Low Carbon Hub
Joint Presentation
IPS and CIC AGMs

Monday, 24 October 2022, 6.30pm
<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
<th>Presenter</th>
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</thead>
<tbody>
<tr>
<td>6:30pm</td>
<td>Welcome and introductions</td>
<td>Tim Sadler</td>
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<tr>
<td><strong>Highlights from the financial year 2021/22</strong></td>
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<tr>
<td>6:40pm</td>
<td>Our renewable portfolio</td>
<td>Tom Heel</td>
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<tr>
<td>6:50pm</td>
<td>Smart Energy Systems: turning the energy system on its head</td>
<td>Mairi Brookes</td>
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<tr>
<td>7:00pm</td>
<td>Low Carbon Hub: for the benefit of the community</td>
<td>Al Kitchen</td>
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<tr>
<td>7:10pm</td>
<td>Treasurer’s Report with Q&amp;A</td>
<td>Luke Marion</td>
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<tr>
<td>7:25pm</td>
<td>Annual General Meeting of the Low Carbon Hub IPS Limited</td>
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<tr>
<td>7:30pm</td>
<td>Annual General Meeting of the Low Carbon Hub CIC</td>
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<td><strong>Big Picture</strong></td>
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<tr>
<td>7:35pm</td>
<td>10 years in 10 numbers</td>
<td>Saskya Huggins</td>
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<tr>
<td>7:50pm</td>
<td>Q&amp;A to Directors</td>
<td>Tim Sadler</td>
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<tr>
<td>8:00pm</td>
<td>Closing remarks</td>
<td>Tim Sadler</td>
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Our renewables portfolio

Tom Heel,
Business Development Director
The largest community-owned solar park in the UK

www.lowcarbonhub.org
>20 GWH

... 5.5 x last full year's generation
NEW SECTION HEADING

Scale
Volatility

LCH Monthly Generation (PV)

<table>
<thead>
<tr>
<th>Date</th>
<th>Baseline Forecast</th>
<th>Actual Generation</th>
<th>Actual Exports</th>
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<tbody>
<tr>
<td>APR 2022</td>
<td>344,367</td>
<td>360,342</td>
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<tr>
<td>MAY 2022</td>
<td>420,456</td>
<td>424,463</td>
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<tr>
<td>JUN 2022</td>
<td>435,852</td>
<td>446,942</td>
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<tr>
<td>JUL 2022</td>
<td>427,465</td>
<td>442,927</td>
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<tr>
<td>AUG 2022</td>
<td>354,169</td>
<td>400,127</td>
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Partnerships
New opportunities
Turning the energy system on its head

Mairi Brookes,
Smart Energy Systems Director
It’s all about balance…

• The electricity system was designed for gas-powered turbines to generate energy and send it down the wires.

• ‘Balancing’ the geographical mis-match between generation and demand was to be handled by National Grid as a tweak.

• Renewable generation is distributed and the balancing is getting harder.
Moving to electric heating and transport will increase the amount of electricity we need in our homes and businesses.

But the wires that deliver the energy weren’t designed for that scale.

So, we either need bigger wires or we need more local storage and generation to balance our needs.
Turning the energy system on its head

- Building energy projects led by communities in our Smart and Fair Neighbourhood projects.

- Creating the world’s smartest community energy portfolio.

- Working out how we can bring energy efficiency and balancing together in a ‘future-fit’ approach.
Low Carbon Hub: for the benefit of the community

Al Kitchen, Communities Director
We welcomed six new groups in 2021/22...
We have welcomed three new groups since 1 April 2022…

Low Carbon Marston

SUSTAINABLE BOTLEY

BARFORD ENVIRONMENT NETWORK
IPS COMMUNITY BENEFIT DONATION

2021/22 donation was £35,059

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 - £40,011

Local energy programme - £2,932,632

- Helpdesk service - £4,702
- Next generation funding - £682
- Community building grant audit scheme - £10,746
- Project LEO - £2,714,551
- OxFutures project to support SMEs - £101,570
- Cosy Homes Oxfordshire (excluding staff costs) - £1,520
- Energy Solutions Oxfordshire - £67,006
- People’s Power Station - £29
- Community Renewal Fund delivery - £31,825

Community benefit management - £2,970
COMMUNITY GRANTS

• **Total: £40,011** including...

• Small grants: £7,000 to 14 groups
• Large grants: £15,500 to three groups
• Climate Change Grants scheme: £7,592
Large grants
2021/22
Sustainable Wantage for launching "Equipping Children for Cycling Mobility"
Thame Green Living for launching "Thame Electric Vehicle Hire Club"
Communities for Zero Carbon Oxford for launching ‘Energy Saving Homes’

- Energy Saving Open Homes
- Energy Saving Fair
- Energy Saving Films
Small grants 2021/22

• Fourteen small grants supporting seven projects.

• There has been an increase in collaborative projects with three grant applications from different groups working in partnership.

Abingdon Carbon Cutters, Promoting Cycling in Abingdon.

