



## Westmill Solar Co-operative 2022 AGM Draft Minutes

Held at 09.15 on Saturday 11th June 2022 via Zoom Online (due to Covid-19)

These minutes are draft until approved at the Westmill Solar 2023 AGM

### Attendance

Present: Martin Allman (Director), Nina Alpey (Director), Mairi Brookes (Director), Mark Luntley (Director), Tom Parkinson (Chair), Angela Bryant (Director), Andrew Crawford (Director), Joe Michaels (Prospective Director), Sarah Flood (Company Secretary), Sam Parkinson (Ethex)

Attendees: 64 members (in addition to those listed as present above) (30 voted ahead of AGM, which left a maximum of 34 votes to be accepted on each motion on the day. Voting numbers were subject to change due to some members leaving the meeting early or joining later)

Registered proxy votes: 110

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

### Welcome -Tom Parkinson (TP)

TP began by welcoming the attendees to the Westmill Solar Co-operative (WSC) AGM, and despite not being able to meet in person and on site as originally intended, it was still great to see so many members in attendance. TP ran through the protocols for the AGM and encouraged members to ask questions. 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 2021 AGM

The 2021 minutes were taken as read subject to an amendment of the answer to the question (Q. Sarah James: Can you give some explanation of how the figures in the resolutions are arrived at?) on which two members had requested further clarification.

Tom Parkinson put forward the motion to approve the minutes, and David Uren seconded it.

At the meeting – 18 in favour (plus 110 by proxy), 0 against, 3 abstained

Votes in advance – 229 in favour, 1 against, 39 abstained

**Total – 357 in favour, 1 against, 42 abstained, therefore the minutes of the 2021 AGM approved.**

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

MA began by reporting that in 2021, the performance of the park was lower than that in previous years. In 2021 the solar plant generated 4,910,536 kilowatt hours (kWh) of electricity. This was the second lowest annual generation in the nine full years that the Society has operated the solar park. This however, was largely the result of less favourable weather conditions rather than any major operational issues with the solar plant with irradiation at the site nearly 12% lower than in 2020

However, despite the reduced generation, the solar park generated the equivalent consumption of over 1,690 UK households, avoiding some 900 tonnes of CO2 emissions – over half a tonne per member.



As the plant ages, Westmill expect maintenance costs to increase over time. The co-op's continuing focus is on ensuring that there are robust and proactive maintenance plans in place to identify performance issues early so that we can reduce the impact on generation.

The co-op continues to rely on British Solar Renewables to provide proactive monitoring and maintenance of the plant and in 2021, we undertook remedial action to reverse damage to solar panels through Potential Induced Degradation (PID).

MA then provided an update regarding the failure of Transformer 3 (TX03). In March 2022, an error was detected by BSR which eventually led to it being taken offline, leading to a 29% reduction in generating capacity on site. Testing of the other 3 transformers identified no issues and proactive monitoring and testing is ongoing.

Initially it was thought that there would be a 6-month lead time to getting a replacement delivered and installed. However, earlier this week, BSR were able to find a temporary replacement of a second-hand transformer which has been scheduled for installation in mid-July. This will then be replaced by a brand-new transformer in September/October 2022.

Subject to the hired transformer being operational by the end of July, we have calculated that we could lose around £400,000 of revenue during the period. However, we expect that most of this sum will be covered by our business interruption insurance.

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

**Q) Kevin Poplett: Are the transformers not covered by a warranty agreement similar to the inverters?**

**MA)** Unfortunately no. The transformers only come with a 1-year warranty period which is an industry standard. The site inverters had a 5-year warranty which we have since been able to extend and so currently have a further 8-year extended warranty. The same type of cover is not something that is available for the new transformer.

**Q) Vivian Woodall: Would it perhaps make economic sense to have one spare transformer installed on-site so that if one fails, the spare one can simply be wired in?**

**MA)** This is something that the co-op and BSR are looking at. There is a challenge in that you must have somewhere suitable to store it on site and it could also degrade if left idle for too long. We are also looking at other possible contingency measures we can take at the very least to identify where units are potentially available and making sure we have the right contacts should a similar issue occur in the future. This way it can be dealt with even quicker.

**Q) Sarah James: Could we cooperatively buy big spares, like transformers, with other community energy projects?**

**MA)** The challenge here is that all sites are different, and there aren't any standard components and the ones we identified at Westmill are not standard in terms of their configurations.

**Q) John Bassendine: Could this spare transformer being fitted in July be available for hire in future?**

**MA)** Possibly, but again it goes back to where it might be a suitable solution to use. The actual transformer we have is having to be modified and has been a huge effort to find one that matches what is needed on site and for the right specification.



