

Held at 12.45 on Saturday 19th June 2021 via Zoom Online (due to Covid-19)

These minutes will be draft until they are approved at the next AGM

Attendance

Present: Martin Allman (Director), Nina Alphey (Director), Mairi Brookes (Director), Mark Luntley (Director), Tom Parkinson (Chair), Angela Bryant (Director), Andrew Crawford (Director) Sarah Flood (Company Secretary), Sam Parkinson (Ethex), Josh Brewer (Ethex)

Attendees: 51 members (in addition to those listed as present above) (24 voted ahead of AGM, 27 voting on the day – numbers changed due to some members joining later through the meeting)

Registered proxy votes: 99

More than 12 members were present at the meeting therefore, there was a quorum.

Welcome -Tom Parkinson (TP)

TP began by welcoming a record number of attendees to the Westmill Solar Co-operative (WSC) AGM, despite the circumstances of the Covid-19 pandemic. TP ran through the protocols for the AGM and encouraged members to ask questions and the board would attempt to answer all. Any questions unanswered would be answered after the AGM had finished.

TP ran through the agenda for the day and introduced the WSC board members and the other panellists.

Motion 1: Approval of minutes of the 2020AGM

The 2020 minutes were taken as read

Tom Parkinson put forward the motion to approve the minutes, and Anthony Woolhouse seconded it.

At the meeting – 19 in favour (plus 99 by proxy), 0 against, 3 abstained

Votes in advance – 197 in favour, 0 against, 29 abstained

Total – 315 in favour, 0 against, 32 abstained, therefore the minutes of the 2020 AGM approved.

The Performance of the Solar Park – Martin Allman (MA)

MA began by reporting that the performance of the park remains very strong. Martin Allman gave an update on the performance of the park for 2020.

MA was pleased to report fantastic year for park performance – the best year ever for generation despite it being an older site. This was mainly due to high irradiation in April, May and June. The previous annual record was in 2014 with generation of 5,393 Mwh compared to 2020's 5,567Mwh.

2020 also included the record single month for generation - May 2020.

All this generation means that the site has helped avoid 1,200 tonnes of CO2 emissions in the year.

Achieved 99% availability target in every month except February (98.2%) and October (98.4%)

During 2020, the co-op's Operation and Maintenance (O&M) work included:

- We agreed five-year extensions to our principal asset management contracts with RINA and British Solar Renewables.
- We also extended the warranty on the 7 SMA inverter stations for a further 10 years.
- Carried out a thermographic drone survey which identified the need for action to fix Potential Induced Degradation (PID) to solar panels

Priorities for 2021 include:

- Remedial action to fix PID.
- Continuing proactive maintenance to identify performance issues early.

MA closed by repeating on yet another spectacular year in terms of performance.

Questions on the performance of the solar park:

Q) Vivian Woodell: What is the reason for the higher level of irradiation during Apr-June 2020? Is the reduction in air transport and con-trails during the first lockdown a factor?

TP) This was due to a long stretch of sunny, settled weather during these months.

Q) James Hutton: How has the generation for 2021 been so far?

SP) So far generation has been slightly lower than in 2020 due to a slightly poorer April and May in terms of irradiation levels but we continue to be above the average of 2013-2019.

Q) John Smith: What can you do apart from replacement of panels suspected of PID?

MA) It will be very rare that we have to replace the panels. The process instead reverses the impact of POIR by installing devices that sit alongside the inverter units and effectively raise the voltage during night time which reverses the degradation.

Its very rare that we have to swap out panels but we do have spares on site that can be switched in by BSR as part of their maintenance programme

Community Funding – Nina Alpey (NA)

Nina Alpey gave an update on the impact of Community Funding and the approach and co-operative principles that are followed when making awards.

She highlighted the concentric circles where we consider local, regional (anywhere in Oxfordshire or within 25 miles of the site) national and global. Westmill has been gradually building on what we spend our money and refining our community funding strategy. NA broke down the new proposed adjustment to the ratio of community funding to members interest of 20:80 (updated from 15:85) following on from previous AGM where members encouraged Westmill to do more. The formula pegs the amount of community funding to the interest payable on members' shares, and so can vary with the solar park's financial performance, it is not a commitment of a flat rate sum.

NA then went through some examples of organisations that received community funding or were awarded community grants and encouraged members to read the breakdown in the annual report and on the Westmill Solar website.

