

# **Kilbraur Wind Energy Co-operative Ltd (Reg. No. 2701RS)**

## **Minutes of Annual General Meeting**

**Held at: Royal Marine Hotel, Golf Road, Brora, Sutherland KW9 6QS  
Wednesday 27 June 2012 at 6.30 pm**

**Present:** 7 Members; 2 Guests; 5 Directors; 1 Falck Renewables Wind Ltd Representative.

**Voting:** Postal (including electronic) votes were received from 81 Members, including 16 appointing the Chairman to vote on their behalf.

**Apologies:** Apologies were received from Director Graham Strachan and 4 other members.

### **1. Introduction**

The Members were welcomed by the Chairman, Colin Lawrence, to the fourth AGM of the Kilbraur Wind Energy Co-operative (KWEC). Colin reminded those attending of the importance of supporting the AGM, which provided an update to members on performance of the wind farm and gave an opportunity to members to propose and second motions and to speak with the board and other members.

### **2. Chairman's Presentation**

Colin reported that 2011 had been the best year yet for the co-op in terms of income which had been based on a number of factors including improved performance of the turbines and good wind in the second half of the year.

Colin noted that the main activity had been the construction of the extension to the wind farm, with the addition of a further 8 turbines, and the successful launch of a share offer to existing co-op members related to the wind farm extension. The share offer had raised around £538,000, bringing the total investment in the enlarged wind farm to close to £1.6 million. Colin had enjoyed working with Energy4All (E4A) and Falck to ensure that the documentation to support the extension share offer was completed on time and to the satisfaction of all parties. Colin noted that the extension share offer was no less favourable than the original share offer. Coming part-way through the year, the return from the wind farm was split into pre and post-extension results, but the overall average return of 11.5% was the best yet and the first time that it had exceeded 10%. Colin warned that future potential reductions by the UK government to the subsidies given to onshore wind farms may have an impact on returns in due course and that the board were monitoring this situation closely.

Colin summarised what the board's other main activities had been this year. The board expenditure policy had been made available to members and a share transfer policy had been issued. To date 3 requests to transfer shares had been received by the board, 2 of which had been approved and 1 rejected on the basis that the co-op does not have arrangements in place at present to admit new members in these circumstances. A new list currently contains the names of 19 members who would be willing to purchase any shares, which represented a good number to ensure the ongoing health of the co-op. Colin outlined the work by the board to redraft the service agreement between E4A and the co-op to reflect the current relationship and noted that all of the documents prepared by the board were available for use by other co-ops should they wish to. Colin finished by informing the members of the completion of the distribution of the total of £12,000 from the development fund with the recent handing of a cheque for £9,000 to the Highland Hospice for the purchase and training associated with a mobile ultra-sound scanner (a summary of which is included with these minutes).

### **3. Presentation by Euan Fraser (Falck Renewables Wind Ltd)**

Euan opened his presentation with an update on the operations of Falck which has sites in Italy, France, Spain and the UK with a current capacity of around 600 MW and a further 1,200 MW of projects in the pipeline. Euan then summarised the operation and performance of the Kilbraur Wind Farm and confirmed that 2011 had been a good year for wind at Kilbraur with overall production for the year at 105% of the 'P50 budget' (the level expected to be exceeded 50% of the time in the long run). The site had been 'constrained' by national grid capacity limitations on a number of occasions, totalling approximately 5.9% of the P50 budget. In these cases, Falck (and the co-op) had been paid, as part of the National Grid system balancing process, not to produce energy. Euan presented a series of slides showing actual against projected performance and described in detail the amount of effort that Falck put into monitoring the performance of a wide range of factors for each individual turbine to ensure that the turbine supplier, Nordex, can achieve the best performance possible. Despite all of this effort, there are still times when things don't go to plan and the site was due to get a small additional payment from Nordex for the overall availability of the turbines being slightly below the warranted 97% level for the year. Euan added that Nordex were part-way through a programme to replace blade bolts as a precautionary measure to ensure long-term performance of the turbines was optimised.

