



RESULTS AND RECOMMENDATIONS 7/2022

Gone with the wind? Norwegian municipalities' changing stance on wind power development

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Purpose of the study

This study examines changes in stance towards wind power among Norwegian municipalities. The point of departure for the study is that the municipalities' stances have been a deciding factor in whether or not wind power projects are granted licences. The aim is to explain why municipal councils that previously approved licences for wind power projects, or were generally positive to wind power development, expressed a negative or wait-and-see attitude to further wind power development in their consultative input to the Norwegian Water and Energy Resources Directorate's national framework for wind power in 2019.

Who participated in the research group?

The study was conducted by researchers at the Fridtjof Nansen Institute: Per Ove Eikeland, Karianne Krohn Taranger, Lars Gulbrandsen and Tor Håkon Inderberg. The group has developed an analytical framework based on established theory to explain the shift in municipal attitudes. The analysis is based on 29 Norwegian municipalities' consultation inputs to the national framework for wind power, in addition to follow-up interviews with representatives of three municipalities that had previously said yes to wind power, but later changed their position.

What have we found out?

The hypothesis that has been investigated is that the change in stance reflect perceptions of injustice related to the distribution of costs and benefits, and to how planning and licensing processes for wind power development have been implemented. The municipalities' perceptions are coloured by their own experiences and observations of wind power processes and developments in other municipalities.

In the study, we have conducted a text analysis of the arguments the municipalities used in their consultation responses to justify their views on wind power development. Three dimensions of the concept of energy justice and the municipalities' assessments related to these were coded:



- whether the municipalities consider that they are assured reasonable opportunities for meaningful participation and influence in licensing and planning processes for wind power (procedural justice);
- whether the distribution of benefits and burdens of wind power development is considered fair to the municipality (distributional justice)
- whether the municipality, its arguments and values are recognised as important by the licensing and planning authority (recognition justice)

A first important finding is that the municipalities' perceptions of justice in wind power processes and wind power development are an important explanation for their shift in stance toward further development. The study shows that the municipalities are concerned with all three dimensions of energy justice when justifying their negative stance. At the same time, we find limited support for alternative explanations. This shows that a framework based on the three dimensions is well suited to explaining the municipal shift in stance on wind power.

Distributional justice

Distributional justice concerns were most frequently stated by the municipalities (86 % of the municipalities in the sample made statements related to this dimension, in all, 62 % of all statements relating to considerations of justice). The statements refer to "excessive burdens" and "lack of benefits" to offset burdens. Municipalities place more emphasis on burdens than benefits.

We have distinguished between "financial burdens" (mentioned by 18 of the 29 municipalities) and "burdens that cannot easily be measured in economic terms" (mentioned by 24 municipalities). This indicates that stance on wind power development reflects not only an economic mindset, but a desire to preserve untouched nature. Several municipalities argue that they have already seen major encroachment of nature by hosting hydropower development, and that further destruction from wind power will create additional negative distributional of burdens between geographical areas.

Fewer, but nevertheless a considerable number of municipalities (10), mention 'lack of benefits for the municipality' as an argument for their stance. The main emphasis here is placed on low tax revenues to the municipalities from wind power, limited to property tax. The municipalities refer to the norm for revenue redistribution related to the utilisation of hydropower as fairer (where, in addition to property tax, the municipalities receive revenues from natural resource tax distributed between municipalities and counties, licence fees distributed between central and local government and revenues from the sale of concessionary power). The existing tax regime for wind power is considered to result in net losses for municipalities since the revenue side does not outweigh extensive non-monetary burdens. Several municipalities also express doubts about the potential for other economic benefits, such as job creation. The fact that the municipalities are more concerned with burdens than benefits may indicate that better compensation schemes alone will not be sufficient for shifting negative municipal stances on further wind power development.

The municipalities also emphasise demanding negotiations on compensation agreements with developers, since they are based on freedom of contract, unlike the more established schemes for



hydropower. The interviews provided further information about the low levels of job creation from wind power development during the construction period a developers tended to choose bringing in foreign labour. The sale of wind power plants to foreign owners has also created ambiguity and conflicts about the owners' obligations under signed development agreements.

