

Minutes of Annual General Meeting 2023

Totnes Renewable Energy Society Limited
Company Number 30373R [The Society]

St John's Church, Bridgetown, Totnes

Present:

Sally Murrall-Smith - Managing Director
Raymond Seager - Finance Director
Hannah Evans - Legal Director
Ian Bright - Founding Director
Alistair Gets - Director of Engineering
Olly Frankland - Policy Director
Will Thomas - Digital Marketing
Ella Whittlestone - Digital Marketing

Review of the Year (incorporating Director's Report) – *Sally Murrall-Smith*

Overview

A fantastic year for community energy in many ways. In October, the first seven households signed up to the Energy Local Totnes tariff with 100Green, starting the South West's first local renewable energy market. Local people can now buy electricity generated by the panels on Totnes Civic Hall for a lower price, whilst also enabling local generators to sell their electricity for a more competitive price.

TRESOC has continued to operate and maintain its 47 solar sites, providing a cumulative £13,000 to £19,000 worth of free electricity to 40 South Devon Rural Housing Association (SDRHA) tenants, as well as a cumulative £15,400 worth of free electricity to Leatside Doctors Surgery, Forder House Lane Nursing Home, Follaton Community Centre and SDRHA head office.

TRESOC also delivered its STEM renewable energy project REEL (the Renewable Energy Experiential Learning) for three local primary schools - St John's, Park School and St. Christopher's. Eighty-nine children and six

adults took part. The feedback is always extremely positive and we have already been invited back to all three schools next year.

TRESOC also held a workshop to 28 Masters Students from the University of Plymouth's course for Sustainable Environmental Management, alongside delivering the first ever REEL project as a Corporate Day for BSC Associates.

Energy Local Totnes

Energy Local Totnes is a club for buying locally generated renewable energy at a fair price, saving local people money off their bills and paying local generators a little bit extra for what they produce, supporting and driving the development of renewables locally.

In April 2022, TRESOC received a grant from Devon County Council to develop five new community-owned roof top solar PV installations in Totnes and to establish an Energy Local Club to buy the electricity generated, establishing Totnes' own renewable energy marketplace.

Starting the Club

However, a year was not enough time to negotiate and install the PV, so we needed to find an existing installation that would be happy to sign up to Green Energy UK for import and export to kick start the club. We are extremely grateful to Totnes Town Council & Transition Town Totnes who jointly own the 14kW Totnes Civic Hall array, as they agreed to use this to start the club.

The club went live at the beginning of October with seven local households. There were many delays around installing meters, enabling new codes etc. which we are assured is normal at the cutting edge of innovation. Great potential in this project, with around 5000 households eligible.

Growing the Club

Starting small with seven domestic customers, TRESOC have a pipeline of projects ready to sell into the club, and new generation will be balanced by new customers as the club continues to grow.

The next generator to connect will be Harrison's Garage, who have recently installed a 30kW roof top array, which will allow a new round of

members to join in January. TRESOC have been working with Totnes Library, St Mary's Church, South Hams District Council and several farms, and intend to launch a community share-offer next year to raise the capital for the install.

In March 2024 we are hopeful that Totnes Weir Hydro (TWH) will start selling into the club, which would be fantastic in terms of the impact of the project; Hydro compliments solar perfectly, as Hydro generation is predominantly in the winter and solar is predominantly in the summer, meaning that there would be energy savings available in the club all year round. The modelling suggests that with TWH we would be able to save people at least 35% off their bills. This could allow the project to really become a tool for lifting people out of poverty, which is one of our long term aims. The decision will be commercial and we *could* loose out if they get a much better offer, but current discussion is looking positive!

Energy Industry Voluntary Redress Scheme Grant

In August, TRESOC were awarded a Redress Energy Innovation Grant for £120,000 to develop Energy Local Totnes over the next two years.

Objectives:

- Sign up 400kW of locally generated renewable electricity into the club, 25% needs to be new generation.
- Sign up ten plus domestic customers in year two, a figure which will grow.
- Save households members between 10% and 30% off their energy bills, and reduce their carbon emissions by a target of 30%.
- To engage 200 plus household members in workshops on energy consumption reduction and demand shifting to maximised the use of local renewable electricity.
- Supply CADs, Relay Switches and Smart Plugs to assist demand shifting.
- Work with University of Plymouth to evaluate the financial, environmental and social viability of a local renewable energy market, using the Energy Local Plus model (EL+). Directed by Professor Ian Bailey and masters students.

