KCE AGM 2025:

Tuesday 24 June 2025 7pm
Location: Online

Present: Dan Keeling, Camilla Barlocco, John Stokes, Elwyn Lloyd Jones, Penny Shepherd, John Partington, Tony Roper, Nikki Jones, Alex Cameron, Bridget Burrows

Apologies: Dan Watkins, Duane Poppe

Minutes

1. Opening of meeting:

The Chair welcomed those present, the meeting opened at 19:10.

2. Minutes of previous AGM:

The minutes of the 2024 AGM were accepted

3. Outgoing chair's report on 2024-5

Our core business is the 5MW Orchard 2 solar farm. The board has been working hard at improving the performance which has involved a deep dive into collecting data on where performance has been below par, analysing why and seeking improvements. More on this from MB in the 'Report on planned activities'.

Our 'big bet' to make KCE an exciting place to invest is our new project pipeline - new solar projects further our key purpose of decarbonisation in Kent. However, delivering projects requires a lot of time and effort, above and beyond what is reasonable to ask from a volunteer. So in Feb 2025 the board created a part-time paid 'managing director', post which has been the key enabler for bringing a raft of projects to fruition. More on this later.

We knew we needed to diversify our recruitment and have been lucky to bring onto the board Camilla Barlocco, she has a broad CV including expertise in brand evolution and stakeholder engagement plus a background in renewables and more.
We've also had Paul Cooper join our Grant committee, deciding where to award grants, and Bridget Burrows who has joined us to help lead comms around our fund-raising, included in Bridget's CV is a background in community engagement. I am grateful to all for their efforts.

We are still keen to find a lead editor to spread our story on social channels so do please let us know if you are interested.

This is my final AGM as Chair of KCE. I've been involved for five years and seen KCE grow from a working group with ideas but no assets, to a community energy business with ambitions and pipeline promising delivery of 240kWh of new projects. The board will be looking for a new Chair during the next twelve months which will be a great opportunity for the right person. If you're tempted, or know someone who could be tempted, let us know.

I'd like to record my thanks to my fellow directors for their hard work and support, to the members who have trusted us with their investments, and to those new recruits who are giving us their time and energy to help de-carbonise Kent.

I leave this role happy to have been involved at the start of something that will make a real difference in our community,

4. Resignation of director:

John Partington resigned from the board of KCE meaning the 'Chair' is vacant. Dan Keeling has agreed to take on the role in the interim while the board looks for a new Chair.

5. Accounts and auditors' report

The audited accounts were not ready at the time of the AGM. The report will be presented in due course.

Summary:

- Income was down 20% due to technical issues
- An insurance claim for business interruption has been made but this doesn't fully compensate the loss
- Net figures will show a small loss on interest/depreciation but debt has reduced by £330,000
- Full dividend was paid to shareholders in May 2025

6. Report on planned activities 2025-6

Submitted as a PowerPoint, extract below:

Recently:

- Michael Bax started as Managing Director in February on a two day a week basis
- We have developed 240 kW of rooftop solar proposals on five sites and have continued work building a larger long-term pipeline
- We have completed work and drawn down a £40,000 grant from Power to Change to develop the pipeline and start our biodiversity work
- We have completed three grant requests from various sources, lost one and are waiting on the results of two more, both for the new projects noted above
- We work closely with: Bright Renewables our asset manager; Community Energy Together, the organization of all former assets sold by CORE; our neighbours, Orchard Community Energy.
- We dedicate a lot of time to the active management of our solar farm – maintenance, grounds management and insurance claims.

Our asset:

It was a difficult last 12 months:

- We suffered a long outage because of the failure of the roof of the main transformer which caused the DNO to switch off their equipment. This involved a successful insurance claim.
- We also suffered from two inverter breakdowns; one quickly resolved and the other needing a long outage. The latter involved an insurance claim.
- Performance suffered accordingly with much lower cashflow than budgeted.
- This has been resolved, and the plant is back at full capacity.
- Solar irradiation this year to date has been the highest in the life of the plant.
- Even with one inverter down we were able to meet budget production.
- We are now producing at higher than budget levels.
- Together with other Bright clients, we are reviewing the continued use of our O&M contractor and may change them in the coming months

