



Sheffield Renewables

Special General Meeting

Tuesday 26th March 2013

Jordan Dam

Recommendation of the board

“The Board recommends to the members that Sheffield Renewables suspends the development of Jordan Dam Hydro in favour of continued development of photo-voltaic sites in Sheffield”



Reasons for the Recommendations



Price

- The price of the scheme has escalated beyond that which the Board feels the business case is able to support

Environment Agency and Fish Passage

- The EA has very recently increased the requirement for fish passage on the river. We have been unable to agree a process that minimises the risk of further price increases to satisfy requirements

Price



Pre Tender Estimation of Price

- Estimates of price £650 - 750k
- Based on feasibility study and pre-tender information from Spaans-Babcock and internal experience
- Board felt confident the Business Case could support prices up to £750k

Price

Tender Price

- The best tender price received was £850k
- Discussions with the contractors reduced the price to ≈£750k, but placed significantly increased risk to Sheffield Renewables



Price

Reasons for Cost Escalation

- Price inflation
- The discovery of a sewer outflow during pre-tender site investigations
- Site complications
 - Removal of contaminated waste

Fish Passage



Changes to Fish Passage Requirements

- SR submitted plans for the scheme and an outline Fish Pass design as part of the submission
- In Feb 2012 Sheffield Renewables obtained an abstraction licence for the scheme at Jordan Dam based on the design submitted
- Abstraction Licence subject to final approval of the Fish Passage design

Fish Passage

Procurement Process

- No indication was given at this stage that the design we had submitted would be unsuitable
- As such the procurement process was undertaken and costs received based on the design submitted

Fish Passage

Late 2012, after tender process

- EA were requiring a 2nd fish pass at the site to ensure sufficient down stream passage
- YWS concerned about liabilities if 2nd fish pass not installed
- EA not able to tell us actual requirements for downstream migration
- Required a full upfront fish pass design ≈£30-50k (costed as part of design and build)

Risk Management

The Board is very aware we are holding, in trust, a significant amount of people's money

Building hydro projects entails significant risk

Managing those risks has always been a core element to the ethos of Sheffield Renewables



Risk Management

Significant further expenditure is required to get certainty about the scheme (price and final viability)

Further financial resource would be required; increased loans, further share issues or if possible grant funding

Even with immediate resolution of the above issues it is believed that it will take at least 6-9 months before the scheme will be ready to green light

The board feels that the risks to the scheme (and the investors money) is too great, and the chance of a satisfactory outcome is too low to pursue the development of Jordan Dam further



Board Acknowledgements

We want to thank all the people who have put in many hours of their time and effort over the last few years

Volunteers

Members

Supporters

Also the institutions that have helped to develop the scheme

Yorkshire Water

Canal and Rivers Trust

Sheffield City Council

Co-operatives UK

