

3 Bro Dyfi Community Renewables Limited



Bro Dyfi Community Renewables is a community co-operative enterprise, which is largely owned by its local community. The participatory governance arrangements in the organisation have ensured that as the organisation has developed, the control and ownership remains in the hands of its owners – the local Valley community.

What it Does

Bro Dyfi Community Renewables Limited (Bro Dyfi) is a community wind turbine co-operative, owning a 75kW wind turbine, which produces electricity that is sold to the Centre for Alternative Technology (CAT) under a power purchase agreement.

CAT purchases all the power generated (around 163 MWh each year), using about half of it to supply its site with electricity and hot water and exporting the rest to the local grid, to supply 45 households with electricity.

The electricity generated will slow climate change by preventing the release into the atmosphere, of 70 tonnes, of carbon dioxide every year.

The Co-operative also promotes energy efficiency and intends to save an additional 345 tonnes of carbon annually by reducing local energy use

How it Came About

The Co-operative was formed from an initiative by Dulas Valley Community Wind Partnership, a local community group, established to pioneer small-scale wind power owned and controlled by the local community, to offset the use of grid

electricity. The histories of the two sister organisations are heavily intertwined, as Bro Dyfi provided the vehicle to take legal ownership and responsibility for developing and operating the wind turbine project.

The Dulas Valley Community Partnership was set up in 1998. The subsequent two years were spent battling with financial projections, technical details for wind turbines, designs and planning permission.

The first public meeting was held in May 2000, to discuss the proposal further and the Dulas Valley Community Wind Partnership was established as a formal Society. This enabled a bank account to be opened and members' subscriptions raised in order to build revenue for start up tasks such as the planning application and publicity to widen the group.

As the project developed, so did the level of community involvement, and open committee meetings were held more regularly, with delegated sub-groups to undertake the detailed tasks of environmental impact assessment, legal technicalities and financial research. The Dulas Valley Wind Community Partnership formed a separate organisation to take legal responsibility and ownership of the turbine. Bro Dyfi was established in Autumn 2001, as a Consumer Co-operative registered as an Industrial & Provident Society, with share capital. The Society needed to raise £81,175 for the capital and initial start up costs for the turbine, along with a further sum of £2,300 annually, required for operations and maintenance.

A successful European Regional Development Fund (ERDF) grant for 30 per cent of capital costs was an important first step, along with negotiating with local landowners and the CAT to secure the lease

Facts & Figures

- Organisational Type – Consumer co-operative.
- Legal Form – Industrial & Provident Society
- Date Established – 2001
- Location – Machynlleth, Wales
- Number of Members – 50 share capital members, 30 supporter members
- Number of Workers – No paid workers currently, administration and day-to-day management of organisation is undertaken by Board members (five currently).
- Turnover – The annual turnover is predicted to be £7,220



The organisation is a valued resource for the local community – as demonstrated by the success of the share offer (above), with over 50 members of the local community choosing to invest in the future of their rural community enterprise.

for local land and a power purchase agreement for the wind turbine. An additional £10,000 grant from Scottish Power's Green Energy Trust was obtained, along with a further £10,000 from the Energy Savings Trust. The Society still required £37,423 (46 per cent) of the start up costs to be met from elsewhere!

A share offer was launched in 2001, with the help and assistance of a local investment club, to enable the local community to purchase shares in the project, and to ensure that ownership through shares, remained within the community.

The share offer was a huge success. Within the four-week share-offer period, £54,000 was raised from members – the offer was over-subscribed by £17,000. Of the 55 investors in the project, all except two were from the Dyfi-Valley community. The minimum investment was £100 and the maximum was £1,000, to allow as many people as possible to invest in the project after being over-subscribed.

Construction of the single wind turbine commenced and Bro Dyfi is now producing sustainable energy via the community-owned wind turbine.

Governance Structure

The organisation has a two tier governance structure, with the membership of Bro Dyfi electing the Board of Directors at the Annual General Meeting (AGM). There are currently 57 shareholding members of the company, and a Board of Directors consisting of 5 members. Membership of the Society includes a majority of individual members of the community (55), along with corporate members (two). As an Industrial & Provident Society, all members have an equal vote, regardless of the original investment made into the Society.

