

Directors Report 2016/2017

For the directors of Energise Barnsley the start of the financial year was all about securing 'financial close' with Charity Bank, so that we could draw down on the long-term debt facility, and pay the contractors for the work undertaken.

As part of the bank due diligence the portfolio of installations had to be inspected by an independent third party, producing a report which then had to pass an agreed acceptance level. This is the first time a community energy project has had close scrutiny of its' solar PV installations, which although time consuming, and a significant cost to the project, will be beneficial for the long term.

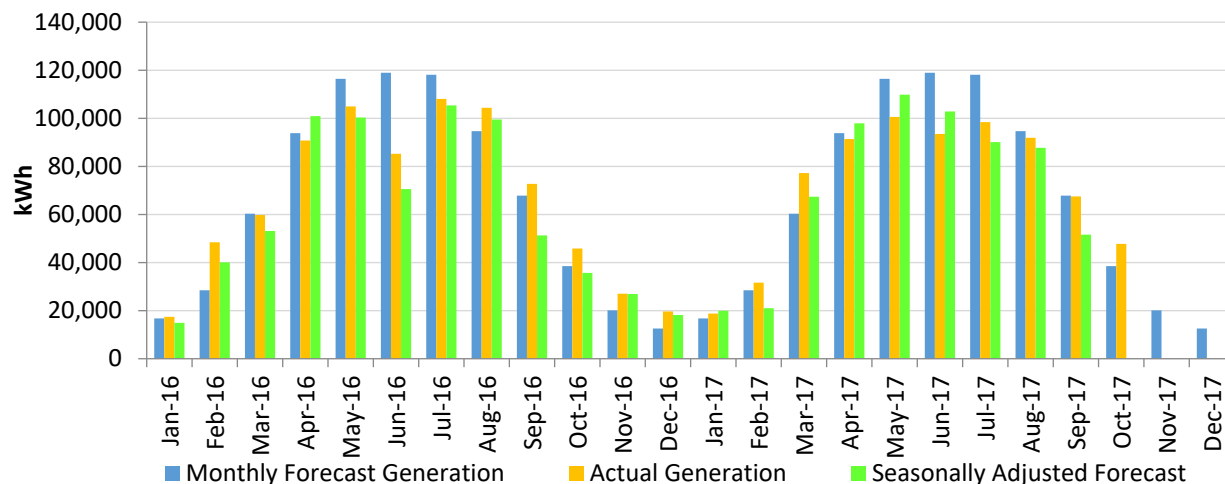
I am pleased to report that after being able to draw down from the Charity Bank facility, Energise Barnsley were able to repay in full the underwriting commitment by Ignite. The directors secured a late interest payment waiver of £5,000 in recognition of the delay by the contractor satisfying all the outstanding points in the third party technical advisory report, and as recognition of support from Ignite for the work of Energise Barnsley.

For our sixteen commercial solar installations, a number were over 30kWp installs, and therefore required an export meter to be fitted, in order for the export tariff to be claimed. The costs of installing the meter, and annual service, could outstrip the benefits, if a lot of the consumption of the electricity was used on site. The directors prudently arranged for a sum of monies to be retained from the contractor in lieu of any lost export revenue for the year, whilst export meters were fitted. With export meters fitted, and three to be fitted for settlement purposes, Energise Barnsley will now be able to invoice the council under the power purchase agreement for electricity consumed onsite, and for any surplus export.

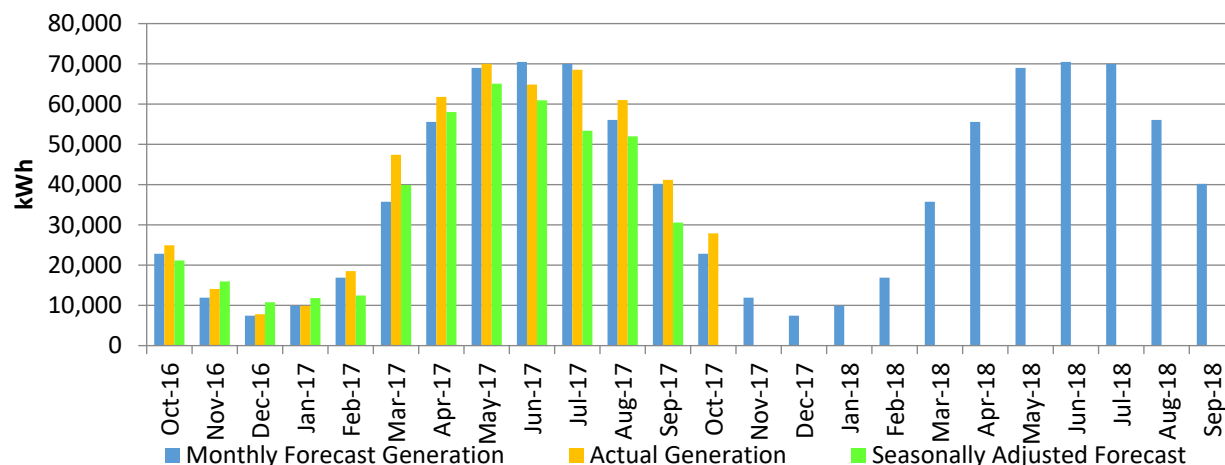
Under operations and maintenance over the twelve-month period site visits were conducted to replace two generation meters and one further visit to investigate minor shading issues on one of the installations, in the commercial portfolio. For the residential systems forty-two site visits were made, mostly to investigate and remedy communication issues from the meters. One generation meter and two inverters were replaced under warranty as part of this process.

