

# Sheffield Renewables AGM

27th February 2021



# Chair's Report

# Sheffield Renewables

We are... a **community and a social enterprise**, that develops, funds, builds, owns and operates renewable energy schemes.

**Run by and for local people.**

**Profits support local initiatives**

All about **participation**: involving local people as **volunteers** and **investors**

Part of a **growing movement of community energy projects** across the country



# Why we do it

- ▢ **The Environment:** Renewable energy, CO2 savings, profits fund more green initiatives, looking after our environment and society
- ▢ Belief in the **strength of working together:** building a community to work towards a more sustainable city
- ▢ **New ways of doing business:**
  - ▢ Social Enterprise: profits re-invested
  - ▢ Co-operative: democratic decision making
  - ▢ Community financed and owned
- ▢ **Pride in Sheffield** – a positive contribution to the city



# Year in Summary

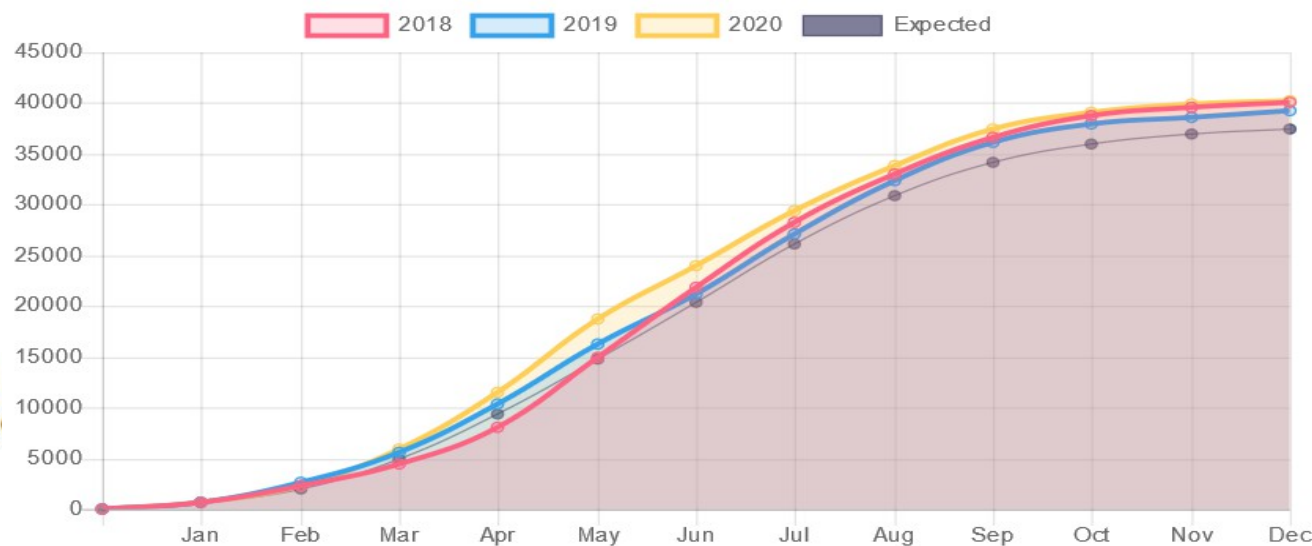
- October 2019 – Sep 2020
- Successful year of generation
  - Greater generation than the original estimates
  - Payment holiday for Paces, as we were unable to accurately monitor usage/export.
- Another frustrating year in terms of getting new projects
  - £47k capital still unspent
  - COVID has limited our ability to find sites and explore new projects
  - A project is in advanced stated of development



