



Chair's Report

AGM February 2017

Introduction

This report provides an update of Sheffield Renewables' activities and achievements between February 2016 and January 2017.

This last year started slowly for Sheffield Renewables as we continued to digest the impact the changes to FiT would have on future schemes. It ended at something more of a gallop as we successfully hit our share offer target after only 6 weeks, and managed to complete our 4th PV scheme at the same time.

Share Offer and PV Schemes

When the dust settled after the government changes to FiT, we explored what it would mean for future schemes. If we continued developing the same type of scheme we would expect to see a reduction in revenue of between one quarter and one third from that we would have received the year before. Pleasingly the government decided to maintain the 50% assumed export for schemes of less than 30kW. This and the experience gained from Swinton Fitzwilliam about over generating, has pushed our plans towards smaller, and cheaper, schemes than previously.

Once we had confirmed that it was still possible to create a business case for community owned PV schemes in the new economic environment we started pushing on plans for a new Share Offer and developing links with new sites. We had been in contact with Lembas Wholefood Wholesalers previously, and again working with Chris Neil from Homeco, the scheme design progressed very quickly due to Lembas' particular enthusiasm for the project. A 5th scheme was also developed, and the permissions and agreements for this are still progressing. With confidence that we would have two schemes to build over the next year we launched our Phase Two Share Offer in November 2016, with the aim of raising £70k. We were very pleased, and a little surprised, with the response of the community and we were able to close the share offer early, after only 6 weeks, as we hit our investment target. In summary:

- **Amount raised:** £72,380
- **Investors:** 74
- **New Investors:** 56
- **From Sheffield:** 85%

In the terms of the Phase Two Share Offer, we were able to utilise the funds raised before the share offer was complete, as a result on almost the same day that we closed the Share Offer we

also completed the construction of our 5th scheme at Lembas. The scheme is a 26.1 kW PV array and cost £26,800, the electricity generated will be used to power the fridges and freezers for their food storage.

In summary the organisation now owns and runs three 50 kW PV arrays and one 26 kW array:

- Paces Campus, High Green; constructed in May 2014, estimated output approx 38,500 kWhr
 - 2015- 43,800 kWhr
 - 2016- 39,600 kWhr
- Swinton FitzWilliam Primary School; constructed in November 2014, estimated output approx 39,500 kWhr
 - 2015 - 47,750 kWhr
 - 2016 - 46,200 kWhr
- Attercliffe Police Station; constructed in December 2015, estimated output 40,000 kWhr
 - 2016 – 45,650 kWhr
- Lembas Speciality Wholefood Wholesalers; Constructed December 2016, estimated output 18,000 kWhr

As it can be seen from the table above we have now had more than a years generation on the first three of our sites and I am pleased to say that whilst generation figures were lower this year than last, primarily due to the bad weather in June, they have all still exceeded our projections for the energy generated. The only operational issue that we have encountered is that Swinton has had lower usage than predicted and excess energy has been lost to grid. We are in the process of setting up export contract with nPower, to ensure we don't loose the revenue. This has also particularly demonstrated the need to match the generated power to the building usage.

The revenue generated from the schemes will be used to maintain our assets (operation and maintenance), maintain a reserve for the organisation and then, according to the terms of the Share Offer Documents, provide a return on investment to shareholders and the Community Benefit Fund. This year the investments in our first share offer will become liable for interest and repayment, with the scheme revenues seen from our projects over the last 3 years we are very pleased to be able to pay our targeted returns (subject to approval by members).

Organisation

Sheffield Renewables is primarily a volunteer organisation, we have in the past been fortunate to secure funds to employ people to carry out pieces of work. We were again successful in obtaining some grant funding this last year, firstly from the Urban Community Energy Fund (UCEF) to help us develop a business case and setup the Phase Two Community Share Offer. This grant funding was used to pay Julia Carrel (Director) as a project manager to develop this set of schemes, as well as pay for key agreements in the project development stage, such as structural assessments, legal fees and Energy Performance Certificates. We also received money from The Naturesave Trust to help prepare and promote our share offer, The Naturesave

Trust also invested in the share offer under the same terms as all other members. We also received money from the Community Shares Booster Programme, this was used again to support the running of the organisation and continue to develop our plans for the future, we also hope that we will be able to work with them in future share offers. Finally we were paid for some work done in supporting other community renewable energy projects via the Co-Operative Mentoring Scheme, a scheme which has sadly now ended.

We have put significant effort into developing our management processes and sustainability as an organisation this year, inviting new volunteers as Board Observers with the hope of them taking roles as directors later, trying to ensure job roles are backed up and formally putting in place reserves to manage the organisation and meet our commitments to investors. We hope that we are now in a strong position as an organisation.

Final Word

This year has again seen a step forward for Sheffield Renewables: the first payments from our first share offer, the first real demonstration of the success of the schemes; the management of the changes in the economic environment; the successful 2nd phase of investment; and finally the delivery of our 4th scheme. We hope that the upcoming year will be as successful, we will deliver our 5th project and in trying to maintain our vision of half a MegaWatt of community owned renewable energy in Sheffield by 2020 we have plans for going out for another share offer as well.

Finally I am again astounded this year that we have shown that a group of dedicated volunteers with effort and patience can put together plans that will be taken up with such enthusiasm by the local community. As a result we have been able to demonstrate that working together we can make something happen, make a difference, and be part of hopefully making our city and community a better place in the future.

Thank you.



Richard Collins
Chair of the Board

