



Harborough Energy Ltd Board Meeting Tuesday 13th August 2024 Minutes

Held on: Tuesday 13th August 2024 at 2pm

Venue: Zoom Video Conference

Attendees: Peter Jones, Carl Tiivas, John Twidell

Apologies: Darren Woodiwiss

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

Actions in bold and list of actions at end of minutes

1. Welcome and apologies for absence. (PJ)

PJ welcomed all to the meeting.

2. Minutes acceptance from 30.04.24

The minutes were accepted as a true and accurate reflection of the 30.04.24 meeting and duly authorised and signed by PJ.

3. Action Points from previous Minutes (if not covered in Agenda below)

All previous actions points covered and agreed by the Board.

Long Term Policy

It was discussed the Long Term Policy of HS1 and 2. JT commented with regard to the Long Term Policy of the business with the aim of stepping down the not for profit entity. PJ affirmed that we are all in agreement of the desirability of doing so given age and time constraints. JT commented a group whom takes over and to keep the name as HS1 and run by an office and possibly concur with new projects. PJ commented we would act as front line marketing outfit for the proposed group who takes over and he would continue with the work to establish links with the local schools and see if there are any interest. CT commented the two community based associations are Energy4All and Solar4Schools who are a group of community projects, with satisfactory arrangements with the shareholders.

4. Health and Safety Issues

No health and safety issues outstanding and agreed by the Board.

5. Treasurer Role & Financial Report (CT)

a) Overview of operating cash flow

CT confirmed the Financial Position projected to end of March 2024.

Mid July 2024

Estimated balance once current bills/income cleared £18409

Income due	£21967
Costs	£6750
Estimated balance end of March 2025	£33626
Balance after interest payments and 7%	
Capital repayments	£13564

(Note balance on 12/08/2024 was £10447.23.
 Outstanding PPA income from Quarter 2 = £6869 exc VAT
 Outstanding Q2 FIT income £1400 exc VAT
 Expected balance after Q2 income paid = Approx £18,700)

The Board accepts those numbers and are noted.

b) Shareholder interest payments & HMRC Reporting

CT sadly announced one of our share holders Neil Adams has passed away. We have been contacted by the solicitors Hayes-Storr. He held £3000 shares total combined from P1 and P2. The family would prefer to have the share capital repaid. It has been explained that this was subject to approval by the Board of directors. Repayment of the capital to Neil Adams estate was approved by the Board and refunded in full.

c) Depreciation of assets in accounts

d) Insurance – (CT)

CT commented the issue of insurance needs revisiting, but if we sell sites, this may not be needed.

6. Governance

a) Annual accounts – (CT)

b) Interest payments

7. Operational Matters (JT)

a) Technical update / analytical report on performance (JT)

CT confirmed Export Meters: Fitting all 3 meters at Woodnewton was completed in June. This was more complicated than expected and the final cost was £ 2700 exc. VAT. Initial data shows:

Up to 14/7/2024:

Woodnewton Exports		
Muggleton	86 days data	16.8% exported
KS1/FS2	44 days data	10.7% exported
KS2	39 days data	33.5% exported

Average 20.7% after considering amounts generated by each building.

Note: James Page from Joju Solar contacted us to say that the KS1/FS2 building appears to show some export at night. He plans to attend the school to check everything has been connected correctly around 27/28th August. Overall about 21% of generation is exported.

CT commented we can however demonstrate that we have not kept up with the rate reviews historically, so increases in our tariff rates have lagged behind average business prices.

Calculations compensating for all generation charged for despite Initial estimate of 21% electricity exported suggest that:

Woodnewton – tariffs have been 19.3% less than average business prices

Archway - tariffs have been 27.8% less than average business prices

NBJ -tariffs 45.9% less than average business prices (no compensation needed as exports metered and only on site usage billed for).

Our PPA agreements planned for our tariffs to be 18% less than grid prices.

Assessments were performed as to the cost of fitting an export meter at Archway. It was estimated that this would cost at least £3k and involve a shutdown of the electricity supply with the DNO present. A final cost could not be given without a shutdown. Due to the expense and inconvenience likely to be involved in fitting new meters this would not be an attractive option for either HS1 or Archway.

An option for Archway would be to estimate an approximate export percentage given our experience with our other sites and knowing that the centre operates for 5.5 days per week.

For our other sites nearly all the electricity is used on site on working days and nearly all is exported at times when the business is shut down. An approximate estimate would be that 5.5days of 7 days generation would be used on site (approx. 78.5% used site and 21.5% exported). Other possibilities would be to liaise with Alec Welton regarding whether export measurements can be obtained from the existing meters or if not possible whether he can request a smart meter be fitted by his energy supplier.

