



MINUTES

Harborough Solar One Ltd Annual General Meeting

Wednesday 22nd November 2023 6.00pm

North Kilworth

Meeting called by the Board

Audio Recorded

Attendees

Peter Jones (Chair)

John Twidell

Darren Woodiwiss

Carl Tiivas

Stephen Rankine

David Robbins

Mary Twidell

Peter Devine

Judith Devine

Herbert Eppel

Robert Ball

Graham Jordan (Visitor)

Lesley Burrows (My Admin Support)

Apologies Received

Cathryn Appleton

Robert Middleton

Catherine Birch

Brian Davis

Klaus Heinrich

1. Welcome and Introduction

The Chair opened the meeting at 6.00pm by welcoming all and giving thanks for attendance. The list of apologies received was read out accordingly. The meeting was declared quorate.

The Chair announced that last year's AGM minutes were circulated on the Harborough Solar One Ltd's website and a copy of the latest Harborough Solar One Ltd Board Meetings minutes were made available at the AGM meeting accordingly for Members to view.

The Chair introduced Carl Tiivas (Treasurer) to conduct a presentation on the financials/ operations and Lesley (My Admin Support) whom has continued to support the Harborough Solar One Ltd team this year.

The Chair referred to the Chairman's Statement as follow: This year your Board reports after a year of continuing firm energy prices. Although overall levels are down on the immediate period after the gas supply crisis, they have stabilised at levels well above those anticipated in all our original share subscription invitations. As a result, as you will see from the report on our finances later, that our cash cushion post dividend payments has remained most positive. However, your Board anticipates the looming need for inverter replacement and other equipment maintenance and in consequence we continue with our established prudent reserves policy. More generally political mainstream acceptance of the need to shift from fossil fuel generation continues, but this is tempered with reluctance by the political establishment to face the need for considerable investment in power distribution networks due to perceived political risks from resultant further energy price increases. Fortunately, none of our projects has been unduly impacted by issues with our local network operator- Western Power. Sadly we report deaths of Members again this year and we have endeavoured, where requested, to refund investments to their estates on grant of Probate. This is done on a "best endeavours basis" and has consequently reduced cash reserves but in the long run it improves the rate of return security for remaining Members in the relevant scheme.

Our Board has not changed in composition during the year but we repeat our invitation to anyone prepared to assist us in the overall operation of the scheme. We welcomed Carl Tiivas and Stephen Rankine to our ranks last year and Carl, in particular, has contributed significantly in respect of technical and financial skills. Officer Reports will cover the detail of specific aspects and my intention here is simply to reassure you that the underlying operation remains on track and our performance has been closely aligned with original predictions 5 years ago. Suffice to report that operationally NBJ performed to plan in the year whilst Woodnewton absorbed our time due to roof rebuilds and thefts. These costs of replacement were covered on the school insurance but we are in continued dialogue in regard to their new rate structure. This episode also alerted your Board to the necessity to ensure export meters are fitted on our 3 installations and working accurately.

Our objective to utilise some surplus to support local low carbon charities remains unfulfilled but we are in dialogue with Woodnewton to improve the educational representation of their generation potential and the possibility of funding car charging devices for use by their staff.

All our price reviews are undertaken on anniversary dates from start up and your Board has taken the decision to review the strict contractual terms permitting renewal levels of market price less 18% given the unplanned level of electricity.

Our agreement with Sharenergy Ltd of Shrewsbury to take over our monitoring and maintenance arrangements from August 2023 remains "in the pipeline" due to significant issues at their end in keeping pace with implementing applications from multiple other schemes like ours. Sharenergy work in partnership with Big Solar Co-op (their commercial arm) and they are raising capital at a national level to integrate new opportunities at scale. All new enquiries will therefore be routed to them given that they have substantial scale economies and the economics of adoption are no longer in doubt.

