Low Carbon Hub Joint Presentation and IPS AGM

Saturday 17 October 2020, 2pm
## AGENDA

**Saturday 17 October 2020**

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.00pm</td>
<td>Welcome and introductions</td>
<td>Tim Sadler</td>
</tr>
<tr>
<td>2.05</td>
<td>Year in reflection</td>
<td>Dr Barbara Hammond</td>
</tr>
<tr>
<td>2.15</td>
<td>Treasurer’s Report</td>
<td>Luke Marion</td>
</tr>
<tr>
<td>2.30</td>
<td>Delivering Community Benefit</td>
<td>Nina Alphey</td>
</tr>
<tr>
<td>2.40</td>
<td>Annual General Meeting of Low Carbon Hub IPS Limited (see below)</td>
<td></td>
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<tr>
<td>2.50</td>
<td>Looking ahead</td>
<td>Tom Heel</td>
</tr>
<tr>
<td>3.00</td>
<td>Questions for Directors</td>
<td>Tim Sadler</td>
</tr>
<tr>
<td>3.15</td>
<td>Closing</td>
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</table>
How did last year feel for us?
But we did it all
Where do we want to go?
How do we want to get there?
The next 3 years of a 10-year programme

<table>
<thead>
<tr>
<th>Planet</th>
<th>Starting point</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
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<tbody>
<tr>
<td>Number of installations</td>
<td>47</td>
<td>48</td>
<td>49</td>
<td>50</td>
</tr>
<tr>
<td>Installed capacity (MWp)</td>
<td>3.97</td>
<td>4</td>
<td>24</td>
<td>32</td>
</tr>
<tr>
<td>Annual generation (MWh)</td>
<td>4.54</td>
<td>4.6</td>
<td>21.6</td>
<td>29.4</td>
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</table>

<table>
<thead>
<tr>
<th>Prosperity</th>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Total equity invested</td>
<td>£5,872,107.00</td>
<td>£8,600,000.00</td>
<td>£9,900,000.00</td>
<td>£12,400,000.00</td>
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<tr>
<td>Loan financing</td>
<td>£2,500,000.00</td>
<td>£2,000,000.00</td>
<td>£6,300,000.00</td>
<td>£8,800,000.00</td>
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<tr>
<td>Total</td>
<td>£8,372,107.00</td>
<td>£11,000,000.00</td>
<td>£18,500,000.00</td>
<td>£21,200,000.00</td>
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</table>

<table>
<thead>
<tr>
<th>Community benefit (lifetime)</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>£2,585,824.00</td>
<td>£2,585,824.00</td>
<td>£13,873,239.00</td>
<td>£15,749,590.00</td>
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</table>

<table>
<thead>
<tr>
<th>People</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Investor members</td>
<td>1100</td>
<td>1350</td>
<td>1600</td>
<td>2000</td>
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<tr>
<td>Shareholdings</td>
<td>1723</td>
<td>1750</td>
<td>1800</td>
<td>2000</td>
</tr>
<tr>
<td>Community shareholders</td>
<td>35</td>
<td>35</td>
<td>38</td>
<td>40</td>
</tr>
<tr>
<td>Host organisations</td>
<td>46</td>
<td>47</td>
<td>48</td>
<td>150</td>
</tr>
<tr>
<td>Helpdesk cases</td>
<td>210</td>
<td>270</td>
<td>330</td>
<td>400</td>
</tr>
<tr>
<td>Energy audit recipients</td>
<td>155</td>
<td>200</td>
<td>250</td>
<td>300</td>
</tr>
<tr>
<td>School programme participants</td>
<td>40</td>
<td>60</td>
<td>80</td>
<td>100</td>
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<tr>
<td>Facebook followers</td>
<td>462</td>
<td>600</td>
<td>650</td>
<td>700</td>
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<tr>
<td>Twitter followers</td>
<td>3159</td>
<td>3500</td>
<td>4000</td>
<td>4500</td>
</tr>
<tr>
<td>Newsletter recipients</td>
<td>1217</td>
<td>1250</td>
<td>1300</td>
<td>1350</td>
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The next 3 months
Finances
INCOME

• Turnover grew 24% this year and reached £910k
• Assisted by year 1 grant income from Project LEO - £174k. Grants will continue for 2020/21 and 2021/22
• 12 month “COVID extension” for project LEO in 2022/23 will include 9 further months of grant funding
• In a going average year, installations expected to produce income of c.£950k
• Income from FIT and Electricity sales indexes with inflation
• Fixed asset value remained constant this year (cost £8,245k, depreciation to date £1,230k)
• New additions £374k for four new solar rooftop installations
HOW IS THE IPS FUNDED?

As at year end – total £8.25m capital

• Increased by £0.2m from PY
• Share equity reduced slightly, due to repayment of shares. £1.55m new equity raise completed in July 2020
• Remaining £0.2m medium term debt repaid
• Charity bank long term debt reduced by £0.1m in year, in accordance with facility terms
• Oxford City Council construction facility increased by £0.5m (all repaid post year end)
Aim over time to eliminate all debt (other than long term project debt, e.g. that held in Sandford Hydro or required for major ground-mount schemes)

- New debt or bonds if required should be at less than 5%
- The debt:equity ratio should not be more than 50:50
Operating surplus increased 80% this year to £676k.

