

Management Committee Report 2020

1. Introduction

Welcome to the second 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 October 2020 for UistWind.

2. Achievements

There was a period of settling in for the two wind turbines, with some minor faults appearing in the earlier months of operation; but since the first few months, the turbines are performing very well, generating more renewable electricity than was original predicted. UistWind achieved a significant milestone in September 2020 as it generated enough electricity to power every single home on the island of North Uist. The two Enercon 900kW E44 wind turbines at Criongrabhal near Clachanna-Luib generated 6,129,000 kWh of electricity between commissioning on 13th September 2019 and 8th September this year – just beating the annual consumption figure by 5 days.

The second good news story in autumn was the announcement that UistWind has been shortlisted again as a finalist at this year's Scottish Green Energy Awards: for the Best Community Project Award and the Best Engagement Award. Scottish Renewables made the official announcement on Monday, October 5th, after considering more than 100 entries. This year's Scottish Green Energy Awards will see 44 individuals, companies and projects as finalists for awards in 12 categories at a virtual ceremony on November 26 which is free to join, see <https://www.scottishrenewables.com/events/112-sgea20>.

North Uist Development Company continued to share the lessons learned from the project last year in November 2019 at the Clean Energy for EU Islands Forum; at the 'Empowering Islands To Achieve Their Energy And Climate Targets for Scotland and Ireland' webinar in June 2020, and are also involved in the Uist & Barra Community Energy Forum.

3. Appointments

Locogen Limited continue to be involved in their Project Manager role to complete some outstanding items such as retention payments, the final grid agreement, smart energisation, signage and gates; however, their focus is now as Asset Managers. Anderson Macarthur remains as solicitors for legal aspects of the project. Intermedia Services are working as the printers for the re-issuing of share certificates. Greenbank continue their appointment for the financial models of the project, as the known renewable experts in this field, including ongoing model updates for each calculation date. Mann Judd Gordon accountants are continuing in their role to produce financial reports, tax returns, Xero subscriptions and support, general advice and audit as appointed last year.

The EE contract for the turbine 4G SIM has been renewed. SSE are continuing as part of the MOP meter contract. Bulb were appointed for the Energy Import providers, as the cheapest provider without a fixed term contract. The Bulb contract is being reviewed dependent upon their customer service due to early issues with the Company. A High Voltage Operation and Maintenance Contract has been established with EPT Services. EDF are now acting as the FiT licensee from the 1st of August 2020.

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An additional member of staff was recruited by North Uist Development Company (NUDC) for general office duties, and has since resigned in 2020. NUDC/NUDC-T are reviewing budgets for re-recruitment.

4. Financials

The draft financial report for 2019/2020 is now available, and the Company is currently going through its first audit. NUDC-T were originally informed the operational model would be available by the 31st of October; however as of the 30th of October Greenbank have informed NUDC-T that there are a number of queries being raised with the lenders and the accountants before this can be completed.

The Triodos based Construction Facility continued until the conversion to the Operational Facility on the 31st of December 2019. This was a delayed due to ongoing contract negotiations with ENERCON, and could not be delayed further than the end of December. As a consequence, the first calculation date: which determines the ratio of aggregate net cash flow and the aggregate finance costs; will not occur until the 31st of December 2020. The first calculation date is also associated with the junior lenders repayment – Energy Investment Fund, and therefore, there have not been any payments to the junior lender to date. Calculation dates will then take place every 6 months.

Due to strong performance of the wind turbines, close management of the construction budget resulting in construction costs being lower than originally anticipated, and an SSE rebate, the financial position looks promising. There are a number of aspects advisers are currently considering including, the delay in junior lender repayments, completion of the construction budget, operational costs and contingencies for potential curtailment. NUDC-T are working hard with its lenders, advisers and accountants to clarify the financial position to ascertain the potential for investor returns aiming to provide Members with the investor return position by the 24th of December, shortly before the first lender calculation date on the 31st of December 2020.

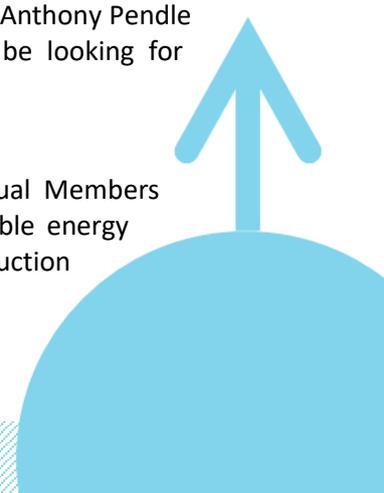
As a result of the pandemic, Power Purchase Agreement prices dropped considerably, so as of the 1st of August 2020, NUDC-T switched to the Feed-in-Tariff. The first Feed-In-Tariff payment has been received in October 2020, and this will continue on a quarterly basis. VAT returns have also converted to a quarterly return, and NUDC-T are proposing to its Members to change the current financial year end date from the 31st of March to the 30th of June to coincide with the calculation dates.

5. Management Committee

At the first AMM, the Management Committee stepped 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. In September 2019 the following Management Committee was appointed: Mr Mustapha Hocine (Chair); Mrs Catherine Macleod (Co-Chair); Mr Steven Kemp (Treasurer); Mr Andrew Ross (Secretary); Mr Clifford Black; Mr Alexander Macleod; Mr Norman Dunn, Mrs Pamela MacPherson and Mr Anthony Pendle. Since, Mr Norman Dunn, Mrs Pamela MacPherson and Mr Anthony Pendle have resigned from their position. The second Annual Members Meeting will be looking for nominations and election of new Members to the Management Committee.

6. Summary

The project has faced further unexpected challenges since it held the first Annual Members Meeting. However, the turbines are performing well, and are exceeding renewable energy generation predictions. Due to numerous unexpected delays as a result of the construction





North Uist Development Company (Trading) Limited
Claddach Kirkibost Centre
Isle of North Uist
HS6 5EP

Email: nudc@isleofnorthuist.com
Website: www.uistwind.com/

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negotiations and a global pandemic, the next 6 months will focus on completing outstanding items, maximising generation export with the Asset Managers, and fine tuning the financial position for the benefit of the Members. Thanks goes to all our Members for their patience and support.

