

## Management Committee Report 2022/2023

### 1. Introduction

This report provides an overview of achievements to date.

### 2. Achievements

A lot of has happened in 2022/2023 with the support of the Management Committee, Members and UistWind's contractors.

The two turbines have performed well overall, with over 94.9% availability from March 2022. A Turbine 2 fault in October 2022 (seen in Table 1 as November 2022) resulted in reduced performance while that fault was being repaired but the performance soon recovered in November. Additionally, SSEN works over the summer in 2023, as well as a site issue following a power outage has impacted generation and we are currently working with Locogen and Enercon to minimise further downtime.

Month	Turbine Capacity (kW)	Half Hourly (HH) Meter (kWh)	P50 (kWh)	Average Wind Farm Availability	Average Wind Farm Wind Speed (m/s)	Seasonality factor <sup>1</sup>	PPA Revenue <sup>2</sup>	FIT Revenue <sup>3</sup>	Import expenditure	Net Revenue
May-21	1,800	419,049	380,930	100.0%	7.8	92%	£23,299	£2,913	-£54	£26,158
Jun-21	1,800	512,554	355,019	100.0%	8.4	106%	£28,498	£3,580	-£68	£32,010
Jul-21	1,800	161,397	332,281	100.0%	5.3	70%	£8,974	£1,128	-£68	£10,034
Aug-21	1,800	240,251	377,725	99.9%	6.1	74%	£17,051	£1,674	-£103	£18,622
Sep-21	1,800	195,017	460,646	100.0%	8.5	90%	£13,479	£1,363	-£123	£14,718
Oct-21	1,800	641,642	547,600	93.0%	9.9	95%	£45,097	£4,475	-£50	£49,523
Nov-21	1,800	781,416	600,512	94.9%	11.8	107%	£55,171	£5,449	-£42	£60,578
Dec-21	1,800	591,722	629,894	95.7%	9.3	86%	£41,965	£4,124	-£65	£45,623
Jan-22	1,800	911,112	656,598	100.0%	12.5	105%	£63,544	£6,354	-£110	£69,788
Feb-22	1,800	662,273	620,144	100.0%	14.8	121%	£46,226	£4,619	-£56	£50,789
Mar-22	1,800	654,659	534,083	99.6%	9.7	93%	£45,875	£4,563	-£183	£50,255
Apr-22	1,800	447,700	442,568	94.5%	7.8	91%	£31,362	£3,344	-£183	£34,523
May-22	1,800	648,764	380,930	99.7%	9.3	112%	£46,101	£4,846	-£183	£50,765
Jun-22	1,800	592,869	355,019	100.0%	9.2	114%	£41,730	£4,430	-£183 <sup>4</sup>	£45,977
Jul-22	1,800	443,807	332,281	100.0%	7.8	101%	£31,320	£3,315	-£182	£34,453
Aug-22	1,800	516,285	377,725	99.8%	8.1	98%	£51,253	£3,858	-£177	£54,934
Sep-22	1,800	470,850	460,646	98.3%	8.5	91%	£46,526	£3,517	-£229	£49,814
Oct-22	1,800	740,118	547,600	96.1%	11.0	106%	£72,916	£5,533	-£170	£78,279
Nov-22	1,800	364,954	600,512	62.0%	10.2	97%	£35,922	£2,749	-£170	£38,501
Dec-22	1,800	399,355	629,894	99.6%	9.1	91%	£58,192	£4,400	-£177	£62,415
Jan-23	1,800	682,036	656,598	95.0%	11.1	95%	£66,957	£5,097	-£191	£71,864
Feb-23	1,800	728,402	620,144	99.9%	11.2	95%	£71,969	£5,444	-£166	£77,248
Mar-23	1,800	431,469	534,083	100.0%	7.5	74%	£42,762	£3,221	TBC	£45,982
Apr-23	1,800	480,359	442,568	98.5%	8.2	TBC	£44,356	£4,068	TBC	£48,424
Total	-	6,689,468	5,938,000	95.7%	9.2	98%	£610,004	£50,478	-£1,827	£658,655

