

Neen Sollars Community Hydro Information Sheet



Neen Sollars Community Hydro Co-operative (NSCH Co-op) Ltd announce the issuing of a share offer for the Tetstill Mill Hydro project. Full details of this will be made available at a special ‘Share Offer Event’ to be held at:

The Neen Sollars & Milson Victory Hall* on Saturday, February 18th, 10am-4pm

Introduction to the Neen Sollars Community Hydro Project at Tetstill Mill

NSCH Co-op will build a 12.5 kW hydroelectric installation at Tetstill Mill, Neen Sollars on the River Rea. It will produce green electricity to the local electrical grid, providing around 20% of the domestic power use in the village of Neen Sollars and locally meeting the national target of 20% renewables. This project will be a beacon for the region as it will be one of the very few renewable energy installations in the West Midlands and the first one to be community owned in this way. The key benefits are the practical generation of green electricity, the opportunity for local involvement in owning and running a renewable generation system, the opportunity for awareness raising and education in the local area, and the opportunity for a local social enterprise company to gain a modest annual income. This project has been entirely conceived and executed by local people and is working alongside wider attempts to improve the ecological status and sustainability of the Rea catchment. For example, a fish ladder (1st of four on the river) was recently (September 2010) installed at the site in order to allow salmon to travel upriver: this has been designed to be compatible with the hydropower installation.

This project was originally developed as a collaboration between three not-for-profit organizations: **Cleobury Country Limited (CCL)** working with the local environment group, **Cleobury Country Environment Forum (CCEF)** and **Shareenergy**, a Ludlow-based co-operative which helps community groups to establish community owned renewable energy co-ops (including the recently completed Leominster Community Solar)

The intention is to install the highest capacity unit (Ampair Kaplan) for the available power rating in order to ensure the most economic carbon offset. Over the initial project period of 20 years this should

* The village of Neen Sollars is located midway between Cleobury Mortimer and Tenbury Wells. To reach The Victory Hall (if approaching from the Cleobury Mortimer direction) turn left at the 2nd Neen Sollars road sign (note village church to the right as you turn left) and follow the road across open country for about 2 miles. The direction to The Victory Hall (DY14 0AL) is signposted at specific points along the route.

amount to a total power output of over 1,000,000 kWh – and the turbine is designed for a much longer operating life.

The programme of work is as follows:

- EA licensing – Obtained
- Planning consent – Granted
- Share offer – February- April 2012
- Bidding principal contractor and place civil works and turbine order – April 2012
- Installation – to take place around flows and fish – June 2012 to September 2012
- Commissioning and testing – September - December 2012

Building on Success

This co-operative uses the Sharenergy Model Rules which are derived from Sharenergy and Energy4All's experience going back to Baywind Co-operative in 1997. Work on the hydro project at Tetstill has been on-going for more than three years; during this time a comprehensive feasibility study and financial plan were completed along with the successful installation (by Severn Rivers Trust) of a fish pass (September 2010) which was an Environment Agency project condition. Under the direction of Cleobury Country Limited, the project has been managed by Cleobury Country Environment Forum supported by specialist assistance through Sharenergy. In August 2011, Neen Sollars Community Hydro Co-operative was registered, with three founding directors from the community.

How the Co-operative will work

- The Members of the Co-operative will raise the project capital through this Share Offer. This will enable the co-operative to purchase and install the necessary equipment. To date a limited amount of grant money has been obtained which has covered some of project preparation costs (e.g., abstraction license, prospectus, share offer launch). The remainder of the development costs have been covered by Sharenergy under its Revolving Investment Fund. These funds will be repaid to Sharenergy so that they can be used for similar projects in the future. The share capital to be raised will be in the order of £135,000. To date Cleobury Country Ltd has made a commitment to purchase a £20K share with the intention that the resulting interest will be reinvested in environmentally related community (local) projects. The remaining shares available therefore total around £115,000 (figures subject to final quotes, see share offer document)
- The Co-operative will own the project under a leasing arrangement with the owners of Tetstill Mill, Mr. & Mrs. John Bettinson. It will be run by its members and operate on a one member, one vote basis with a Board elected from amongst its members.

Investing in the Co-operative:

- You can invest as little as £250 or up to £20,000. Individuals, organizations and businesses can support the establishment of the Community Hydropower Project.
- The share offer will qualify for Enterprise Investment Scheme (EIS) tax relief whereby individual investors can set 30% of their investment against tax, if investing over £500. We are investigating the possibility of qualification for the new Seed EIS scheme under which tax relief is set at 50%.
- Members of the co-operative will receive an annual dividend on their investment. The target rate of return averaged over 20 years is 3-4% per annum. The real rate of return will be considerably higher

for taxpayers who qualify for EIS or Seed EIS tax relief (e.g., £1000 invested, £300 reclaimed against tax, annual average return £40 which is 4% of £1000 but 6% of £700)

- All shares will be held in the co-operative for 20 years after which point the initial capital will be available for repayment to investors.
- The community co-operative will manage the ongoing maintenance of the turbine. A proportion of income is put aside for this purpose, with a corresponding amount providing for the ongoing administration of the co-operative. The landowners will receive low cost electricity in lieu of rent for the use of the site.

Benefits to the Community

The Neen Sollars Community Hydro Project will provide renewable (green) energy into the grid locally, providing the equivalent of around 20% of the electricity requirements of the community (Neen Sollars) households and thereby making a significant local contribution to the reduction of the community's carbon footprint.

The project provides a rare opportunity to invest in a local, ethical and democratic social enterprise. The weir and installation are viewable from a public right of way and we will provide material to enable local schools to incorporate the hydro plant in their curriculum.

Share Offer launch

On Saturday, February 18th the Share Offer will be launched at The Neen Sollars & Milson Victory Hall (see directions on page 1).

At this event the following will be available:

- site plan
- project design detail
- share offer document containing the financial plan and share offer registration form
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There will also be a number of members of the local community including NSCH Co-op representatives, the project team and the design consultants (RDC, view <http://www.renewabledesign.co.uk/>) available to answer any questions.

The Next Stage

If you are interested in following the development of this project and becoming a member of the co-operative please come to this Share Offer launch event or if you are unable to attend please sign up for details on our website, leave your details at the Cleobury Country Centre information desk (near Lacon Childe School, Cleobury Mortimer – see address below) or send to:

Neen Sollars Community Hydro Co-operative Ltd, Cleobury Country Centre, Love Lane, Cleobury Mortimer DY14 8PE

Keep abreast of the latest developments on the Neen Sollars Community Hydro website at <http://www.shareenergy.coop/neensollars/>

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