

**Held at 09:30 on Saturday 6th June 2020 via Zoom Online webinar service (due to Covid-19)**

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

## Attendance

Present: Martin Allman (Director), Nina Alpey (Director), Mairi Brookes (Director), Mark Luntley (Director), Tom Parkinson (Chair), Robert Pedley (Director), Angela Bryant (standing for directorship), Andrew Crawford (standing for directorship), Belinda Bramley (acting Company Secretary), Alastair Maxwell (Ethex), Sam Parkinson (Ethex) and Paul Phare (Energy4All)

Attendees: 143 members (in addition to those listed as present above)

Registered proxy votes: 162

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. Due to the Westmill Wind AGM following swiftly afterwards, 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 those other panellists.

## Motion 1: Approval of minutes of the 2019 AGM

The 2019 minutes were taken as read

Tom Parkinson put forward the motion to approve the minutes, and Stephen Cragg seconded it.

At the meeting – 47 in favour (plus 134 by proxy), none against, 22 abstained

Votes in advance – 242 in favour, 4 against, 65 abstained

**Total – 451 in favour, 4 against, 87 abstained, therefore the minutes of 2019 AGM approved.**

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

MA began by reporting that the performance of the park remains very strong. Due to excellent weather, 2019 proved to be another bumper year generating 5,721 MWh of electricity (equivalent of 1,800 UK households), which remains substantially ahead of the board's original 2012 forecasts.

Our operations and maintenance (O&M) arrangements with British Solar Renewables (BSR) continue to perform well and are good value. Throughout each month, the solar park achieved 99% availability target in every month except February (98.9%) and October (98.4%).

For 2020, the board's priorities are to continue with the ongoing review of our asset management arrangements and on-site security measures as well as continuing to be proactive in identifying performance issues. This includes the use of a thermographic drone survey of the park to detect any panel degradation and inactivity.



In closing, MA shared the news that during May 2020 the solar park had generated a total of 871,492 KWh of electricity, making it the best ever monthly generation since the site began operating.

### **Questions on the performance of the solar park**

#### **Q) Janet Curtis: What has affected the reduction in performance of the site recently?**

**MA)** The main impact on performance is the amount of sunshine that we have throughout the year. What we expect to see in terms of the performance of the panels is a small, gradual reduction. At the same time, we are always trying to anticipate any tail off in performance by being pro-active and doing planned and reactive maintenance of the site. Despite the site getting older however, the performance levels continue to be high.

#### **Q) Cecelia Olley: Are there any plans to expand solar capacity or install battery storage to the site?**

**MA)** The challenges with adding additional capacity, is that we can't get our Feed-in-tariff (FiT) payments on any added capacity and so it makes it difficult to get that return investment. As for battery storage, there is a lot of discussion going on between both Westmill Co-ops and Adam Twine. Westmill Solar recognises the huge potential to provide flexibility to the local grid and realise additional revenue streams.

#### **Q) Sarah James: Will Westmill be able to curtail output due to current low electricity demand and if so, would they expect compensation?**

**MA)** This is a topic that has come up quite recently due to reduced energy consumption. It's possible that we could be asked to switch off. In terms of compensation we are not sure how that would work. There are other revenue streams being opened up for potential curtailment but this is not something we can tap into at the moment based on how these streams are structured. However, at the moment we don't believe it is a problem that we will see just yet.

#### **Q) Michael Woollacott, Maurice Dixon, Janet King: What is the policy for inverter replacement and cleaning of panels?**

**MA)** On inverter replacement, we have 10-year Warranty with SMA on inverters on site, which covers supply of parts and maintenance as well as having a guarantee of performance. Inverters can continually be replaced and upgraded. As well as technology moving forward, the costs have changed significantly and so this is something that is very much under review. In the short term it's about being proactive with a longer-term view of phasing these out and replacing them.

With the solar panels, these are cleaned regularly by our O&M contractors and is based on whether we see any impact on performance of the site.

#### **Q) Nicola Graves Gregory – How long did it take the solar park to offset the initial energy consumption to produce the panels?**

**MA)** Extremely good question but one that at this time we don't have an answer too but will look at providing this after the AGM.

### **Financial report – Bob Pedley (BP)**

TP handed over to BP to present on the key finance figures from the 2019 annual accounts. Emphasised that the solar farm runs constantly and so income is very consistent and revenue streams are very constant from one year to the next unless any major incidents occur.

Income of £2.28M in 2019 compared to £2.25M in 2018. Despite the generation figures being less than 2018, because the FiT rate is inflation linked and our Power Purchasing Agreement (PPA) rate has gone up, we have achieved a higher total income. Member's interest will remain at the same as last year at 12p per share. The total spent is slightly lower than 2018 as some members have withdrawn from the co-operative and so will not be receiving interest.

