

# MALVERN COMMUNITY ENERGY CO-OPERATIVE LIMITED

## Chairs Report for Annual General Meeting

### Generation and Income

Electricity generation is similar to last year (28,828 previous year 28,151). It is almost exactly what Malvern Cube uses, but not necessarily at the right time, so they buy about half (44.5%).

Income from FITs is based on all the electricity generated, with extra for the electricity sold to the Grid. Total income from FITs was £4,993 (£4,932 previous year).

### Distribution to Co-op Members

The HMRC rules for the SEIS scheme from which tax paying members received rebates does not allow repayment of capital invested for 3 years. So this is the last year the Co-op can only pay interest. The Directors have decided to pay out £965 in interest, which represents 2.3% interest. The payments are in line with the share offer.

Capital will be paid back progressively, starting next year. So next year members should receive a much bigger cheque, being a mixture of capital and interest. As capital is repaid, so the interest rate on each investor's remaining capital will increase.

### Future Plans

The drastic reduction in FITs, removal of SEIS and EIS for renewable energy schemes and caps on how much development can take place have led to a collapse of the PV industry. The additional very restrictive planning requirements have made onshore wind in England unworkable, Offshore wind is clearly too large scale for community energy schemes.

The Directors regularly talk to Sharenergy and attend conferences to stay up to date with the situation.

When the Co-op was set up we were working on the basis of providing 3 benefits. A community benefit (the Cube is a good example), a CO2 benefit and a reasonable financial return for Co-op members contribution in raising the capital.

The Directors are now seeing if there are any opportunities for further schemes where we can provide the first 2 benefits and ask future co-op members if they would value these sufficiently to accept a lower interest rate.

With PV it may be possible to do this if the following conditions apply:

- A relatively large scale scheme (this could be on multiple buildings)
- Ideally the buildings in single ownership so the legal costs can be reduced
- The buildings use a high portion the electricity generated (this means day time use)
- The buildings are in secure ownership for 20 years
- We can find a way that members' capital is not tied up for the full 20 years so that a low interest rate becomes more realistic.

### **Volunteer Effort**

I would like to thank the Directors for their volunteered time, effort and experience in running the Co-op for the last year and in particular mention Ian Caldwell how carries all the day to admin, meter reading, billing and much more on our behalf.

Robin Coates

Chair of Malvern Community Energy Co-op.