# Operations Report

# Paces Campus 50 kw

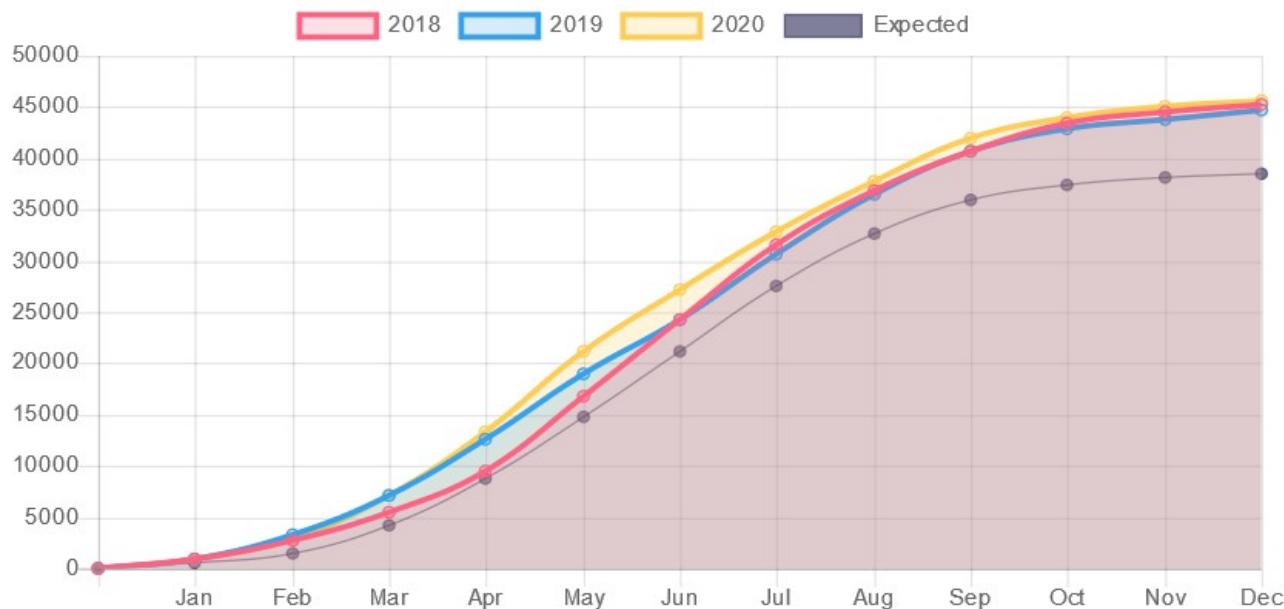
- Installed May 2014 : Total Production 274,241 kWh
- Contract with SSE



2015	43,869
2016	39,624
2017	39,059
2018	40,072
2019	39,170
2020	40,537

# Swinton Primary School 50 kw

- Installed November 2014 Total Prod. 274,223 kWh
- Contracts with Npower
- Export metering expensive but covers costs and generates small surplus

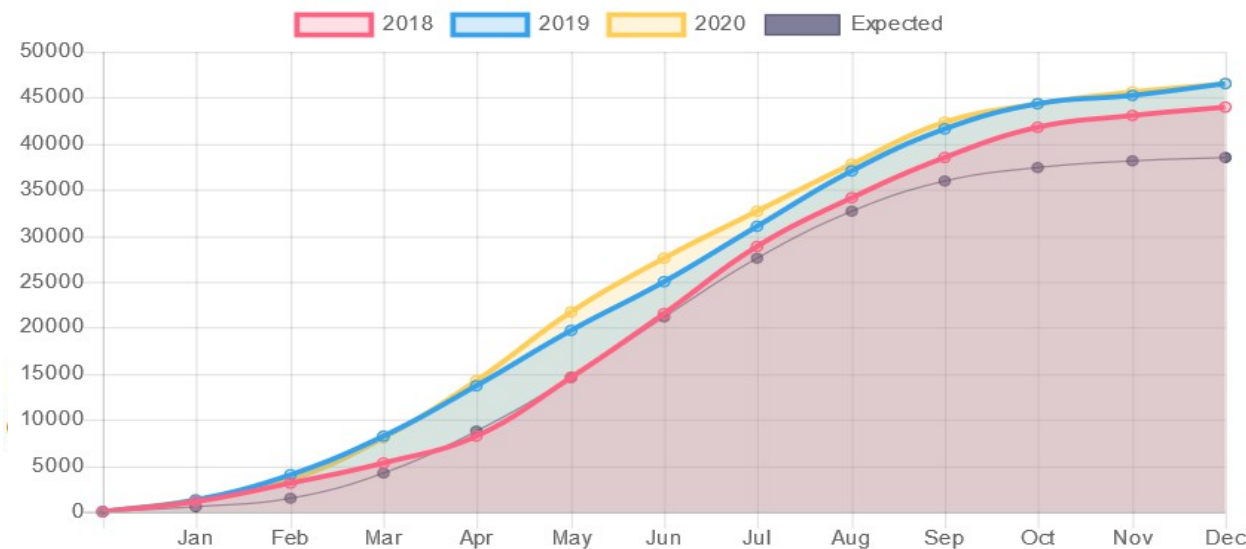


2015	46,466	
2016	44,612	
2017	42,569	13,805
2018	45,244	18,011
2019	44,649	19,728
2020	46,065	22,607



