

Annual Report ECOE (Jan 2014 to 2015)

ECOE formally came into existence in January 2014 when we became a Registered Society for the benefit of the community. Our vision is for community-owned renewable energy projects to both address present day energy related challenges, and bring about practical change in our community that benefit our city, its people and the environment.

The Financial Conduct Authority accepted our primary rules and ECOE was born. In this report you can read about what ECOE has achieved and some of the difficulties we have faced since January 2014 and our ideas for the future.



Solar PV 1

This, our first project, involves installing approximately 250kWp on large rooftops with roof owners signing 20 year leases for their roof space. The solar panels are installed at no cost to the roof owners and all project management and maintenance for the 20 years is carried out by ECOE. Local people buying withdrawable, non-transferable shares provide the necessary investment, expected to be about £350,000 and other finance would be arranged if required to meet this target. A return of 5% is anticipated to be paid to the members on their investment, however investment in a community benefit society should be for social and economic reasons rather than economic alone. Income comes from the discounted sale of electricity to host sites, exporting electricity to the national grid and the government's feed-in-tariff. It provides the return to investors as well as covering the running costs of the organisation and establishing a 20-year community fund for energy-related projects. This will provide income to assist the transition towards a more sustainable future, changing the way we produce, use and think about energy.

Financial and business development

While exploring possibilities for roofs we have also developed processes and models for our project that will form a sound basis for a share offer when it is launched. This has included developing a business plan, which has been aided by support from the Fruit Tree and Plymouth Energy Community, and includes a

thorough summary of our organisation and its present and future approach to realising our aims. We have also developed a robust financial model in order to test the financial viability of given sites, how they perform when grouped together and how this affects the finances of the overall organisation. We are grateful to the Co-operative Assistance Network, OVESCO and Spire Accountants for their support developing this. We have also become registered for VAT, set up a bookkeeping system and had our project advance assured for Enterprise Investment Scheme (EIS), which will give eligible investors 30% income tax relief when the share offer is launched. All of this means that although we are not yet ready to launch a share offer, as sites have not been secured, we have much in place and ready to go when enough sites are confirmed.

Early stages funding

We are indebted to a number of people and organisations for helping to fund our early stages development. Early in 2014 we received £3,000 from the Exeter Board, a joint committee of Exeter City and Devon County Councillors and £1,500 from the Quaker Sustainability Fund towards developing a brand, logo and website, running a community engagement event, developing the first draft of our business plan and project management.

In March 2014 we also received £6,000 from the Department for Energy and Climate Change/Centre for Sustainable Energy and £1,000 from the Energy Saving Trust towards running the Big Community Energy Weekend. In December 2014 we were awarded £2,000 by the Naturesave Trust and £4,050 from the Devon Community Energy Accelerator Programme, funded by Devon County Council and run by RegenSW towards progressing our project towards a share offer.

We have also received extremely generous donations and advance investments of over £17,000 from our supporters. This level of funding has allowed us to pay two of our directors to provide project management and expertise in communications and community engagement.

Progress

Over the last year we have carried out over 300 desk top surveys (thanks to SunGift for providing this), we approached over 60 organisations, had meetings with about 20. As a result we have signed two Heads of Terms agreements, the first stage of agreeing leases with owners.

At least five organisations may have said no to us because they are planning to install their own PV systems. So, not the change we aimed to implement, but change nonetheless!

Initially our focus has been on community roofs as this would provide more benefit to the local community but when there was little uptake we extended our search to include commercial roofs although we have prioritised independent organisations who are more likely to share our values.

We have set up a preferred installer scheme through, which eleven local installers applied to become one of ECOE's preferred installers. Our chosen four are Clean Earth, Hyde Park, Sol Electrical and SunGift. We have successfully gone through a competitive quote process for Shillingford Organics and Wonford Community and Learning Centre, the two organisations who have signed Heads of Term with SunGift and Hyde Park winning respectively. We are now working to resolve legal and technical issues that have arisen at these sites.



Martyn Bragg and Gill Wyatt with the signed heads of terms

Solar PV 1's progress has been far slower than we initially expected. One reason is related to as yet not being able to use any of Devon County Council owned properties and only one belonging to Exeter City Council, Wonford Community and Learning Centre. However both DCC and ECC have been supportive of ECOE with regards providing funding. ECOE has realised that our offer doesn't seem to be attractive enough to roof owners. We are currently researching possibilities of alternatives to our business model.

