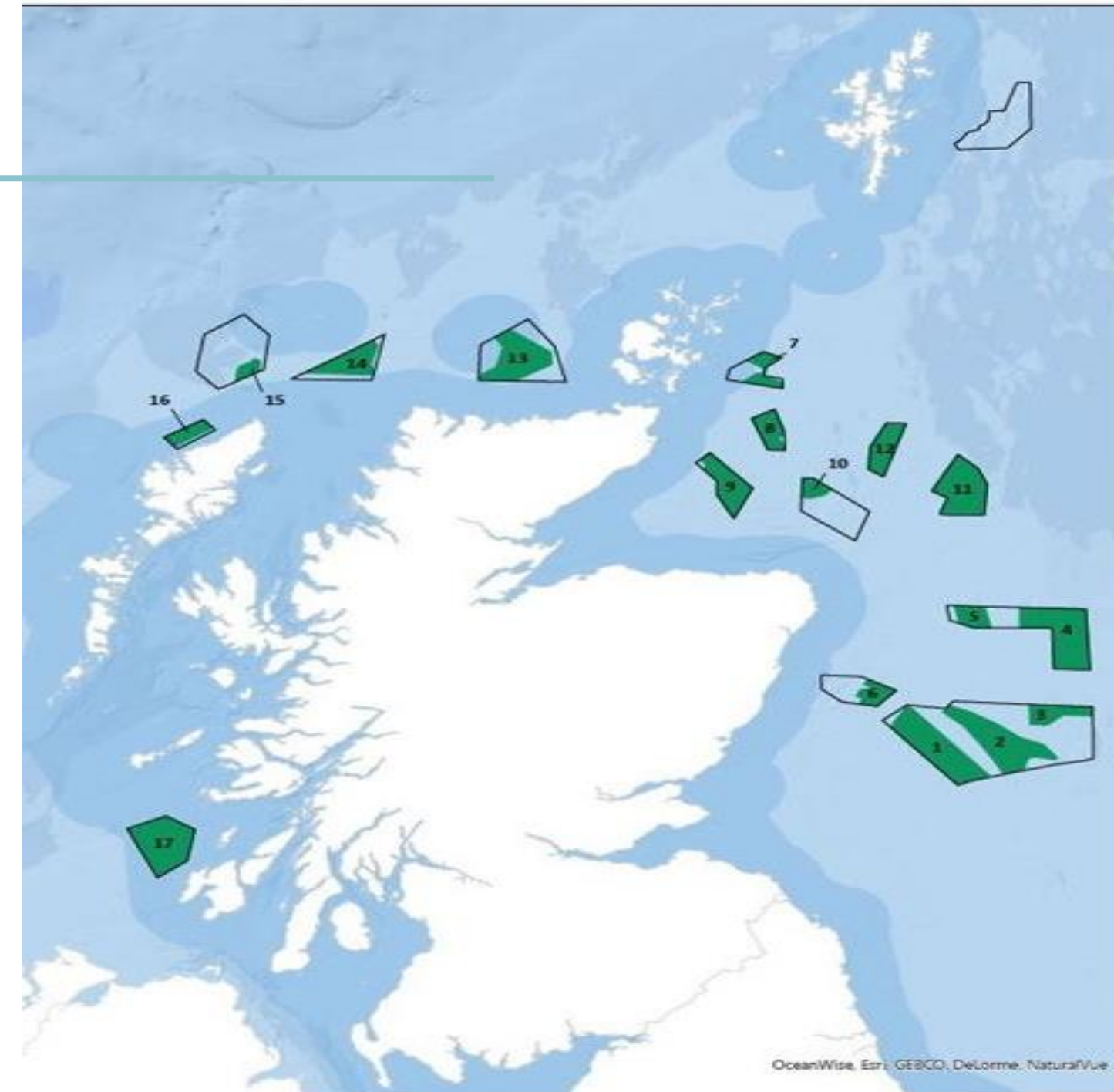




# ScotWind Sites

- 27.6 GW of new generating capacity

## ScotWind Awarded Sites

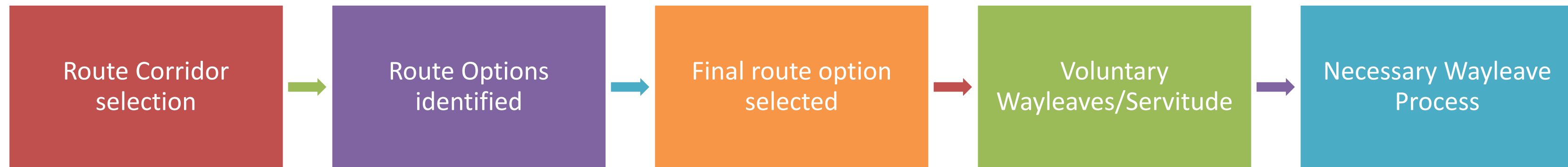


Site	Developer/Consortia	Installed Capacity
1 – E1	BP and EnBW	2,907MW
2 – E1	SSE Renewables, CIP and Marubeni	2,610MW
3 – E1	Falck Renewables and BlueFloat Energy	1,200MW
4 – E2	Shell and ScottishPower Renewables	2,000MW
5 - E2	Vattenfall and Fred Olsen Renewables	798MW
6 – E3	DEME, Aspiravi and Qair	1,008MW
7 - NE2	DEME, Aspiravi and Qair	1,000MW
8– NE3	Falck Renewables, Orsted and BlueFloat Energy	1,000MW
9 –NE4	Ocean Winds	1,000MW
10- NE6	Falck Renewables and BlueFloat Energy	500MW
11- NE7	Shell and ScottishPower Renewables	3,000MW
12- NE8	Floating Wind Alliance (Baywa r.e., Elicio and BW Ideol)	960MW
13 -N1	RIDG, GIG and TotalEnergies	2,000MW



