

Westmill Wind Farm Co-operative Ltd (Reg. No. 29816 R)
Minutes of Annual General Meeting & Presentation Notes
Held electronically via Zoom on Saturday 6th June 2020 at 11.00am

Present: 115 members, 8 Directors and 4 Energy4All representatives.

Apologies: 6 members

1. Introductions

The chair, Mark Luntley, welcomed everyone to the first online AGM and thanked them for joining. Today we will look at an overview of the year, our future plans, questions from members and the formal motions.

The following topics will be covered during the meeting:

- Alan Ruddell – Operational performance
- Annette Heslop – Financial performance
- Ruth Conchie – Governance
- Mike Blanch – H&S
- Doug Parr – Renewables environment
- Ryan Rushton - Membership
- Josh Brown – Going forward

2. Chair Review

The Board has been busy throughout the year. Two new members, Aude Duquesne and Josh Brown were co-opted to the Board and are seeking election today. We have seen hundreds of visitors to the site, including BMW, who launched the BMW Mini on site. The year end has been changed from October to December to allow a summer AGM. The IT structure in the turbines has been upgraded. Mark thanked the previous chair Eoin Lees for his hard work.

Mark produced a slide showing how the earth's air temperature has increased this year and unusually high in May 2020.

Mark talked about Westmill's future strategy especially now that the last payment on the bank loan was paid 3 days ago!

- Turbines could work for decades
- What could our coop lifespan be?
- Can we make it easier for members to get their funds back?
- Is there a new long-term cooperative model?

The Board will be looking into these questions over the coming months

3. Operational Review

Alan Ruddell produced slides on the operational performance of the wind farm.

Availability & Output

Availability can be measured in many ways. Down time due to faults and time to repair are significant factors. In the last reporting period, the average availability on the wind farm was just over 95% which is a big improvement on the previous year. Availability was below target in February and June. Turbine 3's gearbox overheated and took time to repair. To prevent this in future Jacobs (O&M provider) now hold a spare gearbox as a backup.

Looking ahead, February and March 2020 were above budget. The actual energy production for this year to date is already 27% above budget.

Monthly reports are received from Jacobs and Energy4All and the Board meet quarterly. Richard Lord who was a Board member for 12 years still attends these meetings for his invaluable experience.

Maintenance

- Annual and 6-month services (includes oil analysis, SF6 checks - no problem found)
- Repairs increasing - turbines are 12 years old
- Yaw gearbox, breaker, blade repairs, comms computers
- Planned Repairs 2020 - Blade pitch rams (turbine 1) - not urgent and gearbox bearing (turbine 1) - currently postponed (due to Covid-19). The feasibility of the repair is under review, as the fault is resulting in loss of kWh production.

IT Upgrade

Systems for Supervisory Control, and Data Acquisition (SCADA system)

The Board undertook an audit and risk review of the IT systems and network and agreed the short term de-risking actions identified were to replace routers, PSUs, UPSs and have a spare server. The installation is currently in progress.

The long term solution would be to upgrade and replace the whole SCADA system however assessment continues and will be reviewed.

Members asked the following questions:

Q. What is the impact if any on Brexit or Covid 19?

A. First considering Brexit, no one knows what the eventual outcome will be and there are major changes in the wider energy system also happening. A lower exchange rate could affect the cost of imported gas, although energy prices have also fallen. Perhaps less significant is the requirement for spare parts, Brexit may affect timescale and costs. Our turbines are managed remotely by E4A & Jacobs but they do require servicing and contractors on site. Some repairs take longer than usual and may need to be delayed.

Q. Do oil checks also study metals and shows of gearbox and bearings fatigue and allow planning and intervention before future failure?

A. Yes these are carried out during services and used to diagnose wear and the need for changing components. There is a great deal of details in the analysis of the oil. It is important not to overreact of course because we expect to see increasing wear.

Q. What is the expected life span of the wind turbines?

A. This is a low wind speed site, the turbines have a decent life span. There is a lease for 25 years and this is why the financial model is based on 25 years. The turbines probably could work for longer so we would need to look at the model and discuss with the landowner and the council.

4. Financial Performance

Annette presented the finances but first apologised for a couple of errors in the Annual Report.

Page 8 referred to re-appointing Lamont Pridmore when it should have read to appoint Melville & Co. Also, some dates were inconsistent. Annette confirmed due to the change in the year end the financial period is a 14 month period from 1st November 2018 to 31st December 2019.

Annette presented slides showing the Profit & Loss, Balance Sheet and Member share interest graph.

Member share interest amounts to £258,238 which represents a return of 6.8% (or 5.7% annualised return).

Mark informed members the Financial Conduct Authority that in the past few years they have not registered any renewable energy co-operatives. The FCA have an issue with member energy co-ops that do not sell directly to their members. The Board don't agree with their analysis.

Q. Why is Covid-19 stopping work? There are guidelines from Renewable UK and the construction industry to allow work to continue in the open.

