



**Westmill Solar Co-operative Limited**  
**Annual General Meeting 2013**  
**Saturday 29<sup>th</sup> June 2013**

*Approved minutes of Westmill Solar Co-operative's second AGM held on Saturday 29<sup>th</sup> June at the Solar Farm, nr Westmill Farm, Watchfield, Swindon, SN6 8TH.  
Minutes approved by members on Saturday 7<sup>th</sup> June 2014 at the 2014 AGM.*

**Attendance**

*Present:* Philip Wolfe (Chair), Adam Twine (Director), Mark Luntley (Director), 156 members

*Registered proxy votes:* 17 members.

*Apologies:* Nicola McConville (Director), Mark Shorrocks (Director), 356 members

The meeting comprised over 12 members and was therefore quorate.

**Welcome and introductions**

Philip introduced the session. Thanked Ethex and Adam Wilson of Registry Trust who manage the co-operative, OST Energy who monitor our major asset, Oliver Soper of OST, and Abakus.

Official apologies for Nicola McConville and Mark Shorrocks were explained.

**Directors Report**

***Transactions in the acquisition of Westmill Solar Park***

Philip Wolfe explained why the project was delivered as buy back because of FIT changes and how that meant there were five months to build. Blue Energy designed and installed the solar park on understanding that there was an option to buy back.

The parties involved to support Westmill Solar Co-operative were Burges Salmon - lawyers, Francis Clarke - accountants, and Investec for the debt finance.

Westmill Solar Co-operative have now purchased Blue Energy Westmill Farm Ltd (the company owning the panels). Westmill Solar Co-operative is now in process of hive up to bring the subsidiary into the co-operative.

Thanks were expressed to Frank Gordon and Sam McCarthy who had both supported the project during the pre-acquisition stage.

## ***The design and performance of the solar park***

Philip Wolfe provided an overview of the design and performance. The solar park is a 5MW installation over 12 ha and 30 acres. The power is supplied to Good Energy. FITS are around 4.5MWH a year.

## ***Dissemination, external and member relations***

Adam Twine introduced the community aspect of Westmill Solar Co-operative describing the equipment as the hardware but it's the people who are the software and what makes this project unique.

Recognition has been received for Westmill Solar Co-operative's unique approach with a 2013 European Union Sustainable Energy award and a commendation in the REA (Renewable Energy Association) awards. Westmill Solar Co-operative has been pushing and supporting this message: Philip provided oral evidence to a Department for Energy & Climate Change Select Committee enquiry on behalf of Westmill Wind, Westmill Solar and WESET (Westmill Sustainable Energy Trust).

## ***Financial report***

Mark provided a summary of the financial accounts for 2012. Westmill Solar Co-operative acquired Blue Energy Westmill Solar Farm on 31<sup>st</sup> October. The key asset is the solar farm which is depreciated over 23 years. In 2012 Westmill Solar Co-operative made a trading loss as some one-off costs are incurred at the start and the two month period up to the end of the year, November and December are two of the worst months for power generation and in turn income. Mark explained that the co-operative is we now mid-way through the acquisition process.

## ***Members comments, questions and answers***

When is first dividend? It is paid as "interest" and we would expect it in year 3

How much will we pay? We distribute all profits. We also intend to pay back some of the surplus cash, depending on EIS application outcomes.

There is the possibility of securing EIS for the project, any return of cash would need to be resolved after this.

Graham Watkins - why debt finance for the project? Because we could not get the bond in place in time to meet the buy-back deadline.

Peter Chadwick - thanks to the board for their hard work (applause)

Maintenance of the panels - yes we clean them, we assume they lose 0.4% output each year.

Maintaining the park - do we have funds in place? Yes - this was built into our original financial model.

Could we refurbish or extend the park? Price of solar is falling, but don't want to cover all the fields. Could not extend our current array within our existing FIT, so would have to be separate contract at prevailing rates.

What happens to the company after end of FIT contract life? Will be for the owners to decide at the time, FIT will have ended, but base electricity prices are likely to have increased, panels should still be working - as they are guaranteed for 25 years but should have a 40 year life.

Could we put monthly performance figures on website? Yes - we will do this.

Community owned project, why balance of funding from Lancashire pension fund? Unlike when Westmill Wind was formed its just not possible to get long-term bank funding in the same way. So we looked at bond finance as an alternative. We wanted a bond purchaser who shared our values and Lancashire as a local authority fund fitted that bill. The price they offered was a fair one.