**Q) Vivian Woodell: Could the transformers be configured in an array in parallel with extra capacity to provide redundancy in case one fails? This way they wouldn't degrade from lack of use?**

MA) What we looked at this time was to see if there was additional capacity of the other transformers on site that we could use to offset some of the losses. The issue is that it would require a fundamental redesign of the site which was just not viable and would have impacted other parts of the site as well taking a significant amount of time. Any reconfiguration as suggested would similarly require a full redesign and be both costly and take significant time to complete.

TP thanked members for all their questions and for their understanding during the transformer issue. Particular thanks were given to MA for not only expertly handling and managing the transformer situation with BSR, but also for the amazing hard work that he has put in over the past 7 years, now that he has decided to step down from the board.

In turn, MA thanked all the members, the board and Ethex for all the work and support that has been given during his directorship.

**Financial report – Andrew Crawford (AC)**

TP handed over to AC to present on the key finance figures from the 2021 annual accounts.

AC led with the key figures from the accounts. Income for the year was down about 7% from the previous year which is due mainly to the lower levels of generation.

Administrative expenses were slightly higher due to some reversals of expenditure in 2020 for the legal costs of the bond issue and LPPI loan prepayment that we had provided for but were not incurred.

Member's interest for this year is expected to be 10p per share. There was a lot of board discussion around this figure and the decision for a slightly lower interest payment was made due to the fact that we were not yet certain how seriously the co-op's finances would be impacted by the transformer issue and generation loss.

The reduction in the loans figure in the balance sheet is a reflection of some of the LPPI loan having been paid back over the previous year.

There were no additional questions and AC handed back over to TP for the formal motions.

**Motion 2: To acknowledge and ratify the payment of a trading dividend of £15 per eligible member as part of the trading dividend scheme implemented by the directors in 2021.**

TP stated that although the amount allocated for the 2021 trading dividend was a relatively small amount, it is a key element for the co-op and the Westmill Solar and Wind Co-op scheme was one of the first in the energy sector and a forerunner of other similar schemes.

**Q) Sarah James: How is the dividend for buying Westmill electricity decided?**

TP) We took the average electricity bill for a UK home last year which was about £500 and took £15 as representing 3% of that figure but it was a rather rough and ready calculation. Arguably, this amount needs to go up this year partly because bills have gone up due to the energy crisis and some feedback we received that £15 is not tempting enough to go through the process and so is something the board is looking at and why we have provisionally allowed for a doubling of that amount in this resolution.



TP put forward the motion to approve, seconded by Pete Bishop.

At the meeting – 22 in favour (plus 110 by proxy) 2 against, 3 abstain

Votes in advance – 240 in favour, 13 against, 16 abstained

**Total – 372 in favour, 15 against, 20 abstained therefore the motion was passed.**

**Motion 3: To acknowledge the directors' decision to pay share interest of £404,075 to members in respect of the financial year ended 31 December 2021, being a payment equal to 10p per share.**

TP began by re-iterating what AC had said in the financial report regarding the decision to reduce interest payment to 10p per share.

**Q) Kevin Poplett: As it seems we are now fairly certain that the losses from the transformer issue will be covered, can we not effectively increase the interest payment by having an interim dividend for 2022.**

**TP)** We can certainly consider it. However, although we think the losses will be less than we originally thought, we don't have any formal confirmation from the insurers that they are covering that claim and so we will wait to see that outcome. There is also the fact that it could impact our premiums for next year but we will certainly take it into consideration and review this as the year progresses.

TP then put forward the motion to approve, seconded by Martyn Shakespeare

At the meeting – 24 in favour (plus 110 by proxy) 0 against, 2 abstain

Votes in advance – 267 in favour, 0 against, 2 abstained

**Total – 401 in favour, 0 against and 4 abstained therefore the motion was passed.**

**Motion 4: To approve the allocation of £101,018 for social or charitable purposes within the community served by the co-operative in respect of the financial year ended 31 December 2021.**

TP commented that the community funding is something that all members should take significant pride of. It's grown substantially over the last few years thanks to the work NA and SP had put into designing the community grants scheme. TP also thanked the community grants panel for reviewing all applications and allocating on our behalf and encouraged more members to get involved and suggest other potential funding recipients.

TP highlighted some concerns from members that the community funding detracts from members' interest. TP emphasised that this was not the case. We are a co-op and the two complement each other and the payments into our community fundings has been designed so that they both complement each other and rise and fall together.

**Q) John Bassendine: What geographical area is covered by community funding?**

**SP)** This will be focused more in NA's talk later, but in short Community Funding is awarded mainly in Oxfordshire and a 25-mile radius around our site, but also a little national and global. can certainly consider it.

TP put forward the motion to approve, seconded by Rodney Tillotson

At the meeting – 23 in favour (plus 110 by proxy) 1 against, 2 abstain

Votes in advance – 232 in favour, 22 against, 15 abstained



**Total – 365 in favour, 23 against and 17 abstained therefore the motion was passed.**

**Motion 5: To receive and adopt the accounts and auditors' report for the period to 31 December 2021.**

TP put forward the motion to approve, seconded by Dominic Pinto.