On the Administration front I would like to recognise the contribution we have from Les at My Admin Support who continues to handle day to day queries and admin. This has relieved your Board of time onerous administrative tasks and ensured your legal responsibilities are met to time and in full as well as maintaining open lines of communication externally. We also thank Master Accounting for their work in ensuring our legal obligations in respect of reporting are met.

In conclusion, it is my pleasure to thank my doughty team of fellow Directors for their support and continued enthusiasm. That comes with experience across a range of disciplines which have underpinned our ability to react quickly to unexpected challenges in a framework of good humour and mutual respect.

Finally, a thank you to you, our Members, for your continued support now and in coming years.

For the benefit of the meeting, the Chairman's Report and all presentations are available on the website.

The Chair commented the dominant feature for this year, we are reasonably optimistic in terms of the trend of energy prices, in the sense we are benefiting from Putin and price escalation although this imposes significant social costs across the economy. Most of our contracts allow an 18% discount to the retail price paid for the daytime tariff for our 3 customers. We have applied that, in essence our expectation of forward prices is one where we should be looking at comfortable earnings profiles and far more than budgeted. I am pleased to affirm to you your investment is safe and will grow and will be underpinned. The proceeds at the end of the 20 year cycle, when effectively will dissolve, there is reasonable certainty you will get both interest payments and money back.

Reserves we have had to be prudent with inverter failures and the main difficulty we have had, which is now largely passed us have been issues with power distribution (JT) has been working with, involving grid failures. Although the Government will have to drive that through the regulatory framework and optimistic this will get better rather than worse. This relates to the reliability of the grid due to the Local Area Network. The issues are to do with individual contracts.

The Chair mentioned it is good governance to seek another Chairperson and on composition of the Board we always welcome new Directors and thanked Carl's valiant work with the regulatory issues and finances. Any week to week executive involvement with the Board is greatly appreciated. The surplus for good causes and for HS1 to contribute with the Community Benefit Fund, it is likely we will connect with Woodnewton School to expand their education of renewables and put equipment which shows the daily fluctuations in generation as part of their educational curriculum, and possibly car charging points for staff to enjoy subsidised transport prices, charged by the staff.

The Chair thanked Les from MyAdmin Support for ongoing support, Darren and Carl for their hard work involved. Peter commented we are still planning on going ahead with Good Energy to control the invoices, thanked members for coming.

A Member commented on the need for a reserve with replacement inverters. It was confirmed inverters normally fail within the width of the contract c11 years therefore suggest we make a provision, the member mentioned the need to ensure export meter are to be fitted working accurately? Carl covers later in the meeting.

2. Minutes Acceptance – Meeting 16th November 2022

The minutes of the AGM held on 16th November 2022 discussed and agreed by the Board of Directors and Members all present accepted this proposal. A copy is available on the Harborough Solar One Ltd website.

3. Appointments and Resignations of Directors

No resignations or nominations for this year. The Chair reiterated the need for additional directors to come forward. In the interest of transparency, fresh views and fresh visions, it was encouraged to send nominations in. As noted in the AGM minutes last year a brief synopsis of our new Director:

Stephen Rankine (Director):

Stephen Rankine retired as Finance Director from Northampton College for 10 years before that Loughborough College: finances, charities, charity regulations. Stephen commented he has spent some with Carl going through the Harborough Solar One Ltd Financials in readiness for his responsibilities.

4. Financial Accounts

Carl Tiivas presented Harborough Solar One Ltd review of Finance 2023 with a brief introduction:

Carl (Treasurer) joined in 2021 and took over from Gavin Fletcher in 2022. Carl is a Physics graduate and specialised in medical applications and physics and worked for the health service for over 30 years and now retired.

Carl displayed the accounts to the presenters:

The turnover for last year was just under £22K. Next year the expectations to be in the region of £30/40K. The FiT from energy companies delay the payments and are not represented in the financial accounts due to this factor. The increases in tariffs on sites has not been reflected in this years accounts therefore not a true figure of the turnover.

