

Chelwood Community Energy Limited (hereby “the Society”)

2020 Annual General Meeting

Held online on Zoom on Thursday 23rd September 2020

Draft Minutes

Directors Present:

- Don Weston
- Ed Maxwell
- Peter Jones

Apologies:

- David Bunker
- Bryan Godfrey

In attendance:

- Cameron Beauclerk (Bright Renewables)
- 13 members were in attendance

1. Don Weston, as Chair, opened the meeting and welcomed the members present. The Chair reminded attendees that the call was being recorded for the purposes of minute-taking and may be kept until after the 2021 AGM if need be.
2. As the meeting was not quorate, the Chair adjourned the meeting under Rule 47 and informally introduced his summary of the reporting year.
3. The Chair noted the company was in sound financial health currently, having secured long-term fixed finance from its lender, agreed structured yearly Operations & Maintenance and Asset Management costs, with BSR and Bright Renewables respectively. He however informed the Meeting that the Board had been made aware of certain cashflow concerns down the line in the project’s life which he went on to qualify in detail.
4. The Chair summarised the company’s income streams, notably:
 - a. From generated electricity where the Feed-in-Tariff (FIT) subsidy provides a guaranteed, RPI-linked rate for 20 years
 - b. From exported electricity where there are two options:
 - i. FIT Export subsidy which provides a guaranteed, RPI-linked rate for 20 years, providing a fixed ‘floor’ in real terms for exported electricity
 - ii. Power Purchasing Agreements (PPAs) which depend on volatile wholesale electricity market prices that have been heavily hit by the COVID-19 pandemic. It was noted that market predictions indicated that the market could remain depressed for years to come.

The Chair outlined how these developments went against the initial assumptions made within the Society's business plan in 2014 (of a modest real terms increase in wholesale electricity price), and why this change in market conditions required an adaptation of the current business plan, to cater for the possibility of depressed wholesale electricity markets for part or all of the project's lifetime.

5. The Chair outlined the various sets of expenditure that the company had:
 - a. Primary debt repayment (interest & capital) to Triodos Bank
 - b. Operational expenditure (asset management, operations & maintenance, etc) which is largely predictable and where the Board feels there is little scope for savings to be obtained
 - c. Share interest payments to Members and eventual withdrawals
 - d. Payments to Community Fund. The Fund's account currently holds £55,000 although it expects to receive a significant application for the refurbishment of Chelwood Village Hall.

The Chair informed the Meeting that a detailed financial model was in preparation for the Society that would shed light on its future financial position. If future cashflow problems were highlighted, he introduced the idea that pre-emptive actions may need to be taken, including but not limited to a share interest cut or inflation cap, the careful consideration or limiting of share withdrawals, as well as reduced Community Fund payments.

With this uncertainty, it was the Board's recommendation (which would later be put to the Members) that there be no fixed donation to the Community Fund this year, but should the fund ask for funds later in the year, this will be looked upon favourably if the financial review allows it.

6. The Chair informed the Meeting of its continued conservation efforts, with Ed Maxwell having managed to recover the condition of the site with the return of wildflowers, and beehives installed (whilst still awaiting bees and a beekeeper who were being sourced).
7. The Chair concluded the first part of the meeting with the next steps for the year to come, notably the financial review of the company's financial position, and the updating of the Chelwood website which has been delayed due to COVID-19. The Chair expressed his apologies for the continued delay, and appreciation of the importance of improving this asset and therefore hoped to report an improvement at the next AGM.
8. The Chair now formally reconvened the meeting (with those present performing the function of quorum) and presented the headline items of the audited accounts to the meeting. He noted that there was very little difference between 2020's performance compared with 2019, indicating a currently stable business, whose future position would be confirmed with the aforementioned financial review.
9. The Chair then introduced Cameron Beauclerk as the Portfolio Manager at Bright Renewables and responsible for managing the Chelwood site. Mr. Beauclerk delivered the Asset Manager's report, showing how the site performed between April 2019 and March 2020 with three bar charts displayed:

- a. One comparing the actual performance of the site with what was predicted (+5.7% above target)
- b. One comparing the actual performance with the previous year's (-1.8% which was driven by -1.5% irradiation)
- c. And one with the year-to-date performance (April-August 2020) which was 13.2% above target.

Mr Beauclerk then informed the meeting that the site had remained in a good condition, with the Operations & Maintenance contractor (British Solar Renewables) considered to be delivering a good service, to the general satisfaction of the Board. The only site issue to report was an issue with the site camera system which was found to be inadequately designed from site commissioning. A full, cost-effective replacement of the system in June 2020 addressed this issue.

Mr. Beauclerk finally presented an update on Bright Renewables, with a current portfolio standing at 80+ MW in solar PV assets, across 24 projects. Bright has benefitted from the continued engagement and support of its clients that had now become its owners (with Chelwood having invested £18,000 for their share in the business), helping it to become the first community-owned renewable energy asset manager in the UK.

10. The Chair introduced a series of formal resolutions that were put to the Members:
 - a. Resolution: To approve the minutes of the 2019 AGM. This was duly approved and signed. A show of member's hands indicated their approval of the resolution.
 - b. Resolution: To approve the Chelwood Community Energy Limited, Chelwood Solar Limited and consolidated group audited accounts, for the financial year ending 31st March 2020. A show of member's hands indicated their approval of the resolution.
 - c. Resolution: To approve the payment of full yearly interest to the Chelwood Community Energy shareholders (at a rate of 6.16% which reflected the 2.6% RPI increase to March 2020). A show of member's hands indicated their approval of the resolution.
 - d. Resolution: To approve the Board's recommendation that while no fixed payment is approved for the Community Fund at this AGM, approval is sought to consider any request from the Community Fund once the review of the business plan is completed. A show of member's hands indicated their approval of the resolution.
 - e. Resolution: To delegate authority to the Board to appoint the Auditors and fix their remuneration. A show of member's hands indicated their approval of the resolution.
 - f. Resolution: To re-elect all the present Directors, who have all indicated a willingness to stand. A show of member's hands indicated their approval of the resolution.
 - g. Resolution: To approve the AR30 form for 2019-2020. A show of member's hands indicated their approval of the resolution.

11. There being no further business, the Chair closed the meeting.