Table 1: Performance summary for Uist Wind from April 2021 to April 2023

Month	Capacity (kW)	SCADA Meter (kWh)	HH Meter Export (kWh)	Losses (HH vs SCADA)	P50 (kWh)	P90 (kWh)	Site Availability (%)	Wind Speed (m/s)	Seasonality Factor (%)	PPA Revenue (£)	FIT Revenue (£)	Import Expenditure (£)	Gross Revenue (£)
Mar 2022	1,800	655,423	654,658	0.1%	534,083	454,033	99.6	9.7	92	£45,875	£4,565	£0	£50,440
Apr 2022	1,800	448,041	447,733	0.1%	442,568	376,235	94.5	7.8	91	£31,365	£3,344	£0	£34,708
May 2022	1,800	649,431	648,802	0.1%	380,930	323,836	99.7	9.3	111	£46,104	£4,846	£0	£50,950
Jun 2022	1,800	593,628	593,123	0.1%	355,019	301,808	100.0	9.2	116	£41,746	£4,430	£768	£45,408
Jul 2022	1,800	444,288	443,628	0.1%	332,281	282,478	100.0	7.7	100	£31,308	£3,315	£191	£34,432
Aug 2022	1,800	516,992	516,142	0.2%	377,725	321,110	99.8	8.1	96	£51,240	£3,858	£186	£54,912
Sep 2022	1,800	470,980	472,636	-0.4%	460,646	391,604	98.3	8.5	90	£46,691	£3,515	£240	£49,966
Oct 2022	1,800	741,668	738,331	0.4%	547,600	465,524	94.9	10.9	108	£72,751	£5,535	£350	£77,936
Nov 2022	1,800	368,191	364,954	0.9%	600,512	510,506	59.4	10.2	97	£35,922	£2,748	£179	£38,491
Dec 2022	1,800	589,830	589,555	0.0%	629,894	535,484	99.6	9.1	90	£58,192	£4,402	£347	£62,246
Jan 2023	1,800	682,856	682,036	0.1%	656,598	558,185	92.6	11.0	94	£66,957	£5,096	£182	£71,871
Feb 2023	1,800	729,835	728,402	0.2%	620,144	527,195	99.9	11.3	97	£71,969	£5,446	£158	£77,258
Mar 2023	1,800	431,584	431,474	0.0%	534,083	454,033	100.0	7.5	73	£42,762	£3,221	£171	£45,812
Apr 2023	1,800	480,860	480,765	0.0%	442,568	376,235	98.4	8.2	93	£47,122	£4,067	£0	£51,189
May 2023	1,800	103,992	103,378	0.6%	380,930	323,836	99.4	7.8	91	£9,967	£880	£0	£10,847
Jun 2023	1,800	81,141	80,009	1.4%	355,019	301,808	95.6	6.3	82	£7,692	£686	£471	£7,908
Jul 2023	1,800	328,565	328,044	0.2%	332,281	282,478	99.9	7.3	95	£31,819	£2,779	£0	£34,598
Aug 2023	1,800	168,923	163,087	3.5%	377,725	321,110	77.4	8.1	96	£11,680	£1,429	£0	£13,109
Total	1,800	8,486,228	8,466,757	0.4%	8,360,606	7,107,498	94.9	8.8	95	£751,163	£64,160	£3,242	£812,081

