



Bro Dyfi Community Renewables Ltd

Annual General Meeting 2015

- Chair's Report -

To all BDCR Members,

It is my pleasure to report to shareholders on progress for the year 2014 on the wind energy schemes owned and operated by Bro Dyfi Community Renewables Ltd.

It's been a year principally marked by the Financial Conduct Authority's challenge to our constitutional basis as a bone fide cooperative enterprise. But I believe as a result of this challenge we have come out the stronger for it and we have a clearer vision of what we are. I hope that with the decisions we make this coming year we can strengthen us further and perhaps seek a further business plan for another 15 years of renewable energy generation. It would be great if we could continue to be a leading light and example to other potential communities.

With a good wind, good fortune and an effective O&M plan the Nordtank 500kW has performed well, and we now have fairly consistent annual levels of generation for the last 4 years. 771MWh was generated in 2014, less than 2013 which was 802MWhr at a slightly reduced capacity factor of 17%. Nora's availability to operate has been good at over 85%, testimony to the provisions we have in place to fix faults quickly and resolve long standing problems. We finally have a SCADA monitoring programme in place, whereby we can monitor performance and attend to faults more quickly.

We now have two part-time paid posts for Operation and Maintenance Manager and Administrator. Rod Edwards and Andy Cook respectively are considerably lightening the responsibilities of the management commitment and improving our systems for operating Nora and running the company. It is also heartening that BDCR is now bringing a wider economic benefit in the community which has been one of our core objectives from the outset. I hope also to announce to Members over the coming year new impetus for the



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Community Energy Fund and the use of generation monies in further environmental initiatives in the Dyfi Valley.

We are finally in a position to announce the outcomes of the feasibility study into repowering the Vestas V17 site. The study, undertaken by Dan Hammond of Dulas Ltd, has weighed up the technical, economic and planning options for repowering the existing site or the potential for a turbine on another site nearby. A separate report with recommendation is likely to go out to Members in the coming months but a verbal update will be given at the AGM. The results have not been quite as promising as perhaps hoped, and currently, subject to some further enquiries, it may be a better option to re-commission the V17 and try to run it for a few more years. We are also in early discussion with the potential development of another community scheme in the valley, which may welcome the involvement of BDCR members, if it achieves a planning permission. Naturally, we will advise on and give advice to Members as best we can in evaluating future options for BDCR, but it is likely that such options could only be taken forward if there is the will and the involvement of Members.

Importantly, any options that we may consider have to be seen in light of the potential for the new Government to scrap any form of generation subsidy for wind energy and make planning permission more difficult to secure. The next two years could be very damaging for onshore wind and we never lose sight of the potential threats that hang over the industry. I strongly request that Members actively write to Government and officials to protect onshore wind energy and its pivotal energy role in a new, low carbon economy.

Perhaps most encouraging of all this year has been the defence of our principles as an organisation, following the challenge to our status as a cooperative enterprise by the Financial Conduct Authority. Sonia, our leading light and advisor alongside Rod in the negotiations with the FCA, will explain more on this at the AGM. She has worked unstintingly in liaising with Co-ops UK, legal advisors Wrigleys, Community Energy England, and even through representations to Ed Davey at DECC, to make our case and defend the company from the attempt by the FCA to deregister BDCR as a cooperative. With considerable time



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and effort Sonia and the Board have, for now, caused the FCA to acknowledge the authenticity of our organisation as a genuine community enterprise acting not just for profit but to take direct action collectively on the climate issues that threaten us.

It is not all over yet. Sonia is continuing to build our case that BDCR has wider goals as well as profit sharing, as we will need to continue to report annually to the FCA on our activities which will be scrutinised; also the FCA has yet to announce the results of the recent consultation on the new Cooperatives and Community Benefits Act 2014, which is now our governing primary legislation. We are not resting on our laurels and we will prepare our case in detail should further challenges arise.

Financially it has been a good year for BDCR, leading us to advise shareholders from our net income to approve a share interest payment this year of 3.5%. Last year was 5%. We are requesting a more prudent payment this year on account of the reduced income, partly to pay for elements of the V17 feasibility study, and because we are mindful of the recent dialogue with the FCA. I would welcome your agreement to the motion on the allocation of payments and the continuing build up of a reserve to strengthen the business and give us further options in the future.

Once again I pass my thanks to BDCR's voluntary committee which has worked hard on your behalf throughout the year:

Rod Edwards	Treasurer
Sonia Kuznetsov	Company Secretary
Duncan Kerridge	Technical Advisor
John Williams	O&M
Harry Chandler	
Conrad Trevelyan	
Rachel Kennedy	
Michael Phillips	Chair



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Rod, John Williams and Duncan, as our oldest committee members, we will be resigning this year in accordance with the Rules requirements for BDCR. They are also offering to re-stand for another three years and I sincerely hope Members will support our resolution to secure their further tenure.

And lastly, after long-lasting commitment to BDCR as our financial advisor and Treasurer, Rod will be standing down in the Treasurer role this year. We cannot thank him enough for his enthusiasm, insight and wisdom in managing our affairs and ensuring we have a viable business. Thank you Rod.

As well as needing to seek a replacement for Rod, now more than ever we need to involve Members in our activities and to distribute, perhaps even increase, the benefits of the enterprise to as wide an audience as possibly, locally and further afield.

Many thanks to all those with continued involvement and support for BDCR.

Michael Phillips

16th May 2015