Due to community funding being pegged at a ratio to member's interest, community funding remains at £86,000 and remains an important part of our co-operative principles.

BP then moved onto those figures that did not draw comparison to 2018. The first was the bond issue raise, the approximate cost of which was £45,000. This was made up of issuing fees, marketing and legal costs. The second, is accounting adjustments and provisions of £436,000 that are connected to the repayment of £2M to Local Pensions Partnership Ltd (LPPI), who were the senior lenders when setting up the solar site. The retained profit / loss would have been very similar to 2018 had it not been for these 'one-off' items.

Finally, over the course of the year, the total cash balance went down by approximately £800,000 as did the co-ops loan to LPPI as we used this sum of cash on top of the bond issue to pay back the loan.

### Questions on the financial report

#### Q.) Multiple members: Is there going to be any future investment opportunities in 2020 or 2021

**BP)** There are no plans at the moment to open up to future investment. The current projections show the solar farm continuing to generate for the next 15-16 years and during the course of that time we will repay all the loans, the 2019 bond offer and return money to shareholders.

**TP)** The financial model anticipates returning capital to members over the lifetime of the project with potentially a repayment scheduled for 2021. This does depend in a large extent on how the site performs and the situation with the Financial Conduct Authority (FCA). Any intervention may lead to changes to interest and our broader capital structure.

Part of the reason for the bond offer was to put in place something that we could adapt and repeat in future years and offer existing and new members the opportunity to purchase further into the Co-op.

#### Q.) Emily North, Jonathan Durant: – Is the secondary market likely to be re-opened?

**BP)** We did have a secondary market whereby WSC shares could be bought and sold. The objective was to enable members who wanted to withdraw to do so and allow new members to join the co-op. The board felt that it did not succeed in attracting many new members to the co-op. Currently the co-operative is willing to buy back shares at par value and then shares can be issued at par to those looking for additional shares.

**TP)** The primary reason for the bond issue last year was to bring in new members, which the board believes was more successful than the secondary market.

#### Q) Michael Kinghan: What are the criteria that have to be met before a request to withdraw shares is approved?

**BP)** As long as we have the funds readily available to action the withdrawal request then we should be able to action these requests. We don't anticipate a problem if a few members want to withdraw but this may change if there are numerous requests at the same time.

## Motion 2: To receive the audited accounts for 2019 including an interest payment of 12p per share and Community Funding of £85,916.

TP put forward the motion to approve, seconded by Royston Morgan

At the meeting – 62 in favour (plus 162 by proxy) none against, 2 abstain

Votes in advance – 268 in favour, 10 against, 33 abstained

**Total – 492 in favour, 10 against, 35 abstained therefore the motion was passed.**

## Motion 3: To re-appoint Critchleys as auditors to the society

TP summarised that Critchleys have been our auditors for about 6 years although the current audit partner has only audited the Cooperative for the last year. This motion is about making sure we have the appropriate people to scrutinise the accounts. The board will be re-evaluating our auditors on a yearly basis.

TP put forward the motion to approve, seconded by Martin Chaston

At the meeting - 56 in favour (plus 162 by proxy) 0 against, 8 abstain

Votes in advance – 258 in favour, 4 against, 61 abstained

**Total – 476 in favour, 4 against and 69 abstained therefore Critchleys were re-appointed as auditors for 2019.**

Before leading on the director nominations, TP thanked BP for all the hard work that he had done as a director of WSC and wished him all the best in his future and that a small token of the board's gratitude was on its way.

## Motion 4: Re-election of Nina Alpey (NA) to board of directors

NA briefly introduced herself to those members in attendance. TP put forward the motion to reappoint Nina Alpey to the board, and seconded by Graeme Olley

At the meeting – 66 in favour (plus 162 by proxy), none against, none abstained

Votes in Advance – 248 in favour, 2 against, 61 abstained

**Total – 476 in favour, 2 against, 61 abstained Nina Alpey was therefore re-elected to the board.**

## Motion 5: Election of Angela Bryant (AB) to board of directors

AB introduced herself to the members in attendance. Tom Parkinson put forward the motion to appoint Angela Bryant to the board, and it was seconded by Nicola Graves-Gregory

At the meeting: 68 in favour (plus 162 by proxy), none against and 1 abstaining

Votes in advance – 239 in favour, 2 against, 70 abstained

**Total – 466 in favour, 2 against, 71 abstained therefore Angela Bryant was elected to the board.**

## Motion 6: Election of Andrew Crawford to board of directors

AC introduced himself to the members in attendance. Tom Parkinson put forward the motion to appoint Andrew Crawford to the board, and it was seconded by Pete Bishop

At the meeting - 65 in favour (plus 162 by proxy), 1 against, 4 abstain

Votes in advance – 228 in favour, 8 against, 75 abstained

**Total – 455 in favour, 9 against and 79 abstained therefore Andrew Crawford was elected to the board.**

TP congratulated all the newly (re)appointed directors and welcomed AB and AC to the board. With this, TP concluded the formal business of the AGM.