The accounts show a slight deficit to the year of £4K. The operating costs show £17,659 which includes a depreciation factor the actuals are costs are considerably low than highlighted.

The asset for our solar is c 25 years, require that capital back in income, capital repayments, 20 year cycle money for these projects.

Our capital goes out in we end of the end of the 20 years, the final distribution of repayments to be depreciation.

Last year 5% capital interest for Project 1 has been paid to our members and 4% for Project 2 totalling c£8K. Capital repayment of £14,500 paid back in two instalments due to a deceased members estates over the year. It was clarified with regard to deceased members that we can repay their investment to the estate but wherever we can we endeavour to do so but the advantage it presses it increases costs in the year and reduces the bottom line margin once we repay that we avoid subsequent interest liabilities for that particular shareholding, great advantage for those remain in. The estate has the option of a refund or continue as a shareholder dependent upon on the wishes of the deceased. However, this is not guaranteed.

No expenses are paid to the Directors of Harborough Solar One Ltd.

For the year the income is under £22K and the outgoings including the capital repayments £31K. The bank account down to £9.5K. Our reserves in the bank are satisfactory and healthy of £26K in the bank.

Harborough Solar One Ltd Finances

Accounts	2022	2023 End July
Turnover £	19902	21851
Operating Costs £	13950	17659
Operating Surplus £	5952	4192
Interest Payable/charges £	(8613)	(8165)
Surplus(Deficit) for year £	(2661)	(3973)
Reserves £	26369	30342

Operating Costs Harborough Solar One Ltd

2022	£
Management	5720
Rent/Rates £	63
Insurance	1341

2022	£
Advertising	170
Postage and Carriage	3
IT Costs	29
Books/Accounting	1300
Subscriptions/Membership Fees	99
Assets depreciation	8935
Total	17659

Members payments are due in March 2024 : Project finances March 2024

Capital repaid:

Project 1 £88.5K : 2016 - 2036 13 years remaining – repay 6.5% of capital per year.

Project 1

Paid 3% in 2021 (original business plan to build up reserves in the first year or two and pay back capital at 3% rate rising to 6/7% per year thereafter. The 20 year business plan large outgoings in capital and share interest, once the capital is repaid the interest is paid within the remaining project that hasn't been repaid. As the project progresses the capital will be repaid and interest on the capital remaining will decrease, the total share interest we pay back is at it's highest.

Project 2

£99K : 2019 - 2039 16 years remaining – repay 6% of capital per year

Project 2 paid 6% in 2021

Totals c £187K

£170K of capital to repay over the next 16 years equates to an average £11,700 per year in capital repayments on average. If the reserves are available we can pay the capital more quickly, however this needs to be balanced with the inverter replacement costs. (An explanation of the inverters are the device which converts the DC electricity coming out of the solar power into AC electricity). Commercial inverters last 10-15 years – whereby the reserve should cover that.

Project 1 capital under 15 %

Project 2 4% Capital

A member asked what circumstances can we repay a member. Carl commented if a member requested their share back this has to be approved by the Board.

The Chair commented we have been asked by a host whether we would be interested in an early settlement whereby we would receive a lump sum and any member with interest in that project would get their money back plus accrued interest – pending.

Solar Panels per site: (6 in total)

NBJ 100 kw capacity: 2 inverters.

Woodnewton 3 buildings with solar panels with a separate inverter on each building.

Archway 1 inverter.

Projections for end of March 2024: Shared Interest to Members are paid back

Income: £12,391 (at current tariffs)

Current reserve: £26,605

Total reserve: £38,996 with an expectation of c£12K of income until the end of March.

