

Chelwood Community Energy Limited (hereby “the Society”)

2022 Annual General Meeting – Thursday 14th September 2022

Held in person at Chelwood Village Hall and made available online via Zoom

Draft Minutes

Directors Present:

- Don Weston
- Ed Maxwell
- Peter Jones
- David Bunker
- Bryan Godfrey

Apologies:

- Pallavi Devulapalli
- Judith Rattenbury
- Fern Hodges

In attendance:

- Cameron Beauclerk (Bright Renewables)
- 16 members were in attendance (1 in person, 15 via Zoom)

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 2023 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 touched upon the ongoing energy crisis and what that meant for Society, with no immediate concerns. 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 that provides a guaranteed, RPI-linked rate for 20 years, providing a fixed ‘floor’ in real terms for exported electricity.
 - ii. Power Purchasing Agreements (PPAs) that depend on volatile wholesale electricity market prices.

The Chair informed the attendees that consecutive year-long PPAs covering export of electricity until February 2025 had been signed throughout the year, at rates above the FIT Export ‘floor’. Wholesale electricity markets remain volatile with geopolitical events unfolding and the Board will continue to monitor markets closely for PPAs beyond 2025.

4. The Chair briefed the attendees on some policy developments announced by the Government (possible windfall tax, talks of decoupling the price of wholesale electricity from that of wholesale gas, etc) which would strongly affect the energy markets and were causing a lot of unhelpful ambiguity for generators. It was noted that these measures had the potential to be

applied retrospectively and might hinder the Society's ability to generate surpluses. Members will be kept updated once the situations becomes clearer.

5. The Chair noted the company was in a good financial state and gave details on the various expenditures for the project:
 - a. Primary debt, interest and capital:
 - i. It was noted that Chelwood held debt with Triodos Bank UK at a fixed rate across the three tranches, with Tranche A scheduled to be fully repaid by May 2023.
 - b. Operational expenditure: the operational expenditures are mainly predictable and rise with inflation (or slightly above with recent movements in inflation). These constitute essential work and it's considered that there is little scope for savings:
 - i. Asset Management: this is operated by Bright Renewables where a Rate Card is agreed annually.
 - ii. Operations and Maintenance: this is provided by British Solar Renewables with 6 months remaining on the contract
 - c. Interest and withdrawal payments:
 - i. The Chair informed the attendees that the Board remains determined to maintain interest returns to shareholders provided it is prudent to do so. The Board will recommend that the interest rate on shares be increased in line with RPI figure to March 2022 as has been done in previous years.
 - ii. The Chair informed the attendees that a small contingency fund has been set aside to cover ad hoc requests from members for repayment of shares. The Board will continue to carefully consider each withdrawal request to ensure that prudence is maintained and the Society's community benefit objectives are not jeopardised.
 - d. Payments to Community Fund:
 - i. The Chair reiterated the Board's commitment to its community benefit objectives and to provide annual contributions to the Community Fund. The Board will recommend its usual £10,000 payment this year and a possible further contribution should the aforementioned economic uncertainty disperse and financial conditions permit.
6. The Chair provided a brief update on the site's performance during the financial year. The site continues to exceed expectations, generating 5.113 GWh of electricity during the year which is 6.2% higher than forecast.
7. The Chair clarified to the Meeting the role of Bright Renewables who manage the site on the Society's behalf. With a current portfolio of 75+ MW in solar PV assets across 30+ projects under its management, Bright Renewables are the UK's first community-owned renewable energy asset manager. Chelwood has been involved with Bright since 2019 and is a part-owner along with other community energy organisations around the UK.
8. The Chair explained that they are generally satisfied with Operations & Maintenance work on site, provided by British Solar Renewables. Land management is managed by Ed Maxwell and is now in good order. With a new security company looking after the CCTV system, all is now functioning properly after some issues in previous years. The Chair noted that there was an ongoing dispute over a bonus payment to BSR, noting a hope for a satisfactory resolution in the coming months, and that the Board would be seeking other O&M providers should that not be the case.

9. The Chair provided details on the Community Fund and the awards made in 2021-2022, with £92,882.49 having been donated to the Fund to date. Projects funded during the year included (among others): a renewables audit for Chelwood village, looking into the improved use of renewables in the village; and repairs to the Old School Room which is used by the village and local church for meetings.
10. The Chair then gave further insights into the Microgrid Foundry which the Society has invested in. This is a start-up company designed to provide microgrid installations to small housing developments so that they can sit behind a single meter, supported by batteries and all houses fitted with solar panels. The Microgrid Foundry has successfully completed two proof-of-concept developments, one in Bridport and the other in Bristol, with the Chair noting that videos of these would be posted onto the Chelwood website in due course for the benefit of members.
11. The Chair provided an update on conservation with the solar farm providing a biodiverse site, with abundant flowers coming up during the year, active bird and bat boxes, a refuge for deers and hares and active beehives managed by a professional beekeeper. Ed Maxwell provided some insight into his land management methods, cutting grass in a staggered manner throughout the site in order to allow areas to seed, while allowing safe space for Operations & Maintenance contractors to work close to the panels and equipment.
12. The Chair provided an update on the newly-operational website, available at <https://www.chelwood.org.uk>. It was noted that the original domain name had been lost in the change of management of the website. The Board hopes to provide regularly updated generation data from site and welcomes any suggestions from members on potential improvements to the website. Further items will be added to the website following the meeting, like the full version of the Chair's Statement as well as details of government policy proposals.
13. The Chair then formally reopened the meeting with those present now forming a quorum.
14. The Chair read through the contents of the Minutes of the 2021 AGM.
15. The presentation was then handed over to David Bunker who presented the consolidated accounts for the financial year ending 31st March 2022. Mr. Bunker explained to the attendees that Chelwood Community Energy, in which the shareholders' investment lies, is the holding company whilst Chelwood Solar Limited is the operational company and that the consolidated accounts are the combined results from these two companies. Mr. Bunker noted that turnover was slightly down compared to the previous year (albeit satisfactory due to outperforming site output and with the expectation that income would rise with higher rates now secured on export) whilst the operating expenses were similar to last year's expenses. Mr. Bunker then went on to explain that there were two other large costs involved which is made up by the depreciation and interest charge related to the loan from Triodos. Mr. Bunker concluded that the accounts look very consistent with what was expected and the management accounts which are prepared quarterly throughout the year.
16. The Chair introduced a series of formal resolutions that were put to the Members:
 - a. Resolution: To approve the minutes of the 2021 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 2022. 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 6.81% which reflected the 8.96% RPI increase to March 2022). A show of member's hands indicated their approval of the resolution.
- d. Resolution: To approve the Board's recommendation that £10,000 is to be donated to the Community Fund, and to make a further donation to the Fund, if deemed prudent (once the wholesale market conditions for electricity generation become clearer). A show of member's hands indicated their approval of the resolution.
- e. Resolution: To re-elect all the present Directors, who have all indicated a willingness to stand and that the Board welcome applications from shareholders who like to serve as Directors. A show of member's hands indicated their approval of the resolution.
- f. 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.

17. The Chair and Cameron Beauclerk fielded some questions from the floor.

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