- Disseminate the Energy Local Plus model with GB wide community energy organisations, via websites, social media, 4-minute mpeg, case study pdf, events, conferences and workshops.
- Replicate the model, by training 10 more Energy Local advisors and establishing, to operation and including incorporation, 2 new EL clubs (in addition to ELT).
- To engage the next generation in community-scale energy through pre-school and primary school renewable energy education programmes. (TRESOC already delivers a free 2-day renewable energy module to local schools, this grant will enable this to take place in 3 more schools and a preschool.)
- To examine the potential for EL+ clubs to provide additional income streams for people on low incomes who have had solar-pv installed as part of the ECO Grant scheme.
- Work with National Grid Distribution to balance local supply and demand and reduce network upgrades.

Summary:

The replicability is exciting, as once we have demonstrated it here in Totnes it has the potential to spread to other areas and start some real systemic change, making energy systems more equitable as we move towards a greener economy

Clay Park Eco-Housing Development

Whilst the Energy local Totnes project has been flying high, the RCEF grant funded Clay Park community solar and microgrid project has sadly come to a premature end due to circumstance outside of TRESOC's control. TRESOC, with the help of film maker Emilio Mula has made a short film to document the project, which can be found on TRESOC's website – www.tresoc.co.uk/clay-park-project-update/

Hatchlands

Legal proceedings & breakdown:

In 2022, after many years of trying to negotiate with the farmer, TRESOC finally decided to take legal action to stop the soiling issue at Hatchlands. We are pleased to say that the farmer has now moved the straw chopping operation. TRESOC is now seeking compensation for the legal fees and generation loss - total legal costs so far amount to £9,910.50, with £8410.50 being in the financial year ended 31st March 2023. TRESOC has sent an offer letter to the farmer to sell the system to him, but have heard nothing back.

Also at Hatchlands, a failed inverter and string fault were not reported after a maintenance check was carried out, meaning the system was only half operational for the summer. Olympus Power, our operations and maintenance contractor at the time have admitted negligence. We have submitted a request to them to compensate our loss, but have heard nothing back as yet. The inverter has been replaced and is now working. The string is being repaired and restrung in mid-November, with considerable design improvements, that will reduce maintenance in the long term. This will cost circa £8,500.

Lescaze Offices

Legal issues and system removal:

In January 2022, Birch Elm Holdings, the new owners of the Lescaze building, offered to buy the 30kW system and the board calculated the business value however, Birch Elm Holdings were unwilling to pay the current market value.

In February 2023, TRESOC received notice to remove the system by the 30th June, as they need to replace the coping stones around the edge of the Lescaze building. TRESOC have been advised that total removal of the panels is unnecessary, as the solar PV system was designed so that there is good access around it. During a meeting between TRESOC and Birch Elm Holdings, Cosmo Caddy disclosed that it was his builder who was insisting on the removal. TRESOC has offered to meet with the builder to discuss options. However, as emails were going unanswered, the Board sent an official letter stating we will not remove the panels and our reasons why. Unfortunately, the board has not received any further communications from Cosmo Caddy or Birch Elm Holdings since March 2023. However,

there is the possibility that that the system may need to be removed in future years.

Totnes Weir Hydro

We are pleased to announce that TRESOC has received notice from Dart Renewables that they will be paying a dividend this year, and DRL shareholders should receive payment in November.

TRESOC Team

Huge appreciation for the support from all Directors, majority of whom go unpaid.

Will Thomas is leaving us this year sadly, due to changing work commitments - thank you Will for all the work you have done in the last year. New marketing assistant Ella joining us.

A final thanks to our members who have continued to support us through the ups and downs, it is you that makes this society so special.

Finance Review – *Raymond Seager, Financial Director*

Receipt of Accounts and Reappointment of Darnells - no objections.

Disapplying an audit

Under the rules of the society the company is able to disapply an audit of the accounts through a member vote. An audit is an expensive and time-consuming process. The TRESOC board believes that the accounts are sufficiently prepared by Darnells to support this motion. No objections.

Review of 2023 accounts

Just a small loss of £3,500, which taken into context of resolving many legacy issues is positive overall. This time last year the projected loss was £30,000 - projection of legal costs largely around Hatchlands, which unfortunately haven't been avoided but pushed into 2024. Also, for Lescaze, around £10,000 were provisioned for removal of panels – we are

hopeful that this won't need to happen. Revenue was £5,000 higher than predicted due to good weather last summer.