# SYPA Attercliffe 50 kw

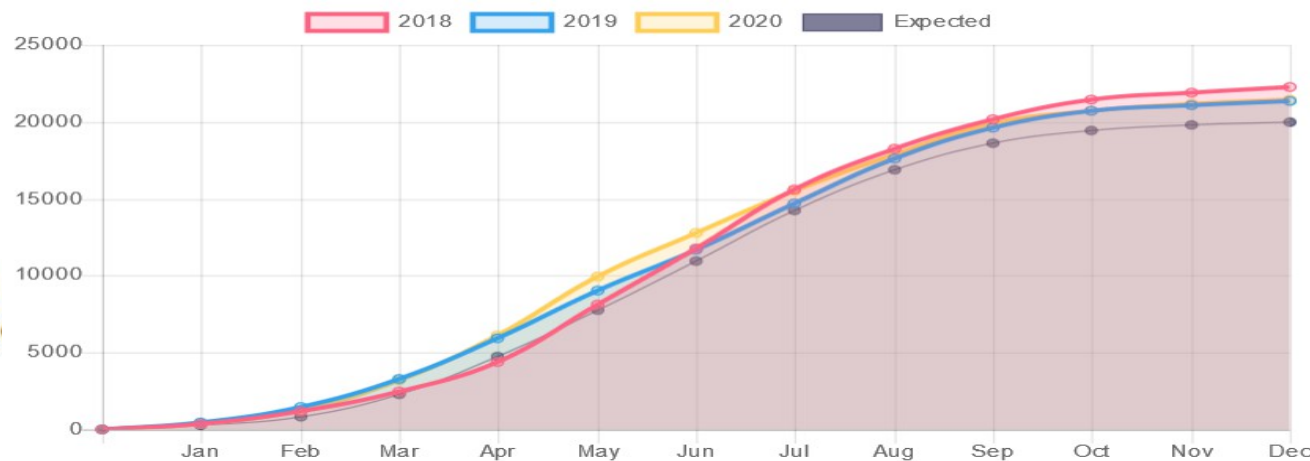
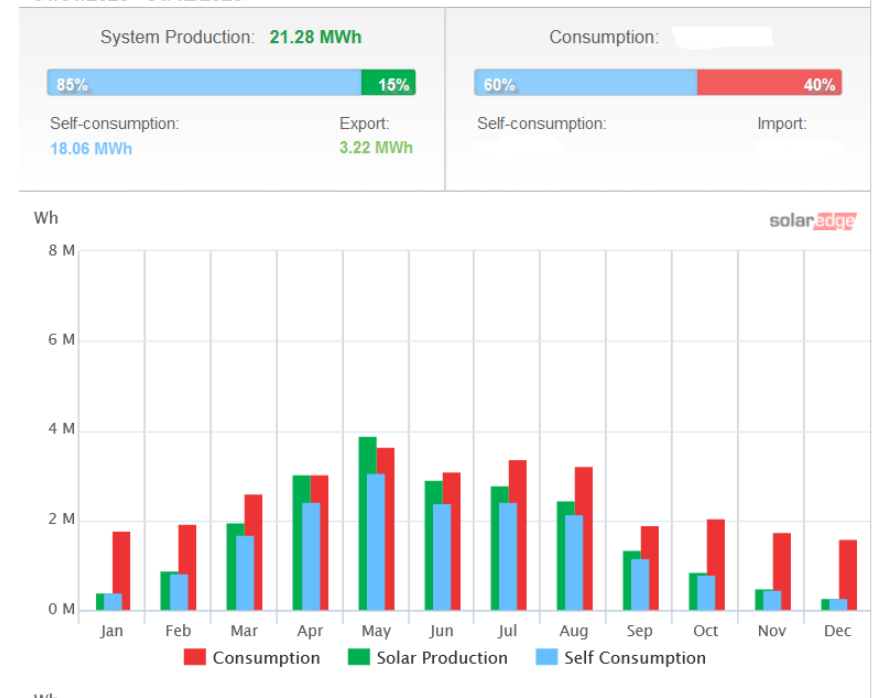
- Installed November 2015 Total production: 231,629 kWh
- Contract with Npower