In April 2015 we were awarded £18,500 from DECC's Urban Community Energy Fund. This money is enabling us to extend our search to all roofs in Exeter by commissioning mapping experts BlueSky to do a desktop survey of every roof in Exeter with enough space for at least 30kWp of solar PV and to fund contacting potential roof owners, developing relationships with interested roof owners, paying for expert technical advice at potential sites, legal services to secure agreements with roof owners, running events, producing a range of printed marketing materials and making a short promo film about our project

The Bluesky survey has provided 300 further roofs that are potentially viable. We are now we are now using this data to prioritise local businesses, community organisations and public sector buildings. After this we will approach national and international businesses as it has been suggested these may be more interested in partnering with us due to their corporate social responsibility targets.

Communications and Community engagement

In January 2014 we worked with local design agency Sound in Theory to develop our logo and brand. We launched our website soon afterwards. They have continued to provide all of the design for ECOE. We have also developed a social media presence on Facebook, twitter and LinkedIn, with a total of over 1,500 followers across these platforms. We run a monthly newsletter, which has over 400 subscribers. We have been featured in a range of print, broadcast and online media,

including the Exeter Express and Echo, BBC Radio Devon, Radio Exe, Reconnect Magazine and others.

We have a group of 40 volunteers who help ECOE in a range of different ways: joining subgroups, updating the website, distributing posters, helping at events and stalls, carrying out desktop surveys, contacting roof owners, attending meetings with roof owners, helping with funding application, baking cakes and so many more different way. Volunteers are the backbone of ECOE and we very much appreciate their help.

Starting with our official launch event in February 2014, we have held numerous events focused on our organisation, our projects and the wider energy and community energy sector, as well as attending third party events, fairs, festivals business briefings and more.



Soft launch event Feb 2014



Tour of Montgomery School, BCEW

The Big Community Energy Weekend

In May 2014 we organised a weekend long series of events around community energy in and around Exeter. This started with a stall at the IPCC event at Exeter University where many very useful contacts were made. 24 green open homes in Exeter, Crediton, Teignmouth and other places opened their doors to inspire others. On the Saturday we held an energy fair at Montgomery School in Exeter – Europe's first Passivhaus school - with suppliers and installers of renewable energy and energy efficiency products, as well as experts and advisors. This event was opened by local MP Ben Bradshaw, who has supported ECOE from the beginning. We also programmed a series of talks on useful and topical subjects, including our own Solar PV1 project, provided energy-related events for children and organised tours of the school. Although overall visits to the green homes were a little lower than expected, we had chosen the first warm sunny weekend of the year and an extremely popular tour left from Montgomery School with 20 people.

Governance

During our first year we have developed our structures for governance to meet the needs of ECOE. We collectively drafted our Secondary rules which are now available on our website at www.ecoe.org.uk/about/ <<http://www.ecoe.org.uk/about/>>

These set out our principles of governance as an effective, transparent, democratic, inclusive and learning organisation. It also describes our membership, structure, specific roles and policies. We have been implementing our secondary rules by holding regular directors meetings that make decisions by consensus where possible. We have also set up subgroups to work on specific tasks which feedback to the directors. We have appointed a Chair of the board, who currently is also the Chief Executive, an Executive Director responsible for Communications and Community Engagement and a Company Secretary. We continue to develop the roles as we learn the most effective way for them to work with the Board of Directors.

The Future

With completing our first year, we wanted to review our journey so far and think about possible future developments. So in May we held a strategy day, which included self-evaluation by the directors present and 360 degree feedback to continue our development and learning. This was alongside reviewing our first year, the strengths of the ECOE and the difficulties faced so that we could assess possible new directions for the next few years.

Ground mount Solar

ECOE has researched the possibility of ground mount solar. We approached one landowner who after considering the possibility decided to stay with the offer from the developer, which didn't include shared ownership.

Shortly after this we were offered a shared ownership opportunity with Solstice Renewables at a site near Exeter airport. Having quickly found out that our supporters were in agreement in principle, we supported Solstice Renewables planning appeal and now wait to hear the results. We learnt late in the day this site involved best and most versatile (BMV) land. We know there are mixed feelings concerning the development of solar farms when BMV is involved. We therefore decided to provide information about the benefits of community-owned renewable projects and the benefits to ECOE of succeeding with our aims, leaving the question of grade of agricultural land to the experts. The site we would have would only involve 3a/3b land.

Other possibilities

We are currently investigating a range of possibilities including energy efficiency, RHI, domestic solar and local energy supply. At recent events we have asked our supporters for their preference and during the public meeting prior to the AGM on June 22nd some of these will be presented.