

HoTTWind@Longley SHARE OFFER

Working Towards Sustainable Living in the Holme Valley



NEWSLETTER NO 4 – 9th February 2015

Following the successful Pioneer share offer and the placing of the turbine order by J&E Dickinson, the Directors of HoTTWind@Longley are circulating this Newsletter to report on the planning for the Main Share Offer in March 2015 and to give a progress update on the Longley wind turbine project.

Pioneer Share Offer Report

The share offer raised the statutory maximum of £150,000 from 54 applicants who are now Members of HoTTWind@Longley. Share certificates have been issued and oversubscribed monies returned.

SEIS and EIS Assurance from HMRC

HoTTWind@Longley has received advance assurance that Members will receive SEIS personal tax relief on their Pioneer shareholding and will also be eligible to receive EIS tax relief on any share holdings from the forthcoming Main Share Offer.

The Government plans to end EIS for energy schemes receiving FITs and to expand the Social Investment Tax Relief (SITR) scheme to include community energy projects. The relief under SITR is not yet known, but HMRC informs us that it is unlikely that the Government will obtain EU state aid clearance and pass the legislation to implement the changes before the main share offer has closed. Our main share offer should therefore still be eligible for EIS. The Directors will continue to monitor the situation.

The changes will not affect those who have invested in the pioneer round under SEIS. HoTTWind is applying for the EIS2 certificate for SEIS tax relief from HMRC. When received, the Society will issue the EIS3 certificate to Members for them to claim tax relief from HMRC.

FiT assurance

HoTTWind@Longley has now received the preliminary assurance from OFGEM that the Society will receive the FiT (Feed-in-Tariff) rate prevailing in September 2014 and as used in the financial projections. This is subject to the wind turbine being commissioned and put into operational service by 23rd September 2015 at the latest.

Turbine procurement

An order has been placed with the installer Enviko for a 400kW Turbowinds turbine with a contractual

completion date of 14th August 2015. Payment of HoTTWind's contribution towards the turbine deposit will follow when the partnership agreement between HoTTWind and Longley Farm is signed.

Discharge of Planning conditions is in hand, with agreement reached with Kirklees Council on dealing with noise complaints and a response dealing with shadow flicker conditions drafted.

The Community Trust

Following local consultations, the terms of reference for the 'green' community trust, which will receive the benefits from the turbine project – the 'Bright Green Community Trust', has been developed and will be included in the Partnership Agreement with J&E Dickinson. These terms of reference will be made publicly available prior to the main share offer launch.

Legal Agreements

The Partnership Agreement between HoTTWind and Longley Farm has been substantially agreed, and can be completed now that the turbine procurement contract has been agreed. This should be signed up by end-February 2015, along with the Lease Agreement, Loan Agreement and Option Agreement. The Option Agreement, which allows HoTTWind to buy the completed turbine, will be effected following handover of the turbine from the installer to J&E Dickinson.

Main Share Offer planning

To raise the required community funds, **a main share offer will be launched on 16th March 2015** and run until 1st May 2015 at the latest. A minimum of £350,000 shares will be offered on a first come first served basis, with the potential to increase the offer depending on demand. Further details will be issued in February 2015. Members and others interested in subscribing to this share offer should register their interest by emailing mike@hott.org.uk

The Directors, HoTTWind@Longley

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