

## Management Committee Report 2021/2022

### 1. Introduction

Welcome to the third Annual Members Meeting of North Uist Development Company (Trading) Ltd, Community Benefit Society. The report provides an overview of achievements to date and plans for 2022.

### 2. Achievements

2021 was a year which saw substantial progress for the project despite the effects of the pandemic on ourselves and partner organisations.

The two turbines produce enough electricity to power more than 1,600 homes a year and reduce carbon dioxide by 1275 tonnes annually. We are definitely playing our part in decarbonising our economy as shown in the generation data for 2021. However, 2021 was an unusually calm year, across the whole of the UK which has impacted the electricity market and many wind turbine operators.

Month	Turbine Capacity (kW)	Half Hourly (HH) Meter (kWh)	P50 (kWh)	Average Wind Farm Availability	Average Wind Farm Wind Speed (m/s)	Seasonality factor	PPA Revenue	FIT Revenue	Import expenditure	Net Revenue
Jan-20	1,800	817,849	656,598	99.1%	13.9	120%	£50,694	£5,337	-£320	£55,711
Feb-20	1,800	612,691	620,144	98.9%	13.6	123%	£37,959	£4,129	-£250	£41,838
Mar-20	1,800	570,415	534,083	100.0%	10.3	100%	£35,316	£3,845	-£313	£38,848
Apr-20	1,800	414,256	442,568	100.0%	7.9	89%	£25,915	£2,832	-£316	£28,431
May-20	1,800	485,955	380,930	100.0%	8.5	104%	£27,578	£3,322	-£271	£33,463
Jun-20	1,800	406,652	355,019	99.3%	7.6	96%	£23,077	£2,781	£0*	£27,953
Jul-20	1,800	481,944	332,281	94.1%	8.4	113%	£28,428	£3,295	£0*	£31,724
Aug-20	1,800	340,544	377,725	99.6%	7.1	84%	£18,730	£2,324	-£95*	£20,959
Sep-20	1,800	635,175	460,646	99.9%	9.7	101%	£34,935	£4,353	-£45*	£39,243
Oct-20	1,800	580,547	547,600	96.8%	9.2	93%	£31,930	£3,969	-£50*	£35,849
Nov-20	1,800	611,263	600,512	85.2%	11.0	98%	£33,619	£4,184	-£94*	£37,709
Dec-20	1,800	699,644	629,894	100.0%	10.6	97%	£38,480	£4,784	-£87	£43,178
Jan-21	1,800	530,520	656,598	98.9%	8.4	77%	£29,179	£3,632	-£42	£32,768
Feb-21	1,800	796,210	620,144	99.8%	14.1	120%	£43,792	£5,457	-£50	£49,198
Mar-21	1,800	491,116	534,083	99.7%	10.0	95%	£27,011	£3,357	-£49	£30,320
Apr-21	1,800	361,696	442,568	99.1%	7.9	89%	£20,110*	£2,534	-£61	£22,583
May-21	1,800	419,049	380,930	100.0%	7.8	92%	£23,299	£2,913	-£53	£26,159
Jun-21	1,800	512,554	355,019	100.0%	8.4	107%	£28,498	£3,580	-£75	£32,004
Jul-21	1,800	161,397	332,281	100.0%	5.3	72%	£9,859	£1,128	-£75	£10,913
Aug-21	1,800	240,251	377,725	99.9%	6.1	TBC	£15,060	£1,674	-£123	£16,610
Sep-21	1,800	195,017	460,646	100.0%	8.5	TBC	£11,862	£1,363	-£50	£13,175
Oct-21	1,800	641,642	547,600	93.0%	9.9	TBC	£40,995	£4,475	-£44	£45,426
<b>Total</b>	-	<b>5,660,359</b>	<b>5,938,000</b>	<b>98.0%</b>	<b>9.0</b>	<b>94%</b>	<b>£321,764</b>	<b>£39,079</b>	<b>-£801</b>	<b>360,042</b>

Table 1: Performance summary for Uist Wind

The member review is deemed complete, there are 4 remaining investors who are proving difficult to contact, but we must move forward to ensure processes can proceed for an investor return.

We have been supporting the work of the Uist and Barra Energy Forum with North Uist Development Company, including the submission of Uist and Barra based evidence to SSEN for their Green Recovery Call for Evidence and the SSEN consultation for the five-year RIIO-ED2 period business and investment plan. This work and the work of various other organisations, including that of North Uist Development Company, has led to an investment programme by SSEN to upgrade the Clachan Primary Substation in North Uist, which connects to the island of Berneray in the north, and south across Benbecula towards South Uist, and will see the existing transformer replaced with two upgraded counterparts, which will increase the capacity of the network serving around 1,300 homes and businesses on the islands, as well as investment in ED2 to support the installation of 2 new 33 kV cables from Skye to North and South Uist to replace the existing Skye – South Uist 33 kV subsea cable which will help mitigate sub-sea cable failure risks to NUDC-T in the longer-term.