Note: Alec Welton emailed us to enquire how plans for installing an export meter were going. I telephoned him and had a chat about the difficulties. I explained that the easiest way forward at the moment was to try and obtain export readings from the existing meter via his grid supplier/Meter Operator (Smartest Energy) or to get his grid supplier to fit a smart meter that would be capable of giving export readings. I explained that we would be happy to talk to his grid supplier/meter operator if he is able to give his authority for us to liaise with them on his behalf on this issue. Alec is going to ask his grid supplier how this can be done. I also broached the subject of HS1 potentially selling its sites to either the site holders or a third party community energy group. Alec has not planned any capital to purchase the solar installation, but would consider us selling to a third party, as long as his terms did not change significantly.

CT commented the possible sale of sites: As previously discussed NBJ were adamant that they wanted to buy us out. This would leave similar running costs but less income from the remaining sites, so continuing with only Project 1 sites would be less viable financially.

CT sought advice using the Community Energy England Forum:

Value of the sites could be estimated via 2 main methods each assuming 25 year life span of solar installations.

Method 1 - Take initial cost of installation and reduce value according to the percentage of life left.

Method 2 – Use a standard financial method – Net Present Value.

This takes the estimated income minus running costs from the years of life left and sums these up with a discount rate applied to future years to compensate for future value being less valuable than current value. The calculation takes into account that the FIT payments continue till 20 years from installation.

Initial calculations suggest (spreadsheet available):

Value £	NBJ Project 2	Project 1
Method 1	67.0K	46.8K
Method 2	128.8K	90.3K
Capital unpaid	88.1K	68.8K
Install Cost	99.0K	88.1K

Costs of sale – Possibly up to £5-10K legal expenses.

Method 2 can give widely differing values depending on the initial assumptions – especially running costs.

PJ suggested it would not be in anyone's interest to provoke removal of our installation and PJ will draft a note for NBJ to respond.

CT commented two organizations replied to the CEE forum query with possible interest in purchasing the sites from us. These are Energy4All and Solar for Schools. Both these organisations already own many school solar installations and are well placed to help organize a sale and take over maintenance and admin of the sites. They also offered to potentially help us continue running the sites or alternatively we could volunteer to help running the sites after a sale. An initial conversation with the director of Energy4All was encouraging. A decision for further exploratory talks is needed with our directors before potentially taking things forward. Discussions would be needed with our site holders if we proceed with this.

PJ/CT suggested we have a Zoom meeting with Energy4All / Solar For Schools to discuss possibilities. Approval from directors needed to share data with these organisations (Accounts, generation data, PPA contracts) – most of this is in public domain anyway.

PJ suggested a SWOT analysis with the Zoom call with the two organisations explaining our brief synopsis of where we are at, issues at NBJ, Archway and Woodnewton. CT suggested contacting the Community Energy England Forum to ask if they know what the rules are.

CT noted NBJ acknowledged his interest, however no answers has been coming back because it is not on our horizon at the moment. There is £88K remaining two ways MPV remaining asset value plus and an element for the cost of disassociating and loss of accrued value to the shareholders. The dialogue will be passed onto Energy4all/ Solar for Schools. A meeting with shareholders will be something to vote on – Zoom call to be carried out in 2 weeks time. In the meantime PJ suggested we could contact various schools. PJ commented our objectives are to be able to get our Capital Payback and to take a view in a more detailed level on the financial framework to preserve the name as Harborough Solar One but move to make a business for Harborough Solar One on behalf of the two partners we would be looking at linking to.

Proposal to be put to shareholders at AGM or Extraordinary Meeting.

b) Output (CT)

c) New Tariffs

d) Site visits

e) Woodnewton

June output 100-130% compared to 2019 – 2023 average
Roof 3 had 2 days poor/zero output in July after rain – situation to be monitored.
CT confirmed export meters has been installed.

f) NBJ

NBJ wind damage repaired in early April
NBJ inverter replacement late May £2716.17 excl VAT
NBJ has generated well since inverter replaced – June 106% compared to 2019-2023 average

g) Archway House

Archway – June output 102% compared to 2019-2023 average.

Generation has generally been satisfactory in July / first third of August – not as good as June.

8. All other bids, initiatives and other matters

a) Community Benefit Fund

CT commented for the CBF the generation of renewable energy at discount price can count as a community benefit according to Energy4All. Possible educational science kit 279 euros ex vat - Horizon Educational - Renewable Energy Science Kit For Kids might be of interest to school.

b) Solar4Schools/Energy4All

9. A.O.B

10. Date & location of next meeting

Wednesday 2nd October 2024 2pm

It was discussed with the Board the 2024 AGM will be held on Wednesday 20th November 6pm in North Kilworth.



Signed
Peter Jones (Chair)

Action Points from Board Meeting 13.08.24

Action	Who	By When
Energy4All Zoom/Solar4Schools Meeting to be set up two separate sessions 2-3, 3.30-4 29.08.24/30.08.24/02.09.24/04.09.24	CT	
Contact Neil NBJ	PJ	
James Page re: rules for export metering	CT	
SWOT analysis brief synopsis of where we are at, issues at NBJ, Archway and Woodnewton prior to Zoom call.	All	
Send invites out to all re: AGM	LB	
Contact Community Energy England Forum re: Rules	CT	
Brief CT on electricity metering	PJ	