Procedural and Recognition Justice

Many municipalities (59%) state arguments related to licensing and planning processes that show that these are considered unfair toward the municipality (procedural injustice). This accounts for 25% of coded justice-related arguments. These are mainly related to a lack of opportunity for meaningful participation or representation in planning and licensing processes (13 municipalities). Several municipalities are requesting changes in planning and licensing processes to ensure participation at an earlier stage and to give the municipalities veto power in final decisions. Several also focus on the lack of influence over the environmental, transport and construction plans (MTA) after the licence has been granted, where the final number, height and location of wind turbines are determined, often not in accordance with the plan presented when the concession was granted. The municipalities emphasise changes in the licensing system in 2009, when management according to the Planning and Building Act ceased, leading to loss of local control of land-use planning and development in wind power cases.

Another main argument is related to perceived injustice in how licensing and planning authorities use knowledge to support their decisions (12 municipalities). Lack of knowledge about local conditions and consequences leads to such factors not being given sufficient weight (e.g. nature and biodiversity, cultural heritage, impact on local businesses, outdoor recreation and public health). Some municipalities mention that national knowledge acquisition has concentrated on areas deemed particularly worthy of preservation from a national point of view and has had too little focus on mapping areas of importance to the municipalities. Some supported their negative view by saying that the national authorities had not mapped what the municipalities could expect in terms of benefits of wind power development.

41% of the municipalities state that wind power processes do not recognise what the municipality considers important values and perspectives (recognition justice). Emphasis is placed on the lack of recognition of municipal and regional plans and the municipalities' right to untouched nature.

Implications

The study shows that Norwegian national authorities cannot expect support from municipalities for increased production of onshore wind power without taking into account their considerations of justice regarding wind power processes and the distribution of burdens and benefits from wind power development. Lack of consideration of these factors leads to opposition to further development of wind power.

As a consequence of the municipalities' negative stance and ongoing changes in legislation and the licensing scheme, Norwegian authorities have put further licensing processes for onshore wind power on hold, unless for cases where the municipalities actively request the go-ahead of processing. This may in turn affect the pace of electrification of transport, the oil and gas industry and other

industrial sectors in Norway, regarded by Norwegian authorities as important for achieving greenhouse gas emission reduction targets. In order to address the municipalities' concerns, the Norwegian Parliament has requested that the planning and construction of wind farms be returned to the Planning and Building Act, and the Government has developed a proposal for amendments to the compensation and licensing scheme for wind power. Whether these proposals will help reverse municipalities' negative stance on further development will depend on whether they consider the changes as compatible with their perceptions of justice. The study shows that many municipalities believe that the way municipalities are compensated for hosting hydropower development could be a model also for a more just distribution of benefits and burdens from wind power development.

At the same time, the study shows that better compensation to host-municipalities does not guarantee that municipalities will again say yes to further wind power development. Several municipalities point out that experience with wind power development led to a shift in values among residents, who have increasingly become aware of the importance of untouched nature and outdoor recreation. Several municipalities also emphasise that they have contributed enough to national energy supply through hydropower development and/or wind power development, and that other municipalities must now step up instead.

Here, several of the municipalities emphasise a need for more comprehensive national plans that include broader assessment of wind power impacts on local nature and broader energy transition plans comparing the advantages and disadvantages of different energy solutions, in order to increase the legitimacy of the Norwegian energy transition.

The study also shows that several municipalities perceive that wind planning processes and development have led to an erosion of trust between municipal authorities and residents. Residents has experienced major encroachment of land been endorsed by the authorities, while minor land use changes have not been granted allowance. Residents also have difficulty accepting that final wind power development following changes in the MTA phase have more extensive negative consequences than what the municipality communicated would be the result based on the granted licence.

Similarly, the study shows an erosion of trust between central and local government as a result of wind power processes, also linked more widely to the totality of policy proposals in recent years affecting municipalities that host energy facilities. The central government has proposed cutbacks in municipal revenues from power plants and redistribution from the host municipalities to the state of total tax revenues. This is regarded as a breach of the social contract and a norm of justice saying that whoever bears the burden of developing energy infrastructure must also be compensated with a reasonable share of the revenue. Such eroding trust may further negatively affect the political will in the municipalities to make land available for wind power development and other measures needed to support comprehensive national climate and energy policy implementation.