

Reading Hydro Community Benefit Society Ltd

Annual Report for the year 30th September 2015 to 30th September 2016

Including an Update on Recent Developments

The vision

“We’re planning to build a hydropower scheme to generate electricity from the energy in the flow of the river Thames next to Caversham weir in Reading.”

Say this to local people who know the site, and most will think it’s a no-brainer, given the amount of water they see pouring across the weir. But as is often the case, there’s a lot of hard work between the vision and the scheme actually happening.

What the scheme will do

The scheme that is currently scoped will use two Archimedes screw hydroelectric turbines built into the weir. These will give an installed capacity of 52 kW and generate an estimated 380 MWh of electricity each year, which will be fed into the grid. A natural fish pass will be constructed on View Island next to the weir, to provide an extra route for fish and eels to move up and down the river.

We will earn income from selling the electricity, and also from the government’s Feed-in-Tariff (FIT) – although policy changes mean that this is now much lower than when the hydro project started. From the outset, a core principle of Reading Hydro is for this to be a community energy scheme which provides income to benefit the local community. We will seek investment from local people and pay a return to them, with additional profits providing annual payments into a community fund. The hydro scheme will be a community-owned asset and will be fully paid for in twenty years’ time.

What we’ve achieved so far

The Environment Agency granted us the licences needed to use the water in February 2016, allowing us to use up to 5.24m³/s of flow, as well as a transfer licence for the fish pass. We applied for Planning permission in the Summer of 2015 and were eventually granted this on 17th May 2017. To achieve these essential permits required a range of documentation, including plans, ecological survey, hydrogeological survey, fish pass design, bathymetric survey, geotechnical study, tree report and topographical survey. The confirmation of Planning permission now gives us the green light to obtain more detailed designs and quotes from technology and construction organisations.

Support

Reading Hydro has been registered as a Community Benefit Society. It has five directors and over 20 registered members.

We've had fantastic local support. Volunteers (including each of our directors) have helped with design, technical reports, ecological work, financial modelling, website, publicity and a host of other things. We've had support from politicians of different parties, both local and national, and Reading Borough Council has allowed us to use meeting rooms. Our recent press release about planning permission received wide coverage from local and regional media.

How it's all been organised

A group led by Tony Cowling started the hydro scheme in early 2014 as a project of The Greater Reading Environmental Network. It became The Reading Sustainability Centre (TRSC) in early 2015. TRSC is a Community Interest Company with a wider sustainable energy remit. It raised grant funding to assist with public engagement, the basic design of the hydro scheme, and to apply for the Environment Agency licences and help with the Planning Application.

Reading Hydro separated from TRSC in February 2016, because the legal structure of TRSC prevents it from raising investment and managing the construction and operation of the hydro scheme. They have different directors and membership. The rules to establish Reading Hydro as a Community Benefit Society (CBS) were agreed at this time, and Directors were elected. However, the CBS was not formally registered at this point.

In September 2016, the directors of Berkshire Energy Pioneers CBS Ltd gave us the opportunity to legally take over their CBS registration and change the name to Reading Hydro. Berkshire Energy Pioneers had been registered in September 2015 but was dormant and no longer needed. The benefit of this unusual way of becoming registered was that we did not have to pay another registration fee or the legal costs involved in the registration process.

Accounts

This is the reason that the first financial year for Reading Hydro CBS is 30th September 2015 to 30th September 2016. However, no transactions were made during that time and we therefore have no accounts to report at this AGM.

Directors and members

Directors are volunteer members who are legally responsible for the project and have constant involvement in it, whilst members are interested individuals who have signed up as members, who frequently add in their time and expertise, on a more informal and ad hoc basis. All are crucial to the successful outcome of the project and all give their time free of charge.

Directors' responsibilities

- Following the governing documents of Reading Hydro CBS and relevant law, including responsibility for the organisation's records, accounts and performance.
- Attending directors meetings and members events, and standing down if they are not able to do so in a reliable manner.
- Keeping up to date with and inputting into communication, particularly by being regularly active in the Reading Hydro team on Slack.