Table 2: Performance summary for Uist Wind from February 2022 to August 2023



### Electricity generated by Uist Wind to-date (kWh)

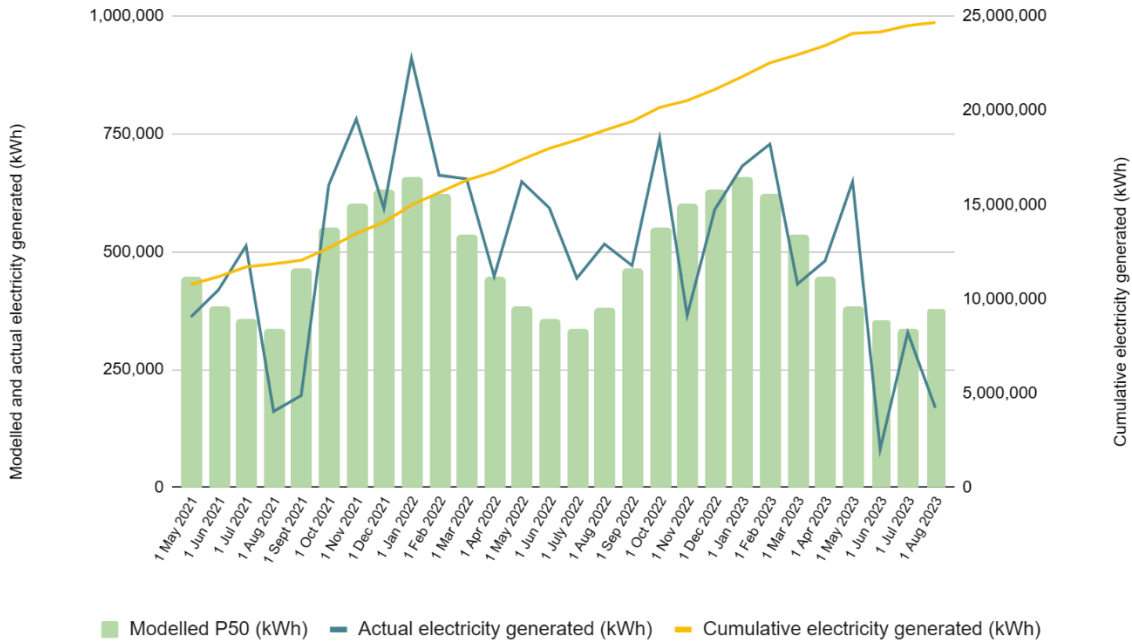


Figure 1. Electricity generated to date (kWh)

A new contractor was welcomed to UistWind, Helen McKinnon of NMK Limited, acting as Operations Manager in 2022, and we have now said farewell to Helen. UistWind has now completed two investor return payments to Members, with the second investor return issued in July 2023 following lender approval.

UistWind migrated to SharePoint and established Microsoft 365 including email addresses for the Management Committee office bearers and new email addresses for technical aspects, administration and management of operations. UistWind now has cybersecurity insurance in place, and each office bearer has laptops for UistWind business.

The greatest achievement was the repayment of the junior lender, the Energy Investment Fund, which will be of great benefit to the longer-term community benefit of the project.

We also worked hard to actively appeal the OFGEM ED2 draft determination, encouraging and working with various other organisations. OFGEM had rejected SSEN’s proposal to replace the Skye-Uist cable. As stated in UistWind’s letter, which was followed up through meetings with the Outer Hebrides MP and various other stakeholders “Following several years of discussions with SSEN about necessary infrastructure improvements for the Scottish islands of Uist, Barra, and the entire Western Isles, including working closely with organisations across the islands for the submission of evidence for the development of the ED2 business plan, we were alarmed and considerably disappointed OFGEM had rejected proposals to build resilience into the constrained fragile network and mitigate the increasing high risk associated with the rapidly aging Skye-Uist subsea cable.” We were informed the draft determination for the SSEN network area received the highest number of consultation responses in the UK, due to the action of numerous individuals and organisations. Thankfully, thanks to everyone involved in appealing this draft determination, the Skye-Uist cable is now

planned for replacement in 2025 which will help mitigate sub-sea cable failure risks to NUDC-T in the longer-term, and SSEN are considering how to build further resilience in the islands.

In addition to the insurance exclusion for the sub-sea cable, a further exclusion has been applied to all sites by insurers - the cost of transport of large components and/or the cost of crane hire and transport. As a consequence, and following best practice guidance, Uist Wind now has a reserve policy in place which includes reserves to mitigate these exclusions and will help to provide resilience in the longer term to maximise operational efficiency.

