



Chair's Report

To: AGM Attendees

Date: 23/02/13

Re: Update on Sheffield Renewables' Activities 2011/2012

Introduction

This report provides an update of Sheffield Renewables' activities and achievements between December 2011 and November 2012. However, some developments since November 2012 are also included in this report for information. This report has been prepared to inform discussions at the AGM on 22nd January 2013.

General

This has been a very busy year for Sheffield Renewables, with work progressing on the Jordan Dam Hydro Project, the launch and completion of our first full share offer, and the development of the funding scheme required to allow the work to progress.

As usual a great deal of the work undertaken by Sheffield Renewables; whether that is directly involved in the technical aspects of our projects, the vital fund-raising activities that ensure we can continue running, the efforts required in maintaining the organisation, or throughout communications channels ensuring that the profile of the organisation is optimised, has been driven and delivered by our volunteers, without whose dedication these schemes could not have moved forward. On behalf of everyone involved in the organisation, I would like to say thank you to all those people who have made this year so successful, and once again we are pleased to be recognising sustained contributions by offering new volunteers membership.

As well as being a year of great success, Sheffield Renewables has undergone a number of significant changes over the course of the year. In terms of personnel, I am sad to say that we have lost several of our most committed volunteers/staff:

- In April 2012 Rob Pilling stepped down from his role as Chair and Director, to allow him to focus on his consultancy and developing new projects
- Cariad Thomas-Cooke, stepped down from her role as Project Officer, in order to complete her MSc in Renewable Energy
- Allison Parker, finished her contract as Hydro Projects Manager and owing to work commitments has had to reduce her involvement with Sheffield Renewables

However I am pleased to say that despite the loss of these very dedicated people Sheffield Renewables has continued to grow, and we are attracting new volunteers, from all backgrounds and with all levels of experience. Due to the crucial stage development of the organisation and the projects I am very pleased to say that we have also made two appointments:

- Emma Bridge was appointed as General Manager in September 2012
- Jim Duffy was appointed as Project Manager for the Jordan Dam Project also in September 2012

Both of these new appointees have already made a great impact, developing the hydro project and the share offer.

Management of the organisation continues to evolve and we are pleased to have increased involvement from a number of our core volunteers. Richard Collins has taken over the role of Chair of the Board since April 2012. Christine Gilligan has been an invited advisor to the Board since February 2012, and is standing for election to the Board at this AGM. The Management Group also has grown with the addition of Tom Harrison, Julia Carrell, Karthik Suresh, Keith Alford, Graham Woods and Abigail Hathway.

Funding and Finance

As a starting point for raising money for the Jordan Dam scheme, we have completed a Business Case for the project which includes a detailed financial model and sensitivity analysis. Alongside this, we have agreed a Business Plan for Sheffield Renewables, which maps out our plans for the organisation beyond Jordan Dam, including development of another renewable energy scheme, and of our volunteering opportunities.

Our Community Share Offer

I am very pleased to say that our first full share offer was launched in September 2012 with an event at Central United Reform Church. The event was well attended, with talks from Simon Tilley from Sustainable Hockerton and Emily Mackay from Micro-Genius, a renewable energy funding platform who are supporting us. The share offer has been a remarkable time for us as an organisation, which has seen our level of activity and engagement increase dramatically. This wonderful effort has resulted in the raising of over £210,000 in the community share fund by the December 2012 deadline. Whilst this did not quite reach the aspirational goal we had set for the offer we were very pleased with the outstanding level of support we have received, in terms of money and the number of people who have invested. We now have over 240 members, and the number and range of people who are now members of Sheffield Renewables has given the organisation a real boost and also puts us in a very strong position when finalising the Jordan Dam scheme.

Capital Funding

In addition to the share offer a significant proportion of the capital cost of the scheme will have to be raised from commercial loans. Over the last year a funding package has been put together using finance from 3 major lenders. We have received an offer of loan from Resonance for £200,000. We are currently finalising the details of the loans and waiting to go to the credit committees for the further two funding organisations.

