

Minutes of Torrs Hydro New Mills Ltd Annual General Meeting

11 am Saturday 28th May 2022, Revival Church, High St, New Mills, High Peak, SK22 4BR
Proceedings were live streamed to members unable to attend in person and are available online.

Directors present: Anthony Ashton, Doug Brown, Richard Body, Michael Brueck, Mary Cohen, David Cooper (Meeting Chair), Nick Metcalfe, Jan Szechi (minutes).

Members present: 23 members present.

- 1. Welcome to Members.** The Chair opened the THNM AGM for the year October 2020 to September 2021 by welcoming those attending in person and virtually and thanking the church for generously allowing us to use their facilities. The members present expressed no objections to the meeting being recorded and shareholders participating via the live-stream were encouraged to submit any questions via email.
- 2. Apologies.** Apologies for absence and/or proxies were received from 17 members.
- 3. Approval of minutes.** The minutes of the last AGM held 15th May 2021 via Zoom were given up for approval. Proposed: Nick Metcalfe; Seconded: Tony Ashton. **Approved unanimously.**
- 4. Archie's performance and maintenance review.** (David Cooper) Just prior to the beginning of this reporting year, the Board decided to upgrade the plant to support variable speed operation in order to expand Archie's operational dynamic range. Long desired, this had not been a viable option when the project first began. The work was carried out in November 2020; the controls were also upgraded. The benefits were immediately visible: Archie generated 181 MWh in this reporting year, his second-best generation year ever, in spite of suffering from low water levels for much of the time. The successful share issue conducted to fund the upgrade also improved THNM's financial position. The annual status check performed by Hallidays in March 2021 identified a potential issue with gearbox degradation. Some vibration was observed, and an oil change revealed metal particles in the old oil. This was being carefully monitored by the operations team. In August 2021, Archie was reroofed to address damage issues, with the slates being replaced by steel lookalikes that are vandal-resistant and impervious to thrown stones.
- 5. Review of the unaudited accounts** for the year ending 30th September 2021. (Richard Body) Although this was only our second-best generating year, it was our highest earning year due to the increased price being paid by the Co-op. The new control system also enables Archie to generate over a wider range of river levels, and hence for more hours. This has the added benefit of reducing the number of "why isn't it working" queries from members of the public. The share ceiling, which went up from 121,000 to 150,000 this year, has been reached. Information on income etc is available in the Annual Accounts distributed to members with the AGM paperwork (by email). Expenditure is up due to the upgrades and repairs and maintenance, including work on the sluice gate and the new roof, and there is a new line for professional fees.

Additional notes

In the current operating year, Archie had to be shut down for safety reasons in mid-December and the gearbox sent away for reconditioning. Four months generation was lost as a result.

The Community Fund currently holds £593. Grant applications are suspended until such time as a mechanism for distribution has been formalised; we need someone to run the Fund.

We currently hold £1,647 of shareholders' interest. Interest is held until it exceeds £25 unless members specifically request it. There is also an option for members to request that their interest be paid into the THNM Community Fund.

A very successful share issue led to the issue of 29,475 shares in FY2020/21; 1,250 shares were withdrawn. A Bounceback Covid Loan was taken out this financial year in case it was needed; it was not and was repaid in full, incurring no interest.

Questions: Richard's responses to members' questions were as follows:

Q1. How will we cover costs when we lose ROC payments (currently ~5.7p/kWh)? As early adopters, we get ROCs instead of the (more generous) feed in tariff. The increase in the price paid by the Co-op will cover at least some of this so it will be painful when the ROCs expire, but not fatal.

Q2. What is the break even point? Currently this is ~£14,000, which at the current price of 17.7p corresponds to about 80 MWh. Without ROCS, this rises to 118 MWh. Our expected average generation with the new variable speed system is ~188 MWh, so we should be ok in the long term.

Q3. Long-term projections? Generation ultimately relies on the amount of water in the river, which is totally unpredictable. *REGOS?* (Renewable Energy Guarantee of Origin) We don't get these at present. It's a good question though. Tradelink Solutions (our broker) has not suggested this; we will investigate.

Q4. Can we do anything to improve the river water flow? United Utilities controls the waterflow. In the winter the reservoirs are full and we get the excess, but in summer we can't request more and we get no notifications. 300 mm of water, measured at the head sensor, is required to ensure sufficient water is flowing over the weir. It is currently at 320 mm, but can't run as the water Archie draws reduces the water going over the weir substantially.

Q5. How much are our reserves in case of breakdowns, etc.? Around £30,000.

Q6. Financial projections: we now have 14 years' records. Can this data be used to develop a statistical model (high/low expectations)? Theoretically yes, but Richard does not have the time to do it. A volunteer is needed. (The person who asked the question expressed his willingness to undertake this analysis.)

Q7. Where did the projected 188 MW thought to be achievable with variable speed come from? The original projection was 240 MWh, so this is clearly problematic. We are trying not to over-promise as river levels are so unreliable. This figure was an estimate.

Motion 1: to approve the accounts for the year ending 30th September 2021.

Proposed: Richard Body; Seconded: Ann Clarke. **Approved unanimously.**

Motion 2: to dis-apply the requirement for the accounts for the year ending 30th September 2022 to be audited.

Proposed: Nick Metcalfe; Seconded: Les Cheshire. **Approved unanimously, 1 abstention.**

Motion 3: to appoint Ron Sinclair as independent reviewer of the accounts for the year ending 30th September 2022.

Proposed: Simon Temple; Seconded: Doug Brown. **Approved unanimously.**

6. Discussion of the society's financial position. In addition to the information covered earlier, the cost of the new gearbox and the loss of generation revenue in the current year was discussed.

Motion 4: to approve no interest payment in the financial year 2021/22.

Proposed: Richard Body; Seconded: Tony Ashton. **Approved unanimously, 1 abstention.**

7. Questions for the Board

Q1. Why was the gearbox refurbished rather than buying a new one? This decision was taken only after an extensive discussion by the Board. Not only would the cost of a new gearbox have been higher, there was also a much longer lead time. Other costs would have been the same. The refurbishment meant that the existing casing could be reused.

Q2. Is there a guarantee on the refurbished gearbox? Yes, but not as long as for a new one. We opted to refurbish the generator at the same time. Jim Harries project managed the complex operation, which was achieved safely and on time.

Q3. Could we arrange with the company to hold a spare in reserve that we could swap out in the event of a failure? Unfortunately, the gearbox is custom built, so we would need to buy another and have it stored somewhere, which would be expensive and impractical.

Q4. Can preventative maintenance be carried out during down times? We already do this as far as possible. The gearbox failure has encouraged us to conduct more frequent oil quality and belt tension testing. Thanks go to Archie's Angels for all their hard work. They carry out the daily checks and take care of any other tasks that need doing.

Q5. Why did the gearbox fail so soon compared to a truck's gearbox? Different operating conditions. It's likely that the primary cause was the primary shaft on the generator failing, possibly due to being overloaded, which adversely affected the gearbox.

8. Election of directors. Three Directors' terms have ended. Michael Breuck has decided to step down and we thank him for his invaluable contributions over the last few years.

Tony Ashton. Proposed: Jan Szechi; Seconded: David Cooper. **Approved unanimously**

Doug Brown. Proposed: Tony Ashton; Seconded: Jan Szechi. **Approved unanimously**

9. Any Other Business. None.

12.00 noon: Close of formal AGM.