### **Decision required**

At the last Annual Members' Meeting it was decided to create a three year reserve for the annual investor return at a rate of 4%. The reserve was created prior to this year's investor return, therefore, we now have two years remaining in the reserve.

***Would Members prefer this is a rolling three year reserve, so the reserve will hold three years' worth of payments or are Members happy for this to wind down until there is no longer an investor return reserve in place? Would Members like to set a Member review date for this reserve?***

**A Management Committee recommendation will be provided at the Annual Members' Meeting.**

### **3. Appointments**

Locogen Limited continue to be involve in their asset management role, as well as continuing to follow up with Enercon for the outstanding project management task: installation and testing of smart energisation.

Campbell Stewart Maclellan & Co continue to act as accountants, also providing the lenders with the bi-annual reporting. Chiene and Tait are appointed as the auditors.

Bulb continued the rolling energy import contract until the account was automatically transferred to Octopus.

NMK Limited were appointed to act as Operations Manager and that contract has now come to an end. Dr A. Camps has been retained on a salaried casual part-time basis.

MacInnes Bros were appointed to install the fencing and gates on site and works were completed quickly.

Bryan J Rendall (Electrical) Ltd were appointed for the High Voltage (HV) engineering contract and have since been acquired by THREE60 Energy Group. Therefore, the HV contract now sits with Three60 Energy Renewables Ltd.

### **4. Financials**

The financial report for 2021/2022 and audit report are now available. The auditors have undertaken a thorough process. Following the Annual Members Meeting, the accounts will be submitted to the FCA. We envisage the next audit to be a much quicker process and have already met with the auditors in preparation for the audit of the 2022/2023 financial accounts which is envisaged to start at the beginning of November.

The project moved onto the best PPA rate to date for 2022/2023 - a combined rate of £99.61/MWh; which started on the 1<sup>st</sup> August 2022. Locogen negotiated a combined rate of £78.78/MWh for 2023/2024 and the project moved onto that rate in August 2023. Locogen continues to keep a close on the market and the Management Committee will be making a decision shortly for 2024/2025. The decision making process is different from previous years where Locogen provided advice when prices were high, however, the market is now very volatile. The latest update from Locogen stated prices had dropped slightly due to an increase in wind production, expected to be 20% above seasonal norms for the short-term forecast and so there is less reliance on gas. Europe has exceeded its target for gas storage for the winter, currently 90% storage capacity. This means there is more security with the gas supply. Current market prices appear to be tracking gas prices, so any increase/decrease in gas prices is likely to drive the market prices. Of course, problems in the Middle East have also been having an impact.

## 5. Management Committee

At present the Management Committee comprises Mr Andrew Ross (Secretary; NUDC), Mrs Catherine Macleod (Chair), Mr Clifford Black (Vice-Chair), Mr Neil Cameron (Treasurer), Mr Charlie Robb (Co-opted), Mr Peter Keiller (NUDC) and Mrs Diane McPherson (NUDC).

There were no nominations for election, therefore nominations will be accepted at the Annual Members' Meeting. NUDC-T are actively seeking more Members for the Management Committee therefore, we would very much welcome new Members to join us to help guide your Community Benefit Society.

## 6. Summary

The turbines are performing well and, on average, are reaching renewable energy generation predictions. We look forward to 2024 seeing our third member returns being paid; subject to lender approval. For the 23/24 financial year, the Management Committee will be working with North Uist Development Company to develop the MoU in preparation for the Community Benefit Fund, and the Management Committee will organise a review of the rules, subject to approval of the lender and the FCA: should any changes be recommended, those recommendations will be provided at the next Annual Members' Meeting.

As ever, we look to the date in the future when the community benefit fund can be set up and its worth remembering that this is expected to provide £2 million to the community of North Uist over the lifetime of the project. Financial modelling will hopefully provide a clearer picture of when this will be possible.

Thanks to all for your continued support.

The Management Committee