



## **Minutes of Annual General Meeting 2015**

**Totnes Renewable Energy Society Limited  
Company Number 30373R (The Society)**

**Held at St John's Church, Totnes, on Wednesday 2<sup>th</sup> December 2015**

### **Present:**

**Owen Hill – Legal Director (Chair)**  
**Ian Bright – Managing Director**  
**Trevor Branton – Director of Finance**  
**Olly Frankland – Director of Policy and Development**  
**Alastair Gets – Director of Engineering**  
**Jane Brady - Communications Director**  
**Alix Riley – Retiring Admin Manager**  
**Sally Murrall-Smith – Admin Manager (Minutes)**

### **Apologies:**

**Steve Munday – Director of Planning**

50 members and 6 prospective members attended.

**Owen Hill** opened the meeting.

The **Minutes** of the AGM of 2014 were approved.

1. **Introduction by Ian Bright**, Managing Director. The main themes of the AGM were 'where we are going' and 'where we have been'. The last year has been transformative for Tresoc, spent raising money and investing in projects. The revenue from these projects will enable a 2% dividend to be paid to members by the end of next year. There have been several changes in personnel. Mandy Burton, former Director of Engineering, resigned and has been replaced by Alastair Gets, former Projects Manager. Alix Riley, Administration Manager, is formally resigning at this AGM and will be replaced by Dr Sally Murrall-Smith. Also, Steve Munday, Planning Director has suffered a cardiac arrest and will be out of action for the foreseeable future.

Ian paid tribute to Alix's hard work, 'if Alix hadn't been here, Tresoc wouldn't have been here'. In recognition of her contribution she was awarded flowers and a gift of vouchers.

Tresoc is growing and the big job for this year is to make it a more efficient organisation.

Ian proposed 7 reasons to be cheerful: the low carbon revolution is happening; Totnes is a leading town in positive investments, partly down to the fantastic local investment in Tresoc & the Totnes Weir Project; a loan with Charity Bank has been secured to purchase Hatchlands solar array, the purchase will go ahead later this month and provide approx. 12% return per annum; the Shine project, solar on South Devon Rural Housing Association properties, has provided tenants with a free source of electricity and Feed in Tariff (FIT) revenues for Tresoc; Tresoc and its engineering partner BECO have won a joint award for 'Best Community Initiative' from REGEN SW, in recognition of the enviro-socio-economic benefits that Shine has created; In partnership with Triodos Bank and Hydrosense, Tresoc plan to deliver 200kW of hydro power next year; and finally, Tresoc is on track to make a profit in the coming year and to pay 2% dividend to members at the end of 2016.

2. **Olly Frankland**, the Policy and Development Director, reviewed policy globally and locally. Globally, the Paris Conference has stimulated positive rhetoric from China and USA, but will it produce targets? Recent figures compiled by Bloomberg show investment in new capacity for renewable energy is out

stripping fossil fuels worldwide. In the UK the changes to tax relief, subsidies and planning rules for renewable energy appear detrimental to renewables development. However, there has been lots of positive lobbying and a united message that the changes will be damaging to industry. On a positive note, the pending FIT changes have stimulated a flurry of projects leading to £15 million being raised in share offers. Furthermore, there may be community relief from changes.

3. **Trevor Branton**, Finance Director, presented Society finances over the last 2 financial years demonstrating how the societies share capital has decreased but its fixed assets have increased, due to project investments. Income from investments has also increased. For the year end March 2015, the society had £438,643.00 in Share Capital, £57,628 in fixed assets and a turnover of £6,388.00. The 2014 Share Issue raised £263K and 95% of this investment was local. However, to complete on the portfolio of projects in the prospectus it was necessary to take out a loan with Charity bank for £168, 000.00,

The negotiation and fulfillment of terms for the loan from Charity Bank have taken a long time. Therefore, it was decided to push ahead with the Shine project using the Society's own capital. A decision was taken to reduce the number of properties included in Shine 3 portfolio due to mortgage complications with Lloyds bank and the pending FIT change. Only properties with mortgages held by Triodos bank were completed in order to meet the Jan 1<sup>st</sup> 2016 deadline.