### Co-operative Principles – Mark Luntley (ML)

TP started by saying how it is crucial to recognise what we do is not just about money. Financial success is important as it shows to the world that what we set out to achieve can be done but we are ultimately defined more about what we can do with this money.

TP passed over to ML who talked about how it is important for us to remain a “member led” co-operative and continue as a demonstrator of co-operative and community values. Our surpluses generated go into a number of places as will be expanded later by NA.

The 2019 bond, when discussed with others, was about raising finance but also bringing in new members. By reducing the amount we have borrowed from LPPI we now have more flexibility to be able to use these funds to support other co-ops. WSC has been working to meet all 7 of the international co-operative principles as this defines how we work e.g. selling our electricity to Co-op Energy and Octopus Energy and working on how we can work better with them.

Continuing into the future these principles will remain at the heart of what we do and we will continue to investigate how we will meet these principles. We will of course be sharing more news as we develop these ideas over the summer.

### Community Funding update – Nina Alphey

NA started by saying how WSC members continue to be generous. Each year, for every £85 of member's interest paid out, £15 is put aside for community funding which includes the 1% of annual turnover given to the Westmill Sustainable Energy Trust (WeSET). This year the approximate figure for Westmill Community Funding is £86,000. NA explained to new members that WeSET was set up and is funded by both Westmill Co-ops and they help organise tours of the site and also engage with schools and other local groups.

NA then went onto explain how the use of the remaining funds is determined by following the co-operative principles and the approach to community funding is based on concentric circles, starting local and expanding to a regional, then national and finally global level. Details of the community funding spending since the last AGM could be found on page 22 of the annual report.

In regards to new developments since the last AGM, WSC has release an expanded scheme to provide free energy audits to community buildings alongside the Low Carbon Hub. These audits provide practical advice on how to reduce energy use and their carbon footprint. NA encouraged members to contact WSC should they know of any community building in Oxfordshire that could benefit from these audits.

WSC is also about to launch an initial pilot Community Grants Scheme, offering grants of up to £5,000 to local organisations which NA encouraged members to nominate. WSC has put aside £30,000 for this scheme and has put together a panel of WSC members to assess incoming applications. These grants will continue to fund similar projects as previously but will be more explicit in ticking the boxes on community and sustainability.

Finally, at last year's AGM, members were extremely keen to investigate funding targeted at new sustainable housing. WSC has begun conversations with One Planet Oxfordshire who have a zero-carbon housing project who are exploring sites local to Westmill and are very keen to work alongside Westmill in the future.



NA ended by asking members for an unofficial show of hands as to whether they are happy for the board to pursue the general approach outlined. The request was met with strong approval from members

### Long-term strategy – Mairi Brookes (MB)

MB began by sharing how WSC has come a long way since it began in 2012. The site was originally financed on the basis that it would operate until 2036 but that we should be looking to strategize beyond that and starting to think more about what that conversation needs to be.

As a co-op we are expected to take a collaborative approach when it comes to long-term strategy and a working group has been set up amongst WSC, Westmill Wind Farm Co-op, WeSET and Adam and Jane Twine. This group will begin in investigating what the possible future opportunities, what are the priorities and how are we to work together to reach our goals.

MB then took a moment to explain Project Leo (Local Energy Oxfordshire) with whom WSC have been invited to work. Project LEO is the brainchild of the Low Carbon Hub and aims to help develop a local market to allow for flexibility with electricity generation, demand and storage, and bringing national level trading systems into a more regional level. WSC will be included in discussions as to how the system will be implemented and will encourage that the type of energy system implemented is one WSC wants i.e. community ownership and involvement, and benefits returned to the community.

Coming up in 2020, WSC has a number of initial priorities that it is focusing on, beginning with the planning and leasing of the site and then exploring ways for members to purchase electricity generated from the Westmill site and increasing our local and member engagement.

MB ended by stating that these discussions would begin opening up in the coming year and that the board will be in touch soon with opportunities for members to engage.

### 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 board, Ethex, and Energy4All for all the hard work that they had put in organising the AGM, particularly to Alastair Maxwell and Sam Parkinson.

TP also gave a special shoutout to members Matt Desborough, Lars Calvert, Julia Spragg, Saskya Huggins, Lorna Denby, Linda Tillotson and Steve Cox for the work they had done in supporting WSC despite not being board members. He also encouraged other members who want to get involved to please get in touch with us.

Meeting closed at 10.45