Totnes Renewable Energy Society (TRESOC)
Annual General Meeting 2024
Minutes

Tuesday 5th November 2024

Directors Present

19.00 – Introduction – *Sally Murrall-Smith, Founder Director and Secretary.*

Approval last AGM minutes - Hannah Slade, Legal Director and Secretary

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

Overview

Another fascinating year of UK Politics. Really felt a wind of change and optimism blow in with Labour, who immediately made some policy tweaks to onshore wind policy. Unfortunately there are still huge problems with grid congestion/queues and very costly upgrades, which means that something like 90% of small wind projects are still not commercially viable, and that includes the Harberton project sadly. However, the TRESOC board are very keen to support wind, and if a project presented itself which was economically viable, the board would be happy to take it forwards. Get in touch with any ideas as we are always on the lookout.

Labour's creation of Great British Energy and the Power Plan are hugely promising first steps. I was recently invited by ReGen to present the Energy Local model as an example of local supply, to the team that is setting up British Energy. I was really encouraged by their genuine interest in community energy and the barriers to community energy, and they listened to all of our problems. But shortly after I discovered that the words 'community energy' are completely absent from the GB energy bill that's passing through parliament at the moment. Groups like Steve Shaw and Power for People are campaigning to change this, and thank you to anybody who saw our request to email their MP. I know that Caroline Voaden has taken it upon herself to back this, and the Lib Dems have put some amendments in to the bill that will hopefully mean that community energy will at least be one of the sectors that GB energy will focus on.

Energy Local Totnes

Community Energy groups provide a huge amount of community support, community services, energy efficiency, fuel poverty and they provide local jobs and employment. I was frustrated that we are still having to fight our corner for recognition of what we do. However, in the grand scheme of things, we do seem to be moving in the right direction. Especially with the local supply models, such as Energy Local Totnes, that are starting to carve out a really new exciting space. I was really flattered to be invited to present to the GB Energy team, and it made me realise how amazing this project really is. It's been challenging to set it up but it is now working, and a lot of the problems have been one-offs. It has the power to create some real systemic change in the energy system, making it more equitable and participatory. I'm very proud of TRESOC for being able to do this.

We continue to operate and maintain our 46 sites. We supplied £18k of free electricity, cumulatively, to the 40 South Devon Rural Housing households that were part of the Shine projects. We supplied £15,400 worth of free electricity cumulatively to the six commercial projects that we have. We have also worked with and encouraged other fledgling community energy companies through the Devon Community Energy Network. TRESOC actually chair the micro grid and local supply working group.

We've been delivering the Renewable Energy Experiential Learning programme, which is now in its seventh year and over 600 children have taken part in the scheme. It's a two day project, where the first day is a field trip day and the second day is a making day with lots of different workshops, all centred around STEM. Thank you very much to all those sites that host us.

We also hosted 28 Plymouth University Masters students studying Sustainable Environmental Science, who came and did a whole day on Community Energy in Totnes.

So far we've been lucky enough to receive two grants - one from Devon County Council, and the ReDress energy innovation scheme for £120k to develop Energy Local Totnes and many more objectives, in the next two years. Energy Local Totnes is a club for buying and selling locally generated renewable electricity at a fair price - saving local people money off their bills and paying local generators a little bit more for what they produce. It's effectively creating a local market for renewable electricity, and a decent sale price which will provide an economic driver for small scale renewables locally and support the local economy.

After many challenges we finally started on the 1st August this year, using the electricity generation from Totnes Weir Hydro, the 30kW plant on the river Dart. This was always my top prize because having a balance of hydro and solar within the club is really what we want, meaning there's a lot of cheap energy in the club a lot of the time. We are now in a position to be accepting new members, so please help us to grow this project.

When there are local renewables in the club available, you will be on the match price of 15.75p inc. VAT. When there's no locally generated electricity available in the club we will be on a time of use tariff with 100Green, the energy supply company we're partnering with.

Super off-peak tariff: 16.5p p/kWh midnight -7am

Super-peak: 38p p/kWh weekdays Mon-Fri 4pm-8pm

All other times: 25p p/kWh

The prices are designed to drive people away from the peak time. Every member of ELT will have access to their own personal dashboard which informs demand shifting. Everybody who joins the club is invited to take part in a workshop on energy efficiency and how to use the dashboard. We're going to be giving away smart switches and other gadgets to allow people to remotely operate devices in their house.

