



YNNI TEG CYF. NEWSLETTER, DECEMBER 2022

**'Season's Greetings, Chyfarchion y tymor'**  
**from the board and staff to all our members!**



Dear Member

As we approach the end of a turbulent year for the country and in the energy sector, we thought it timely to update you on our progress at Ynni Teg. New board members and the appointment of a new staff team have brought a fresh focus on governance and new impetus to our development activities. Revenues are up and there is a real buzz in the sector, but we are mindful of the difficulties faced by many people this winter, which only underlines the need for us to continue working hard to realise our aims.

Jon Townsend, Executive Director

## Development activities

It's been another busy year for the development team. We were sorry Dewi Llwyd Evans had to leave us on health grounds, but Welsh Government funding has enabled us to expand the in-house team and we have appointed Jane O'Brien and Guy Hopwood as Development Managers, both widely experienced in the sector, and Gareth Tucker has now joined us as part time Project Engineer.



The development rights are now in place for the society's two current developments – the proposed Bwlchgwynt solar array [570kWp] which is out to tender for construction, and the Penrhiw Fach turbine [1MW]. Our work supporting the development of the Bretton Hall Solar Farm [30MW] continues to be both challenging and an important commitment as a landmark project for the UK community energy sector.

The recent hike in energy prices has led to an increase in project enquiries from a range of sectors. Unfortunately, the capacity of the 'grid' to accept new generation is increasingly 'constrained', impacting on what we can realistically expect to achieve in the medium term. We're therefore putting resource into R&D, looking to diversify our activities and engage in new [to us] areas – e.g. sustainable transport, heating – and the applications for different technologies – energy storage, hydrogen production etc.

## Financial performance

Although energy production over the turbine's operational year to August was down on the previous two years, October and November have been much windier. Higher energy prices over the second half of this year have meant greater revenues from power sales, and we're forecasting a significantly higher turnover and net surplus income for this financial year [ending 31st December 2022].

At last year's AGM members were advised that it should be possible to make up for the reduced interest paid last year, by payment of additional interest this coming year, subject to there being sufficient surplus. The board will take advice from our accountants on this, but current projections look favourable.

## Community Benefit

Given the difficulties facing the public this year and real hardship for some, the board felt it appropriate to make donations to local support charities in good time this year and, given the pending healthy financial position for this year-end, to increase the amount being donated. We're hoping to be in position to make a further significant contribution to community benefit funds next year as well.

## Expanding the board

The Board has appointed Joy Kent as acting Chair till the next AGM and we're seeking to add to its capacity, experience and knowledge. We've invited new representation from Community Energy

Wales [CEW], as required by the Rules of the society, and we're now issuing an invite to interested members, which has sent to you separately.

## **Relationships with other organisations**

Having been established through the auspices of CEW, we have enjoyed their close support over the last few years, not least in securing funding for us, and intend to build on that relationship with joint working and initiatives that will feed into our development activities. We also continue to enjoy good support from the Welsh Government Energy Service. We're now looking to develop closer links with other community energy organisations for mutual benefit and we're hoping more project partnerships will get underway in 2023.

## **The year ahead**

We're currently finalising the Business Plan and budget for next year. There is a likelihood of steep power purchase prices continuing for consumers next year but it is unclear yet what impact the UK Gov't's Energy Price Cap bill will have in suppressing wholesale electricity prices. The sharp rise in inflation and uncertainties over long term energy pricing are also affecting our negotiations for grants from Welsh Government and commercial loans, and how best to factor in potential investment offers for members – all should be clearer by the time of the AGM.

We plan to have two construction projects on the ground in 2023 which, though inevitably impacted by inflation and supply-chain uncertainties, should give us something tangible to celebrate by this time next year.

Let's hope we can celebrate a return to peace in Europe as well.

## **Message from the Chair:**

It's been quite a year to get involved in community energy and I'd like to thank all the board members and staff for their passion and commitment for YnniTEg and its goals. I'd also like to encourage any member to have a chat with Jon or myself about becoming a director. I will only be chair until the AGM in June and between now and then it would be great to strengthen the skills, knowledge and diversity around the table. So please don't be shy – it's a really supportive, welcoming organisation with an exciting job to do and this is a great time to contribute to the future of community energy in Wales.

However you spend this season, have a wonderful holiday and see you next year.

Joy Kent, Chair,

Ynni Teg Cyf.