

Chairman's statement for year ending 31st December 2018

Key Developments

- The installation of a 20.52 kWp system on Holy Trinity School in Cuckfield.
- The installation of LED lighting in the corridors of Crawley Down School. The Co-op used £4,373 from its community fund to finance the project which is estimated to save 2768 kWh per annum.
- The co-op successfully applied for a Rural Community Energy Fund Grant of almost £20,000 for a feasibility study to connect solar PV to the railway network.
- The Co-op engaged with landowners in the Balcombe area to find a suitable solar farm site near to the mainline.
- The Co-op arranged a display of electric vehicles, bicycles and details of charging them at the village fete. A Nissan Leaf and Tesla were generously loaned for the afternoon by Balcombe residents and bikes were cycled around the main display area. Julian Wilkins interviewed Ollie Pendered from Community Energy South about the Traction Project. The event was very well supported by Repower members, local supporters and helpers from further away.
- The Co-op invited our local MP to visit Turners Hill School to view the contribution the Co-op has made to the School. He had a tour of the school's eco measures and listened to 3 presentations on a variety of green issues.

Financial Performance, Accounts and Redemption of Capital

The financial performance continues to improve, despite breakdowns on two of our PV systems during the year. Our main school sites have paid more for the electricity we generate as their agreements link the price to the market price which has been steadily rising. The feed in tariff also rises each year which helped offset the lower generation, which is discussed later. The additional income from the Holy Trinity School installation has partly been used to fund Co-op events such as the fete, school displays and travel to conferences. Energy4All continue to provide our accountancy services and secure insurance for the Co-op at a better rate than the co-op could without them. E4A are currently paying for external accountants for some work which may be brought in house in future. Our payments to E4A will need to rise to cover some of these costs and in addition we need to increase our payments in line with inflation in future years. This year we have benefited from admin costs remaining frozen despite an increasing workload.

Our share offers indicated a potential for repayment of capital to members in line with SEIS Tax relief rules. We have met all necessary conditions to now be in a position to start repaying capital. Members will receive 15% of their capital back this year and 5% every year after as long as the funds are available. This will help strengthen the financial position of the Co-op and hopefully allow us to pay the target interest rate to members. The repaying of capital and the trend of improving financial performance should continue which will also allow us to put some reserves aside to cover future costs such as inverter replacements.

Interest Payable for 2018

We are proposing to pay members an interest rate of 4.78%. If members pass the resolution we will aim to pay the interest in late May or early June.

Community Benefit

The new installation at Holy Trinity School has performed better than the initial estimate in its first year. It provides around 23% of the school's electricity needs with the school paying a rate that is 70% cheaper than its main supplier. It also generates a modest income for the co-op which has helped cover the costs of the Co-op's awareness and educational work. It will provide funds for other projects in the future. The project was funded from the community funds that come from the West Hoathly solar farm.

In May half term we installed LED lighting in the corridors at Crawley Down School. This is our third LED project which compliments the generation capacity we already have at the school. The school have already upgraded most of their lighting to LED's and on sunny summer days the school exports electricity to the grid even during term time.

Battery storage and Electricity Data

The Co-op previously had access to detailed electricity data from all our school sites but our access stopped over 18 months ago when the County Council changed electricity supplier and data collector. We used this data to find suitable sites but also to measure the effect that solar and LED installation had on the schools. Despite our repeated efforts over this time and regularly being promised access to data we currently receive no useful data. I have received new promises from the County Council that they will start providing access to data again and hopefully the issue will be resolved soon.

The data from the school is particularly useful when assessing the impact of our battery storage project at Turners Hill. We only have the comment from the County Council that Turners Hill School is in a different league from all other schools in West Sussex in terms of electricity usage from the grid. The Sonnen battery system at the school also produces a considerable amount of data however some of it is not accurate. I wanted to provide details to members and others of the performance of the system but currently it is very poor at recording the solar electricity generated on site. As we monitor the solar generation separately we know the battery data is incorrect and this also raises concerns about the storage and discharge data. It appears the batteries stored 2,998 kWh in 2018 and 2,789 kWh in 2017 which is above the original expectations. The discharge data currently suggests very high losses when this electricity is fed back into the school during the evening and night time. Sonnen have not been very helpful but Joju, who installed the system, are currently assisting us to resolve these problems.