We've done some very conservative modelling which suggests that people can save somewhere between 10% - 15% off their bills, even if they don't demand shift/change energy use. With demand shifting they could save up to 30% off your bills.

So far we have eight very patient, loyal members of the club (thank you very much to those people!) and 90 people who have registered their interest through the Energy Local website. The ReDress grant is to sign up 200 people and connect 400kW of generation into the club. That doesn't have to be the end, that's just when the grant finishes, and hopefully we can continue to add in more and more solar. We can add in as much generation as we like in Totnes and the club can continue to grow, gradually, whilst we ensure we are keeping our promises and people really are saving money.

Those with solar PV on their roof will also be able to sell into the club. We're in the process of doing some economic modelling to make sure that the operations cost for Energy Local Totnes - which is an independent co-operative, so once TRESOC has finished with the grant it will be a stand alone company - can support itself. In order to meet those operations costs we think generators should be paying 0.5 pence p/kWh, so instead of them getting 15.75 pence they'll be getting 15.25 pence. This is a good deal for generators in comparison to the other rates available at the moment.

We've been working with St Mary's Church to put a 12kW array behind the parapet wall. We've also finally been working with South Hams district council - thanks to the Lib Dems they are very open to us now. The blue Dart Marine buildings on Steamer's Quay that I've been trying to get some PV on for a very long time, they've said we can do that and we are now in the process of organising meters and going through the first steps of doing that, one at a time.

TRESOC has some historical financial difficulties as you are all well aware. We have an asset loss, which makes us quite unattractive to new people who want to buy shares. Big community companies commonly use a special purpose vehicle (SPV) so it's almost a stand alone unit company to deliver each share offer. The charity bank won't let TRESOC develop any more projects within the company so we don't have any choice but to do that, but it will also de-risk things for TRESOC and for any new share offers going forwards.

A great thing about Energy Local is how highly replicable the model is, and within the grant we have enough money to develop two other Energy Local clubs locally. The first one is going to be Energy Local Moretonhampstead, using the 100kW hydro at Soughton Mill on Dartmoor. Local supply models are going to be extremely important for small hydro at the end of the feed in tariff. Hydro has very high operating costs and at the moment they are being paid for by the feed in tariff, but when that ends the 7p from the grid will not sustain them, they will get mothballed these systems. With local supply models those projects will still be able to operate, and the local people will be getting the benefit at the same time. I really hope the government is thinking about this, because they've spent a lot of money on the feed in tariff making all these small hydros, and it would be an absolute travesty if they're all mothballed in ten years time.

Hatchlands

So we've had technical difficulties and legal difficulties which equal financial difficulties.

Legal difficulties - Fred the farmer has been straw chopping and covering our panels with straw. A couple of years ago we decided to take legal action against him and after spending £10,000 on legal fees, Fred has now moved his straw chopping operation. However, we are now in negotiations for some compensation - the figure started high and is now down to £6000 and we're just negotiating how he's going to pay that. TRESOC really don't have much appetite for risk in the financial situation that we're in. We don't want to enter into a legal battle with him and take it to court as we can't risk losing, so we think this is a good solution.

Technical difficulties - Unfortunately the whole system at Hatchlands had to be restrung at the beginning of the year, and one of the inverters also broke and we had to replace that. The total cost for replacement has been £21,000 which is fairly staggering, but we are trying to reclaim some of that money back. Olympus power were our old maintenance company, and they visited the site on 12th May and unplugged the inverter and a string but never reported it to us. In September when our new maintenance company Glo renewables took over they said this is all unplugged, this system is not working etc and that we needed to restring. We think that Olympus were negligent, as it was in their contract to maintain and report and they didn't report. We're now in negotiations with them as well to try and get some compensation. We hope this will be somewhere between £3-5k. When Glo were restringing the large roof they found that there had actually been an MC4 connector that had set on fire due to being badly fitted. This was a whole section of the roof that had been restrung by Olympus three years earlier. This connection set on fire and caused the inverter to blow up. In theory we have operational insurance and we went to NatureSave in January who have not performed very well. We still don't know if we're able to claim on this or not, but if we can claim it could be somewhere near £17,000, which would be fantastic and go some way to cover the costs of the £21k missing. We're getting very frustrated as a board and are probably going to escalate this to the next level.