West Oxford Community Renewables & Osney Lock Hydro, Improving Public Accessibility and On-site Engagement.
LOCAL ENERGY SUPPORT

71 energy audits and bespoke support for

56 businesses

15 community buildings

149 hours of Helpdesk support

131 individuals and organisations received advice and support
ENERGY ADVICE PROGRAMME

Warmer winter appeal

Providing energy crisis support for Oxfordshire
Finance

Luke Marion, Treasurer
Low Carbon Hub IPS Limited
• Fixed asset value has now grown to £15.9m – cost £17.9m, depreciation to date £2.0m.

• Increase of £7.2m in the year – £7m for Ray Valley Solar (RVS) construction costs.

• Reflects net £1.4m increase in equity in the year and take on of £5.9m of planned debt finance for RVS.
• Turnover remained constant compared to 2021 due to no new assets coming on stream.

• Assisted by year 3 grant income from Project LEO – £248k [2021: £244k]

• Grants will continue for 2022/23.

• Future generation will boosted by Ray Valley Solar coming online. August 2022 monthly RVS turnover £120k.
HOW IS THE IPS FUNDED?

As at year end – total £17.9m capital (excluding arrangement fees)

- Increased by £7.7m from PY.
- Share equity increased by net £1.83m increase in equity. £1.97m new equity raise completed with £130k shares repaid.
- Charity bank long term debt reduced by £0.1m in year, in accordance with facility terms. Total remaining loan balance £1.6m.
- Oxford City Council forwarded £4.1m long-term loans for RVS in the year, providing £4.2m at the year end.
- £2m loan facility with Triodos Bank was drawn down for RVS construction with agreement in place to convert to long-term operational debt.
OUR FUNDING POLICY

• 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 was £756k.
• 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
CIC FINANCIAL RESULTS

- Turnover: £1,258k (-20%)
- Costs: £1,120k (-24%)
- Profit: £69k (PY £83k loss)

- £499k IPS project related (PY £435k)
- Grants £655k vs £1,129k
  - £487k LEO
  - £146k OxFutures ERDF income (PY £396k)
- Other Income: ESOX £99k; Other £14k.
- Community benefit funding £2,941k – inc. SHL/IPS values (£3,331k in PY)
  - LEO £2,714k
  - OxFutures – £101k (PY £252k)
  - Community grants - £59k
  - ESOx – £67k.
- Retained profit funds £105k at year end.
QUESTIONS?
1. **Minutes of last meeting**
   - Members will be asked to approve the minutes of the last AGM

2. **Directors' report**
   - Members will be asked to receive the Directors' report for 2021/22

3. **Accounts and auditor's report**
   - Members will be asked to approve the accounts and auditor's report for 2021/22

4. **Appointment of auditors**
   - Members will be asked to approve the re-appointment of Critchleys as auditors for the coming year

5. **Election of directors**
   - Members will be asked to re-elect Adriano Figueiredo as a director
   - Members will be asked to re-elect Barbara Hammond as a director

6. **Any other business**
AGM OF LOW CARBON HUB CIC

1. Minutes of the last AGM
   – Members will be asked to receive the minutes of the last AGM

2. Directors’ report
   – Members will be asked to receive the Directors' report for 2021/22

3. Accounts
   – Members will be asked to receive the accounts for 2021/22

4. Appointment of auditors
   – Members will be asked to re-appoint Critchleys as auditors for the coming year
Celebrating 10 years in 10 numbers

Saskya Huggins, Social Impact Director
1. Investor members
1. Investor members

1,770
2. Investment

£10,193,174

£1,837,610 NET INCREASE 2021/22
3. Community-owned renewables
4. Solar panels installed

50,193
4. Solar panels installed: 50,793
5. Typical homes powered

Based on OFGEM medium annual electricity use for on-grid home of 2900kW
6. Lifetime electricity savings for hosts

£1,954,000
7. IPS surpluses for community benefit

£15,500,000

lifetime generation from the IPS surpluses
8. Community benefit spend

£566,360 \times 14 = £8,709,286
9. Community benefit

Support and advice:

- Grants
- Energy audits awarded
- Helpdesk cases.
10. People and partnerships
Pivot to the next 10 years
The ‘So what?’ question

Dr Barbara Hammond MBE, CEO
The orange boxes

• Making the most of our pipeline:
  – Ray Valley Solar
  – Sandford Hydro Limited
  – Solar rooftops

• To do our bit for Oxfordshire by 2030

• And reach net zero by 2050
I wouldn’t start from here

• Using 15–20% more energy than if the energy efficiency programmes had not stalled in 2012–15.

But we can still.....

• Halve our energy demand by 2050 by doubling our electricity use.

If.....

• Solutions are seen to be just and fair.
Bringing it all together.....

Smart Community Energy Scheme

Anchor generation

Community Battery

Substation

Participating smart homes and businesses

People’s Power Station 2.0

Low Carbon Hub

Optimising behind the meter: FutureFit

SAVE : SHIFT : SHARE

Demand reduction
Demand shift
Generation and Storage
Electric heat and transport
Trading flexibility and energy

Low carbon hub

Cosy homes Oxfordshire

Energy Solutions Oxfordshire
...at scale....in partnership
People, people, people….

We have 41 community groups …we need 300 partnerships and people.

We need: social acceptance and active engagement and for the solutions to be seen to be fair and just.

PARTNERSHIPS AND PEOPLE

How many more people will we need? Working in what teams?
QUESTIONS?
THANK YOU FOR JOINING US!