Stan - sun measurements, are our figures in line with what we expected? Yes in fact figures have been better than we expected.

Robin Morris - what was the cost of the connection to distribution network? The connection was done by Westmill Solar coop at a cost of around £700,000. There was capacity in this line and so the solar coop was able to tie into the connection for a one-off payment of £70,000 (to Scottish and Southern Electric - which they passed to the wind coop).

Michael Turpe - What are the terms of the Good Energy PPA? Its a ten year PPA and will look to renew at that point. The PPA still has seven years to run and is linked to market price

Tony Morrison, Panels have 90% efficiency, will it decline in time? Forecast fall by 0.4% which is industry standard, cleaning regime

Chris Eley - scope for future coops at Steventon? We'd welcome more community ownership.

What's the difference and A shares? Only difference is A shares are nominally withdrawable - but B shares are not. B shares have the same voting and other rights.

Martin - from Gloucester. Its more than financial benefits - is he able to transfer his shares to his great grand children. Share registry can arrange this.

Phil - why December FY? No strong views in the board, and if members express a desire to change we will look at this.

Are there shares available at the moment? No shares are currently available and around eight people are waiting to be able to buy.

Helen - how many people can the solar station power? Around 1,400 houses using accepted domestic consumption figures.

## **Formal business**

### ***To receive the accounts***

Proposed by Mark Luntley, seconded by Charles Wickham

At the meeting – all in favour

Votes in advance – 290 yes, 15 no, 45 abstain.

Motion carried.

### ***Appointment of auditors***

Proposed by Sue Roberts and Roger Thompson

At the meeting - all in favour

Votes in advance – 298 yes, 1 no, 50 abstain.

Motion carried.

### ***Election of directors***

Prior to the introduction of the candidates, thanks were given to Mark Shorrocks who was stepping down from the Board of Directors.

Each candidate present was invited to stand and give a brief hello. Members who were present were asked to hand their voting slip to Ethex by the end of the break.

The formal meeting closed at this point with the results of the directors' election to be announced later in the day.

Adam personally thanked Philip for his work, highlighting the work Philip had been doing to develop the financial model and a database to manage the 1,600 applications. To show the enormous appreciation Adam presented Philip with a decanter.

### **Announcement of Director's appointments**

Jamie announced results of election:

In no particular order:

Sarah Gray

Philip Wolfe

Bob Pedley

Tom Parkinson

Philip expressed his thanks to these candidates and particularly to those who had put their names forward but who had not been elected.

### **Close of formal business**

## Members' meeting

### *EIS application; future repayments of share capital*

Philip introduced a general discussion. He explained that post bond step-in we have more funds than we need. We have two very general options - to return the capital as our share offer suggested, or to use the funds to develop other projects.

Philip reminded us that returns of capital are dependent on outcome of EIS application. Normally we would not be eligible, but there is an exemption for community groups, however there is a further exemption to the exemption relating to purchase of shares. Our intention is to finish the hive up, and then submit an application to HMRC.

Philip emphasised this is not a decision making discussion, but a way that the board can test members' views re return of capital, or how to use the funds? Further discussions would then take place.

Points made:

- Solar panels on schools, wonder if kick start other projects?
- Other community projects, would die for £1m - would rather it was put to other use, not least list of other shareholders, possibly an opt in-out scheme?
- Should return money for people to then use as they wish
- Long-term maintenance costs? Confirmed they are already covered
- Extension to existing park?
- Sue Roberts - not free money - so would prefer to see it returned
- John Heath winchester - invest in local enterprises developing green technologies
- Helen - thinks it better if people invest for themselves
- John Vaugn - no decision now
- Stan, - funds need to be secure, we should look at funds held in coop bank.
- How much - possibly 1.5m
- Costs of raising the funds - so £1.5m has extra value beyond the cash amount
- Colin Would not favour complexity of other projects, this approach is the one that got Coop bank into difficulty (ripple of approval from floor)
- If return cash - then returns then higher?
- Roger Thompson – offered to join a working group to look into how the surplus might be used
- Rachel Mason - considerably easier if we keep the funds together, and avoids costs of setting up new coops, eg anerobic digester or biomas boiler
- Tim Nicholson Oxford - IRR if we return capital earlier, would in principle improve it
- Alistair Kinross, will be obsolete in 25 years, could use space more efficiently if technology improves
- Philip Tucker - 5MW - could we put more panels in?

Vote of hands - **slightly** toward the option of returning funds....