



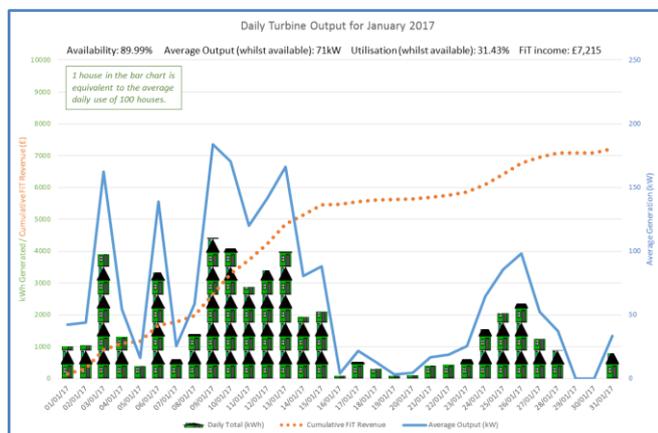
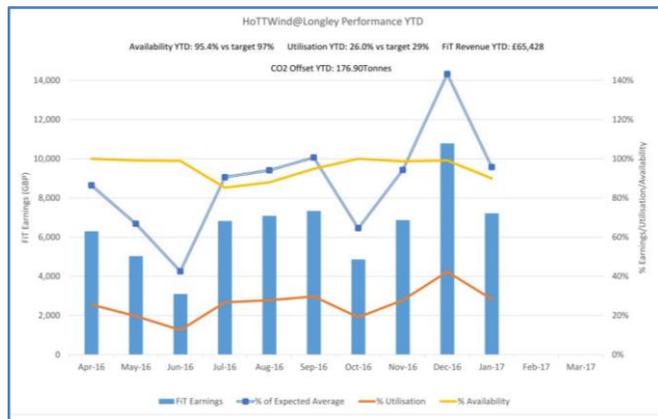
The wind turbine is now in the second quarter of its second year of operation under the ownership of the HoTTWind@Longley Community Benefit Society.

This newsletter summarises the developments on our community wind turbine project since the newsletter which was circulated to Members in November 2016.

14.1 Wind Turbine update

Availability of the turbine in Quarter 2 2017 (the months of November, December 2016 and January 2017) was 95.9% overall, with 98.7%, 99.1% and 90.0% for each month respectively. Utilisation for the quarter was 32.8%, compared with the planned average utilisation of 29%, although this higher utilisation was anticipated for these windier winter months. No significant outages occurred in the quarter, other than an electrical fault at the end of January, which has since been repaired.

The wind turbine performance since April 2016 is indicated by the following charts.



14.2 Community Benefit Society

For the 2016 financial year profits, the Board has determined that Members will receive interest of 7.5% pa on their investment shares, payable from the December 2015, and that a community fund payment of £11,000 will be made.

The second AGM of HoTTWind@Longley Ltd was then held on **Wednesday 18th January 2017** at Hade Edge Band Room. 38 Members attended (approx. 20% of the CB membership) and a further 12 Members had posted in their proxy votes.

The Board decisions on disbursement of 2016 profits were endorsed by Members at the AGM held on 18th January 2017, and these interest payments are currently being disbursed to Members.

As well as the formal AGM business, for which Minutes have already been circulated to Members, the Directors and Project Manager presented on:

- the wind turbine performance to date
- the first period of trading as a community-owned business from 1st April 2016,
- arrangements for payment of Members interest, including options for Members to donate their interest to the Bright Green Community Trust, or to add to the HoTTWind CBS reserves.
- a look forward to the year ahead including the establishment of the Bright Green Community Trust (BGCT), and
- a short film on developments in home battery storage linked up to renewable energy sources.

The Directors are pleased to announce that 12 Members to date have donated their interest payments to the Bright Green Community Trust, totalling nearly £3,000. This has increased the community fund contribution to nearly £14,000 together with an additional 25% gift aid contribution that comes with these donations. A further 14 Members have waived their entitlement to interest, increasing the HoTTWind reserves by some £1,200. The Directors wish to thank all these Members for their generosity and support.

In the course of the presentations, Members raised various questions. For the benefit of Members not present, these are set out below together with our responses:

TURBINE PERFORMANCE

A Member asked if the outages covered by insurance. The Project Manager, Rachel Lee confirmed that the minor outages during the year did not trigger the income protection insurance.

DISTRIBUTION OF PROFITS

A Member asked how the Members interest payment was determined. The Directors responded that a full year's interest payment of 7½% on £612,225 share capital is £45,917; pro rata for 11/12ths of the year (11 months from December 2015 to October 2016 inclusive), is £42,091. Equates to 6.875p per £1 share.

Also, in assessing the distribution of profits, HoTTWind has to build and hold adequate reserves. This is for two reasons. Firstly to pay for big ticket repairs, such as replacing the gearbox and secondly to be able to pay Members who wish to withdraw their shares or who die. Share withdrawal can start in 2018, and our financial model allows for the repayment of just over 6% of shares each year for the subsequent 16 years. This takes HoTTWind into the last year of the FIT agreement which expires in September 2035.

MEMBER'S DEATH

On the subject of a Member's death, the Directors explained that shares are then paid back into the deceased's estate. It is not possible to bequeath CBS shares in a will, but it is possible for a Member to nominate someone to take over the shares after his or her death. On the original Member's death HoTTWind would transfer the shares and the nominee(s) would become a Member(s). The maximum amount that can be nominated is £5,000. Members were reminded that nomination forms were sent out with the AGM papers.

OPERATING BUDGET

In reply to a question about operating budgets, the Directors explained that the Year 1 annual operating budget was £32,400, made up of £11,000 planned maintenance, £8,400 management and administration (the major part of which was insurances) and a £13,000 contingency held for unplanned maintenance/repairs.

TAXATION OF INTEREST

A Member asked whether HoTTWind could pay interest with tax deducted at source for Members who were on PAYE. The Directors responded that answer was no, the interest has to be paid gross.

NOMINATIONS FOR ELECTION TO THE BOARD

In answer to a question about nominating and seconding a Member to be elected as a Director to sit on the HoTTWind Board, it was explained that the share register which included all Members' details was available for consultation by Members on application to the Company Secretary.

14.3 The Bright Green Community Trust

Our **Bright Green Community Trust (BGCT)** has been launched on 9th February 2017 to provide grant funding for 'green' projects, across the Holme Valley Civil Parish and the Graveship of Holme.



This fund will ensure that the community wind turbine, whilst having obvious environmental benefits, will also provide significant benefits to local people. The BGCT Fund will be administered on our behalf by One Community, the Community Foundation for Kirklees. Decisions on which projects to fund will be made by an awards panel.

HoTT has nominated two Trustees to sit on this panel, Janet Williams and Andrew Wright, along with two Trustees from Longley Farm and a fifth Trustee from the local community.

With community funding of £14,000 available for this year, applications are being invited for up to £2,000 per project, from both groups and individuals, (and can also be part of a contribution towards a higher cost project). Larger grants may, in exceptional circumstances, be awarded at the discretion of the awards panel.

The fund is now open for applications, with a deadline for applications of Thursday 13th April 2017. Funding grants will be awarded in May 2017. Further details and a link to the application form can be found on the One Community website: <http://www.one-community.org.uk/looking-for-funding/bright-green-community-trust.php>

Please pass on this information to any individuals or local groups who may be interested in applying for funding.

The Directors
HoTTWind@Longley