A. It is not stopping general maintenance. It is stopping repair work where working closely is required such as the gearbox bearing replacement on turbine 1 where a third party contractor is required. Jacobs have shared with us their guidance on approaching repairs and maintenance. It is under review.

Q. When will we be told about the potential extension(s) of the existing turbines, as this would have a big impact upon our shareholding.?

A. The Board will consult the members before taking any course of action. We are in part in the hands of others specifically the planning authority. If the life of the project is constrained to 25 years which is what the planning is for, members will be paid back at the end of this.

Q. WWF interest over time is less than 4%, so why would FCA be targeting us?

A. The FCA focus seems to be on the member trading element.

Q. The rate of return for members interest has been considerably lower than the prospectus.

A. The original turbines could not be purchased as planned. The manufacturer reneged on the deal. There was another member meeting to discuss this and there was an overwhelming agreement to proceed with the project at an increased cost requiring members to invest further. The wind yield was also based on past historic performance.

Q. Was the percentage given in the income chart representing yield or income divided by the original capital investment?

A. Profit divided by current capital investment.

5. Governance

Ruth Conchie talked to the members about governance and how it relates to the Board.

Ruth explained there are five full time Board members and two co-opted board members who we hope to join the board after the motions. We have a number of advisors who have worked alongside the Board over the years. Currently Mike Blanch who deals with H&S and is also the Chair of WeSET.

The Auditors are being changed for the coming year as this is good practice to do every few years.

Board meetings - each Board member registers any conflict of interest and if conflicted may step out from decision making. Minutes are circulated to all to confirm accuracy. Roles and responsibilities are shared between our Board members.

6. Health & Safety

Mike Blanch is responsible for H&S at the site and confirmed a H&S policy is in place and regularly refreshed. There have been no reported incidents on site.

Formal visit requests are sent through WeSET. Although visits are not possible at the minute, there is a virtual tour on the WeSET website. www.weset.org

7. The Renewables Environment

Doug Parr explained what makes up the income in the co-op each year which are primarily electricity value, ROC (renewable obligation certificate) and ROC recycle plus other small elements. The ROC is linked to inflation, the current price is £50.05 per MWh. The site has two separate contracts one for 2 turbines to be renewed December 2020 and the other for 3 turbines to be renewed September 2020. There has been a significant reduction in electricity prices since Covid began.

Q. What is the revenue split between ROC and electricity?

A. This does to some extent depend on the electricity generated but it is roughly 50/50.

Q. Why haven't you fixed prices for a longer period.

A. We didn't know what the full impact of Covid was going to be. We could see it was coming and the suppliers could see it was coming. For risk management reasons that is why we continued the split of turbines to a 3-turbine contract and a 2-turbine contract. We will review when the contract ends.

Q. Who are the current contracts with?

A. They are both with Co-op Energy/Octopus.

8. Membership

Ryan Rushton talked about membership review. The aim is that we should be a member co-operative that is really engaged with and works for its different members. We have started by looking at our current membership – and how it has changed from when we were established. We have started looking at how best we communicate with members, and what they think about their co-operative. Finally, we have started thinking how we could enhance our working relationship with the Midcounties Co-operative so we both support each other.

Q. What were the main findings of Natasha Hoare's study in which some of us participated? Any learnings for the Co-op?

A. Natasha Hoare completed her MA Thesis and also produced a summary report. The summary will be made available to E4A Co-ops and Members in the coming weeks. E4A are considering the key findings from Natasha's work and how to take the recommendations forward.

Q. Can new members enter the co-op and buy shares on resale.

A. We have in the last few years traded at par behind the scenes between members. In the past 12 months when people want to sell their shares Westmill has bought those shares back. However, in the longer term we want to look at ways of getting new members involved in the co-op.

9. Taking Our Co-op Forward

Josh Brown talked about the future working group that has been put together. The working group will look at how we operate and work. The group is made up of Board members of both Westmill Wind and Westmill Solar co-op. The group is in its infancy so not too much detail to provide at the moment. The group will be looking at the planning and lease of the site. We have also started to explore ways in which members can purchase their energy through the co-op. We are very keen to increase local engagement and hoping to work with WeSET to get our presence known in the local area.

Q. Can you clarify the difference between the wind and solar co-op, I am a wind member what is the situation with the solar co-op please.

A. The co-operatives are completely separate legal entities with their own boards, contracts and reporting arrangements. The returns paid by both co-operatives are different – depending on the performance of the turbines or solar panels. Both are member co-operatives but were established at different times. Westmill Wind is supported by Energy4All and Westmill Solar by Ethex.

The Boards have their own sets of directors – although Mark Luntley currently sits on both Boards. Over the last few years the two co-operatives have worked more closely together.

Q. Why would buying energy from ourselves be a good thing?

A. That is a good question, we can't sell electricity direct to members but for several years we have encouraged members to buy the electricity from the retail companies that we sell to – currently Co-op Energy/Octopus.

