# Harborough Energy Ltd Board Meeting Tuesday 25th July 2023

# Minutes

**Held on:** Tuesday 25th July 2023 at 7pm

**Venue:** Zoom Video Conference

**Attendees:** Peter Jones (Chair), John Twidell, Carl Tiivas

**Apologies:** Darren Woodiwiss, Stephen Rankine

**In Attendance:** Lesley Burrows – My Admin Support (minutes)

**Actions in bold and list of actions at end of minutes**

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1. **Welcome and apologies for absence. (PJ)**

**PJ welcomed all to the meeting.**

1. **Minutes acceptance from 18.07.23**

**The minutes were accepted as a true and accurate reflection of the last meeting and duly signed by PJ. CT to AUTHORISE PJ HAS ACCEPTED.**

1. **Action Points from previous Minutes (if not covered in Agenda below)**
2. **Health and Safety Issues**
3. **Treasurer role & Financial Report (CT)**
	1. **Overview of operating cash flow / balances : CT confirmed bank balance approx. £20,500 25.07.23 after the members pay out.**

**CT commented the FCA return/accession paper to be sent by email to FCA with new Directors names SF and NB, SB, GF, DR to be removed (CT)**

**SF roles and responsibilities (CT) to contact SF**

**The payments to Howes Percival for the deceased member probate settlement and repayment capital has been paid out, HP has acknowledged payment has been received.**

**14% capital for P1 has been repaid.**

**4% capital for P2 has been repaid.**

**PJ confirmed we are a going concern and reasonably healthy in surplus.**

* 1. **Shareholder interest payments & HMRC Reporting –**
	2. **Depreciation of assets in accounts**
	3. **Share Energy - on board process – awaiting Directors spreadsheet to be filled in and sent back to CT as noted in minutes 18.07.23.**
1. **Governance**
2. **Annual accounts – (MB/CT)**
3. **Operational Matters (JT)**
4. **Technical update / analytical report on performance (JT)**
5. **Output (CT)**
6. **New Tariffs (PJ)**

**PJ commented on CT’s spreadsheet and valuation : CT explained his spreadsheet and valuations for possible offer of sale of our 3 installations to the host Accounts. These valuations based on assumptions around** ( in general) and expectations of trends in electricity prices (both for generation and distribution charges). In terms of process attendees agreed.

1. Confirmation of Carl's spreadsheet calculations basis (but not the criteria for trends) for each scheme (which were based on RPI increase around 5% in years 1 to 5 (2023 = Year 0) and then a fall in electricity prices to 10p as more renewable come on stream years 5 to 15 by Carl)

2. Agreement that we all need to put our own ideas forward on inflation trends to develop a consensus model (hence this e-mail)

3. Agreement that the 2 factual de minimus recoverable charges would be............ today's valuation of the unpaid capital for each scheme on our books plus the cumulative contracted interest payments which would be forgone by Members had the schemes progressed to their planned date.

4. Additionally we might deem an additional recoverable charge for the end of life asset valuation insofar as the installations could work for a period well beyond our 20 year schedule rather than be classed as of zero value.

The aim , once we can agree 2, 3 and 4 , is that we can put the idea of sale and early redemption to our Members for authority to proceed (or not ) after the AGM decision.

1. **Site visits (JT) see (e)**
2. **Woodnewton (JT)**

**JT confirmed the school has not replied relating to the input and export meter issue and whether they have an export meter in place. PPA agreement to be checked (CT). (PJ) contacting Woodnewton regarding this. A separate letter to be sent out regarding possible buy-out options/battery installations to support further gains rather that export to the grid at very low rates/ use of battery power for an in school car charge unit for use of staff/parents on a charge basis.**

1. NBJ – **early sale issues**

**CT’S models confirm as commented PJ : our offer to NBJ is if they want to buy that facility now then the loss accrued interest to our members and the remaining capital that we have got unpaid for, the minimum we consider selling for is £155K.**