Outgoings:

Interest to members: Project 1 - 5% and Project 2 - 4%	= £7,569
Capital repayment: Project 1 - 7% and Project 2 - 7%	= £11,734
Costs Estimated*	= £8,100
Total	= £27,403
Community Benefit Fund	= £?
Remaining reserve predicted	= £15,012 excluding CBF

*Costs Estimated: OAR Insurance £1,600, Maintenance £2,500, Metering £2,000, Admin/Accounting £2,000)

Harborough Solar One Ltd is registered with the Community Benefit Society and collaborates with the FCA therefore funding is to be identified to the CBS potentially earmarked £5K upon a Board/Member vote.

PPA agreements states the tariff to be reviewed every year (normally 18% discount from their grid supplier).

NBJ has been renegotiated tariff less 18% for another year.

Community Benefit Fund: Carl discussed donations to local charities, a benefit with some sort of lasting benefit would be preferred and following the ethos of community energy and reducing energy costs/carbon emissions. 1. Electric vehicle charging funding was discussed to be beneficial to our site holders, the costs being £1.5k lower speed charger. It is key with electric cars are low carbon. 2. A Director suggested he was on the Grant Committee Kibworth Scouts £60K has been granted for solar panel pv they are going through a shortfall and require c £8k. 3. Sustainable Harborough for local cost of living action group for equipment of an infrared thermal camera to assess buildings for heat loss, however, it was suggested are difficult to use. A Director suggested a display at a school for educational purposes showing solar power pv which would be in the region of £4/5k. A member commented a community hall has a similar display in in Wing in Rutland because they hold solar panels. 4. Small solar installation on a building or council building for £2.5K per kw capacity.

Any suggestions welcome the Board to meet to identify with a project to help with.

Our accounts are to be submitted to the FCA and oversee our registered to the Community Benefit Society which is delivered in January and have to report what CBF we have provided over the year. Identification of funds to be provided. We are in dialogue with an educational establishment to further this as part of their curriculum studies on environmental issues.

Future Prospects:

Carl comment:

- Feed In Tariff – unavailable since, unlikely to return.
- £10m Community Energy Fund replaces Rural Community Energy Fund.
- Costs of solar/wind have reduced, currently rising, but now cheaper than fossil fuels.
- We only need to replace about 40% of current energy demands with renewables due to increased efficiency of electrified transport and heating: eg heat pumps x 3-4 more efficient than conventional heating eg Electric vehicles – 90% efficient - Internal Combustion Engine – 25% efficient.

- Uptake of heat pumps, Electric vehicles/charging is increasing exponentially.
- Increase of grant for heat pumps increased to £7.5K.
- We still aren't acting as if we are in a climate emergency - 1.5 deg C target now unachievable, every 0.1 deg C worth fighting for.
- Problems: Politics, vested interests, lack of level playing field, media, misinformation, echo chambers, untapped funding, lack of grid investment.

Carl discussed Big Solar Coop whom we are contracting to do our financials/admin.

- Big Solar Coop - have installed first PV system - 295 kWp.
 - Have started install on 564 kWp system.
 - Have a pipeline of projects and rolling share offer.
- Potential to feed in local ideas for projects on voluntary basis.

A member commented the Big Solar Co-op has an event Q & A meeting and to subscribe to the newsletter.

A Vote with the Members and Directors regarding the capital repayments: Share interest decision

5% Project 1 – all voted

4% Project 2 – all voted

7% capital repayment – all voted

Report to the FCA : £5K – all voted

5. Operations Review of the Year

Woodnewton questions on income due on export meters and export metering and negotiation in talks of choices of peak price of 40p/45p and have negotiated 25p for next year.