- Following through with any actions agreed to in a timely and responsible manner, feeding back to the directors and members.
- Enlarging and involving the membership. Enabling members, particularly those with skills, aptitude and time to offer, to contribute as fully as possible to the project.
- Declaring of any conflicts of interest.
- Caring for the reputation of the project.
- Project planning and strategy.
- Driving progress on the project.
- Overseeing finances, ensuring that they are appropriately checked and, when significant, audited.
- Arranging contracts.
- Assessing risks and mitigating them where possible.

There are core skills we are looking for to complete the range needed for this directorial board, which we wish to co-opt in the near future.

Strategy

We are in the process of developing the forward strategy. The timing and speed of progress on the project is dependent on the strength, time and coordination of the volunteers involved and our partner organisations. It also relies on the timely application for and award of the various permits, licences and permissions needed. Thus we wish to increase the pool of expertise available, and to coordinate with use of technology and face to face meetings and events. The main phases over the next three years are:

General and on-going:

- To enlarge and involve the membership, making the most of the pool of skills on offer. To enlarge the critical skills coverage amongst the directors.
- To raise the profile of the project in a consistent and regular manner, in line with objectives in the key phases of the project.
- To liaise with community groups, organisations and stakeholders and form mutually beneficial relationships.
- To see what other benefits and opportunities the hydro project can bring to the community, including openly sharing what we have learnt and the data gathered and generated.

First technical phase:

- To obtain quotes on the works for all the designs and technologies under consideration, including the peripheral costs for each.
- To work on the financial model to see which designs are feasible.
- To perform due diligence investigations on possible technical and engineering partners.
- To apply for relevant additional permits and agreements once we have the necessary inputs to do so.
- To explore potential purchase arrangements and purchasers of the electricity generated and feed the options into the financial model. To choose one and follow through.
- To go out to tender to obtain detailed build and civil engineering quotes and plans, ensuring they cover all relevant costed requirements.
- To make the final selection of a financially viable and well investigated technical option and those who will be responsible for constructing it.

At this point the project would go either into action or a dormant phase, depending on financial viability. A dormant phase would be until the financial issues and/or technological solutions change. Currently there is a strong belief we can make the project viable with the right technology and selling model for the generated electricity.

Second technical phase:

- To finalise the project's business plan and timeline.
- To apply for any variations necessary on permits and permissions.
- To define an investment plan and attract investors.
- To comply with regulations, planning permission, permits and other agreements.
- To obtain grant funding for the fish pass and to construct it.
- To instruct and oversee the hydro power generating works, with the appropriate safeguards and monitoring in place.
- To ensure, at the end of construction a working hydro electricity generating system with a stable market for the generated power.
- To ensure the scheme and fish pass are well maintained, with the help of the community.
- To begin to repay investors and invest the remainder of the annual profits in the community, with a focus on sustainability projects.

Thank you

We are incredibly grateful to all those who have given their time and skills to the project so far. We also would like to thank all the potential partners who may be part of making this local renewable energy scheme a reality, and have made it possible to explore our options.

We'd like to thank all our members for joining Reading Hydro, and in particular people who are already providing active support. Invaluable contributors so far have included Duncan Turner, Brendan Barrow, Dave Cooper, Chris Blake, Erica Purvis, Donald Chambers, Tom Youngman, Dave Jones, Eddie Venison and Fiona LaHive, as well as the initiation of this whole project by the Reading Sustainability Centre.

We are always on the lookout for more, to further strengthen this community project. There is much still to do and we will be discussing this at the members' event, immediately after the formal AGM.

The project will be all the better for the wide experience a large number of interested and committed people can bring to it. Do join in!

Signed

This report was written and agreed by Reading Hydro CBS Ltd directors on 2 July 2017

Sophie Fenwick-Paul (Chair)
Anne Wheldon (Company Secretary)
Tony Cowling (Project Coordinator)
Sarah Rigby (Treasurer)
Summreen Sheikh