



PROGRESS REPORT

The Progress Report is made up of 4 sections:

Progress Report
Publicity
Special Conditions
Assets

A Progress Report must be supplied with every claim form submitted. A claim will not be fully submitted and therefore will not be processed until this has been received.

Lead Sponsor Name:	City & County of Swansea
Delivery Organisation:	Y Felin Ddwr Trust
Project Name:	Killan Community Solar (Feasibility)
Claim Period:	September 2016 – June 2017

1. Progress Report – Please provide details of Project progress and achievements to date together with an indication of future activity. Please also use this section to highlight any difficulties being encountered on the Project and how they are being addressed.

The key objective of the study was to carry out a piece of action research which would identify, and in so doing, immediately secure the lending package that would ensure the project was built according to very tight timescales and one that would maximise community benefit.

After reviewing lending options, which included consulting and sifting through a variety of lenders for suitability, the consultant chose 3 different social lenders with whom it entered into detailed discussions about the technical and financial details of the solar farm and the aspirations of Y Felin Ddwr Trust.

Each lender requested a wide range of project information including a financial model which had to be tailored and finalised to each lender's requirements. Detailed discussions then took place before lenders made offers in principle for providing finance to construct the project.

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These offers in principle were then considered in consultation with Y Felin Ddwr Trust. Securing a construction loan to then be refinanced by community shares was determined to be the most likely means of ensuring the project was constructed but also the way in which community benefit could be maximised. None of the lenders that were approached were willing to provide a loan for 100% of the project value on a long term basis without the promise of their loan being refinanced.

The best offer came from Finance Wales, whose offer of 7% interest on a 15 year repayment profile was both the best value offer and the most likely to be delivered. Although they offered a 15 year repayment profile, this offer was made under the tacit understanding that their loan would be refinanced as soon as possible.

The outcome of the study was that a suitable lending package was identified and Y Felin Ddwr's project vehicle (Killan Solar CIC) was then immediately in a position to secure £992,000 towards the construction of the solar farm on favourable terms and most importantly within the timeframe.

The 1MW solar farm has now been constructed and is providing enough clean energy for the equivalent of 300 households. A community share offer subsequently took place and which raised £905,460 towards repaying the construction loan.

The community share offer document, which provides a detailed description of the project, including the terms of the share offer and cash flow projections is appended.

The relatively small but well-timed RDP intervention and resulting loan package from Finance Wales helped to ensure that the project was built by March 31st 2017. Had the solar farm energised after this date it would have not met its Renewables Obligation Certificate deadline, the estimated consequence of which would have been a projected loss of revenue of circa £50k per year for the next 20 years, which most probably would have rendered Killan Solar CIC insolvent.

The project has subsequently won the 2017 Community Renewable Energy Project Award, which is given to:

'The most commendable sustainable electricity generation project undertaken by a community group across Wales and England.'

2. Publicity – Please provide details of how this project has been publicised in accordance with your SMU, Welsh Government guidelines (please refer to your grant approval letter).

The key promotional material for this project is the share offer document. This was produced bilingually and follows best design practice and Welsh Government guidelines. All funders/partners including City and County of

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Swansea and Welsh Government are accredited appropriately within this document.

The share offer was also listed through a national social investment broker called Ethex. The Welsh electronic version of the share offer has been made available alongside the English version.

3. Special Conditions – If applicable, please use this Section to provide progress against any special conditions with which the Case and / or the Sponsor must comply, details of which are contained in your grant approval letter. Please note that failure to report progress and/ or meet any special conditions will result in suspension and possibly clawback of Financial Support.

Not applicable

4. Assets

Please provide the serial number of any assets acquired that are included in Eligible Costs claimed.

Not applicable