At the meeting – 24 in favour (plus 110 by proxy) 0 against, 2 abstain

Votes in advance – 242 in favour, 0 against, 27 abstained

**Total – 376 in favour, 0 against and 29 abstained therefore the motion was passed.**

**Motion 6: To appoint the firm of Critchleys Audit LLP as auditor of the Society until the conclusion of the next Annual General Meeting at a fee to be agreed by the directors.**

TP explained that based on the resolution at last year's AGM, the respective boards had established a joint panel of Solar, Wind, Ethex and E4All Directors which was chaired by Mark Luntley with the objective to carry out tender of audit providers and report with recommendation to both boards.

The Panel agreed on a shortlist of the existing auditors of Westmill Wind and Solar and another third firm with relevant cooperative accounting experience. The Panel received written proposals and then met with senior staff from each of the three bidders. The panel was unanimous that Critchleys offered the best balance of quality and price and recommended their appointment to a joint meeting of both boards.

**Q) Sarah James** Is it not good practice to change auditors sometimes?

**TP)** It is good practice to not have too cosy a relationship. The process was designed to review whether the process with Critchleys was right and the Westmill Wind side of the panel were looking at Critchleys with fresh eyes. They have given us good service over the past years and we are certainly not aware of any issues but we will keep this under review.

TP put forward the motion to approve, seconded by Roger Thompson.

At the meeting – 21 in favour (plus 110 by proxy) 1 against, 3 abstain

Votes in advance – 239 in favour, 3 against, 27 abstained

**Total – 370 in favour, 4 against and 300 abstained therefore the motion was passed.**

**Motion 7: To approve a trading dividend in respect of the financial year ending 31 December 2022 of such amount of no less than £15 and no more than £30 per eligible member (as determined by the directors) and in accordance with such arrangements as to eligibility and otherwise as the directors may determine.**

TP reiterated what had been said earlier before motion 2 had been passed. The board is following good co-op practice by setting the parameters for this ahead of actually putting the scheme in place and paying it out (which wasn't possible last year) and are also keen to extend this scheme in 2022.

The co-op plans to do this by mainly following the structure of last year's proposal with 2 key changes. The first being that Westmill Solar is aiming to increase the amount involved up to



£30 due to rising energy bills. The second, that the dividend last year was closely linked to Co-operative Energy's Community Power Tariff, which because of the turbulence in the current market is not the most economical compared to their variable tariff which is linked to the price cap. We will probably extend the trading dividend to any members on a Co-op Energy tariff but again it is a fast-moving market and so we will take that under review.

The intention is to get as many members as possible buying the energy we generate which is a fundamental co-operative principle and something we would like to take further. This is not by any means a fixed scheme and we are still setting the parameters of this at the moment.

TP put forward the motion and it was seconded by Mike Landy.

At the meeting – 18 in favour (plus 110 by proxy), 4 against, 3 abstained

Votes in Advance – 231 in favour, 14 against, 24 abstained

**Total – 359 in favour, 18 against, 27 abstained therefore the motion was passed.**

#### **Motion 8: To elect Joe Michaels to the board of directors**

TP explained that, as previously mentioned, MA is stepping down from the board at this meeting and we're delighted that Joe Michaels, Commercial Director at Joju Solar, has offered to join the board and take over as our technical lead. Things are moving very fast in the solar world and energy sector and so delighted to have someone with Joe's experience and he has already been working with MA on the transformer issue to ensure continuity on this.

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

At the meeting: 23 in favour (plus 110 by proxy), 0 against and 2 abstained

Votes in advance – 231 in favour, 5 against, 42 abstained

**Total – 364 in favour, 5 against, 44 abstained. Joe Michaels was therefore elected to the board.**

#### **Motion 9: Re-election of Mairi Brookes to board of directors**

TP put forward the motion to appoint Mairi Brookes to the board, and it was seconded by Bob Pedley.

At the meeting: 24 in favour (plus 100 by proxy), 0 against and 1 abstained

Votes in advance – 239 in favour, 3 against, 27 abstained

**Total – 373 in favour, 3 against, 28 abstained. Mairi Brookes was therefore re-elected to the board.**

#### **Motion 10: Re-election of Tom Parkinson to board of directors**

Given his nomination, Nina Alphey was appointed chair for this motion, which she proposed as was seconded by Mike Landy

At the meeting: 25 in favour (plus 110 by proxy), 0 against and 0 abstained

Votes in advance – 239 in favour, 3 against, 27 abstained

**Total – 374 in favour, 3 against, 27 abstained. Tom Parkinson 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 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! In addition, both Westmill Solar and Wind will be hosting an open day on October 15<sup>th</sup> and so looked forward to meeting many members in person then after a 2-year absence.

Meeting closed at 10.15am

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