



Community Benefit Society No. 7173

www.yealmcommunityenergy.org

**Annual General Meeting
of Yealm Community Energy Limited (YCE)
held 15 February 2020 in the WI Community Hall, Newton
Ferrers at 10:00 a.m.**

Directors Present:

Peter Brown (Chairman)
Andrew Moore
Dominic Crawley

Ray Holland (Co.Sec.)
Alistair Macpherson

Members Present: 44

1. Apologies: John Morsman, Simon Julien, Roger Durman, Liz Hitchins, Janet Chapman, Rod Carter, Sue Spooner, Karen Jaggs.

2. Minutes of the last AGM

The Minutes of the last AGM held on 23th February 2019, which had been circulated to members were approved.

3. Chairman's Report of the Year's Activities See the attached presentation

Peter Brown reported on the successful construction and commissioning of the Creacombe solar farm, purchased pre-construction by CORE on our behalf, which involved a lot of hard work by Environmental Finance. The current plan is for re-financing and share offer to take place in the final quarter of 2020. Some time slippage was due to the need for CORE to complete the purchase of the other 4 community solar farms in order to obtain favourable terms for the debt finance.

The Community Fund for 2019 had been £20k as for 2018 and had been allocated in December after the evaluation of the larger number of applications.

The performance of the Newton Downs solar farm had been good and above the guaranteed performance. Some panels had been damaged in the storms in November resulting in a 5% reduction in capacity until the support frames are strengthened under guarantee, following an independent construction engineer's report.

We had had a very generous grant of £100,000 from Power to Change (PtC) to pay for the necessary Creacombe land surveys for planning approval. The Centre for Sustainable Energy (CSE) and PtC grants to support us in our purchase of both sites from CORE, as well as provide training and advice, have also been generous, and we have recently received £27K to support our marketing and the employment of a part time Operations Manager.

Following mailouts to members and supporters and local advertising for new voluntary

directors and advisors we had received a very encouraging response from people with a very wide range of professional experience to strengthen the current board. We are currently limited by our Society Rules for the number of directors we can appoint, but we wished to make a change to accommodate the higher number that we wish to appoint, along with some other changes required to reflect our current position.

We also advertised for an operations and marketing manager and again received several very strong applications, finally appointing Tracy Ebbrell who has several years of project management and marketing experience including with the Devon Wildlife Trust.

See slides 3-10

4. Review of Community Fund Grants 2019

Andrew Moore reported on the impact of the 2018 projects in terms of carbon reduction, energy poverty, environment improvements, local businesses, the number of people benefiting. He showed the 14 projects that were being funded from the 2019 £20k grants following the evaluation of applications. See slides 12-24 below

5. Technical Introduction

Ray Holland explained some facts and figures of the solar panel and sub-station layout of the Newton Downs solar farm and pictures of the storm damage. The project was about to complete final acceptance from the EPC (Engineering, Procurement and Construction) contractor, Solar Century. Some technical corrections had been made (replacement of circuit breakers etc) and some liquidated damages were expected due to the initial teething problems which resulted in 0.5% underperformance in the first year. Solar Century are being required to strengthen the panel support structures under warranty to prevent future damage, as it appears to have been due to a design error. See slides 26-34 below.

6. Financial Report 2019

Andrew Moore presented the accounts for 2019 and noted the highlights for income:

1 A grant of £100,000 from Power to Change for the development expenses associated with Creacombe solar farm, which was paid out to Environmental Finance for costs relating to development of Creacombe solar farm

2.£20,942 from CORE Newton Downs for the 2019/2020 grants round

3.£1,183 received from Centre for Sustainable Energy as the first part of grant funds to help YCE acquire two solar farms through loans and equity: payment of expenses Jan-Sept 2019

3.£15,047 paid from 2018 Community Fund round in 2019 (£3,543 of 2019 grant round withheld due to the need to ensure positive working capital and the then uncertainty around the projected PtC grant.

4.Note £27,000 of CSE/PtC grant was paid in January.