The share capital combined with the loan from the Charity Bank will allow the society to invest £600k in renewables projects during the year March 2015-16. The projects have a predicted income of £43,735.00 for the year April 2016-2017 meaning the society will achieve commercial viability. The financial forecast to end March 2017 was presented with estimated operating costs and revenues.

Darnels was elected to audit the accounts.

4. **Guest Speaker - Dr John Green**, Councilor South Hams District Council (SHDC), 'The Role of Community Renewable Energy in Tackling Climate Change'.

As a district councilor John's first job was to look at council investments in renewable energy. SHDC are now looking to invest in solar pv and a charging point for electric vehicles.

Renewable energy is no longer a fringe energy source. Electricity from renewables in the UK increased to 64.4 TWh in 2014, reaching 19.2% of electricity generation (from 3.8% in 2005). Renewables have been shown to reduce energy prices for consumers by reducing demand for peak capacity. Wind and solar power in the summer are driving down the wholesale price of electricity, and one day this will be all year round.

The Government approach to renewable energy has been to: end subsidies for solar and onshore wind power; increase taxes on renewable energy via the Climate Change Levy; axe plans for zero carbon homes; stop funding the Green Deal Finance Company set up to lend money to Green Deal providers. The changes proposed by Government are expected to lead to: 890,000 fewer installations; 6GW less capacity by 2021; savings for consumers less than 1 per cent of their bill – equivalent to around £6 per year. The IMF recently reported that Britain spends £30 billion a year subsidising the fossil fuel industry through tax incentives, that's over £1,000 per household. The early end to subsidies is due to the impact on consumer's bills, but work by Good Energy has shown that subsidies may not be needed.

The Campaign for the Protection of Rural England (CPRE) has had significant influence on renewables development. CPRE has a narrowly focused remit of safeguarding views of the countryside. Their Devon AGM report mainly focused on opposing solar and wind farms. They have database of all anemometers and project proposals and very efficient system to oppose renewables.

Recently, Molly Scott Cato, MEP (Green Party), commissioned a report to examine how the South West could meet its energy needs with renewable energy generation. The study concluded that the South

West of England has the renewable energy resources to meet more than 100% of its total energy needs with sufficient political will. For renewables globally, the Renewables 2015 Global Status Report shows that exponential growth can be achieved with the right policies.

John concluded that many community energy groups will struggle with the changes being imposed by Government, but if you can get over the hurdle of the next few years, community energy has a strong role to play in tackling climate change

5. **Ian Bright**, Managing Director, described the '**Strategy for 2016**' - solar bundling and hydro co-ownership. The challenge is to get as much solar in place by the end of March and the pending FIT change. However, there are more opportunities with large commercial operators going forward, selling solar electricity directly to the customer. The other focus for 2016 is hydro and working with Hydrosense on Staverton Leat. The owners of the project approached Tresoc and it is profitable even after the FIT change, as the electricity produced will be sold directly to Dartington Hall Trust.

Ian handed over to Alastair to talk about the importance of data monitoring with the growing number of installations.

6. **Alastair Gets**, Director of Engineering, described a breakthrough in data monitoring - A centralised monitoring system that will enable Tresoc to monitor its embedded and decentralised installations (by the end of 2015 46 rooftop pv installations). This will enable the society to ascertain the energy generated from each installation, its performance and failure. A data transmitter is installed alongside the PV panels to send signals which are converted into an email alert by meters online. Argand Solutions provide a data platform that is then used to process and accumulate the data. For example, it shows that Tresoc has now produced 16 MW hrs of electricity which equates to 16,000 loads of washing on an hour cycle.
7. **Dan Hird**, Triodos Corporate Finance, introduced Triodos and outlined the potential partnership for exploring hydro opportunities. In terms of background, Triodos is one of the world's leading ethical banks, that's mission is to inspire and encourage individuals to use money positively and to finance organisations that make a meaningful positive contribution to people or the planet. Based in Bristol, Triodos has 30,000 customers and £600m of secured lending, of which c.40% is in renewable energy. Triodos Corporate Finance – specialise in raising risk capital. They don't lend against anything except secured assets and property. Triodos financed the Totnes Weir Project raising £1.7 million through a bond issue. The investment proposition was an 8 year unsecured unlisted bond paying 8% p.a.

