



Bro Dyfi Community Renewables Ltd

A registered society under the

Co-operative and Community Benefit Societies Act 2014, 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 2014

Held at Pantperthog, 16th May 2015

1. Chairman's Welcome

Mike Phillips welcomed everyone to the meeting, and highlighted that it was the 13th AGM for BDCR and that the business is continuing to perform well, although we should expect some challenges in the coming years. Mike explained that the meeting started at 12noon this year to accommodate members with longer journey times; a buffet lunch has also been provided. It is hoped that by minimising barriers to attendance, an even greater participation by members would be encouraged.

2. Attendance and Apologies

Present

Members (Management Committee):

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

Other members:

Roy Bamford, David Crossgrove, Angela Edwards, Jo Gwillim, Jeanne Kerridge, Terry Kerridge, Leila Kiersch, Matt Palmer, Colin Reading, Andy Rowland.

Organisational shareholder: Ecodyfi (represented by Andy Rowland).

Non-members in attendance:

Andy Cook (Administrator), Vic Bamford

Apologies

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

John Allen, John Allison, Senaka Attygalle, David Baines, Joan Banton, Monica Bradley, Paul Brindley, Andy Bull, Tony Burton, Alison Davisdon, Otto Freudenthal, Jennifer Jones, Hagen Kiersch, Christopher Lowe, Roger Pawling, Nicola Ruck, James Smith, Lucy Stone (Mirouze), John Taylor, Bob Todd, Matt Wilson, Frances Voelcker.

Members not appointing a proxy:

Marion Bolton, Arthur Butler, Elizabeth Butler, Sally Carr, Rhiannon Chandler, Ian Eagland, Patricia Eagland, Chris Ford, Francoise Gollain, Mary Harris, John Houghton, Ann MacGarry, Roger Osborn, Tim Southwood, David Thorpe.

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, Chair

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

- The Financial Conduct Authority's challenge to our constitutional basis as a bone fide cooperative has dominated this year. Mike stated that as a result he believes BDCR has become stronger, with a clearer vision of what we are. BDCR has been a successful enterprise for nearly 15 years, and a great example to other potential initiatives around the country. Sonia will provide a more detailed summary (see item 8).
- The Nordtank generator had performed really well again during the year, generating 771MWh (a little less than 802MWh in 2013). We now have fairly consistent annual levels of generation for the last 4 years. Availability had been good at over 85%. *[Since then we have implemented a SCADA system - to monitor performance remotely and attend to faults quicker].*
- We now have two part-time paid posts, Operations and Maintenance Manager (Rod Edwards), and Administrator (Andy Cook). A core objective of BDCR has been to bring a wider economic benefit into the community. In the coming year BDCR is hoping to announce further environmental initiatives in the Dyfi Valley making use of some of our generation monies.
- The Vesta V17 repowering feasibility study. A separate report with recommendations is likely to go out to Members in the coming months. In summary, the results from the study have not been as promising as perhaps hoped, and subject to further enquiries, it may be that the best option is to re-commission the existing V17 and try to run it for a few more years.
- In light of the potential for the new Government to scrap any form of generation subsidy for wind energy, Mike strongly requested that Members actively write to Government and officials to protect onshore wind energy and its pivotal energy role in a new, low carbon economy.
- BDCR's income in 2014 was remarkably similar to 2013, expenditure was a little higher, details available in the Treasurers Report (attached). Giving a surplus of £24,000 at the end of the year. The management committee is recommending a share interest payment to members of 3.5%.
- Rod Edwards is standing down as Treasurer for BDCR. Rod will remain in post until the next AGM in 2016 to allow time to find a replacement and to ensure a sufficient handover. Please come forwards if you are interested or if you know someone suitable for this role.

B. Accounts – Rod Edwards, Treasurer

The full accounts were available on the BDCR website, or by post if requested, before the AGM. A recommendation regarding share interest payment had also been circulated prior to the meeting. The full accounts were presented by the Treasurer in the form of a summarised Powerpoint presentation. *(Also attached/available on website).*

In summary, **a profit of £24,409 had been made for the year.**

Income was £84,411, which was comprised of £79,366 from operations, £4844 released from grants, and £201 from interest earned.

Expenditure was £60,002 which included Repairs and Maintenance (£10,327), Turbine Depreciation (£20,711), Admin/Operating Expenses (£14,571), share interest paid to shareholders (£10,738) and grant payment to Ecodyfi (£3,655).

The book value of **Shareholder funds** as at 31/12/14 is **£285,264**

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 £7,516 (representing 3.5%) which they considered a prudent distribution, retaining sufficient capital for unexpected costs and any future projects. To this is linked the grant of £1,505, in lieu of share interest, to Ecodyfi; also equivalent to 3.5%.