Q. Would it be possible to explore a group of community energy groups selling to members.

A. Westmill Wind & Westmill Solar have been talking to Co-op Energy / Octopus to establish if there is a potential model that could be developed. If we can make this arrangement work the intention is that it will be offered to other co-ops.

Q. What engagement with the Westmill Smartgrid and Storage CIC to work together on LEO?

A. Westmill Wind, Solar and WeSET have signed an agreement with the Low Carbon Hub to take part in project LEO (Low Energy Oxfordshire). LEO is a research project and has the potential to explore a range of technologies – including storage, the work is at an early stage however and any decisions about storage would need to be built on a sustainable business case.

10. Formal Motions

Motion 1 - To approve the minutes of the Annual General Meeting held on the 18th May 2019 (previously circulated June 2019).

Proposed by Mark Luntley and seconded by Eoin Lees.

Members present voted 57 for, 0 against and 9 abstentions. Online and postal votes totalled 102 for, 1 against and 21 abstentions. The chair held 39 votes in favour. The motion was approved.

Motion 2 - To receive and adopt the Report of the Directors and the annual Accounts for the year ended 31st December 2019, together with the Report of the auditors thereon.

Proposed by Mark Luntley and seconded by Mark Gill.

Members present voted 57 for, 0 against and 6 abstentions. Online & postal votes totalled 120 for, 1 against and 3 abstentions. The chair held 39 votes in favour. The motion was approved.

Motion 3 - To appoint the firm of Melville & Co, Chartered Accountants, as auditor until the conclusion of the next Annual General Meeting at a fee to be agreed by the Board.

Proposed by Mark Luntley and seconded by Geoffrey Ramshaw.

Members present voted 57 for, 1 against and 5 abstentions. Online & postal votes totalled 113 for, 3 against and 8 abstentions. The chair held 39 votes in favour. The motion was approved.

Motion 4 - To approve the distribution of £258,238 Member Share Interest from surplus profits and other operating income. A share interest statement will be provided with each payment.

Proposed by Mark Luntley and seconded by Martin Chaston.

Members present voted 63 for, 0 against and 1 abstention. Online & postal votes totalled 117 for, 3 against and 4 abstentions. The chair held 39 votes in favour. The motion was approved.

11. Appointment of Directors

Directors seeking election or re-election provided a short summary of themselves prior to each motion.

Motion 5 - To re-appoint Ruth Conchie as Director.

Proposed by Mark Luntley and seconded by Eoin Lees.

Members present voted 63 for, 0 against and 3 abstentions. Online & postal votes totalled 115 for, 3 against and 6 abstentions. The chair held 39 votes in favour. The motion was approved.

Motion 6 - To re-appoint Mark Luntley as Director.

Proposed by Annette Heslop and seconded by Robert Pedley.

Members present voted 62 for, 0 against and 3 abstentions. Online & postal votes totalled 115 for, 3 against and 6 abstentions. The chair held 39 votes in favour. The motion was approved.

Motion 7 - To appoint Josh Brown (Co-opted Director).

Proposed by Mark Luntley and seconded by Robert Dancey.

Members present voted 56 for, 2 against and 8 abstentions. Online & postal votes totalled 114 for, 4 against and 6 abstentions. The chair held 39 votes in favour. The motion was approved.

Motion 8 - To appoint Aude Duquesne (Co-opted Director).

Proposed by Mark Luntley and seconded by Chris Wilson.

Members present voted 58 for, 0 against and 6 abstentions. Online & postal votes totalled 115 for, 4 against and 5 abstentions. The chair held 39 votes in favour. The motion was approved.

End of formal business

Members Questions & Comments:

Q: Will the presentations be available on the website?

A: Yes we will make sure they are available.

12. Energy4All

Annette Heslop provided a brief update on the activities of Energy4All

- Recently raised £5.7m in record time through High Winds share offer.
- New offers coming soon in solar roof top and ground mounted and hydro
- More information www.energy4all.co.uk

13. WeSET

Mike Blanch stated there are educational resources available to download on the WeSET website and also information on the Westmill centre and how it is coming along.

14. Retiring Director Sara Heath

Sarah Heath is standing down and Mark thanked her for her valuable contribution to Westmill. A picture of the wind farm will be on its way to Sarah very soon. Sarah wished everyone the best and has really enjoyed her time on the Board.

15. Closing Remarks

The overwhelming response to the online AGM has been very positive and we have reached people who wouldn't normally attend. We will probably offer a digital and physical meeting in future.

Mark thanked the members, Ethex and Energy4All as a lot of work has gone on in the background from both companies.

An online questionnaire will be sent out for feedback on the AGM and we really hope to see you in person as well as online very soon.

Meeting closed at 12.40pm.

Signed as a true record of the meeting.

A handwritten signature in black ink that reads "Mark Luntley". The signature is written in a cursive style with a period at the end.

Mark Luntley
Chairman