



Bro Dyfi Community Renewables Ltd

an Industrial & Provident Society registered with the Financial Conduct Authority.

Reg. No. 29283R

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Minutes of the Annual General Meeting of Bro Dyfi Community Renewables Ltd Reporting on the year ending 31st December 2013 Held at Pantperthog, 14th June 2014

Final as at 08/08/14

Present

Shareholders who are members of the Management Committee:

Michael Phillips (Chairman), Rod Edwards (Treasurer), Sonia Kuznetsov (Secretary), Harry Chandler, John Howarth Duncan Kerridge, Conrad Trevelyan, John Williams,

Other shareholders:

Dave Baines, Arthur Butler, John Cantor, Sabrins cantor, David Crossgrave, Angela Edwards, Chris Ford, Francoise Gollain, Jeanne Kerridge, Terry Kerridge, Ann MacGarry, Jacinta McDermot, Andy Rowland, Maureen Sedgwick, Nick Smyth, Eithne Thornton, Simon Tucker, Frances Voelcker
Organisational shareholder: Ecodyfi (represented by Andy Rowland).

1. Apologies

Shareholders appointing a proxy (Chairman or other named shareholder) to vote on their behalf:

John Allison, Joan Banton, John Brennan, Paul Brindley, Andy Bull, Howard Davies, Patricia Eagland, Richard Eagland, David Finney, Merle Fisher, Jo Gwillim, Jennie Jones, Racheel Kennedy, Billy Langley, Chris Lowe, Simon Morpeth, Pat Nasr, Roger Osborn, Steven Rainbird, John Smart, James Smith, Terence St.John, Ian Taylor, John Taylor, Christopher Thornton, David Thorpe, Rebecca Watson

Shareholders not appointing a proxy: Roy Bamford, Tim Brewer, Barney Gill, Simon and Lizzie Graham, Rod Janssen, Kelvin Mason, Sally Merrett, Roger Pawling

2. Chairman's Welcome

Mike Phillips introduced himself and welcomed everyone to the meeting.

BDCR has been operating for over 10 years, still managed largely by a voluntary management committee. There are still very few renewable energy co-operatives in Wales, despite government policy supposedly providing encouragement, and it is important for BDCR to 'hold' the torch' to motivate other groups.

3. Receipt of the Annual Report and Accounts **for the year ended 31st December 2013**

Three presentations were made by Management Committee members as follows.

A. Chairman's Report (Overview of year) – Mike Phillips

Key points: *(Full Report attached / available on website)*

- The Nordtank had generated 802MWH during the year, very consistent with the previous two years. Availability had been an excellent 95%, so very little downtime for problems and maintenance. *(Since then, in February 2014, it had it's best month ever, generating £16,000 in that one month alone ! ... see next year's accounts and report)*
- Financially it had been our best year to date, with a surplus of £31,000 at the end of the year. We have now finished paying off the loan from Finance Wales. We sell our electricity through the NFPA auction, securing a good price, and we expect this to continue as major power stations are decommissioned over the next few years.
- We had contributed to the Community Energy Fund (See Item 9.1).
- The V17 had not generated at all; there would be a report on the progress towards a full feasibility study for reconditioning the turbine, or otherwise re-powering the site. (See Item 8). The committee expects to put a proposal on this to the shareholders before the end of the year.
- We now have 9 Committee members, with Rachel Kennedy joining during the year. With most items being furthered on only a voluntary basis, progress is often slow, but there has been progress on two items referred to at last year's AGM:

(1) New Rules, to iron out a few inconsistencies, and updating to better reflect the co-operative ethos, had been developed, and the Resolution to adopt them would be before this meeting. Sonia was thanked for her work on this with Co-ops UK.

(2) We are on the cusp of making to very part-time appointments to take over some of the work that is currently done voluntarily by committee members: an Operations and Maintenance (O&M) Manager [approx 2 days/ month] and an Administrator [up to 20 hours/month].

- Finally: We have featured as a Case Study in a UNESCO publication: *RENFURUS: Good Practices – Success stories on sustainable and renewable energies in UNESCO sites*. Several committee members were also interviewed for a PhD study: *Understanding the post-start-up trajectories of community-based energy schemes in the U.K.*

B. Accounts – Rod Edwards, Treasurer

A Treasurer's summary of the Accounts, together with a recommendation regarding share interest payment had been circulated prior to the meeting. The full accounts (9-page 'Statement of Finances') were now available. *(Attached/Available on website)*. These full accounts were now presented by the Treasurer in the form of a summarised Powerpoint presentation. *(Also attached/available on website)*.