Estimate Projections for 2024 Calendar Year

Projected Yearly Income	31000	35980	40659
Costs	13500	13500	13500
Interest	6840	6840	6840
Capital Repayment	11900	11900	11900
Community Benefit Fund	2000	2000	2000
Total Outgoings	34240	34240	34240
Balance on Year	-3240	1740	6419
Income	Low	Medium	High

Suggested Actions for 2024

Interest:

Project 1 – 5%

Project 2 – 4%

Capital repayment – 7 % of original capital

Community Benefit Fund – identify £5000 from reserves

Retain sufficient reserves (approx. £10K) for breakdowns/inverter replacements

Annual Solar Generation – All Sites

Year Start (end July)	kWh	
2016	50288	Project 1 – Start Aug 2016
2017	58753	
2018	115096	Project 2 Start Dec 2018
2019	168985	
2020	131499	
2021	155253	
2022	153815	

Cumulative Generation: 833689 kWh 416844 Kg carbon saved

A Member commented on why 2019 was a lot higher than the rest. Carl commented 2019 was the first year when both projects was going for the whole of the year, we had a breakdown with NBJ in 2021 which is included in the year. There are reasons for under performing in graphical form. Woodnewton roof 3 is only generating 70% is predicted to and in the process of receiving a maintenance agreement to fix that. Woodnewton roof 4 (Muggleton Building) has had re-roofing works this year. We have had an incidence during the re-roofing works the panels were stolen, now replaced and has improved the output by 20%. Archway is under performing due to the trees we think and to discuss with the site holder.

Initially we had two companies : Harborough Warm Homes and Harborough Solar established to deal with the solar pv sites, the council have taken over the Warm Homes initiatives, no income was coming in for Harborough Energy hence the closure voluntarily and removing it from Companies House as no longer valid, this was completed in Feb 2023. The title Harborough Energy still exists as a concept and informal group and still using the website / email address, Harborough Energy still exists in some form, Harborough Solar One is active.

New regulations re: if the grid fails the works need to work safely on the grid wiring and is mandatory solar pv systems are automatically disconnected from the grid if this fails. New regulations on how this should be done, data has been collected on how this should be done in order not to cause use any problems in the future as all our systems are covered. We lost a weeks generation from NBJ through optimisation work being carried out, the grid voltage is normally higher and installed equipment reduces the voltage on the site it can save money on grid electricity.

All our systems have remote monitoring via phone network to broadcast our generation out, the system failed for Archway in June, whereby a month of no readings and fixed with a booster aerial being installed.

The firm who provides the remote monitoring stopped our account and lost some monitoring for a few weeks which is resolved.

Woodnewton building was re-roofed with assurances the contractors were NCS qualified to remove the panels and put back on, however, the panels were stacked on ground level and within temporary fencing in the school which wasn't secure hence the breakage. We did say we wasn't happy with the arrangement, and they didn't inform HS1 about the theft. An insurance claim was settled by the roofing contractors. The school had a solar company to replace the panels. Any new re-roofing being taken place in the future we have insisted they be stored securely.

A member asked the question of whether modern panels are generating better than old ones, which it looks like the increase is c. 20% of improvement.

The PPA signed by our sites stated to install export metering, this has been done for NBJ export monitoring was mandatory has not been done for Woodnewton and Archway. An assessment was carried out and an agreement was made that no export monitoring would be installed and we would bill for all the electricity panels on site. However, Woodnewton’s new management have requested export monitoring be installed, which we have honored the original PPA and going ahead with. Expense costs for next year will be for fitting export meters. The existing meters will not be disturbed. CT to take advice from Share Energy prior to purchasing.

Carl discussed Insurance and maintenance: our insurance hasn’t been renewed due to the new requirements and in talks with brokers. It is recommended MCS regulation inspections are carried out therefore various insurance quotes followed, JoJu Solar was one of the brokers contacted, Carl requiring more detail from them possibly £2.5K a year with a contracted maintenance regime would be in favour. More insurance brokers are coming into the market dealing with solar panels but has been requiring more work than before. To be agreed at the next Board meeting in January 2024

6. Any other business and Close

The Chair wound up the meeting by thanking all for their attendance. He also thanked the Directors for their support and Lesley Burrows for her assistance with the administration. There being no further business, the meeting was duly closed at 20.00

Signed

Dated

Peter Jones, Chair