

Bristol Energy Cooperative Chair's report 2017

After last year's huge expansion, this year has been mostly one of consolidation, with some exploration of new directions for development.

Our acquisition of a solar farm at Puriton in Somerset and construction of one at Lawrence Weston in Bristol were done at some speed in order to meet tight deadlines; for example the Lawrence Weston farm had to be commissioned by the end of June 2016, before the feed-in tariff rates for solar farms dropped by 90%!

As a result of this hasty activity, a certain amount of 'snagging' was required, working closely with our partner Mongoose Energy; as Mongoose had helped a number of co-ops to complete their projects within the same challenging timeframes, this has been quite a long process. This has caused some frustration at times, but perseverance and goodwill on all sides has enabled good progress to be made. All the co-ops that work with Mongoose become part owners of it, and this co-working and pooling of assets and services is enabling Mongoose to negotiate improved maintenance contracts for the co-ops through economies of scale.

A key piece of work that Mongoose is currently working on for us is maximising the benefit from the Final Acceptance Certificate process. This takes place two years after a solar farm is commissioned, and completes the Engineering Procurement Contract phase, before the farm settles down into long-term operation.

Having grown beyond our initial simple approach of raising money solely from shareholders, we, together with Mongoose, now manage a complex portfolio of shares, loans and bonds. A further fundraise this summer has allowed us to pay off a short-term, higher-interest rate loan, and has also enabled us to branch out in a new direction by funding a battery storage project. Renewable energy sources such as solar PV are sometimes criticised on the grounds of being intermittent; one solution to this is for the energy system to include more storage. Battery storage in particular also helps to balance the electricity grid in various ways, which all represent distinct revenue opportunities. Understanding and balancing these opportunities will take some time, and so we are starting on a modest scale to obtain experience, but hope to expand this capability in the future.

A major step this year has been the launch of our Megawatt Community Energy Fund, a grant programme which fosters fuel poverty initiatives and / or community action to reduce carbon in our atmosphere. The funding is available to those who live or work in our operational area of Bristol, South Gloucestershire, North Somerset and Sedgemoor District (Somerset). We have allocated an initial sum of £50,000 to the fund, and aim to add to it each year provided our schemes generate sufficient income. Alongside the regional fund we are also assisting similar projects overseas, beginning this year with a payment to SolarAid, who deliver life-transforming solar lighting in rural Africa. We are further providing a small bursary fund relating to sustainable energy and climate change research in the West of England, and aim to launch the first round of this before the end of the year.

We also continue to assess solar opportunities (both ground and roof-mounted),

have identified two potential hydro projects, and are involved in the early stages of some innovative community heat projects. We are researching an investment offer for energy efficiency, and are beginning to look at investments in sustainable transport. We are currently seeking grant funding for some of this development work, and should this be successful, it will help us to accelerate our work in these areas.

We have also initiated a collaborative project aiming to “accelerate the transition to a low carbon society in the West of England”, bringing together renewables developers, community groups, the four West of England local authorities, financiers, lawyers, IT specialists, PR companies, etc., exploiting the network we have built over the past 5 years. The idea is for the West of England region to go zero carbon faster, in a more joined-up way, and do projects at a size that pension funds will invest in.

This initiative has been well received. Its name and structure are still being finalised, but in the meantime working groups for project development, finance, and public engagement have been established. This engagement has already spawned a number of significant alliances and initiatives that we intend to develop over the coming year.

We have also invested time this year to highlight the astonishing developments in renewable energy, and the perversity of continued government support for fossil fuels, which makes no financial or environmental sense, and exacerbates the national air quality crisis. We will continue to work on this policy area in the coming year, so that politicians and other decision-makers are fully appraised of the rapid transformation of our energy system.