**CT commented on the CURRENT SIMPLIFIED MODEL FOR P1 AND P2 COMBINED**

**We have constructed a simplified excel spreadsheet model for financial projections up to the end of**

**projects 1 and 2.**

**Model uses income excluding VAT**

**No degradation of solar PV output assumed**

**Balance at end of 2023 assumed to be £36500 with 14% of P1 capital and 4% of P2 capital**

**already paid back.**

**Costs assumed at £7500 per year**

**Community Benefit Fund assumed at £2k per year.**

**Reserve fund – attempt to keep above £10K for breakdowns.**

**Income assumptions 5 years of high electricity prices (assumed at 17.3p/kWh after 18% PPA**

**discount – calculated at previous Government price cap of 21.1p/kWh, which is no longer in**

**existence), then return to 10p/kWh after 18% PPA discount.**

**Income includes FIT payments for generation and export as currently.**

**Note for information: according to Money Supermarket average business prices for electricity are**

**about 29p/kWh, down from a peak of about 60p/kWh.**

**Model 1 uses roughly constant capital repayments of 7% per year from 2024 onwards till capital is**

**repaid. This would allow repayment of P1 capital by 2038 and P2 capital by the same date.**

**However, this model predicts reserves to be low from 2034 to 2038. However, this could allow**

**closure of both projects by 2038 (2 years earlier than predicted for P2) with a residual fund of about**

**£9K.**

**The total interest paid to members over the remainder of the project would be about £53K.**

**Model 2 maximises early repayment of capital in 2024 at 20% in this year, then varies capital**

**repayment in subsequent years between 2 and 9% to keep the reserves above £10k throughout**

**the remainder of the project. This model predicts we could close both projects by 2037 (3 years**

**earlier than predicted for P2) with approximately £19K reserves.**

**The total interest paid to members over the remainder of the project would be about £43K.**

**Model 3 assumes sale of NBJ in 2024 with return of the outstanding £95K capital alone.**

**This model assumes that running costs would be similar after the sale of NBJ. This model predicts**

**we would run below £10K reserves by 2027, then predicts a negative bank balance of about £34K**

**by the end of the project in about 2036/7.**

**PROJECTED INCOME FROM NBJ FROM 2024 ONWARDS**

**Using an estimated £15K income per year for the remaining 16 years of project 2, the total income**

**over this period would be about £240K.**

**Using a conservative estimate of £10K per year income per year for the remaining 16 years of**

**project 2, the total income over this period would be about £160K.**

**Capital repayment remaining for Project 2 = £95K.**

**Minimum Funds needed to protect Project 1 from losses due to sale of P2 = £34 loss +£19K loss of**

**predicted surplus.**

**Lost interest to P2 members due to early closure of P2 = £23K.**

**Total Capital, Compensation for loss of income and lost interest = 95+34+19+23 = £171K**

1. Archway House (JT) early sale issues
2. **Risk Register**
3. **All other bids, initiatives and other matters**
4. **Community Benefit Fund – PJ commented as concluded in the last meeting to form part of the package (Woodnewton) to invest in further environmental investments possibly a car charging unit.**
5. **Big Solar Co-op**
6. **Cable Theft – PJ/CT to check insurance policy to be rolled into the price increase letter.**
7. **Good Energy**
8. **Google Analytics (DW/CT)**
9. **A.O.B**
10. **Date & location of next meeting**

Tuesday 29th August 19.00 via Vidcon

Signed …………………………………………..

Peter Jones (Chair)

**Action Points from Board Meeting 18.07.23**

|  |  |  |
| --- | --- | --- |
| **Action** | **Who** | **By When** |
| FCA return / accession paper to send off | CT | Complete |
| Contact SF | CT |  |
| Woodnewton PPA agreement | CT |  |
| Woodnewton tariffs/buy out | PJ |  |
| Dates of next Board Meeting to be arranged | LB  | Complete |
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