We have also provided a letter of support to Outer Hebrides Energy Modelling of the Grid project which will provide useful information for future energy planning in Uist.

### 3. Appointments

Locogen Limited continue to be involve in their project management role as there are some outstanding items: the installation of gates and smart energisation. Their main focus is as asset managers.

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Anderson MacArthur continue as solicitors and Greenbank continue to provide financial models. Campbell Stewart Maclellan & Co have been appointed as accountants replacing Mann Judd Gordon and we have quotes to consider from auditors.

Bulb continue on a rolling energy import contract as Bulb continue to offer the cheapest tariff. Following the insolvency of Bulb, the court appointed energy administrators to continue running Bulb under what is called a Special Administration Regime (SAR). During the Special Administration Regime, Bulb customers will not see any difference in their energy supplies and will not need to worry about their energy being cut off. However, the account is being monitored closely and the asset managers are running down the credit balance before applying any further payments.

NUDC-T appointed Greenspan Agency to ensure accuracy of the share register and facilitate our first investor return. We have this week benefitted from HIE funding to appoint Rubycom Limited to help with financial forecasting and scenario testing. This appointment is until the end of March 2022.

#### 4. Financials

The financial reports for 2019/2020 and 2020/2021 are now available, and the Company has completed its two audits. The operational model is still delayed due to the previous accountants, but the information has now gone to Greenbank for the June 2021 and December 2021 and we are awaiting an update on when these updated operational models will be available.

The handover from the previous accountant to the newly appointed accountants is underway and should be completed shortly. This also includes a handover of the bookkeeping software Xero. The new accountants are currently working on the first lender report which will be revised by both lenders.

NUDC-T have now made two re-payments to the junior lender – the Energy Investment Fund which have been approved by the senior lender – Triodos - at the point of the calculation dates.

FIT incentive payments are being received regularly, and Locogen negotiated a good PPA rate for 2021/2022 - a combined rate of £71.08/MWh, and the project moved over from the FIT export rate to this new PPA rate on the 1st of August 2021. Due to a strong market, the project has also just secured an even better combined PPA rate for 2022/2023 - a combined rate of £99.61/MWh; which is fantastic news and will start on 1<sup>st</sup> August 2022. Locogen have also negotiated a combined rate of £78.78/MWh for 2023/2024 which helps secure the next couple of years.

Rubycom Limited are currently working with NUDCT to help support financial forecasting and scenario testing and we will be providing this information to lenders to support decision making.

#### 5. Management Committee

The rules of NUDC-T state that there can be a maximum of 12 members of the Management Committee, with a maximum of 3 acting as representatives of NUDC and best practice stating none of whom can hold officer positions in either NUDC or NUDC-T. Investor Members who are also on the Board of Directors of the NUDC charity should be on the Management Committee as one of these three NUDC positions, rather than elected as investor Members. Members who are NUDC representatives are present to monitor the longer-term delivery of the community benefit fund through the guidance of the NUDC-T community investment plan. This is based on guidance from CMS Coop and Community Shares Scotland.

The Management Committee recommend the NUDC-T rules are amended to reflect the above advice.

Of course, investor Members who are on the Board of Directors of NUDC have a conflict of interest in this matter.

In Spring 2021 two long serving members of the board resigned, Mr Mustapha Hocine who was chairperson and Mr Alexander Macleod. Mr Steven Kemp also resigned this year. The Management Committee wish



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to take this opportunity to thank both Mr Hocine, Mr Macleod and Steven Kemp for their sterling efforts over the years on behalf of the project.

At present the Management Committee comprises Mr Andrew Ross (secretary; NUDC), Mrs Catherine Macleod (chair), Mr Clifford Black and Miss Michelle MacDonald (NUDC) and Mrs Margaret Coull (NUDC). All elected Members of the Management Committee are standing down at the AMM and all office bearers will step down at the first meeting of the new Management Committee, where new office bearers will be appointed and Charles Robb will be co-opted.

It's heartening to see that nominations for new Management Committee members have come in for the AMM.

## **6. Summary**

The turbines are performing well and reaching renewable energy generation predictions. We look forward to 2022 seeing our first member returns being paid. 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 give £2 million to the community of North Uist over the lifetime of the project. Our ongoing financial modelling will give us a clearer picture of when this will be possible.

Thanks to all our members for your continued support.

The Management Committee