The silver lining is that Hatchlands is now performing better than ever, and you'll see a lift in next year's generation figures.

<u>Lescaze Offices</u> – Legal issues and system removal

You may recall that Dartington Trust sold the Lescaze building and Birch Elm Holdings didn't really want our solar panels on their roof, but we had a lease so they had to back down. Our relationship with them has now thawed significantly and they recently invited us down to see if we'd like to move a few of our panels whilst they do some work on the roof, so Glo are going down to have a look. There's a huge amount of space around the edge so we don't feel like it's necessary to move them, and hopefully there'll be no financial implication there.

<u>Shine</u> – cost benefit analysis

The SDRH association fuel poverty project, which is worth £18k to those tenants cumulatively each year. However, there are some considerable legal complications. When the panels were installed the leases were not completed and for various reasons the legals have dragged on and these leases are still not signed. This signifies an ongoing financial burden. Added to that the systems are all becoming old and they are much more difficult and costly to maintain and manage. So the board are in the process of doing a cost/benefit analysis to figure out what the costs of Shine have been or are on our finances. The project costs in total have been much greater than anticipated, and I think it's fair to say that the model has not worked sadly.

Dart Renewables will be paying anyone who invested in the share offer interest in December. Pete Kibel has asked me to remind you that in 2028 the bond will be paid off, and so interest payments will be going up.

We have a new member of the TRESOC board - Dean Leybourn who is our new marketing and PR director. He has revolutionised the proxy voting process after a very short time being here, which can now be done online. He’s also working on Energy Local Totnes, doing the graphic design for that and the website etc. He’s on a three month trial period, and we really hope he stays!

I feel like I have a great team at the moment, who have a huge wealth of knowledge, expertise and experience. I’m very grateful to you all for your inputs. I know when I go to the board meetings with a problem they will have at least three solutions by the time I’ve finished so thank you so much to the board.

I also want to say thank you to the members, who have stuck with us through ups and downs. I hope that we can make it a positive story.

Finance Review – Raymond Seager, Financial Director

The first thing to tell you is that the accounts have been done by Darnells and have been submitted to the FCA so that’s all in hand.

No objections from any members to re-appoint Darnells as our accounts.

The turnover is actually up 7-8%, which is some good news in terms of how we’re going forwards. This is partly in line with inflation, and the first time we get the feed-through from the improved Hatchlands generation. Income grant as always gets washed out with the consultants costs. On the costs side of things, the number to look at is the headline number of £75k for administrative expenses including the depreciation of wages, legal and maintenance. Main hits coming from legal/maintenance from Hatchlands, as well as rounds of cleaning for the panels which we’ve not done before - which feeds through to improved performance on the revenue side.

The net loan interest has picked up slightly last year, if you recall we fixed this but we were on a floating rate so as interest rates tipped up in the last few years then our costs of the charity bank loan went up. This comes down in the forecast for 2025 as we’ve fixed at a slightly lower rate than the variable that we were on.

So all that feeds through to a loss of £23.7k which is not great news. However 2025 certainly looks better, and we've got turnover going up something like 15% which is largely due to improved performance/revenue at Hatchlands. Income grant will feed straight through into the administrative expenses that you can see have tipped up as well.

Income grant for Energy Local will feed straight through into admin expenses.

Legal and compensation cases filtering through:

17k is the Naturesave potential from the broken string (speculatory given that a claim hasn't been submitted for this yet).

5k suggesting to Olympus, significantly less than what we think they really owe us.

6K from Fred, where he has offered this over a period of years, and we are asking if we can get this up front.

These numbers have not been included within this 2k profit for the year, should they all come through, then we are looking at being somewhere in the middle.

So, you can see turnover up a fair bit, administrative expenses will be up, but as I mentioned they will be a part of the 30k grant.

These are the big numbers that have scared us in recent years with legal costs and maintenance costs (namely cleaning and an inverter). No legal costs for the year so far. We put a provision in none the less.

What this hopefully proves, is that with systems that have been set up properly and with the right legal framework and infrastructure built up around them, that TRESOC is capable of turning a small profit. What it does also show you is that it is a small profit, it is quite a razor thin business model. Which is the intention of what it is supposed to be as it is a local energy project.