Questions raised:
- Elwyn Lloyd Jones requested more detail on the first failure (the building): (reply): *water ingress to the transformer building was noticed by the DNO who shut down the transformer to protect their equipment (the transformer was not being affected); following the roof repair re-powering the transformer was delayed by lack of a battery which was eventually supplied by the DNO.*
- Nikki Jones asked whether an inverter issue was common in this type of project and whether there are lessons that help mitigate the impact in future. *(reply): the Schneider inverters used across a number of similar projects were commonly installed a few years ago but are now obsolete; the inverters are starting to fail, perhaps earlier than hoped, and replacements tend to be bespoke orders; the energy companies at risk are looking at what can be done to build inventory of spares.*

2025 projects:

Following our revised business plan we have spent the last nine months developing our first rooftop PV programme. We have made offers to:

- A 29kW system for a Maidstone mental health charity
- A 23kW system and 6kWh battery to a Tenterden old-age hub and dementia centre
- A 41 kW system for Hythe District council on buildings including the council offices, a library and an elderly drop-in centre and café
- A 7 kW system on a Reculver community hall
- A 142kW system on four buildings of the Romney Hythe and Dymchurch Railway.
- Together these will cost around £240,000 before any grants received and contribute £34,000 a year to pre-finance cash flows.
- We are also in mid proposal of a 247kW to an east Kent tertiary college
- All projects will be built in summer and autumn 2025, initially using a £180,000 bridge finance facility we have negotiated from "We Have the Power" and then the community shares fundraise that starts in late July.

Question raised by Penny Shepherd:
Does funding these projects increase the business's overall debt and/or gearing? *(reply): No, all of the additional capital raised to finance these projects would be equity (community shares) and so not increase the debt or gearing.*

2026 pipeline:

We have a pipeline of over 1 MW of potential projects. These include:

- Offers to a large college and school academy chain of more than 800kW on their large college roofs as well as a framework agreement to work over time on their schools
- An early-stage discussion with a large academy chain of secondary schools in the Medway area
- Discussions with one of our area cathedrals
- Discussions Kent wide with doctors' surgeries and medical practices
- We continue to build relationships with District councils – particularly with Maidstone and Folkestone on projects in their areas
- We have hired an intern to help us structure our analysis of the school market in Kent to improve our market presence
- We are looking to find ways to improve the returns on our main asset by selling our power at higher prices through new opportunities presented by rule changes from Ofgem

Question from Penny Shepherd:
How will the board be engaging with the new councillors in view of proclaimed opposition to certain aspects of decarbonisation. *(reply) Our current portfolio is based on a business to business assessment of the financial value of installations (typically cutting variable energy costs by 25%). The board will continue to build contacts across the community irrespective of political affiliation.*

Biodiversity:

- We inherited an asset that was not as well managed for nature as we want
- We worked with the O&M operator to improve site management in line with our Land Management Plan obligations
- After a tender process we used a grant to hire Wychwood consultants to deliver a biodiversity measurement and enhancement plan
- This will establish a baseline and work to improve wildflower areas, create animal and bird habitats, improve our hedges and trees in a data driven approach.

Community shares offer

- We are working with Ethex on a new community shares offer that will launch in late July/early August – with a projected coupon of 6%.
- This is planned as a minimum raise of £150,000 with a target of £400,000 to fund the new pipeline. Any incremental funds will be used to cover overheads and also lower debt;
- We have submitted the draft business plan, model and share offering document to Ethex and are working with them on marketing arrangements.
- Market conditions seem healthy with several recent offerings exceeding their plans.
- Existing shareholders are more than welcome to invest again if they wish.

Question from Nikki Jones: can the new offer be enclosed in an IFISA wrapper? *(reply) Not at this stage; we have explored this but we need to find longer term finance first before we can offer bonds which have a repayment date.*

Other actions

- The board will continue to develop pipeline projects
- We are also exploring strategies for political engagement (eg briefing local councillors)
- We are working on refinancing the existing asset and potential for new power purchase arrangements
- We will develop long term financial strategy to lower leverage and interest costs

7. (Resolutions)

None

8. Any other business

Penny Shepherd, a founder of KCE, thanked the board on behalf of the investors and also thanked John Partington for his work as Chair.

9. Close of meeting

Meeting closed at 20:03