Administration

The Co-op continues to rely on the administrative and accounting support of Energy4All. We will work with E4A on our traction project and hope to bring a share offer to members in due course. I attended the E4A conference in September and was able to share ideas with other co-op's directors and learn what others are achieving.

Electricity Generation

Two of our sites suffered from breakdowns during the year. The AC cable from the inverter to the mains was damaged at Grange Farm and as a result we lost generation for most of May and some of June. The damage to the cable and lost generation were claimed for on the insurance of one of the site tenants at Grange Farm. At Turners Hill School, the inverter started to perform poorly in March and stopped working in April and the main electrical board inside the inverter was replaced under warranty.

Only Balcombe School generated just more than the previous year despite the very sunny midsummer and our new site at Holy Trinity in Cuckfield generated above estimate. The overall picture was that 2018 was a good year for generation according to 3 local systems that I monitor which are not part of the Co-op. However, both Crawley Down and Imberhorne School generated 2.3% and 1.1% less than the previous year. Whilst the Co-op have been quick to deal with breakdowns it is more challenging to pin point the reasons for any underperformance. We are currently looking into these reasons for the lower generation which might be related to shading, dirty panels or technical issues with generating equipment.

Site/Predicted yield before installed. (kWh)	Capacity in kW	2015 Generation kWh	2016 Generation kWh	2017 Generation kWh	2018 Generation kWh
Grange Farm (18,514)	17.94	17,298*	18,045	16,950	13,784**
Balcombe School (9,163)	9.75	1,659*	7,864	7,338	7,514
Turners Hill School (13,968)	16.00	2,128*	12,188	11,920	10,903***
Crawley Down School (41,752)	49.92	-	33,887*	39,296	38,390
Imberhorne School (46,475)	49.92	-	36,660*	42,449	41,945
Holy Trinity (18,555)	20.52				18,719*
TOTAL	164.05	21,085	108,644	117,953	131,255

*system installed partway through year.

**Damage to AC cable, no generation for May and some of June.

***Low generation due to inverter problem then inverter failure in April.

LED Lighting

The Co-op has completed 3 LED projects in total, all paid for from our community benefit fund. During 2018 these projects are estimated to have saved 26,399 kWh and should save approximately 27,758 kWh every year from now on. The Co-op may look at the possibility of installing LED lighting via member share offers in the future, especially with the ending of all support for solar.

The Team

I think the village fete demonstrated the commitment of the volunteers that help run the Co-op. On a sweltering day the Repower team (minus the chairman who was on holiday!) engaged many local people on the issue of sustainable transport. The event also put us in touch with new people who are keen to support the aims of the Co-op. Our volunteers continue to do a wide range of other tasks to enable the Co-op to function.

We are delighted to welcome back, Laura Moreno after the birth of her daughter.

I am also very pleased that we were able to bring in the skills and experience of Anthony Woolhouse to the board. Anthony is Chairman of the West Solent solar Co-op which is part of the E4A group. Anthony's experience in developing and managing a successful solar farm co-op will be invaluable to the board. Our legal director, Julian Wilkins has been at the centre of the traction project developments and so many more of the Co-ops other endeavours.

Future Developments

Significant progress has been made on our plans for a solar farm connected to the main London to Brighton railway line. I was delighted to see the enthusiasm for the Traction project from Network Rail staff at a meeting I attended in the summer. The feasibility study has helped to show the potential viability of the project even without subsidy and the need for new renewable capacity has never been greater. Community Energy South and 10:10 have been the key partners organising and driving the project forward allowing the Co-op to concentrate on finding local sites that meet the criteria needed for a viable solar farm. A number of

hurdles still need to be overcome, including some legal issues and Network Rail need to test a connection to the track from solar PV before a larger solar farm can be connected.

The directors and volunteers will have a busy year in 2019 working on bringing a solar farm site towards a point where we can bring a share offer to members. Discussions have taken place on the best way for the co-op to do this and whether we can use the existing co-op or need a new structure. I am keen to hear views on this issue and the board can outline some of the options to members at the AGM.

Some of our volunteers have also been working to provide information and assistance to people facing issues around fuel poverty.

We would like as many members as possible to attend our AGM to hear more about our future plans and contribute to the future direction of the Co-op.

A handwritten signature in black ink, appearing to read 'Tom Parker', written in a cursive style.

Tom Parker
Chairman