

**Minutes of the Annual General Meeting of Brixton Energy Solar 3**

Held at 6pm on Monday 6th July 2015 at the Roupell Park Estate Community Centre, Hyperion House, Brixton Hill, London, SW2 1HY

**Attendees**

BES3 Directors

Andre Pinho (AP)

Agamemnon Otero (AO) *Chair*

Jason Neylon (JN)

Brigid Clarke (BC) and BES3 Treasurer

Secretary

Becky Payne (BP) *Minutes*

BES3 Shareholders

Alison Farrow (AF)

Will Walker (WW)

Guests

Kit Farrow (KF)

Apologies

Afsheen Rashid (AR)

Matthew Rabagliati

1. **Welcome and Introductions**

WA welcomed everyone to the second AGM of Brixton Energy Solar 3.

Everyone introduced themselves.

1. **Minutes of the previous BES3 AGM held on 21st July 2014**

Minutes for previous AGM held on 21st July 2014 were approved by all those who had been present at that meeting.

* 1. **Matters Arising**

**Item 7.1 Operational Issues**

AO explained that Southern Solar have visited the site 7 times over the last year and have now fixed their meters. However, the panels are still under-performing by 7% and this is for two reasons:

* there are still some technical issues outstanding on the meters managed by Lambeth Council. Three meters on Wareham House date from the 1960s and are broken. Lambeth Council need to replace them and then we would be able to start charging the estate for actual use on Wareham House.

This should be sorted in due course ie: once Lambeth Council takes over the management of the estate utility contracts centrally;

* in developing the financial model for BES3, we used data from BES1 and BES2 projects which are less affected by shading. We also forecast that we would be selling more energy to the Roupell Park Estate, but the configuration of the meters and the Wareham House broken meters, means we are unable to measure how much is actually being used on site and therefore, we are unable to bill the estate for the actual energy being used.

We are able to sell energy to the Housing Office and to the community centre, but not from the panels on the other two buildings.

Overall the panels are currently performing as best they could and we are still achieving the main objective of the project ie: using a good percentage of the generated energy on site.

1. **Directors’ Report**

*(This report is attached as appendix 1)*

AO introduced the Directors’ Report and explained the key points.

AO re-iterated the two reasons for under-performance of the panels – see above under item 2.

He explained there were two actions we could investigate to see if they would improve overall performance:

* it may be possible to adjust the angle of the panels on the Housing Office roof to create a steeper pitch
* further roof repair and improvement works are being undertaken on the other blocks on the estate. Residents have said that they would be keen to extend the project and install more solar panels on these roofs.

AO drew specific attention to the *Engaging with the local community* part of the report which explains the positive work that has been on-going with some of the interns that were involved in the installation of BES3. In addition to their participation in various London-wide strategic events, one of the interns went onto further training and now has a permanent job. Another has got into University, the first person in her family to do so. Repowering, the umbrella organisation also employs one of them to read the meters for all BES projects.

AO gave a short description of Repowering explaining that it grew out of the three BES projects and now is an umbrella organisation which supports other solar energy community projects, using the models developed in Brixton, in Vauxhall, Hackney, Rosendale and Kensington and Chelsea. Repowering is also taking on contracts with local authorities and developing borough-wide projects.

**Actions**:

*The directors will investigate feasibility of the two options described above for improving the overall performance of this project.*

1. **Financial Accounts**

BC presented the accounts for BES3 for the year ending 31 December 2014 which are attached as a separate Excel document. She explained that the accounts had been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008) and that the aim of the Directors had been to apply the highest standard of good practice in compiling the accounts and to provide shareholders with as much information as possible and as clearly as possible.

She clarified the following points:

* We have started building up a reserve, which is to pay off the share capital i.e.: pay back our shareholders at the end of the project.
* We have continued to made provisions for the replacement of the inverters. They have a warranty for 5 years, but will likely need replacing in 10 or 15 years.
* The proposal is that of the remaining surplus 20% (£621.00) is put in the CEEF and 80% (£2,485.00) given to shareholders. This would result in paying shareholders interest at 3.8%. The Directors had felt that as this was the first year for a payment, they wanted to maximise the offer to shareholders.
* The sum recorded for administration costs is low because this is currently subsidised by the Directors, Repowering and volunteer time but it is anticipated that this figure will be higher in subsequent years as different people get involved.
* Scheme is registered with the FCA but they do not regulate it.

Those present explained that the Directors of all three BES projects had been investigating options for investing our capital repayment sum in longer-term savings accounts/saving bonds as a way of increasing income. However, research had shown that in order to achieve worthwhile returns, a bigger sum than we have available would need to be invested and it would also have to be locked up for a fixed number of years.

The Directors were now looking at the possibility of repaying the share capital back earlier to our shareholders. It was acknowledged that it was a potential liability to hold onto the ever increasing sum until the end of the project. The alternative was to pay people back in instalments in addition to their interest payments.

The risk was we needed to ensure that we retained sufficient funds to pay on-going maintenance and invertor replacement costs. It was noted that we were already separating out the costs of these in our accounts so we should be able to do this.

It was agreed that we should explore this proposal as if it could be made to work, it could provide an attractive model for future energy co-operatives to use.