I think that's it. On my side. Not anymore. No. That's it. I've been a bit quicker this year, haven't I? Was I supposed to talk about share offers or not? Really, because I think you mentioned that already. I think we're, I feel like we've talked about this is my third or fourth one of these and I feel like we talk about it each year and we never, never quite get that, but it's something that we'll need to do. Hopefully at some point. If those two projects that well, it's mainly the Steamers Quay project, I think the Saint Mary's would be less. Would be more of an operational one rather than capital, so not us paying for the panels, whereas the Dart Marine one is. It's hopefully us paying. In terms of other items which might leap out at us, it's really just Shine left. Now Lescaze seems to, Sally said, seems to have gone slightly more and hopefully in our favour in a more constructive dialogue. That was one if you remember last year we were worried about having to remove panels and you know, costings of 10/15 grand or so. That looks to have been mitigated hopefully so really it's Shine where we still got those legacy issues of leases. And if you recall, there's 40 inverters and we hadn't provisioned for the replacement of any of those inverters, so that you know between the leases and the converters that tends to the review that we're doing to try and figure out if that's something that you know, makes sense as to how it should be operated going forward. I should say, actually we have provisioned I think 4K into this. So in this 85 grand administrative costs, there is £4000 provision for replacement of inverters. So we've got 40 inverters on the Shine installations, each one something like £600 to replace, so they're coming up just so you know, hence why we've started supervision. So like you know, an amount of those come through. Just making sure. I'm forgotten. I think. I think that's it. Do I need to talk about the audit? We do that later. OK.

20.05 Questions from Members – The Board

Sally answered several member questions relating to the **free electricity supplied to properties under the Shine programme**, clarifying that two properties currently do not receive free electricity. The Shine scheme continues to supply free renewable energy to South Devon Rural Housing tenants and associated sites.

Sally explained that **battery storage** is not currently a viable option for TRESOC’s portfolio due to high costs. Instead, **demand shifting** remains the most effective method for members to benefit from renewable generation.

Members discussed ways to make the most of locally generated electricity through **Energy Local Totnes**. Sally reiterated that members who can shift their energy use away from peak hours are likely to make the greatest savings.

There were further questions about **selling power into the Energy Local Club**. Sally confirmed that households with solar PV on their roofs can join the club and sell their generation at 15.75p per kWh (less a 0.5p club fee), which is higher than standard export tariffs.

A member raised concerns regarding communication with **new tenants or property owners** in Shine properties. Sally explained that this is an ongoing challenge due to changes within **South Devon Rural Housing Association**, which has recently merged with another housing association. TRESOC has provided materials to inform new tenants of their entitlement to free electricity, though these are not always distributed. Maintenance visits have shown increased awareness and usage in recent months.

There were comments on the **protracted insurance claim** with NatureSave regarding Hatchlands. Sally noted that TRESOC submitted the claim in January and has yet to receive a resolution. The matter has been escalated.

20.15 Society Business – Olly Frankland, Policy Director

Olly welcomed members and thanked them for attending.

There were **45 proxy votes** received, thanks to the new online proxy voting system developed by Dean Leybourn.

Motion 1: Dispense with Full Audit
Olly explained that a full audit each year is costly and unnecessary at this time. No objections were raised, and the motion was carried.

Motion 2: Cease Sending Letters by Post
Rising postal costs and improved email communications were cited as reasons to move to email-only communication where possible. No objections were raised, and the motion was carried.

Motion 3: Retirement and Re-election of Directors
Directors Ian Bright and Sally Murrall-Smith stood down and offered themselves for re-election. No objections were raised. Both were duly re-elected.

Olly reiterated that TRESOC always welcomes **new directors** to bring skills and experience to the board.

No additional motions were raised under **Any Other Business**. Members expressed positive feedback on the new proxy voting system and raised questions around communication with property owners, which the board noted for follow-up.

20.30 Closing Words – Ian Bright, Founder Director

Ian thanked members for attending and reflected on the Society's progress over the years.

He highlighted the **board's expertise in engineering, finance, and legal matters**, crediting their work for TRESOC's **first projected annual profit**.

Ian noted recent **political changes favouring onshore wind** and expressed optimism that TRESOC is well positioned to take advantage of new opportunities when grid constraints ease. He also pointed to improved engagement with **local authorities**, enabling TRESOC to deliver solar installations on local assets with local investment.

He closed by emphasising the **potential for replication** of TRESOC's model, optimism for future projects, and gratitude to the board and members for their continued support.

Please join us in the vestibule for a mince pie and some scintillating conversation.