



Bro Dyfi Community Renewables Ltd

Annual General Meeting 2016

- Chair's Report -

To all BDCR Members,

It is my pleasure to report to members on progress for the year 2015 on the wind energy schemes owned and operated by Bro Dyfi Community Renewables Ltd.

Above all, what great news it is to be reporting on the best year so far for the Nordtank wind turbine. Generation for the first time ever topped over 1000MWhr, resulting in a 24% capacity factor, thus providing the equivalent to annual domestic electricity use of approximately 225 homes, and the offsetting thousands of kgs of greenhouse gases associated with energy derived from fossil fuels. These achievements are the realisation of the true pioneering objectives of BDCR, and which caused so many of you to invest from the outset – to displace as much fossil fuel power as we can locally and hence reduce the contribution we make to global warming. Congratulations to all on the fruits of your investment.

2015 was an exceptionally good year for wind power: the UK drew about 12-15% of its electricity consumption from renewable energy throughout the year, proving once and for all that distributed, clean energy generation can displace polluting fossil fuels if we will it to. Regrettably, by contrast, the current Government is conducting a wholesale reversal on the UK's commitments to reduce our carbon generation. Under the current Tory government just about every pillar that supported the drive to a cleaner, reduced carbon world is being dismantled. Generation subsidies, which are needed for another couple of years for renewables to be competitive, are being removed; the Climate Change Levy exemption for renewables was quashed; policy support for renewable energy and energy efficiency is now diluted and weak; in all, up to 20 carbon reduction measures established in the past 15 years that have been done away with in the dash for gas and expensive nuclear power. The Government unfairly maligns renewable energy for increasing the price of power, without recognising that renewable energy is coming close to proving its competitiveness with gas, that is gets cheaper the longer it



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is in the ground, and that there are huge economic cost savings in arresting global warming and the associated impacts of climate change.

So, at the crucial juncture where we are starting to make inroads to a decarbonised UK, and show to the world with other leading countries that an economy does not need to be powered on coal and oil, we have a wholesale reversal. And at the same time we rock up at the COP Paris 21 convention and the end of 2015 with a fanfare of false belief on protecting the environment and future generations. How are we ever going to account for such a turn in events and the lies of current generation to our children and grandchildren? Not for the want of a few, we may all end up feeling deeply ashamed when we are asked ...

Our main setback this year has been the delay to commissioning the reconditioned V17 75kW wind turbine directly above CAT. We had genuinely hoped to have two wind turbines sailing in the wind sometime in 2015 but – somewhat unforeseen – it proved necessary to replace the main electronic control board, and this has been more problematic than we envisaged. However, the installation of the new controller is almost complete, and we anticipate having the turbine operational shortly. We will notify you through the website and email once it is up and running.

Financially it has been a good year for BDCR, leading us to advise members from our net income to approve a share interest payment this year of 5%, slightly up on last year. We believe this to be a sensible recommendation against the backdrop of our recent run-in with the Financial Conduct Authority (FCA), in order to retain sufficient reserve to strengthen the business and give us further options in the future. In future years, the FCA requires a maximum level of interest to be declared in advance of an AGM; this because it is concerned that co-ops have been paying out interest at a much higher rate than anything suggested or declared beforehand. Whilst the FCA is not concerned about BDCR in this respect - as we have proven beyond doubt our cooperative credentials - as a Board will be setting a maximum level from 2017



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onwards, which is likely to be no more than 5%. Our judgement rests in our belief that we need to keep focussed on the purposes and values of BDCR, primarily to operate a cooperative enterprise for local clean energy generation that supports local jobs and the economy, with some modest returns for Members. The FCA approved our annual accounts for 2015 only recently, signifying its acknowledgement of BDCR as a bone fide enterprise under the recently introduced The Co-operative and Community Benefit Societies Act, 2014. As a committee, we aim to continue to make best endeavour towards securing the constitutional basis and a viable future for this organisation.

Our main task for the coming year will be to agree a vision for the future of BDCR and to address succession planning for the remaining years in operation. The existing projects, given the second hand nature of our turbines, are approaching the twilight of their operational life and we will need to plan for their potential closure over the coming years, whilst the existing committee, after many years' service, is unlikely to have the energy or will to steer future new projects without the infusion of new ideas, people and renewed impetus.

We would welcome your thoughts and guidance on the future for BDCR. Options may include the winding-up of the co-operative and the return to members of their original investments, with the remainder to be distributed to the community energy fund or local projects, or the formulation of a new investment vehicle for the creation of new projects under a new Board. Perhaps there are others that we have not thought about. If you have any suggestions please feedback either directly to members of the Board or through our email address so that we can consider them in preparing for the future.

I'm pleased also to report on progress with the Community Energy Fund with ecodyfi and uses of the discretionary environmental fund. Up to £10k is being made available through both funds, for which a committee comprising Glantwymyn and Corris community councils, ecodyfi and BDCR has now convened. We hope to start distributing funds for other carbon reduction initiatives in September this year, with



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an additional benefit of covering the cost of a part-time administrator to help us. We continue to maintain part-time paid posts for Operation & Maintenance Manager and Administrator, as well as spin-offs with an O&M contract, a financial controller and web hoster.

Once again I pass my sincere thanks to BDCR's voluntary committee which has worked once again assiduously and ardently on your behalf throughout the year:

Rod Edwards	Treasurer
Sonia Kuznetsov	Company Secretary
Duncan Kerridge	Technical Advisor
John Williams	O&M
John Howath	
Conrad Trevelyan	
Rachel Kennedy	

I regretfully report however on the loss of Harry Chandler who passed away late last year. Harry rarely failed to attend a meeting of the Board and always had a wry word or two to furnish the proceedings with. He is greatly missed.

Sonia, Conrad and myself, as our longest standing committee members, will be resigning this year in accordance with the Rules. Sonia and myself are also offering to re-stand for another three years, whilst Conrad is needing to stand down at the current time. As such the Board is leaner than it has been for a while and we would welcome Members putting themselves forward to participate more fully in the activities of the business.

BDCR has not yet found a replacement for Rod as Treasurer, and we thank him for his patience and continuing attention to the role. We have a new plan to recruit a Treasurer which we hope will come to fruition in the coming months.



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Many thanks to all those who continue to contribute to the success of BDCR. In these uncertain times for energy and the environment, we continue to shine a light of hope

...

Michael Phillips

7th May 2016