**Actions**:

* *The Directors of all three BES projects will undertake research into the proposal to repay the share capital back earlier to our shareholders and specifically look at the following:*
* *the legal requirements as they relate to our particular co-operative model*
* *how other organisations have implemented this and how it has worked in practice*
* *the option of paying back every five years rather than annually as this would be less onerous.*
* *The Directors will then use their judgement on whether or not to implement this course of action.*
1. **Approval of the Directors’ Report and accounts for the year ending 31st December 2014**

Proposed by WW and seconded by AF, the meeting approved unanimously the BES3 Accounts and the Directors’ Report for the year ending 31st December 2014.

**Actions:**

*The Directors to undertake the following:*

* *pay 3.8% interest to BES3 shareholders.*
1. **Audit of accounts**

BC explained that those present should decide whether an audit of the accounts and balance sheet of the Co-operative is required in accordance with clause 20 of the Rules. This could cost £1,500.

BP proposedthat this was not necessary. This was seconded by WW. No objections were received.

**Action**: It was therefore agreed that there was no need to audit the BES3 accounts

1. **Election of Directors**

AO explained that every year a third of the directors have to stand down in rotation and another director/s is elected. BC and AP said that they had agreed to stand down.

Nominations were invited. None were received from the floor and so it was suggested that BC and AP be asked to stand again.

BC was proposed for re-election by AO, and seconded by BP. No objections were received.

BC was duly re-elected as a Director of BES3.

AP was proposed for re-election by WW and seconded by AF. No objections were received.

AP was duly re-elected as a Director of BES3.

1. **Community Energy Efficiency Fund (CEEF) proposals**

AO explained that he had received some suggestions from estate residents on how they would like the Fund spent as follows:

* to fund a seaside trip for estate children. This used to be an annual event, but hasn’t happened for several years
* to support young people from the estate who have already been involved to undertake more training eg: two-week placements
* to part-fund works that would increase the use of generated energy on site

All were agreed to be good ideas. Agreed that the first two should be prioritised as the third one is for the longer-term.

**Actions**:

* *The Directors will take forward these proposals by obtaining costings for the seaside trip and possible placements.*
1. **Arrangements to pay shareholders interest**

It was agreed that an email will be send around to all 73 BES3 Investors asking if they are happy to be paid by BACs. The bank details were requested as part of the share application form, but we need to confirm that these are up to date and also to collect those that are missing.

It was also agreed that we need to remind investors of the option to waiver their interest payment and instead donate it to the CEEF.

**Action**:

*This email will be sent round with the minutes of this AGM. .*

1. **Date of the next AGM meeting**

It was agreed that the BES3 AGM for 2916 should take place in March.

BP

12th July 2015

# **Appendix 1**



# **Annual Report 2014**

## Generating renewable energy

From the beginning of 2014 until 31st December 2014, the four BES3 solar arrays combined generated a total of 42,130 kWh of electricity, enough to power 13 average UK homes for 1 year. This represents a system efficiency of 816 KWh per installed kW peak per year compared to 850 projected for the year. This drop in efficiency is due to complexities related to the meters that needed to be serviced with a couple requiring replacement. It has taken us several meetings and site visits with the installers Southern Solar to address the issue. This has resulted in a lower generation than forecast for the year.

Since commissioning BES3 renewable energy output avoided 22.8 tonnes of CO2 emissions.

## Engaging with the local community

Brixton Energy Solar 3 continues to inspire communities across London and Policy makers. Our sister organisation Repowering London has facilitated strategic events that our volunteers and young interns have been involved in. This has given our members (specifically young interns) an opportunity to share their experiences and understand how their projects fit in the wider policy landscape.

These events included discussions with Senior Executives from Barclays and Power to Change a Charitable Trust, on how investments can create a better future and what defines a socially responsible business. More recently members of the London Assembly Environment Committee visited Roupell Park estate as part of their investigation into the use of solar (photovoltaic) power generation from London’s homes, the obstacles to install solar PV and how local residents and landowners can get involved.

We have also been providing further paid work experience opportunities for one of our young interns, Kemal Callender who currently supports the delivery of solar panel making workshops. Kemal has also started to take the meter readings for BES3 so that we can claim the FIT payments.

With the allocation of funding to the Community Fund we hope to be doing more work engaging with residents and members following the AGM.

## Financial accounts and shareholder payments

The financial accounts which accompany this report show that:

* The co-operative received an income of £5,578 from the electricity generated by the array from the feed-in tariff. This is less than projected due to the technical issues mentioned above.
* In addition, deemed export income of £992 was received from the sale of energy to the grid.
* Including, £632 from the sale of electricity to the Roupell Park Estate RMC for powering the community office and Hyperion House community centre.

The total net income generated for the year 2014 is £7,203.

Repowering has decided to waive its administration fee for the year which would normally be £500. After meeting all other direct operating and administrative costs the surplus of income over expenditure is £3,106. The Directors propose paying shareholders interest at 3.8% amounting to a total of £2,485 (80% of the surplus). Due to the short operating period last year no interest was paid. If this year’s payment is pro-rated for the full 15.5 months of operation, the interest rate on an annualised basis is 2.94%. The remaining surplus of £621 (20%) has been allocated to the Community Energy Efficiency Fund.

## Any questions?

If you have any questions about this report and the accompanying accounts, please email info@brixtonenergy.co.uk.

Agamemnon Otero

Andre Pinho

Brigid Clarke

Jason Neylon

Directors, Brixton Energy Solar 3