In summary, **a profit of £31,463 had been made for the year and**, with the Finance Wales loan paid off during the year, **the Nordtank now belongs 100% to shareholders..**

Income was £84,415, which was comprised of £79,462 from operations, £4844 released from grants, and £100 from interest earned.

Expenditure was £52,952 which included Repairs and Maintenance (9.5K), Turbine Depreciation (20.7K), Admin/Operating Expenses (14.7K), Interest on Loans (0.5K) and share interest paid to shareholders (7.5K).

The increased operating income of some £5000 was largely due to receiving a better price for a similar amount of generation to the previous year. We are currently getting £104 / Mwh. While we expect this to reduce a little in response to recently decreased energy prices in general, the ongoing trend is still a favourable one.

Expenditure was trimmed a little in comparison with 2013. Considerably less was spent on repairs and maintenance, though one major item was a £4K micro-filtration system, which such prolong the gearbox life.

On the balance sheet, the **balance had increased to £261,279**, now £48K above the original value.

In an attempt to estimate how long it is likely to take us to accrue liquid assets to equal the original share capital of £214.759, the Treasurer included simplified charts of assets and liabilities, ignoring the notional elements of depreciation and drip feeding of the original grant. These show out actual liquid assets currently at £85K, and that if we continue with annual profit of £30K, and paying interest to shareholders of £10K annually, then it will take just another 6.5 years from 2013 to reach 214K.

Rod used his presentation to explain the **Share Interest Payment Recommendations**. As per the Recommendation already circulated to Shareholders, the Management Committee recommended a distribution of £10,737 (representing 5%) which they considered a prudent distribution, retaining sufficient capital for unexpected costs. To this is linked the grant of £2150, in lieu of share interest, to Ecodyfi; also equivalent to 5%. (See Item 5 for acceptance of resolutions) .

Other items that arose during the Treasurers' presentation or questions from shareholders:

- We have change accountants to PJE, Lampeter. No formal audit is required, but they have checked the accounts for us.
- We will start to be liable for corporation tax, having used up the off-set of prior year losses.
- Adequate operational reserves are being maintained (e.g. a new gearbox £20K will be needed during the life of the Nordtank).
- The end of the life of the project, when capital may be returned or re-invested, was originally envisaged as 15 years, but this time-scale is not fixed, and will be decided by the shareholders. The Treasurer's projection shows the capital being available as cash before 15 years, but the turbine may continue to operate beyond 15 years. End-of-project will be a consideration for future AGMs.

There was a vote of thanks from the floor to Rod (Treasurer) and Marit (Book-keeper) for their work on all aspects of our finances.

C. Technical Report

Powerpoint presentation by Duncan Kerridge *(Full Presentation attached/available online)*

This covered, in more detail, the technical issues involved in the Nordtank operation.

- Turbine had generated consistently over the year, in relation to wind availability, producing 802MWh, with a capacity factor of 18.2%.
- Windtech providing regular servicing and call-outs for significant faults.
- Gearbox and transformer oils tested
- Jensen oil filter installed,
- Power Purchase agreement renewed
- Part-time O&M Manager (approx 2 days/month) since September
- Details of reliability were given: Over 95% availability. 17 outages requiring site attendance, mostly due to high winds or grid problems; all but four corrected within 24 hour. 5 days were lost after Christmas due to battery problem on 11kV switch (Scottish Power equipment).
- Details of monthly generation over the 3 years of operation were given. Overall output had been very consistent for the three years: 872, 801 and now 802 MWh, with capacity factor ranging from 18-20% not far off the original target of 22%.
- Into 2014: Several days lost in January due to grid problems, but then February was out best month of generation ever! During summer there would be a major maintenance task of re-dressing the gearbox teeth, and it is hoped at last to install a full remote monitoring system.

The V17 was still not operating; progress towards future options would be covered in Item 8.

4. Approval of distribution of share interest

Resolution 1: That a distribution of share interest at a rate of 5% per share shall be made to Shareholders in the 2014 financial year.

This resolution was proposed by Nick Smythe, seconded by Terry Kerridge and agreed unanimously.

Resolution 2: That a Grant of £2150 shall be made to Ecodyfi in the 2014 financial year in lieu of share interest on grant funding to the project of £43,000.

This resolution was proposed by Jacinta McDermot, seconded by Francoise Gollain, and agreed unanimously.

5. Resolution on auditing

The annual accounts had been prepared with an accountancy firm, but have not been audited. As already circulated with the agenda, the committee recommended the following resolution:

Resolution: That the co-operative shall for the financial year to 31st December 2013 not require the accounts to be audited. (I.E. The co-operative shall apply the audit exemption specified in Rule 54 (b)).