Rod also took the opportunity to announce his resignation from the role of Treasurer, to handover by the AGM in 2016. Rod asked for Members to come forward who are interested, or if they know of anyone else that might be. A job description is available on request and on the website.

Mike called for a round of applause from the floor to thank Rod for his many years of work on all aspects of our finances.

C. Technical Report

Presentation by John Howarth

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

- Turbine had generated consistently over the year producing 771MWh. With December 2014 generating our highest output to date at 145MWh for the month.
- A microfilter has been installed on the Nordtank, reducing wear, giving greater longevity.
- We have recently installed a SCADA system enabling us to check issues remotely, and some basic remote resets are also possible (by Windtech). This is greatly improving our response time to issues and we expect can only improve availability of the turbine over the coming year. It also saves many trips up the hill (and associated costs) to visit the turbine.
- Tim Brewer has been working on a breakdown of costs to get the V17 turbine running again. This is approx. £14-16k, but more work needs to be done in conjunction with the feasibility study produced by Dulas before a way forwards can be determined.
- John explained the discussions between BDCR and LoCo2 regarding a “sleeving” arrangement. Where Members who sign up to LoCo2 get a slightly reduced energy bill and BDCR sell electricity to LoCo2. The general opinion was that it wasn’t a fantastic option, the typical saving per Member per year was £15 from their energy bill.
- Since 2014, a yaw motor was replaced by Windtech following a number of shut-downs at the start of the year.
- Details of the V17 re-commissioning / replacement will be covered in Item 7.

4. Approval of distribution of share interest

Resolution 1: That a distribution of share interest at a rate of 3.5% per share shall be made to Members in the 2015 financial year.

This resolution was proposed by Terry Kerridge, seconded by Leila Kierch and agreed unanimously.

Resolution 2: That a Grant of £1505 shall be made to Ecodyfi in the 2015 financial year in lieu of share interest on grant funding to the project of £43,000.

This resolution was proposed by Sonia Kuznetsov, seconded by Colin Reading, 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 2014 not require the accounts to be audited.

Explanation: The turnover is below the threshold of £90,000 and BDCR Rule 119 also allows us to be exempted from an audit in this circumstance. 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 John Howarth, seconded by Andy Rowland, and agreed unanimously.

6. Retirement and re-election of Directors

One third of the Board members retire each year. The three most long-standing Directors now retiring and offering themselves for re-election are:

Rod Edwards, Duncan Kerridge and John Williams.

The election of these three shareholders as Members of the Committee was proposed by Terry Kerridge, seconded by Angela Edwards, and agreed unanimously.

7. Progress Report on the Feasibility Study into the Re-commissioning / Replacement of the V17 turbine

BDCR commissioned Dulas Ltd to investigate and report on these high-level options:

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.

Dulas have recently delivered a comprehensive report that includes 9 options ranging from large new turbines on a new site, second hand options on the current site, to restarting the existing V17 turbine.

A new location would require planning permission, grid connections, large investment costs, and perhaps most significantly would require a great deal of effort from the Committee to drive such a project.

The report suggests that the mean wind speed at the existing V17 site was low compared to the actual historical data available, this needs some further work and analysis. It would be economically viable to repair the V17 based on historical data, but not if using the figures from the study.

The V17 is not in an ideal location due to being near the forest, however a comment was made that some trees in the vicinity were cleared when the original turbine was installed, and perhaps Natural Resources Wales would have a sympathetic perspective and be willing to help in a similar way again if required (the lease for the site is due for renewal in July 2016).

There was a consensus that a new project, even if commercially outsourced, would still require a great deal of Committee time and effort to manage. Undertaking a new project is a "proper job" not a few evenings.

There is more work to be done to take this subject forwards, and it is the intention of the Committee to produce a separate report with recommendations to Members in the coming months.

8. Progress Report on FCA ‘bona fide co-operative’ registration issue

The Secretary, Sonia Kuznetsov, reminded members of the background to the FCA registration issue and provided an update. See attached report.

Thanks were expressed to Sonia, Rod and Mike who over the last 6 months have had to put a lot of work into understanding and responding to the stance unexpectedly taken by the FCA.

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. In summary there were two key messages:

- The current Community Energy Fund monies are unspent as yet but the steering group will be convening soon to discuss disbursement of the monies
- There is the potential for a new project for which the share interest contributions from BDCR may be utilised to cover development costs.

9.2 Chairman closing comments

Going forwards we will use a mixture of specific mail-outs and website posts to keep members informed of BDCR activities and events. BDCR is one of the best and pioneering renewable energy projects in the UK.

The Chairman thanked everyone for attending and for their continued involvement in the ongoing success of BDCR.