The grant is great news, however it is a revenue item not a profit item, as what comes in gets spent on consultants £116,000 vs £68,000 for last year.

Expenses

The administrative expenses of £65,000 vs £44,000 last year, show a reasonable uptake - concerns legal costs around Hatchlands and Clay Park.

Wages largely in line with last year at £3,500 as mostly on voluntary basis.

Loan interest of £8,500, which after running numbers to forecast where the BoE base rate may be in the coming years, has now been fixed for the next five years at 8%. This is one of the main areas we are trying to iron out around legal costs, systems, ... Tresoc doesn't have the margins to be exposed to a variable rate loan.

Forecast for Financial Year ending 2024

Revenue in theory should be higher, in part due to weather. Have also included figure of just over £9,000 loss from inverters with broken string. Looking to recoup costs, as maintenance company have admitted negligence on their part.

Admin expenses up £20,000 again vs last year, largely due to problems at Hatchlands - revenue went down as mentioned and costs went up by around £8,000 for maintenance costs. Another element is the cleaning of the panels this year, which has not been done before for the Shine projects.

Because the margins are so small and TRESOC hasn't been making profits, we don't have a provisional account for unexpected items. This creates more volatility; to this end we hope to put in place some provisions from next year.

Unfortunately, no interest can be paid nor shares redeemed at present, as determined by the waterfall that TRESOC put in place last year. This is prudent risk management - can't pay money out from TRESOC unless there is money to pay out - to the detriment of shareholders.

There is a potential future share offer to fund Energy Local; *when* we get to that point, this would be done with some manner of ring fencing from old TRESOC, with different class of shares to ensure any members of new local energy finance wouldn't be subject to legacy considerations.

A lot of legacy issues are being worked through - not terrible news!

Questions from Members

Q. Member's Question: Could you give a breakdown of the number of kWh you generate, the number sold into the grid, the number effectively given to the building's occupants and any legacy feed in tariff subsidy, what a proportional breakdown is?

A. Alistair: We can, however I don't have them at my fingertips - if you don't mind me responding in a letter afterwards.

A. Raymond: Obviously our revenues are RPI linked, and are energy price linked, and so energy prices have tripled, RPI only up 10%

A. Sally: We get the feed in tariff, but then the export price that we get is about 5 or 6 pence from electricity itself - this is one of the reasons that has driven my interest in local renewable markets, because if we're selling it at 5p think about what they're buying it back at. Someone got a quote for £1.20 p/ kW (a business price) so if you think that's what the energy companies are selling it for and we're selling it at 5p! Hopefully this model will enable us to start selling at a more competitive rate.

Q. Member's Question: Re problems at Hatchland - what monitoring has been put in place to detect any issues?

A. Alistair: Yes, we do use solutions to monitor our systems. The problem when you've got one inverter of four that goes down for example, coupled with soiling on the panels, it was a little lost in numbers. I will put my hand up to say that I could have done a better job of looking at especially the inverter data. Issues now resolved, and thanks to Glo we now have much better eyes on what's happening with the actual inverter data. I will be spending time looking a lot more carefully at the data ...especially now that we know the straw chopping operation has moved on, should be seeing a lot more stable generation and a lot easier to pick up any problems.

Q. Member's Question: You said 300 kW will be produced by Totnes Weir Hydro - how is that related to Dart renewables?

A. Sally: Totnes Weir Hydro owned by Dart Renewables Ltd. At the moment TWR sell to Line Jump, but hopefully start to sell to TRESOC instead. 100Green is our partner energy supply company that sits behind the Energy Local Totnes scheme. They will issue a power purchase agreement (PPA) to Dart Renewables Ltd for about 15p/kWh and then when the electricity is used by the club, they will get the match price of 19.5p/kWh. However, the PPA will depend on price the market, other suppliers could offer more, because hydro so sought after - particularly in the winter when electricity is need. Pete does want to sell to TRESOC but has to sell to best offer/commercial option. There is also the potential to split the generation between two companies, this could be a good option, however it depends on the other company's willingness to share. Two companies would have to be able to both operate the meter, which doesn't normally happen. A bit of innovation would be needed to go along with this, so we'll see.