Democratic member participation is at the heart of the organisation, with opportunities taken as and when appropriate, to inform and consult the member base of the organisation.

The Society holds quarterly full members' meetings in the Valley, to ensure the membership is informed and aware of developments of the project, and to contribute to the direction and strategy of the Society. The meetings include exhibition stands and publicity material to clearly report progress and to consult with members.

The Board of Directors meet more frequently, with monthly meetings to discuss the running of the Society. With no paid members of staff, the operational and maintenance aspects and duties of the Society are undertaken by the Board of Directors, on a voluntary basis, with an active core of two/three individuals taking responsibility.

The criteria for membership is any person or corporate body that:

- Lives in the area served by the Society; or
- Supports the objects of the Society; and
- Agrees to pay the subscription.

Members may invest financially in the Society, or can offer to undertake tasks for the company, in return for a value of shares in the Society. The value of work undertaken, and hence the amount of share-holdings in the Society have been determined when it was established.

Members are paid a dividend, according to the value of their investment in the Society.

Participatory Practice

As shown in the “How it Came About” section, the Society has embraced participation by local people as a key factor. It has ensured that mechanisms and practices for community involvement are explicit in the development and delivery of its operations.

The Society has been successful in enabling participation through a number of routes, taking on board both the capacity for economic participation of members, and contributions in kind for return of a stake in the business.

The skills, knowledge and experience of members are utilised in return for a stake in the share holdings of the Society. This is a significant part of the overall participation process of the Society. By providing local people, who would otherwise not be able to invest financially in the Society, an opportunity to contribute in other ways through tasks and work undertaken in return for shares, the business has enhanced the number of routes for participation and levels of involvement by local people.

Examples of this approach are members undertaking tasks relating to the development and production of the environmental impact assessment (EIA) for the wind turbine project, in return for a set value of shares, as a recognition of their contribution. Many of the people involved in the project construction, planning, finance and legal matters and the landowner have agreed for some or all of their work to be paid in shares in the project.

The Society holds regular quarterly full members’ meetings, providing valuable occasions for the local community to engage and participate in the Society and have a say in its operations and future direction.

All revenue for the project is retained within the local area, including a Community Energy Fund. Up to 50 per cent of surpluses from the Society will be invested in the Community Energy Fund, which goes towards energy efficiency initiatives in the local area, thereby engaging and stimulating interest of non-members through publicity and awareness-raising events.

Stakeholder Engagement

The Society has a number of stakeholders, most of whom have been involved in the development and planning of the project since its inception. In the early days, an association was formed, to represent the key stakeholders in the project, with regular open and public meetings to facilitate and further the development of the project. Stakeholders included the general village community, CAT, energy providers, and other environmental and sustainable energy interest bodies.

The Association is no longer in existence, although the Society regular engages and discusses aspects of the project with relevant stakeholders as and when necessary.

Membership

Bro Dyfi Community Renewables Limited has 57 share capital members, of which:

- There are 55 members from the Dyfi-Valley community, within a 3 mile radius of the community co-operative
- There are two corporate members – the Energy Savings Trust and Baywind Energy Co-operative
- There are a further 30 supporter members, with no share capital.

Measures of Success

Bro Dyfi has contributed to a number of success stories for the locality. Often working in partnership with other schemes and initiatives, the project has contributed to the umbrella body, Eco Dyfi, being awarded the Best Renewable Energy Partnership in Rural Communities Award.

Key to Success

- **COMMUNITY CONTROL** – The project has been a way for ordinary individuals to take control of a basic resource and requirement of modern living.
- **WORKING TOGETHER** – The company has provided opportunities for getting local people working together.
- **SUSTAINABILITY** – The project has taken an environmental resource and provided opportunities for people to work towards a more sustainable lifestyle, increasing the viability of the project in the longer-term with strong community involvement and interest in its development and future.