# Process

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## The Legislation

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- The Electricity Act 1989
- National legislation
- Powers to the Scottish Ministers to determine applications for electricity infrastructure



# Voluntary Wayleaves

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Voluntary wayleave



Entered into with owner/occupier of the land



Can be terminated with 12 months notice



Annual wayleave payments



SSE will look to enter into this with affected landowners/occupiers initially



# Servitudes

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Likely that SSE will offer effected parties the option to enter into a servitude when serving the voluntary wayleave

Binding on title

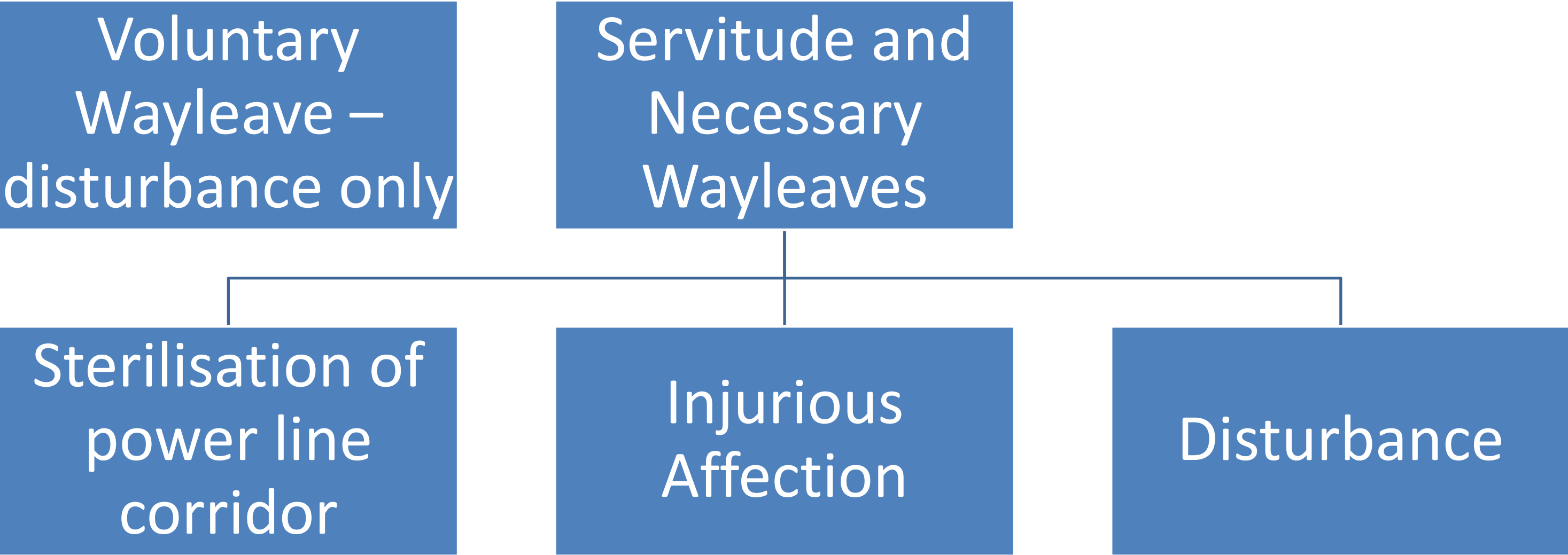
Servitudes are normally in perpetuity  
Compensation is full and final

Option/Servitude Agreements Increasingly Common  
from SSE



# Compensation Basics

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# Compensation Continued

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## **Sterilisation**

Loss of Value of the land within the power line corridor including the stand off distance

## **Injurious Affection**

Loss of value to the retained land as a result of the powerline on the land

## **Disturbance**

Losses to the business or operations of the land and property as a result of the construction of the power line

# Summary

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It is important to engage with SSE if you are affected by the proposed power line

The onus is on affected parties to mitigate their losses

If you are directly impacted by the project you are entitled to have a land agent to act for you and advise you. The costs are reimbursable SSE.

Professional fees will not be met if you object to their scheme but will be met for consultations, negating the agreements and compensation.



# Additional Agreements

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## Compounds

- Can be agreed with SSE or their contractors
- Rents can be significant
- Agreements with contractors can be out with SSE's compensation remit

## Borrow Pits

- Agreements can be reached especially in remote locations
- Payment terms, transparency and reinstatement key
- Consider bonds

## Landfill/Use of Excess Stone

- Agreements sometimes reached for disposal or stone
- Terms of the agreements are key





# Substations

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- Change the voltage of the electricity being transmission
- Either step up or down the voltage
- Increase requirement for new or extended substations across the country
- Due to increase demand for transmission
- Demand for land to build or extend substations
- Land requirements vary from 1 or 2 acres to 100s of acres
- Rent or purchase
- Consider opportunities within radius substation ie batter storage, solar, wind





# Turning Impacts Into Opportunities

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- Proximity to the grid
- Carbon and biodiversity Offsetting
- Opportunities for own renewables development
- Sterilisation Payments





# Professional and Legal Advice

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- All affected parties should have their professional and legal fees met by either the developer or the acquiring body.
- VAT recoverable through VAT return if Vat registered
- Ensure Fee Undertakings in place at the start to protect you





# Questions?

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