



Bath & West Community Energy

Working to reduce our dependence on fossil fuels by developing, financing
and managing community-owned renewable energy projects.



Annual Report to April 2013

www.bwce.coop
Generating local energy

TIMELINE

Bath & West
Community Energy
highlights

JULY 2012

First AGM, five new directors elected from members, small surplus announced, 7% interest declared

AUGUST 2012

Hartham Park solar array completed



OCTOBER 2012

Development grant from B&NES

DECEMBER 2012

Development loan from SSE

JANUARY 2013

Worked with Transition Marlborough to set up Kennet Community Energy

FEBRUARY 2013

Completion of LEAF project with development of innovative model for schools to fund energy improvements



CHAIR'S STATEMENT 2013

BWCE has had another year of exciting developments. Considering this is only our second full year of trading, I have to say I'm delighted at how much we have managed to achieve.

In the past year we have installed additional solar PV capacity at Hartham Park and are developing some exciting wind, hydro and biomass projects. We are on the verge of launching a major new partnership with Wiltshire Wildlife Trust and have progressed our links with a number of other communities, interested in working with BWCE, to set up their own community energy enterprises.

One of the most difficult types of funding to raise, and a major stumbling block for many community projects, is the 'at risk' money. These are the funds needed to get a project from the 'good idea' stage to planning approval. So, we are very pleased to have secured significant funds for investment, in the early stages of our projects, from a mixture of grant from B&NES and loan from SSE. Additionally the SSE loan has the benefit of only being repayable if the project is successful. Many thanks are due to B&NES Council and SSE for their continuing support for BWCE and what we are trying to achieve.

Other local authorities in our area are being increasingly positive and constructive. Discussions are underway with Wiltshire County Council around potential projects and a more strategic partnership.

The coming year will be an interesting and hopefully exciting one for BWCE. We are still facing significant challenges, not least having to deal with the EU's decision to impose a potentially adverse import tariff on Chinese solar PV panels. If the full tariff is implemented it will have a significant impact on the viability of future solar PV projects.

In addition it seems that the UK Government has something of a split personality when it comes to climate change. However the Department of Energy and Climate Change may be beginning to take community energy seriously. Following DECC's Secretary of State Ed Davey calling for a 'community energy revolution' there is now a clear commitment to the development of a substantive community energy strategy. What government needs now, more than anything else is tangible, practical, evidence of what community energy can actually achieve.

BWCE and its members should be proud to be part of a growing UK-wide movement of community energy enterprises. We are providing clear evidence that community energy could and should be a major strand of the UK's response to climate change and energy security.

Peter Capener

Chair
Bath & West Community Energy



OPERATIONAL STATEMENT 2013

For the last 12 months our focus has been on developing larger projects. We now have a substantial pipeline of solar, wind and hydro projects. Assuming all goes to plan this puts us in position to achieve our target of installing at least 4 MW by 2015. We are currently generating 0.7 MW from solar pv.

As you can imagine these larger projects take a longer time to develop. Therefore we were pleased to receive planning permission for our first 1 MW solar project, the Chelworth Solar Array, near Cricklade, next to the industrial estate. We will be building the installation later in the year and are planning to supply electricity to industrial users on the site. There is a second 1 MW solar project on the Wiltshire Wildlife Trust reserve nearby at Sandpool but this is still waiting for a planning decision.

The River Avon has been a source of energy for centuries although it is little used for generation at present. We plan to change that and are working on two projects: a waterwheel at the Old Mill Hotel in Bathampton and an Archimedes Screw at the First Bus depot at Weston Island in Bath. After many months of negotiation we now have the Mill signed up and Weston Island close.

Wind energy has attracted much controversy this year. The disappointing adoption of an arbitrary buffer zone by Wiltshire Council has effectively stopped any new wind generation in that county. We have looked at several sites in Bath and North East Somerset, most of which

Bristol Airport has objected to on grounds of radar interference. However we will not be deterred in our ambition to add several wind projects to our portfolio.

Whilst most effort has gone into project development, we have not neglected our operations. At the end of July last year we commissioned our biggest solar project (250 kW) at Hartham Park in Corsham, beating the tariff reduction deadline by two days. This project is one of the first community-business collaborations in the country.

Despite the poor weather our schools projects have outperformed their targets and it has been nice to see the cheques arriving for the electricity we generate – the practical outcome of your investments in our community enterprise.

Once again I would like to thank our dedicated team for their hard work, deservedly recognised, in December, by our winning the REGEN SW ‘Best Community Initiative’ Award.

The next 12 months should show the fruits of our development work leading to more installations, more generation and less carbon in the atmosphere.

Jeff Kenna

Managing Director
Bath & West Community Energy

JULY 2013

Agreements made with Frome Council and Sustainable Frome for BWCE to help turn Frome carbon neutral

JUNE 2013

Planning permission granted for WWCE's 1MW Chelworth Solar Array. Contract signed for Old Mill Hydro



MAY 2013

Helped Kennet Community Energy install their 44Kw solar PV system on Wadworth Brewery



MARCH 2013

Heads of Terms agreement signed with FirstBus for Weston Island hydro



APRIL 2013

Partnership Agreement with Wiltshire Wildlife Trust to form Wiltshire Wildlife Community Energy



FINANCIAL REVIEW 2013

The financial results for 2013 reflect the activity of BWCE throughout the year. When the year started we were holding over £400,000 of funds raised from members. The first half of the year saw those funds invested in a ground-mounted solar installation, through Hartham Park Community Energy, a newly created company 90% owned by BWCE. All our installations are now generating electricity and we are receiving income from the sale of electricity. We have continued to keep our operational costs to a minimum.

We continue to reinvest the income made into development work on other potential projects. We have spent over £145,000 in seeking to develop a range of solar, wind and hydro projects. At the same time we have considered the scope for raising further funds to enable our work to proceed at a

faster rate, either in the form of grants, loans or by further share issues.

The combined figures presented in this report have been extracted from the audited accounts of Bath & West Community Energy and its subsidiary companies. The trading results show a combined surplus of £20,507 before allowing for interest paid to members in August 2012 of 13,160. There is no tax immediately payable because of taxation allowances available on our installations but there is a modest provision for deferred tax to date of £6026.

David Bunker

Financial Director | Bath & West Community Energy

FINANCIAL RESULTS

INCOME	2013	2012
Electricity generation income	125,416	20,108
Profit on project development	12,430	157,902
Grant assistance from B&NES	<u>22,002</u>	<u>55,011</u>
	159,848	233,021
Operating costs	<u>139,341</u>	<u>212,930</u>
Operating surplus	20,507	20,091
Interest paid to members	13,160	—
Combined surplus before taxation	<u>7,347</u>	<u>20,091</u>
ASSETS		
Solar installations after depreciation	1,467,130	1,058,523
Work in progress less grant assistance	108,033	—
Cash at bank and net current assets	<u>21,905</u>	<u>493,325</u>
	<u>1,597,068</u>	<u>1,551,848</u>
LIABILITIES		
Long term loans	817,588	779,715
Deferred tax	<u>6026</u>	<u>3,306</u>
	<u>823,614</u>	<u>783,021</u>
NET VALUE OF ASSETS	<u>773,454</u>	<u>768,827</u>