During this same period for the residential portfolio we have engaged two 'Right to Buy' tenants who have had the solar PV installation. Under the contract with Barnsley Metropolitan Borough Council a process was set up for this scenario. One 'Right to Buy' has purchased their property and entered into a lease with Energise Barnsley, and the remaining two are currently in process.

The performance of the residential systems (chart below) has been in line with our expectations, and the tenants have been the beneficiaries of lower electricity bills. From installation to date, the systems have generated over 1,537 MW's of energy, offsetting over 815 tonnes of carbon dioxide emissions and collectively saving tenants over £65,000 (based on a 33% usage and 13p per unit electricity price).



The commercial systems were reduced in number by one installation, and have also performed in line with our expectations.



Energise Barnsley declared its' first bond interest payment of 5% on the anniversary of the bond. Any bondholders who did not receive their interest should contact us to arrange payment.

The community fund recipients for 2016/17 have made great use of the grant funding, aligned to the Society's aims. Our first Social Impact Report gives further details on how the monies were spent, by whom and the impact made.

Energise Barnsley succeeded in applying for Ofgem funding for our battery storage project in Oxspring, Barnsley, alongside our project partners Northern Powergrid and Moixa. Residential battery storage systems have been fitted in twenty-seven hours with solar PV, and the remainder without solar PV.

Energise Barnsley also became an internet service provider partner for those households without broadband, so that they could participate in the project, as the communication to the batteries relies on the broadband network. One electric dependant household also had DC lighting fitted, in addition to the battery installation. Feedback from the tenants has been positive, with the batteries selected being positively viewed. Data collected so far has some tenants not drawing on the grid for 60% of their consumption, as a combination of solar PV and battery storage fulfils their self-consumption. This project also made national news, with articles in the Financial Times, The Times, and even on the Australian ABC network, where one of our tenants was interviewed live for the radio.

On the back of the residential battery storage project, Energise Barnsley is looking for ways to be able to sell any exported solar PV energy, not back to the grid at five pence, but to neighbouring Berneslai homes properties, whose rooftop space was not suitable for solar PV at an agreed discount to the grid consumption price. Energise Barnsley, along with project partners, is part of the 'Ofgem Sandbox' programme to see whether some energy deregulation for our pilot project, would make the test case work.

For our commercial battery storage projects, Energise Barnsley has put forward a Cabinet Paper to Barnsley Metropolitan Borough Council for a 7MW standalone storage project. If this is successful, delivery will be in 2018.

On a personal note I have been asked to represent Energise Barnsley, and Community Energy England, on the Energy Networks Association Distributed Energy Connections Steering Group, in recognition of the pioneering work our Oxspring battery storage project has been producing.


We are also glad to report that Energise Barnsley, in conjunction with Barnsley Metropolitan Borough Council, received a 'Highly Commended' award in the Community Energy England and Wales local authority award, at City Hall, London. The award stated that:

'Energise Barnsley is a nationally significant project which has been pioneered by Barnsley Metropolitan Borough Council. It was highly commended for the high level of complexity, innovation and integration into the lives of the community. It has overcome major financial obstacles to install solar PV on council tenant houses and develop a 7MW battery storage standalone facility.'

Energise Barnsley would like to deploy more solar PV across the residential portfolio in Barnsley, without the need for government subsidies (Feed in Tariff). If we can crack the ability to be able to sell excess power to neighbouring properties, a model should not be too far off, given the falling solar PV prices, coupled with the ability to replicate 'micro-grids' for our tenants.

Warmest wishes,

Signed 14 November 2017



Andy Heald
Director
On behalf of Society Directors