Q. Member's Question: News of Forder Lane Care Home closing down in January?

A. Sally: Yes, I was informed of this on Saturday and did email South Devon Rural today. They said the economics of the nursing home just weren't working, and they couldn't afford to keep it going. They are going to repurpose the building for social housing. From TRESOC perspective, no change to our arrangements. They get the electricity that we generate for free, and we get the feed in tariff. It won't change for us greatly, but I am sorry to hear that.

Q. Member's Question: If by any chance you can't get the hydro into the local energy club, is that going to severely restrict the growth of the club?

A. Sally: No, it just means that the savings won't be as great. Even with solar PV there is an argument that people who can demand shift can save 30% off their energy bills, which is still a decent amount. But it does mean you have to be much more attentive to what you're doing and how you're doing it and take a more active role in what's happening. The club is open to multiple renewable energy sources - I really would like to see some wind locally, which would have a good balancing effect. There are a few

micro hydros around, which I have been told about, that I need to pursue and find out if that generator might be interested in selling in. The impact won't be as great, but certainly the club can continue to develop.

The 200 households is really just based on solar. If Totnes Weir Hydro join, the modelling shows we could have 1000 households as part of the club - which is 1/5 of the domestic properties in the substation. To do that requires a lot of work to find the people and spread the word. Hope for waterfall effect if people know they can save 20-30% by doing this, and that the word will spread.

Q. Member's Question: Do you need to be an exporter to match energy in energy local, or is it done on just generation?

A. Sally: Your smart meter will show when you are exporting. The customer needs to be importing at the same time - every 30mins or something like that.

Q. Member's Question: Given the change in views on onshore wind and prices in the market, is that something you are starting to look at?

A. Sally: This time last year Ian Bright approached the lady who owned the field where two wind turbines would be placed. There was nasty animosity and this created rifts in the community because of wind farm proposal - the farmer doesn't want to go through that process again.

Ian: Looking at the way renewable energy is now the cheaper source of energy and best for planet, there are suggestions that they might revoke the ban on new wind turbines in UK. The energy company we were working with spent £400,000 which is now just gone, but if things change then the owner may decide it is worth doing. We still have contact with her but are not pressing it. It would seem that if offshore wind is allowed, it will come with community ownership so we are very well placed to do it.

Olly: As a Harberton resident it was quite intense, I think it's fair to say... we don't know yet where it's going to land. With an election not far away that could potentially make things even easier. Everyone's in bit of a holding pattern generally, but some developers looking at the feasibility a bit more... it's definitely the best site in South Devon from what we understand.

Q. Member's Question: With the grant funding, will you [Sally] be able to pay yourself properly? Because I think that's really important in terms of the longer-term viability of TRESOC.

A. Sally: I do get paid when I work on the ground, though mostly volunteer with administration work. But yes, I do take a bit, thank you for raising that.

Q. Member's Question: Following up on the free electricity being given to business, that added up to £30,000. Would this not be better used to pay off loans, for example before we are giving free energy away?

A. Sally: So, these contracts were designed before I was involved in TRESOC - those installations happened in 2010, 2012 and 2015. So actually, that's what was drafted in the contracts, that Shine was a fuel poverty project, and the feed in tariff was so good at that time that we believed TRESOC could get everything they needed and we could also have this social benefit. This triple bottom line of economic, social and environmental benefit is what we're really about. It would be nice to have some control over that but I'm afraid we don't.

Society Business – *Olly Frankland – Policy Director*

Motions

To disallow an audit – passed unanimously

AGM notices to no longer be sent out by post, but email only – passed unanimously.

JB suggested that an advert in the local paper would jog people's memories.

Retirement of Directors

Alistair and Raymond standing down to get re-elected - no objections.

Closing words – Ian Bright, Founding Director

TRESOC is not a political organisation, but we do want to work with local Government. Already the relationship with Totnes Town Council gave us

the start for Energy Local, and shows what is possible when we work together.

Our members want more investment opportunities, a large number of shareholders have said they are looking for projects to invest in. So we could potential raise millions from our existing membership.

Gratitude for how Sally has taken over this business, and to all those who have served as a director at TRESOC for their volunteer work.

Recognising the level of commitment from current team, and clear potential in the projects.

At the beginning of Energy Local Totnes, a lot had to be explained to people from scratch, however at a recent stall everyone had heard of it and wanted to join - all the leaflets went. The interest in this is definitely growing, and the scale of that potential is also huge. Everybody, whether or not their roof is suitable, can benefit.

Final thanks to Sally for all the work that she's been doing.