



**Wight Community Energy Limited**

**("WCE")**

**Minutes of the WCE Annual General Meeting 2017**

The first Annual General Meeting of Wight Community Energy Limited took place at 12:00pm on Tuesday 20<sup>th</sup> June 2017 at Shalfleet Village Hall, Church Lane, Shalfleet, PO30 4NF

**Present:**

<b>Name</b>	<b>Role</b>
Colin Palmer	Chair, Member
Jeff Kenna	Director, Member
Robert Rabinowitz	Asset Manager
Nick Good	Asset Manager
Dale Howarth	Contractor
Dee Becker	Contractor
25 Members of WCE	Society Members



## 1. Welcome and introductions

The Chair welcomed all attendees to the first AGM of Wight Community Energy (WCE). The Chair introduced himself as a director and the Chair of WCE and invited Jeff Kenna (JK) to introduce himself as a director. The Chair noted that Ray Harrington-Vail and David Bunker were also directors but could not attend the meeting.

The Chair advised the members that representatives from Mongoose Energy were also in attendance and provided an overview of Mongoose's involvement in WCE, noting that Robert Rabinowitz had been coordinating the work to improve the Society's financial situation.

A slide show was presented to the members to follow each agenda item and a copy of the slide pack can be found on the WCE Website [here](#).

## 2. Overview of Wight Community Energy Limited

The Chair noted that the purpose of WCE is to support the generation of renewable electricity on the Isle of Wight, with the aims of:

- Reducing fuel poverty,
- Increasing the levels of sustainable generation,
- Moving towards electricity (and energy) self-sufficiency,
- Encouraging wider EV ownership, and
- Supporting the development of smart grid solutions.

The Chair outlined an overview of future global renewable energy changes and the perceived increases in development of solar energy, with a mention of recent news article headlines.

The Chair invited Robert Rabinowitz (RR) to provide a summary of Mongoose Energy. RR highlighted the origination of the company, which occurred due to the work of members of the community energy sector who had been active at its birth. Mongoose has two main principles, which are:

- a. To progress the renewable energy revolution, ensuring that financial, environmental and social benefits are realised within the communities that projects are situated, and
- b. Provide local people with the opportunity to become involved in their local energy generation, via a democratically controlled company model.

Mongoose currently had 9 other community energy clients which together own over 50% of Mongoose, It has recently launched a crowdfunding platform which brings investors closer to the opportunities to invest in renewable energy projects and a long term goal of the company is to launch its own supplier business, which would enable people to choose a local energy supplier that helped to control local generation of renewable energy.

RR provided an overview of Wight Community Energy's corporate structure, noting that all shareholders get 1 vote each regardless of the amount of funding invested into the Society. WCE owns a Community Interest Company that owns the Homestead Solar Farm, called Homestead Community Solar CIC (HCS CIC).



Close Brothers, a bank with an interest in funding renewable energy projects, had provided a loan for the acquisition of Homestead Solar Array with an additional loan agreed with the Isle of Wight Council as a subordinated lender to Close Brothers.

### **3. Homestead Community Solar C.I.C.**

RR presented a general summary of the detail related to the Homestead Solar Array, which can be found in the slide pack.

### **4. Update on the Financial Position of Homestead C.I.C. and WCE**

The Chair noted that the financial position of WCE and Homestead CIC had been provided as part of the recent newsletter update to members and would also be covered when considering the performance of the Homestead Solar Array.

### **5. Homestead Site Performance**

The power plant itself has been performing to its targeted generation figures across 2016 and 2017, however grid outages had been constraining the time that generation has been allowed. The constraints were caused by a mixture of scheduled and unscheduled maintenance on the local and national distribution networks in the peak solar generating months in 2016 and 2017, with the following consequences:

- 11.2% less generation than the target output for 2016, primarily due to 36.8 days of lost generation from grid outages (without these losses the project would have exceeded its target for the year), and
- There were also 18 SSE communications issues on-site which caused the site to trip off, resulting in lost generation (SSE should have replaced the Active Network Management System on-site with a DGAD inter-trip system – this will now be completed over June and July 2017).

In 2017 the project was curtailed over March and April due to reduced network capacity on the power lines to the mainland as work was completed on Fawley Sub-station, causing a reduction of the annual output of the site by 8.1% or £46,521 of income.

The inter-trip system previously mentioned should enable the Homestead Solar Array to generate during a period of reduced capacity on the 132kV power lines across the Island between July and October 2017. A consortium of renewable energy generators on the island are close to agreeing a deal with the RWE Cowes Power Station, which means that the renewable energy generators will feed into the grid instead of the power station. Total lost income due to outages in 2017 was in the order of 10-15%.

The reduction in revenues due to the outages in 2016 meant that WCE could not afford to pay the member interest or the community fund, although the project has been able to pay all of its operational and capital expenses. News of the cooperation between renewable energy generators on the island has spread and Mongoose Energy has been invited to participate in separate fora organised by SSE and Western Power Distribution, designed to help network operators to develop creative solutions which minimise the impacts of future grid maintenance outages.