Explanation: The turnover is below the threshold at which the Financial Conduct Authority require any form of audit. However the shareholders might want an audit for some other reason. The decision not to carry out an audit needs to be made by the Membership, not the Committee.

The resolution to apply the audit exemption was proposed by Terry Kerridge, seconded by Chris Ford, and agreed unanimously.

6. Retirement and re-election of the Management Committee

Under the current Rules of the co-operative, all Management Committee members stand down at each AGM.

All 9 current Members were offering themselves for re-election, namely

Harry Chandler, Rod Edwards, John Howarth, Rachel Kennedy, Duncan Kerridge, Sonia Kuznetsov, Michael Phillips, Conrad Trevelyan, John Williams,

The election of these 9 shareholders as Members of the Committee was proposed by Andy Rowland, seconded by Ann MacGarry and agreed unanimously.

7. Adoption of new Rules (Extraordinary Resolution)

The proposed new Rules had been made available on the website, together with explanatory notes, and these had been posted to those shareholders who requested them. Sonia explained that the new Rules were tidying up various inconsistencies that she had noticed since taking up office as Secretary 4 years ago. The main areas affected were (a) the correction of the omission of share interest as an application of profit, (b) the clear allowance of proxy voting at general meetings and (c) changes to the clause re-electing the committee. In future one third of the committee, rather than the whole committee, would stand down (and be eligible for re-election) at each AGM.

The new Rules had been drawn up with paid support from the legal department of Co-ops UK, and are based on Co-op UK's 'Model Rules' for an IPS. Other updating changes in the Rules reflect a greater emphasis on honouring co-operative principles and values.

Under the existing Rules, Rules can only be changed by an Extraordinary Resolution, i.e. one passed by 75% of shareholders present, rather than the usual clear majority of 51%.

The resolution before the meeting was:

Extraordinary Resolution that the Rules of the Society be amended by deleting them in their entirety and substituting therefore the Rules provided.

The resolution was proposed by Jacinta McDermot, seconded by Harry Chander and agreed unanimously. There were no abstentions.

8. Progress Report on the Feasibility Study into the re-commissioning / replacement of the V17 turbine.

Conrad Trevelyan presented the plan and progress so far:

A Feasibility Study had been scoped. Co-ordination and the economic modelling will be undertaken by Rod Edwards, with specialist assistance (wind availability, planning issues etc.) from staff at Dulas Ltd. It is hoped to obtain grant funding for the Study, approximately £3700, but if not we will have to pay for it ourselves, as we do not want any further delays. It is hoped to bring costed options to a General Meeting later in the year.

The three options that will be explored and costed will be

1. Refurbishing and re-commissioning the existing turbine.
2. Replacing with a similar machine (i.e. small with limited returns, e.g. Endurance 50KW) on exactly the same site.
3. De-commissioning the site and installing one or more larger turbines in the same area. This will have planning and grid capacity considerations, which options 1 and 2 do not.

Contextual issues include:

- wind regime at the site, and in particular how the growth of the neighbouring forestry affects the wind availability, speed and turbulence
- existing land and access leases for the V17 will come to an end in 2017 and will need to be re-negotiated
- the capacity of the local 800KVa grid network
- Powys County Council have deemed the general site suitable for up to three turbines.
- current turbine market for new and second-hand machines
- electricity market and government support mechanisms (incl. different mechanisms for new and second-hand turbines)
- consideration of whether there are other developers with whom we could work in a joint project.

9. Concluding Matters

9.1 Community Energy Fund

Andy Rowland provided an update on the Community Energy Fund, which was the recipient of the funds from BDCR profits received annually by Ecodyfi.

The Community Energy Fund committee consisted of representatives from Glantwymyn Community Council, Ecodyfi, the Centre for Alternative Technology and BDCR. Use of the fund on behalf of the committee was managed by Ecodyfi.

The broad aim of the fund was to reduce carbon emissions in the local community by reducing energy use. Past activity had included the provision of energy-efficient light bulbs and domestic energy audits.

Andy thanked BDCR for the continued annual donations, which were made in recognition of the initial grant-funding organised by Ecodyfi for BDCR. Funds received over the last three years had been saved up and were now available for a further energy-reduction project within the community.

Andy also provided an update on the work of Ecodyfi in general. This included work with Ynni Y Fro, the UNESCO Dyfi Biosphere, environmental data collection, and an arts project exploring the community's relationship with water, particularly energy generation and the threat of floods. Ecodyfi was also exploring investing in renewable energy generation as a significant sustainable income stream in an attempt to lessen its dependency on grant income.

9.2 The Chairman thanked everyone for attending.