Triodos will work with Tresoc to raise the project finance for the Staverton Leat and Kilbury Weir projects. These projects can provide 2 x 0.1 MW of electricity. The projects will be a joint venture with Tresoc, Hydrosense & Triodos. The project will be owned by Tresoc but delivered through a Community Benefit Society. The 'Staverton Leat Community Benefit Society' board will be made up of Tresoc directors and Tresoc will receive community benefit fund receipts estimated at c. £200k over 20 year life of each project. Triodos will provide the finance through a share issue with a return of c. 5.25% p.a. with RPI linked interest. Tresoc members will get a preferential investment. Hydrosense, the engineering partner, will receive a build contract for c. £725k and ongoing O&M contract for each project.

8. **Ian Bright**, Managing Director, continued to outline the strategy for 2016... There are opportunities in woodfuel heating. There are multiple benefits that can be captured by developing wood fuel heating locally, such as stimulating local economy by working with local businesses (local producers are not at capacity), low transport costs and low transport emissions. We would like to work with local stake holders such as KEVICC, Totnes Neighbourhood Plan, Transition Homes, Plymouth University and more ...
9. **Jane Brady**, Communications director, chaired Questions from Members

Q **Is Tresoc still involved in ATMOS?**

A Tresoc has had discussions with ATMOS and we would like to take control of renewable developments on site, and we would perhaps like our office there, but we are still waiting to see if ATMOS want to work with us.

Q **What would the profit from the Community Benefit Society be used for?**

A To establish a Community Benefit Society you must apply to the FSA who ensure that the community is getting a benefit. Tresoc will receive £200K over 20 years for each hydro project and what they do with it is up to them.

Q **Isn't investing in hydro projects rather risky when the FIT can be reduced at any moment?**

A Yes, that is an additional risk for hydro developers, but we will be keeping a close eye on what the government does with regard to the FIT. Nothing is risk free and we will make a more accurate assessment of risk at the point of investment.

Q **What about grid constraints for future projects?**

A We will sell power direct to consumers where possible to remove that issue. This will be part of our strategy going forward – install projects where we can sell to nearby customers.

Q **Can we avoid projects that rely on FIT and sell directly to consumers?**

A Yes, but this is depended on geography and demand. By selling direct to consumers, consumers benefit by knowing what their electricity cost will be over the next 20 years, which is very attractive to business.

Q **Can groups of residents group together to buy electricity direct from generators?**

A Yes, there are platforms to do this already, for example Piclo, and more coming along in the next few years.

Q **Is wood fuel truly renewable?**

A Yes, it is carbon sequestration and carbon neutral. Local sourcing reduces much more CO2 and in terms of carbon savings there is a good case for it.

Q **ISA accounts rely on pre warning of up to 3 months to withdraw money. Please can we have 3 months warning before the weir investment in order to have the option to withdraw savings?**

A Possibly ... (This time frame was noted by directors).

Q **How can energy storage benefit communities?**

A Storage systems can allow consumers to shift their energy demand to when energy is cheapest. For example, Tempest energy uses algorithms and smart equipment to shift usage away from expensive times.

Q **Is CPRE making the same noises about fracking as it does wind?**

A No, but lots of communities are making a big noise about it.

## 10. **Society business –**

### **Retirement of Directors:**

Owen Hill and Steve Munday were retired.

### **Election of Directors:**

Owen Hill was elected as Legal Director

Steve Munday was elected as Planning Director

Alastair Gets was elected as Director of Engineering.

### **These Minutes were agreed:**

**Signed .....** **Date .....**