

# Community Energy Cumbria Ltd

## Chair's Report 2017

"The proof is in the pudding" was always a phrase I heard growing up. And so it is with community energy. With all the best will in the world, the right ethics, knowledge of appropriate technology, the benefits of using excellent local contractors and professional advisers, and the hearts, minds and wallets of local investors – there would be nothing of Community Energy Cumbria if it were not generating renewable power. It was therefore an early boon that our two first schemes were installed on time and within budget. And further testament to the quality of our installers – Ellergreen Hydro and Love Solar – as well as to your belief as investors – that of 31<sup>ST</sup> July 2017 we had already exceeded our annual solar pv target of 20,159kwh with five weeks of high summer still left. And with the winter and spring of 2016/17 being one of the driest since 1945, it reflects the resilience of Killington Reservoir Community Hydro that we were only down on our generation target by 16% - a deficit which we hope to recoup through 2017/2018 by installing a new debris screen on the outflow pipe to ensure maximum efficiency. Early signs point to the turbine being able to exceed generation at maximum capacity, so the signals are strong for future years.

These figures mean carbon saved, income generated and future capacity for CEC to pay interest payments to investors. But we must walk before we run and I agree wholeheartedly with the rest of the Board that, as this has been a part year for generation, we take a measured, cautious approach and withhold interest payments until next year when we are assured of the annual generation figures of both solar pv and hydro. By then we will have a clearer picture of annual management costs and should have built up a small contingency for cash flow purposes for unforeseen events. I believe this approach will help us to meet our long term aim of paying on average 5% per annum over 20 years, even if the first few years pay less. It will also mean that next year we should also be able to allocate a surplus into a community benefit fund.

Looking forward to 2017/2018, the Board of CEC has three clear objectives:

Firstly, the Board wishes to consolidate on the early success of energy generation from the solar pv and hydro schemes by ensuring that the maintenance and management of the equipment is sustained and any inefficiencies are identified early and rectified quickly (for example, debris, shading or cleaning requirements).

Secondly, now that the complexities of the installation phase are behind us, the Board will focus on strengthening the processes and responsibilities of governance and administration. This should create a more robust, transparent and accountable organisation, with biannual newsletters reporting to Members, community benefit fund developed, and interest payments formalised by the next AGM.

Finally, the Board will seek to identify new opportunities for the deployment of renewable energy schemes and the uptake of new technologies in the county, as set out in our Company Objectives. Several opportunities are being scrutinised in the Eastern Fells of the Lake District and we are also alert to the opportunities that battery storage and changing tariff regimes might bring. Resting in the armchair of a successful first year - it certainly will not be!

I hope that as Members of Community Energy Cumbria you feel a sense of pride in having played a vital role in the success of these two projects. Without your trust in the Board and your investment, there would be neither proof nor pudding that any of this was possible. Thank you.

***Phil Davies, Chair.***

30<sup>th</sup> August 2017