NA then encouraged members to nominate community buildings for a free energy audit. NA also invited members to recommend / apply for a grant with the 2nd year of the community grant scheme opening in July 2021. Also to volunteer to join the community grants panel and also volunteer or put forward any other suggestions that they would like to see community funding spent on. For example, some member survey responses had suggested funding community projects local to Westmill Solar members, not just local to the site.

Questions on the community funding:

Q.) Penny Shepherd: Clusters of members are likely to be in "greener" (politically) areas like Brighton/Lewes rather than in areas without local community energy societies benefitting the community already. Is it worth doing some analysis of member postcodes v. demography of those areas to assess appropriateness risk of "to them that have, more will be given".

NA) If Westmill looks at opening our funding to other local communities nationally then this is definitely something that will be taken into consideration. We obviously don't want to be adding money to areas where there may already be support available. The current grant application forms ask applicants to include details of other grant funding pots they have applied to and so we currently weigh that when determining whether to fund a specific grant application.

Q) Jill FB: For education, do you work with or donate to registered sustainable education charities, such as the Centre for Alternative Technology (CAT) a national educational charity which researches and produces the very detailed proposals for Zero Carbon Britain, which covers energy generation and also all other aspects of sustainability, sustainable living, carbon reduction and biodiversity?

ML) Westmill Wind and Solar Co-ops are both in talks with CAT so watch this space closely.

Financial report – Andrew Crawford (AC)

TP handed over to AC to present on the key finance figures from the 2020 annual accounts.

AC led with the key figures from the accounts. Income for the year was around 10% than in the previous year which is due in large to the high levels of generation throughout the year and inflation rates on the Feed-in-Tariff (FIT) rates.

The higher income, along with reduced administrative expenses and the lack of a bond issuance as in 2019, meant that the total retained profit of the co-op for 2020 was £583,000 which was Westmill's best year since beginning.

Questions on the financial report

Q.) Penny Shepherd: Do you expect any significant impact from the proposed increase rate of corporation tax?

AC) We don't at this moment. We obviously don't know what the rate is going to be but we will obviously have to pay the rate that is applied. It remains to be seen what that rate might be and so will have to wait to see what the government does.

TP then took over the AGM to lead on the following resolutions. TP mentioned that this year the resolutions had been somewhat extended from previous years. This is partly due to the fact that Westmill Solar has performed better than expected and the board felt that it was a good time to consider what the co-op should do with the additional surpluses and so put together a development reserve that can enable the co-op to move forward with some of the long-term strategy discussions that have been taking place.

TP also highlighted NA's point made earlier about the increase in the community funding ratio but to keep it tied to the overall level of surplus.

Before beginning on the resolutions TP opened the floor to members questions:

Q.) Kevin Poplett: What is the rationale for keeping member's interest the same in such an exceptionally good year?

TP) The board thinks that 12% is a good rate of interest and this was supported by some of the results of the member feedback questionnaire sent out earlier this year.

It is however quite a high-profile figure, and given the Financial Conduct Authority's (FCA) current activity in the community renewables sector it does put Westmill Solar in the firing line potentially. Ultimately, we want to give members a return that is broadly based on the terms of original share offer document.

Q.) Sarah James: Can you give some explanation of how the figures in the resolutions are arrived at?

SF) The figures in motion 3 and 4 are related to mean that the funds distributed have a ratio of 80% shareholder interest 20% Community Funding.

TP) The figure of £500,000 for motion 2 is a slightly more arbitrary figure in that when we did the 2019 bond offer, we incurred cost of over £500,000. Therefore, if our only future strategy was to do another bond issue, we are going to spend a lot of money quickly. The same can be said for a battery storage project that will likely cost significantly more than this.

Going forward, we don't think that we will be able to make the surpluses at same level as 2020 and be able to put as much into our development reserve. However, the board felt it was appropriate to put money aside when we have it and work with members on how to use it, rather than not have it put aside, come up with a great idea but have no money to do anything with it.

Sarah James: But why is the member interest so high?

TP) This is broadly consistent with what we had set out in the original share offer document. In the last 10 years we have perhaps overperformed and we expect that to continue.

In general, the feedback was that 2/3rd of respondents to the feedback survey said they would be happy to have it continue at 12% with the remaining 1/3rd saying they would like to see it reduced. This is therefore an ongoing discussion but it is interesting to see the variety of responses.

Q.) Jill FB: Can Westmill ever enable investments which can be included in ISAs, please?