2016	45,520
2017	45,008
2018	44,064
2019	46,455
2020	47,127

# Lembas 26.4 kw

- Installed Dec 2016 Total Prod.: 87,763 kWh
- Contract with Good Energy
- 50% deemed export paid by Govt. along with FIT
- Unmetered Export but monitored by system



2017	21,185	3,070
2018	22,258	3,240
2019	21,367	3,000

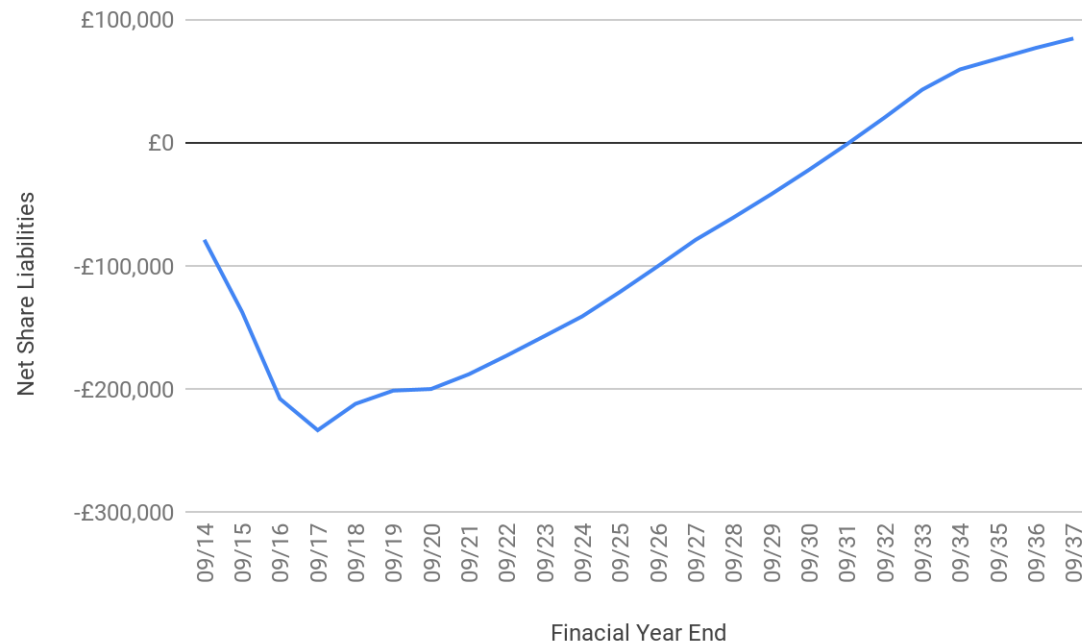
# Financial Report

# Organisation Finances Summary

- Nearly **£230k** of revenue (electricity sales and fee income) since first scheme became operational
- Total electricity generation now more than **860,000 kWh** since first scheme became operational
- Capital returned to investors to date: **£48,038**
- Interest paid to investors: **£23,850**
- Community Benefit Fund to date: **£13,120**

# Sheffield Renewables Financial Projection

- Modelling of future projects for the organisation
- Allows board to understand risks to the organisation
- At the end of project (~20 years) the panels are given to the building owners
- Requirement that all capital is removed from the organisation by the end of last project
- Net Share Liabilities = Organisation Cash - Remaining Shareholding