In a going average year, installations expected to produce cash surpluses of c.£700k.

Surpluses used to pay interest to debt providers and investors and to fund community benefit.

We record accounting losses due to depreciation on our installations – this is based on the accounting principle of businesses needing to replace assets.
LOW CARBON HUB CIC
HOW IS THE CIC FUNDED?

- O&M fees for IPS projects
- Community benefit donations from IPS surpluses
- Other grants and project related funding

Staff, office and project delivery costs (e.g. consultants)

Community benefit helpdesk & grants
CIC FINANCIAL RESULTS

Turnover £1,055k

- £339k IPS project related (PY £291k)
- Grants £715k vs £426k PY
  - £507k LEO – of which £360k passed to other LCH entities (PY nil)
  - £396k OxFutures ERDF income (PY £308k)
  - BEIS Cosy Homes £117k (PY £115k)
  - Other grants £45k

Costs £1,078k

- Community benefit funding £1,409k – inc SHL/IPS values (up from £537k in PY)
  - LEO £753k
  - Oxfutures - £426k
  - Community grants - £31k
  - BEIS retrofit ‘Cosy Homes’ - £117k

Loss (£23k)

- Retained profit funds £118k at year end

PY profit £20k

+47%

+53%
Community benefit
IPS COMMUNITY BENEFIT DONATION

2019/20 donation was £38,200

Used to support low carbon community energy activity that:

• Cuts Oxfordshire’s carbon footprint
• contributes to the creation of a decentralised and locally owned renewable energy system.
COMMUNITY BENEFIT SPEND

Community grant programme - £30,805

Local energy programme - £1,375,047

- Helpdesk service - £9,319
- Next generation funding - £18,852
- Community building grant audit scheme - £13,103
- LESS CO2 school energy efficiency programme - £12,450
- Project LEO- £752,876
- OxFutures project to support SMEs - £426,119
- BEIS retrofit ‘Cosy Homes Oxfordshire’ - £117,712
- Energy Solutions Oxfordshire - £24,264
- People’s Power Station - £352

Community benefit management - £2,900
COMMUNITY GRANTS

• Total: £30,805
• Small grants: £4,550 to six groups
• Large grants: £15,000 to three groups
• Renewable generation grants: £9,055
COMMUNITY GRANTS

Brand the bus campaign video

• Rose Hill and Iffley Low Carbon received a grant to help them produce a video for the competition

• Vote!

https://www.oxfordbus.co.uk/competition/competition-gallery/
LOCAL ENERGY SUPPORT

65 energy audits for:
- 41 small businesses
- 9 schools
- 15 community organisations

277 hours of helpdesk support to 77 organisations and individuals
LOCAL ENERGY INNOVATION

[Logos and images of renewable energy projects]
LOOKING AHEAD

Grant deadlines
Small grant: 14 February 2021

Large grant:
• Outline: 5 January 2021
• Detailed application: 8 March 2021

Welcome to new Communities Director!
AGM OF LOW CARBON HUB IPS

Minutes of last meeting
• Members will be asked to approve the minutes of the last AGM

Directors’ report
• Members will be asked to receive the directors’ report

Treasurer’s report
• Members will be asked to approve the accounts and auditor’s report

Special resolution
• Members will be asked to approve the change of Rules

Appointment of auditors
• Members will be asked to approve Critchleys as auditors for the coming year
Ray Valley Solar Park
Oxfordshire’s 2030 target

• Reduce GHG emissions by 50% by 2030

• Increase in capacity from 300 MW to 1900 MW, > 6 times

• The majority will be solar…
• Total of 277 MW

• 25% fully consented

• Nearly 20% of Oxfordshire’s 2030 target
£1.5 BILLION is spent on energy in Oxfordshire every year – most goes to foreign fossil fuel companies
Ray Valley Solar

• 19 MW – approx.
• Powering over 5,000 homes
• £2.6m local energy spend
• Approx. 45,000 panels
The electricity we generate

We’ve been increasing the amount of clean, green electricity we generate every year.

All figures are GWh.
21 GWH

... 5.5 x last full years generation
Our delivery plan

• Very low risk
• Low Carbon Ltd retained as delivery partner
• Operational contracts in place
• Local PPAs
• Flexible financing enabling community ownership
Climate change is a global crisis that needs local solutions. We invite you to invest in the Community Energy Fund and become part of the solution.

Barbara Hammond,
CEO of the Low Carbon Hub
Support for the Online Investors Portal

• Please contact Joanna, our Investor Support Coordinator, with any queries on how to login and use the online investors portal.

  − Email Joanna on members@lowcarbonhub.org
    OR
  − Call Joanna on 01865 546452
Can you help?

Do you have connections with an Oxfordshire-based business? Tell the Facilities Manager about our new programme helping businesses lower their energy use, carbon and bills: energysolutionsoxfordshire.org

Can you recommend a local building professional? We're looking for trustworthy local architects, builders, and installers to support with energy efficiency improvements for Oxfordshire's homes and workplaces.

Sign up to be the first to hear about our latest investment opportunity
www.lowcarbonhub.org/invest

Sign up for project updates:
www.project-leo.co.uk