### **4. Questions**

No questions were asked.

### **5. Motion 1: To approve the minutes of the Annual General Meeting held on 29 June 2011 (circulated July 2011).**

The motion was proposed by Mr Tom Robinson, seconded by Mr Graham Phillips and was carried unanimously at the meeting. Postal/proxy votes cast were 79 For (including 16 Chair votes); 0 Against; 2 Abstentions.

### **6. Motion 2: To receive and adopt the Report of the Directors and the Annual Accounts for the period ended 31 December 2011 together with the Report of the Auditors thereon.**

The motion was proposed by Mrs Anne Robinson, seconded by Mr John McIver and was carried unanimously at the meeting. Postal/proxy votes cast were 78 For (including 16 Chair votes); 0 Against; 3 Abstentions.

### **7. Motion 3: To re-appoint the firm of Melville & Co, Chartered Accountants, as auditor until the conclusion of the next Annual General Meeting.**

The Chairman, Colin Lawrence, reminded the meeting that the Board had investigated the possibility of appointing a local firm and had concluded that, as the annual audit is funded by E4A at no cost to the Co-op and Melville & Co is appropriately qualified and has considerable experience in auditing the accounts of co-operatives, it was neither practical or financially viable to appoint a local firm.

The motion was proposed by Mr Graham Phillips, seconded by Mr Tom Robinson and was carried unanimously at the meeting. Postal/proxy votes cast were 80 For (including 16 Chair votes); 0 Against; 1 Abstention.

**8. Motion 4: To approve the distribution of the surplus funds for the year (the operating profit together with any other income) by way of Share Interest. A share interest statement will be provided with each cheque payment.**

The motion was proposed by Mr Ian Whyte, seconded by Mr James Holm and was carried unanimously at the meeting. Postal/proxy votes cast were 77 For (including 16 Chair votes); 1 Against; 2 Abstentions (plus 1 no vote).

**9. Motion 5: To re-elect Graham Strachan as a Director of the Co-op.**

The motion was proposed by Mr John Mclver, seconded by Mr Tom Robinson, and was carried unanimously at the meeting. Postal/proxy votes cast were 79 For (including 16 Chair votes); 2 Against; 0 Abstentions.

**10. Motion 6: To re-elect John Whitfield as a Director of the Co-op.**

The motion was proposed by Mr John Mclver, seconded by Mr Ian Whyte, and was carried unanimously at the meeting. Postal/proxy votes cast were 80 For (including 16 Chair votes); 1 Against; 0 Abstentions.

**11. Motion 7: To elect Ian Whyte as a Director of the Co-op.**

The motion was proposed by Mr James Holm, seconded by Mr Tom Robinson, and was carried unanimously at the meeting. Postal/proxy votes cast were 78 For (including 16 Chair votes); 2 Against; 1 Abstention.

**12. Any Other Business**

Dr Robert Peckham asked whether there were any future projects that Falck planned to offer similar investment co-op terms. Euan noted that in principal this was the case and that the proposed wind farm at Dunbeath, which was still subject to the planning process, was one potential relatively local option.

Mr Mike Edwards asked what future plans there were for the development fund. Colin responded that all of the money in the fund had been allocated and that the only way to get further funds would be to ask co-op members to allocate a proportion of their share dividend to the fund, for which there were no plans at present.

Dr Robert Peckham asked what would happen to the wind farm at the end of the 25 year period for which planning approval had been granted. Euan noted that there was not a large body of experience of closing and decommissioning wind farms since it was a relatively recent development. However, there were clear conditions for the dismantlement and reinstatement of the site at the end of the period, including the removal of the turbines and towers, and the top of the foundations to below ground level. Falck had posted a bond to cover the costs of reinstatement in the unlikely event that Falck was no longer operational at the end date. Graham Phillips added that there would be nothing to stop the deployment of newer technology on the site, subject to a new planning application in due course.

The meeting closed at 7:40 pm.

Signed as a true record of the meeting:



Colin Lawrence  
Chairman