The accounts for the Newton Downs solar farm would be presented by Bright Renewable at a General Meeting in June/July 2020. See slides 36-39 below

The Accounts were approved by a show of hands, with no objections or abstentions.

7. Proposed forthcoming rule changes

Andrew Moore explained that the current Society Rules, drawn up 5 years ago, now needed to come into line with our new requirements, specifically to increase our allowable borrowing capacity to cover the purchase of both Creacombe and Newton Downs, and to raise the limit of the number of directors, to accommodate our existing structure. The procedure would be:

1. YCE director subgroup to evaluate current rules and suggest changes
2. YCE board to consider with advice from external sources, including funders
3. Extraordinary general meeting called, required to agree
4. Notify Registrar (FCA) of proposed changes and obtain agreement before changes come into force .

See slides 41-44

8. Community Shares and the Share offer.

Alistair Macpherson explained how Community Benefit society shares differ from normal capital market shares, as they are not tradeable and can only be sold back to the Society after a minimum period. They may be transferred in some circumstances (e.g. to relatives). The interest payable is an upper limit and in the event of financial constraints on the Society may have to be reduced. The full details, terms and conditions will be explained in the share offer when it is published. FCA publishes a Community Shares Handbook, available online.

9. Risks and Prospects

Dominic Crawley explained that the purchase process was not a given, i.e. that we had to be sure that the purchase made business sense and that the risks were manageable. The governance of the Society was developing rapidly and would benefit from the proposed new directors. We had in place an asset manager who was competent and we could rely on, and in which we had a share holding (or at least CORE Newton Downs has a share holding on our behalf). The asset manager, Bright Renewables is a cooperative, owned by a group of Community Energy CBSs.

Once we purchase the two solar farms the Society will have substantial debt obligations and commitments to manage the assets, the lease and the financial commitments.

The transition to full ownership would be phased, as the share raise will take time. To summarise, we will own c £14million of revenue-generating assets, with £9-10 million of debt and £4-5 million of equity. The landowner has a lease commitment of 25 years with a possibility of extension.

We will be managing third party asset management contracts, and will be responsible for electricity take-off contracts (Power Purchase Agreements). It is quite daunting, but it is also an outstanding and exciting opportunity, that can bring long term benefits to our community.

See slides 48-49

10. Introduction of proposed new directors and advisors and operations manager

Ray Holland explained that following an invitation to members for volunteers to serve as directors, there had been several expressions of interest, all from very well qualified individuals. Directors had met all of those and all of those who felt able to make the time commitments had been accepted, and others were offering to be advisors.

The proposed new directors introduced themselves. The Society Rules on the maximum number of directors would need to be changed before they could all be appointed.

Proposed new directors: Tony Roper Paul Darlow Peggy Robinson Stephen Brown and Dominic Crawley (who had been coopted in 2019)

A proposal to approve in principle the appointment of these new directors, subject to the Society Rule Change, was approved by a show of hands, with no objections or abstentions.

Mark Turner Peter Hinchliffe, Paddy Power, George Middlemiss have agreed to be advisors.

Tracy Ebbrell introduced herself, having just taken up the post of Operations Manager. She has a strong background in charitable bid writing and funding, revenue optimization, marketing and project management. Tracy has worked for 13 years with Devon Wildlife Trust, funding and project managing environmental and biodiversity projects. She spent 10 years in aviation, 4 years funding a voluntary adoption agency and has run her own business development & marketing company

11. Resignations from the Board

Joshua Dunn and Judith Clark were both stepping down due to pressure of other commitments. Both were thanked for their valuable contributions. Both continue as advisors and Judith Clark will remain on the Community Fund evaluation committee.

12. Any Other Business.

A member questioned when we would be producing an update to the business plan. It was explained that as we did not as yet have the financial reports on the technical and financial performance of Newton Downs in 2019, nor the projected performance and financials of Creacombe, we were unable to update the present plan at the moment. When those were available, members would be invited to discuss the updated plan, as happened in 2019.

13. The meeting closed at 12.10