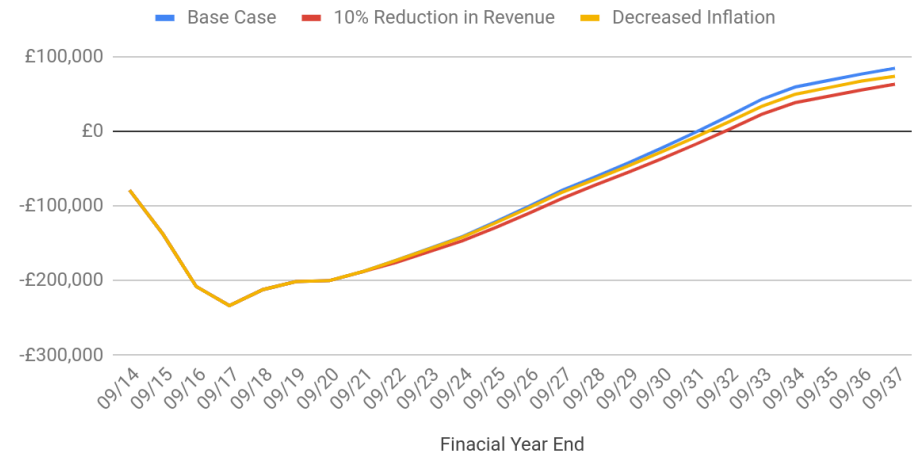


# Organisation Risk Assessment

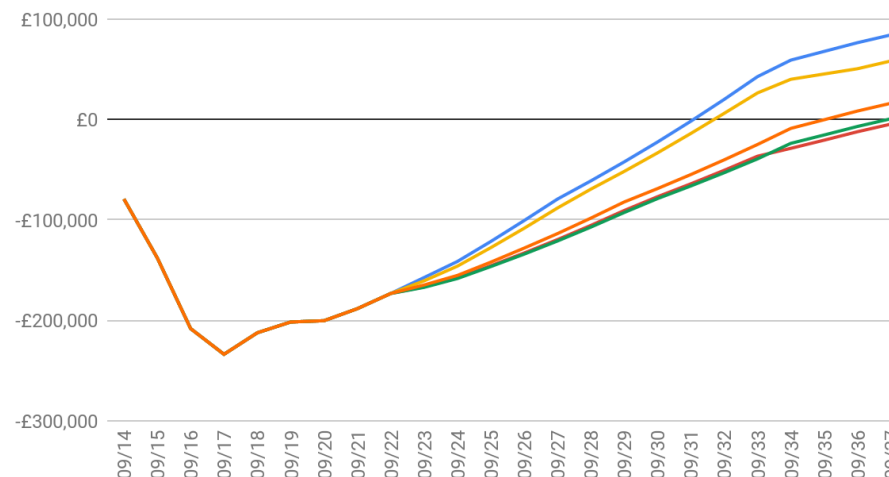
Base Case and Lack of Investors Wanting Returns



Base Case, 10% Reduction in Revenue, Decreased Inflation and Increased Inflation



Loss of Partner Organisation with No Compensation





# End of Year Allocation of Surplus

# Sheffield Renewables Funds

## ● Unrestricted Funds:

### ● Reserves

- Inverter Replacement Funds
- Operational Reserves
  - Including a reserve to employ project manager if needed
- Contingencies

### ● Revenue from

- Electricity Generation
- Fees for external activities

## Restricted Funds:

### ● Unspent Raised Capital

### ● Allocated Grant Money

### ● Uncollected Capital Repayments

### ● Uncollected Interest Payments

### ● Unspent Community Benefit Fund

# Priority of Payments and End of Year Process

- 1) Operate and maintain the PV schemes,
- 2) (Repay loans and pay interest on loans and pay tax),
- 3) Maintain our reserves,
- 4) Set aside funds to repay share holders who wish to 'cash in' their shares.
- 5) The remaining funds will be split between Community Benefit fund and interest payments to shareholders. For every £2 we pay in interest we will aim to pay £1 into the CBF.

- 1) Calculate the total unrestricted funds
- 2) Calculate the total funds we require to operate over the next year
- 3) Calculate the total payments to investors and CBF
- 4) Check that the total unrestricted funds exceeds the liabilities plus the payments to investors
- 5) Convert the payments to investors into restricted funds in anticipation of payment
- 6) Calculate the balances brought forward in the unrestricted funds

# End of Year Cash Assets

a) Operations:		
£35,974		
c) Restricted:		£0
d) Reserves:		£17,500
e) Unspent Capital:		£47,699
ei) Un-Collected capital		£317
eii) Community Benefit Fund		£7
eiii) Uncollected Interest Payments	£1334	
eiiii) Hydro Capital		£2,250
<b>f) <u>Total Unrestricted Organisation Cash Assets (a+d):</u></b>	<b>£53,474</b>	

# Ongoing Liabilities

g) Yearly operation of Sheffield Renewables:

£4,300

h) Emergency maintenance:

£1,000

i) Inverter fund ( $18 * 8,000 / 10$ ):

