

Management Committee Report to 2019

1. Introduction

Welcome to the first Annual Members' Meeting of the North Uist Development Company (Trading) Limited (NUDC-T) Community Benefit Society. This report provides an overview of achievements to date and plans for the year following September 2019 for UistWind.

2. Achievements

There were a number of key milestones which were imperative to enable the move from development to construction for the UistWind project. NUDC-T successfully negotiated an agreement with the Ministry of Defence which were signed by all parties in December 2018. With the acquisition of a CARES enablement grant, NUDC-T were also able to place considerable efforts into the Community Share Offer, and reached £453,850 through this Share Offer with over 240 investors in January 2019 (more than £100k over the minimum for the project to proceed). Due diligence was completed; achieving loans of £2.4 million from Triodos Bank UK and £575,095 from the Energy Investment Fund; and construction was underway in March 2019.

Despite numerous construction issues, Turbine 2 was fully commissioned and exported power to the Grid for the first time on the 2nd of August. Turbine 1 was fully installed on the 20th of August, exported power to the Grid for the first time on Friday 13th of September 2019. The FiT accreditation convert to full application was submitted on Friday the 6th of September on the same day as the G99 was completed for Turbine 1.

UistWind was also shortlisted for Best Community Energy Project in the Highlands and Islands Renewable Energy Awards 2019 and attended the event in Inverness on Thursday April 25th.

UistWind also successfully collaborated with Strathclyde University, Community Energy Scotland and ENERCON on its School engagement day in July 2019. The islands next generation were taught about wind turbines, climate change and what we can do to combat climate change, with groups winning prizes donated by ENERCON. The children then taught us how to carry out a survey on what they would like to see the Community Benefit funds spent on.

3. Appointments

MacInnes Brothers Ltd, Bryan J Rendall Electrical Ltd and ENERCON were appointed as contractors for construction. ENERCON were appointed as Principal Contractor from June 2019. Locogen Limited were appointed previously as Project Managers and Asset Managers. For legal due diligence, the selected solicitors from the Triodos tenders were TLT. EIF appointed their own solicitors, Brodies Plc. Anderson Macarthur solicitors were appointed for property issues prior to due diligence and continued as the NUDC-T and NUDC solicitor through due diligence. The aviation consultant's appointment: DBS Consulting; ended in the summer of 2018. TLT and Anderson Macarthur also provided legal advice during negotiations with the MoD. For communications and establishing the Crowdfunder site during the final Share Offer campaign, Joanna Macleod, Katie Laing

and Vincent Hamil were appointed for a fixed fee. Katie Laing has continued assistance with PR from Enablement Grant funds. SignPrint (now Intermedia Services) were contracted for printing as well as use of printing facilities at the Claddach Kirkibost Centre.

Triodos requested the appointment of an independent Project Manager, Susan Clark from Glen Consultancy; which has been partially funded by HIE. Greenbank continued their appointment for the financial models of the project, as did Mann Judd Gordon accountants for financial reports, tax returns, updates of Xero, general advice and the investor register. Moneycorp were contracted to fix the Euro exchange rate throughout the project for ENERCON payments. Opus Energy were appointed for Energy import for the wind turbines. SSE were appointed for the MOP meter contract. EDF were appointed on a 12-month basis for the Power Purchase Agreement. EE were chosen as the SIM provider for 3G/4G access to the turbines.

ENERCON also have the maintenance contract for the wind turbines, and with the Asset Management team at Locogen Limited, will be working with QinetiQ on the MoD agreement.

An additional member of staff is currently being recruited for NUDC-T for bookkeeping and general office duties.

4. Financials

The facility agreements were signed with EIF and Triodos bank in February 2019 with documents officially dated on the 19th of March 2019. There have been 4 utilisation requests with Triodos Bank to date. We provisionally expect the final utilisation request to be submitted on the 31st of October 2019; at which point the final operational model will be actioned; followed by close of the Construction Facility and a move to the Operational Facility and finances transferred to the debt reserve account as per the Facility Agreements. At the point of transfer to the Operational Facility the VAT facility will close. The Operational model will not be produced until the final utilisation request. There are some remaining aspects which need to be completed on-site, including fencing, signage and road repair; but the site is almost complete. Operational costs include energy import, monthly SIM, loan interest, accountancy, asset management, lease payments, insurance. The first backdated FIT payment is expected in February 2020, and the first PPA payment should be available shortly.

There will be further negotiations with ENERCON regarding additional costs incurred due to unexpected issues during construction. These are currently expected to take place at the beginning of October.

The financial report for 2018/2019 is now available.

The Community Benefit Survey closed on the 10th of September 2019 and the Community Investment Plan was provided to the banks the following week and published on the website. This provides initial guidance on the delivery of the community benefit fund as decided by the North Uist community, and will be revised in future years once funds become available.

NUDC-T aim to have another Share Offer this time next year, to attract more investment with an aim to clear the higher interest EIF loan once permission is sought from Triodos Bank UK, which will improve the future finances of the project. This will enable a year's generation for prediction of future cashflow.

5. Management Committee

The original Management Committee for NUDC-T consists of the Chair, Mustapha Hocine, also of NUDC; Catherine Macleod, Member of NUDC-T and also of NUDC; Andrew Ross, former NUDC Development Officer and community representative; Alastair Macleod, Member of NUDC-T. Additional Directors from NUDC have also assisted with UistWind. At the first AMM, the Management Committee will step down to enable the election of the Management Committee from September 2019 onwards. The rules of NUDC-T state there should be a maximum of 12 Members of the Management Committee, with a maximum of 3 from NUDC on the MMC. An election process with ballot papers shall be delivered at the AMM. Any nominations should be submitted before the 18th of September. Members are the investors of NUDC-T and only Members of NUDC-T are able to vote.

6. Summary

The past 18 months have been an extremely intense period of time, with numerous achievements in a short space of time after many years of attempts at delivering this project. Additionally, the project has encountered and overcome numerous issues during development and construction which is an achievement in itself. This is thanks to dedicated members of staff and contractors who have been willing to put in the extra hours whilst placing their life on hold to meet the project's needs. Thanks goes to Ameena Camps, Project Delivery Manager; previous Development Officers Andrew Ross, Malcolm Turner and Pam Roe; and, Noa Portela and Stuart Hamilton of Locogen Limited. Thanks also goes to earlier members of staff of NUDC Alastair Macleod, Donna Matheson, Alison Cropper, Elaine Cleary and all the Directors over the many years of the project's conception and development.

The next 12 months will be focussed on finalising construction and the construction site, closing off construction finances and the move to the Operational Facility, close monitoring of the finances and generation and, further relationship building with the banks, Locogen asset management team, operational contractors and QinetiQ. There are also plans for further school engagement including a 'name the turbine' opportunity. There are some further challenges ahead, but the project is on track and generating renewable energy for the future benefit of the North Uist community.