TP) Westmill Solar's 2019 bond issue was able to be invested in under the Ethex Innovative Finance ISA (IFISA) and if we were to do another bond issue, we would do the same again.

Q.) Anne Hayward: Are there any plans to reduce our loan with LPPI?

TP) This is one of the things that we will be taking into account when we discuss the capital reduction. At the moment we are paying back the loan in two calculated payments each year (in June and December) but we could look at reducing either members' capital or LPPI's.

LPPI's involvement was originally pioneering but it hasn't quite been followed up in the ways that we want. We will however carry on this discussion.

Q.) Kevin Poplett: The capital return that you just mentioned. Could it be voluntary (like the Wind Farm) instead of compulsory?

TP) We don't yet have a firm view on what we should do with the capital return. The default position is that we would expect to make a 10% repayment as in 2017 but we may want to keep some capital or make it voluntary or split it between members and LPPI. All options are currently on the table and will be a key agenda item at the next board meeting.

Resolution 2: To approve the allocation of £500,000 to a development reserve for the continuation of the co-operative and furtherance of its objectives.

TP put forward the motion to approve, seconded by Mark Luntley

At the meeting – 24 in favour (plus 99 by proxy) none against, 2 abstain

Votes in advance – 183 in favour, 28 against, 15 abstained

Total – 306 in favour, 28 against, 17 abstained therefore the motion was passed.

Resolution 3: To acknowledge the directors' decision to pay share interest of £485,683 to members, being a payment equal to 12% return on member share capital.

TP put forward the motion to approve, seconded by Anthony Woolhouse

At the meeting – 22 in favour (plus 99 by proxy) 3 against, 2 abstain

Votes in advance – 218 in favour, 3 against, 5 abstained

Total – 339 in favour, 6 against and 7 abstained therefore the motion was passed.

Resolution 4: To approve the allocation of £121,405 for social or charitable purposes within the community served by the co-operative.

TP put forward the motion to approve, seconded by John Smith.

At the meeting – 25 in favour (plus 99 by proxy) 3 against, 0 abstain

Votes in advance – 188 in favour, 25 against, 13 abstained

Total – 312 in favour, 28 against and 13 abstained therefore the motion was passed.

Resolution 5: To receive and adopt the accounts and auditors' report for the period to 31 December 2020.

TP put forward the motion to approve, seconded by Eoin Lees.

At the meeting – 25 in favour (plus 99 by proxy) 0 against, 2 abstain

Votes in advance – 209 in favour, 1 against, 16 abstained

Total – 333 in favour, 1 against and 18 abstained therefore the motion was passed.

Resolution 6: To authorise the directors to conduct a tender process for the role of the co-operative's auditors and to finalise the appointment of the auditors following such tender on such terms as the directors consider appropriate.

TP put forward the motion to approve, seconded by Mark Luntley.

At the meeting – 26 in favour (plus 99 by proxy) 0 against, 2 abstain

Votes in advance – 218 in favour, 0 against, 8 abstained

Total – 342 in favour, 0 against and 10 abstained therefore the motion was passed.

Before continuing onto the director nominations, TP emphasised the amount of work that both Martin and Mark had put in over the past year and thanked them for standing for re-election.

Motion 7: Re-election of Mark Luntley (ML) to board of directors

TP put forward the motion to reappoint Mark Luntley to the board, and seconded by Sarah James

At the meeting – 27 in favour (plus 99 by proxy), 0 against, 0 abstained

Votes in Advance – 200 in favour, 1 against, 24 abstained

Total – 326 in favour, 1 against, 24 abstained. Mark Luntley was therefore re-elected to the board.

Motion 5: Re-election of Martin Allman (MA) to board of directors

TP put forward the motion to appoint Martin Allman to the board, and it was seconded by Eoin Lees

At the meeting: 26 in favour (plus 99 by proxy), 0 against and 1 abstained

Votes in advance – 196 in favour, 3 against, 26 abstained

Total – 321 in favour, 3 against, 27 abstained. Martin Allman was therefore re-elected to the board.

Closing Comments – Tom Parkinson

TP apologised firstly to all those members whose questions had gone unanswered due to the AGM overrunning but promised that they would be answered in the coming week. TP thanked the directors, Ethex, and Energy4All for all the hard work that they had put in organising the AGM.

TP also gave a special shoutout to all members in attendance and to all advisors and contractors who help Westmill Solar to continue to be a successfully run co-operative!

Meeting closed at 14:00