WCE would be working to obtain details of potential outages in 2018 from National Grid and SSE although it was hoped that a combination of factors, i.e. local grid strengthening, the inter-trip system and the possibility of another deal with RWE, meant that far fewer outages were expected.

There were a number of questions raised by the members:

Question	Response
<p>“Do you know the split between the causes of the outages in 2016 in terms of income lost?”</p>	<p>Around 90% of the income lost was due to the 36.8 days of grid outages. We will be able to provide a value lost when we have comparable data for an entire year of generation</p>
<p>“What other companies managed by Mongoose are in the same financial position?”</p>	<p>Wight Community Energy’s financial position is unique due to the nature of the grid maintenance work that is required to be completed. All other companies are paying member interest, albeit that some are paying at a lower than expected rate due to teething problems with projects.</p>
<p>“When will the company make a profit?”</p>	<p>It will take 2-3 years for the project to recover from its current situation, providing that there are no further major grid outages. In the meantime, WCE is working on measures to improve profitability, e.g. cost reduction, reducing the cost of capital.</p>
<p>“What engagement with SSE and National Grid has been undertaken?”</p> <p>Also raised:</p> <p>“What plans do you have to run a campaign to force National Grid to take notice of the impacts of the outages on local renewable energy projects?”</p>	<p>We have communicated with senior managers at SSE, which has enabled us to make significant progress on reducing the solar array’s curtailments. Participating in the forum coordinated by SSE will enable us to communicate effectively to explore options for minimising any impacts of curtailments. The next step is to begin engaging with National Grid at the appropriate level. Mongoose is also investigating where batteries may offer an additional source of income across the portfolio of projects that it manages. However in order to install a battery at the Homestead Solar Array, some of the grid connection rules stipulated by SSE need to be reviewed.</p> <p>Furthermore the Isle of Wight Council are investigating the possibilities for energy storage technology and policy across the island and we are prepared to work with the Council on this.</p>



“How many members are there in WCE?”	150
“Does the senior lender Close Brothers devalue the project as we fail our covenants due to underperformance?”	WCE and Mongoose are working closely with Close Brothers to manage the outcomes of the project. Close Brothers understand that the issues faced by the project are out of the power of WCE and Mongoose and there is currently not much they can do to improve the situation other than support our efforts.

## 6. Resolutions

### a. Approval of WCE Accounts

The Chair presented the 2016 Audited Accounts of WCE for approval.

Proposer of the 2016 Audited Accounts as drafted and circulated at the meeting – Michael Lilley

Secunder – Laurie Tennant

There were no objections and the Accounts were accepted.

### b. Appointment of Auditors

The Chair noted that the auditor of WCE for the next year could be Alanbrookes Limited.

Proposer of Alanbrookes Limited as the auditors for the next year – Nigel Hastings

Secunder – Dave Tipper

There were no objections and the auditors were approved.

### c. Election of Directors of WCE

The Chair noted that all original directors were required to stand down as part of the rules of the Society. The Chair also introduced the below new candidates who stood for election alongside the original directors, who were also standing for re-election.

- **Councillor Michael Lilley** – Michael was the first Green Party representative elected onto the Council, as a town councillor for the Ryde East ward. Michael’s experience originally lies in clinical psychology, but Michael is a strong supporter of local community enterprise and energy self-sufficiency.
- **Charlotte Rayner** – Recently retired, Charlotte was a lecturer at Portsmouth Business School and prior to this was involved in the management of a mutual society. Charlotte has a passion for delivering social impacts from business
- **Laurie Tennant** – Experienced solar engineer who has run the longest established solar company on the Isle of Wight, who is also an active member of the Green Party.

Proposer of all 7 directors currently standing for election to the board be accepted – Steven Hough

Secunder – Peggy Hewson



There were no objections and the members unanimously voted for the 7 candidates to be accepted as directors.

Biographies of each director elected to the board can be found on the [WCE Website](#).

One member queried whether the new board could commit to a schedule of quarterly meetings, with agendas and minutes to be published on the WCE Website. Another member also requested that members could suggest topics to be taken to the board for discussion. The Chair noted these proposals, agreeing that these initiatives should be put in place to support transparency between the WCE board and the members.

## **7. The Future of WCE**

RR advised that there were key targets that WCE can focus on in the medium term, which would be between 1 and 3 years:

- Rebuilding cash reserves,
- Ensuring grid stability to minimise outages,
- Reducing the cost of its loan capital from the lenders, and
- Managing the timing of paying operating costs.

In the longer term WCE would be aiming to develop further renewable energy projects, would investigate opportunities for energy storage and should promote the community's role in operating the local grid.

## **8. AOB**

The Chair invited any members to raise any other business for discussion.

One member queried whether the financial situation could improve if investment in WCE increases. The answer to this query was that anyone can currently invest which would improve the financial situation.

One member queried if the WCE Website is inviting further investment. The Chair noted that the website has recently been updated and is doing so.

There was no further business and the Chair declared the meeting as closed.