Pioneer Shares

Most investments in Sheffield Renewables are “ring-fenced”. This means that we will only release the funds once we are certain our project can go ahead. In January of last year we asked our existing investors to consider converting “Ringfenced” shares to Pioneer shares, enabling us to spend funds to meet our running costs. We were delighted to be able to convert about £21,000 to Pioneer Investment, which has allowed us to meet our running costs over the last year. We are very grateful for everyone who chose to do this.

Communications

Our share offer, the Jordan Dam scheme and general work of Sheffield Renewables has been promoted in a variety of ways. We have held a number of talks and presentations, drop-in sessions and had stalls at fairs and events. We have talked to a diverse range of groups and clubs around Sheffield. Our presence on social media has rapidly expanded with the use of Twitter, Facebook and blogs, our website has been further developed and we have uploaded our Share Offer presentation on to You Tube. In terms of press coverage, supportive articles have been written by the Guardian, Sheffield Star, Yorkshire Post, Postcode Gazette and Now Then, amongst others, and Radio Sheffield has featured our scheme a number of times. The strong network of cooperatives and other local environmental and ethical groups has been proven to us again and again with our Share Offer being included in many other newsletters and websites.

Jordan Dam

Consents Processes

In April 2012 we were successful in obtaining an abstraction license for the scheme, this major achievement means that we are allowed to divert water from the river to run through our turbine and use to generate the power required.

The discussions took a long time to complete but this is a vital piece of the permissions as it determines how much water we will be allowed to use for generating power. As part of the abstraction license we will install a fish (and eel) pass alongside the turbine, aiding the movement of fish on the Don and improving the ecology of the area. The final design of the fish pass has to be agreed by the EA and this process will be undertaken as part of the contract to build the scheme.

Following the granting of planning permission for Jordan Dam in 2011 work has been undertaken ensuring all the rest of the permissions and consents are satisfied.

An agreement with the Canals and Rivers Trust is required and discussions are ongoing on the details of this agreement.

Tender Process

A call for expressions of interest for development of the Jordan Dam scheme was published in October 2011, with the strategy informed by advice provided by South Yorkshire Housing Association. A good field of candidates duly stepped forwards. Pre-tender interviews were held with on 25th and 26th January. A short-list of 6 contractors was agreed by the procurement team.

Lease and Power Purchase Agreement

Draft Heads of Terms for the lease on the site have been developed, the discussions are on-going as we are currently attempting to include a power purchase agreement in the terms of the lease. This will enable us to connect the turbine into Yorkshire Water's system and provide Sheffield Renewables security in having a purchaser of the electricity developed by the scheme for its lifetime.

Ecological, Geotechnical and Landscaping Work

In Autumn 2011 Ecus was commissioned to examine the ground conditions and potential contamination issues at the Jordan Dam site. The outputs have been used to discharge some of the relevant planning conditions and will be used to inform the works information for contractors.

Jordan Dam Model

A model of the Jordan Dam project was completed in April 2011 and installed in one of the Sheffield Showcase windows in Cambridge Street. The model has also been very useful at stalls and investor events.

Kelham Island

Planning permission for the Kelham Island Scheme was granted in January 2012, and the proposal received some very positive media coverage. Whilst our primary focus is financing and building the Jordan Dam project, we are continuing to explore ways to move the Kelham Island project forward including through partnerships with other organisations.

Kelham Island Model

Steve Joseph has created an amazing physical model of the Kelham Island site.

PowerStation Sheffield

The PowerStation Sheffield project received £5,000 from Artists Project Earth and Matt Hilton was recruited part-time to develop the project. The project involved the development of Renewable Energy Top Trumps, a local map and interactive online tools. The project has now been completed and was launched on the website.

Matt has also produced an interactive animation of the Jordan Dam scheme, that allows you to control the amount of water in the River Don and it'll show you the amount of electricity that we'll generate at the scheme. This is currently up and live on the website.

Support for other Groups

We support other Community Energy groups wherever we can by sharing our knowledge and experience. For example last year Mark gave a talk to Edinburgh Community Energy Co-operative.