£14,400

j) Membership Management Cost

£4,500

**Total Liabilities (Reserves Required)**

**£24,200**

Available assets to pay shareholders =  $53,474 - 24,200$

**Net Total Unrestricted Available Assets:**

**£29,275**



# Calculation of Capital Repayment and Interest

A) Total Invested Capital:

£245,481

Ai) Shares not yet liable for interest

£0

B) Investors Waiving Interest:

£21,891

C) Non-converted capital :

£2,250

D) Capital subject to interest payments (A-Ai-B-C):

£221,340

E) Capital subject to COM BEN payments (A-Ai-C) : £243,231

F) Capital Repayment:

£18,986

G) Interest at 3% of subject capital (D/100\*3):

£6,640





# Agreement of Proposed End of Year Process

## ● Capital Repayment

— £19,303

— Slightly higher due to underpayment last year

## ● Interest Payment

— £6,640

## ● Community Benefit Payment

— £3,655

— Slightly higher due to underpayment last year and Trine repayment will be added.

# Community Benefit Fund Proposal



# Community Benefit Fund

The Community Benefit Fund (CBF) is designed to use revenues to support organisations that have the same objectives as us

We particularly wish to support projects that can achieve a social benefit whilst helping the environment, for example by addressing fuel poverty.

However the decision for its use is down to the membership



# Community Benefit 2018-19

- Last year we allocated £3,846 to the CBF
- £3076.80 to South Yorkshire Energy Centre
- £769.20 to Trine (Solar Investments)

# Proposed Organisations

- These were drawn from suggestions from members and the board in advance

## Home Projects

- South Yorkshire Energy Centre to help to address fuel poverty
- St Wilfrid's to buy a solar PV panel for their allotment.
- Hope for the Future
- Heeley City Farm

## Overseas Proposals

- Energise Africa
- Solar Aid
- Trine



# South Yorkshire Energy Centre

- Sheffield Council says (2015) an estimated 34,000 households – out of 230,000 in Sheffield – are living in fuel poverty where they have to make decisions between keeping warm or eating regularly.
- South Yorkshire Energy Centre works with vulnerable and at risk people to help reduce their fuel bills and energy use.
- Shelly McDonald, centre manager, said: “We provide people with really practical advice and support to help them get their energy bills down and make them more affordable. “Small changes at home can make a huge difference to people’s bills and wellbeing.”
- The Centre is the only not-for-profit, energy efficiency demonstration centre in South Yorkshire.





# St Wilfrid's Centre

- St Wilfrid's Centre is a community where homeless, vulnerable and socially excluded adults can find understanding, practical assistance, a sense of belonging and the support to regain self-esteem.
- The donation would be used to to buy a solar PV panel for their allotment.



# Hope for the Future

- Hope for the Future is a Sheffield based climate charity which works to equip communities, groups and individuals across the country to communicate the urgency of climate change with their local politicians.
- Their vision is to see communities and their elected representatives across the UK come together to take decisive action on climate change.
- The donation would support them to continue to offer our training and resources.



# Heeley City Farm

- Heeley City Farm identifies, confronts and addresses the problems of poverty, inequality, prejudice and lack of opportunity in our inner city community by supporting and promoting community regeneration and self help within environmentally friendly and self-sustaining systems, using the background of a mini farm, community gardens and related resources.
- Heeley City Farm is a registered charity and receives no core funding from the Council to help run the site and the community projects that we provide. They rely heavily on the generosity of others and small pots of funding to provide certain services for groups and individuals.



# Solar Aid

- SolarAid is an international charity founded in 2006 to combat poverty and climate change. Through our social enterprise, SunnyMoney, we provide access to solar lights in Malawi and Zambia to help catalyse solar markets with renewable light.
- 548 million people in Africa alone have no access to electricity. Without electricity families have no clean source of light, leaving millions to rely on expensive and dangerous alternatives.
- Solar lights are safe, clean and affordable. It is a small, but smart innovation which gives off hours of light in the evening so families can earn, learn and feel safe after dark. Just one lamp can transform the future for an entire family and is the first step out of poverty.



# Trine

We make it easy for people to invest in solar energy in growing markets.



# Energise Africa

Sustainable and ethical  
investments that empower you  
to fight climate change



**ENERGISE**  
**AFRICA**