

Operating under the Co-operatives National Law [Victoria] 2014 as a non-trading, small co-operative: The Energy Innovation Co-operative Ltd.

Directors' Report Nov 2017:

To the Members,

Your Directors submit their report, together with the audited financial statements of the Energy Innovation Co-operative, for the financial year ended 30 June 2017

The Directors of the Co-operative in office at any time since the end of the financial year 15-16 and up to the date of this report (AGM 26th Nov 2017) were:

- Moragh Mackay: Chair (Elected 2015. Retiring 2017. Renominating as Director Nov 2017)
- Peter Wonfor: Deputy Chair (Appointed 2013. Elected 2014. Renominated 2016. Continuing Nov 2017)
- Bruce Hydon: Treasurer (Founding Director 2009. Re-nominated 2016. Continuing Nov 2017)
- Susan Davies: Secretary (Founding Director 2009. Re-nominated 2016. Continuing Nov 2017)
- Dave Sutton (founding Director 2009, Retiring Nov 2017. Re-nominating as Director Nov 2017)
- John Coulter (Elected 2015. Continued 2016, resigned September 2017)
- Sarah Van Stokrom (Appointed May 2016. Re-nominated as Director Nov 2016. Resigned 2017)
- George Fairley (Elected November 2016. Retiring Nov 2017. Re-nominating as Director Nov 2017)

Sarah Van Stokrom tendered her resignation after gaining employment in the position of State-wide Fishcare Co-ordinator, a job that is hugely demanding on her time. Thanks go to Sarah, for her contributions to the Board over the past 18 months, particularly in getting the Southern CORE Fund public profile up and help on website, newsletter and computer matters. Sarah continues to provide graphic design and computer support from time to time, when she is able. A resignation was accepted from John Coulter in September 2017 when he was appointed as the Old Energy New Energy Project Officer, after an open recruitment process. We thank John for his contributions on the Board and are very pleased to have him continue to work with the EI Co-op in this new capacity.

The principal purposes of the Co-op have changed as a result of a new set of principle purposes that were put to the membership in 2016. These were accepted by Business Victoria after the vote prior to and ratified at our 2016 AGM. The old principal purposes were listed in the original constitution as:

1. To inform members plus the broader community about renewable energy systems and the emerging renewable energy market
2. To facilitate the establishment of renewable energy systems
3. To support community and business action towards a carbon- neutral future.

The following list is a summarised version of these purposes. A full version of the new principal purposes is available at the 2017 AGM or can be found in the amended constitution.

- i. increasing the application of renewable energy and energy efficiency measures
- ii. providing information and education services to protect and enhance the natural environment
- iii. undertaking research and investigations on the impacts of climate change on the natural environment
- iv. maintaining a donation mechanism to enable members of the public to collectively fund renewable energy installations and energy efficiency measures
- v. lending donated funds to non-profit community organisations to enable them to pay for small-scale renewable energy installations and energy efficiency measures
- vi. using donated funds to fund, or part-fund, the building and operation of renewable energy installations

- vii. empowering individuals who are concerned about the environmental impacts of climate change
- viii. ensuring donated funds are used effectively and transparently
- ix. establishing and maintaining a public fund to be called the Energy Innovation Cooperative Public Fund

In order to plan for and deliver on these purposes, the Board continued with the annual action plan format, developed in February 2016. We also developed a Business Plan late in 2016 to outline the Stages and objectives of the Old Energy New Energy Project. The following is a summary of the activities our Board and several volunteers undertook in delivering on our purposes and plans:

1. Old Energy New Energy Project submission to the Victorian Government New Energy Jobs Fund (NEJF) in March 2017. This application represented stages 1 & 2 of our Business Plan, being principally for operation of the Southern CORE Fund and installation of 86Kw solar and 25Kw battery array at the State Coal Mine, Wonthaggi. Our success with funding from NEJF was announced in June 2017, when we were awarded \$242,000 for this project.
 - a) Our partnership with Bass Coast Community Foundation that resulted in a donation of \$60k over four years enabled us to contribute \$30k of these funds to the NEJF application. The remainder of this donation will be used as matching funds in our current application to the Victorian Government Climate Change grants and for the Southern CORE fund loans.
 - b) Also thanks to the Bass Coast Shire, that via ComMET made a \$4k contribution to the NEJF application.
2. Registered Environmental Organisation (REO) and Deductible Gift Recipient (DGR) status applied for and Public Fund Management Committee appointed Dec 2016.
3. We were advised that our REO and DGR status was granted in October 2017. This will enable tax deductible donations to be made into our Public Fund and be a source of funding to support the Southern CORE Fund and activities that correspond with all our principal objectives.
4. The Southern CORE (Community Owned Renewable Energy) Fund has delivered a \$20,000 no interest loan, enabling Foster Community House solar PV installation and Foster Pool Association's solar heating project to be completed before summer.
 - a) Donation source: A generous \$20,000 donation from the Electrical Trades Union Victoria. The ETU has also made an additional \$5000 grant which will be utilised as matching funding for our "Pathfinding" application to the Victorian Climate Change Grants.
 - b) We have initiated a conversation with the Grantville Hall Committee to explore how we might support its renewable energy goals. This would be our first project in Bass Coast Shire.
5. We have continued our participation in the Victorian Community Solar Alliance (VCSA) which has developed documents for Community energy projects including loan agreement and Power Purchase Agreement templates, an information portal, a new website template and back office support for investment modelling for community energy projects. We have used the loan agreement template for the Foster project.
6. Community Events in 2017 included: "Solar & batteries" information sessions at Leongatha, Korumburra and Fish Creek; Energy efficient house visit to Nyora; "Funding solar for business" information sessions at Korumburra and Mirboo North. The combined attendance at all these events exceeded 350 people. Funding for these events was provided through our partnership agreement with South Gippsland Shire Council. Thanks once again go to SGSC for their continued support.
7. Development of the 'Pathfinding' application to the Climate Change Fund. This project, if successful in receiving a grant, will enable a feasibility study to be undertaken on stages 3, 4 & 5 of our Business Plan. These stages include development of the Energy Innovation Centre and museum at the State Coal Mine, training facilities for pre- and post-apprenticeship studies and research & development of new energy technologies.

8. The Co-op continues to auspice and to participate on the Communities Making Energy Together (ComMET) Roundtable. The principle activity of ComMET has been establishing a process for evaluating potential community energy sites, which in turn will be able to apply to the Southern CORE fund to support their renewable energy goals.
9. Several Board and Co-op members attended the Community Energy Congress held in Melbourne in February 2017
10. We presented at the Bass Coast Shire Council session on how the EI Co-op is and would like to work on elements of the Council's Natural Environment Strategy
11. We made presentations on our Business Plan objectives and reported on our achievements to both South Gippsland Shire Council and Bass Coast Shire Council
12. We have upgraded our website and will be developing a new website early next year with assistance from the VCSA project.
13. We have created only two newsletters this year and several news bulletins, but had a continued presence on Facebook & Twitter thanks to our former director Mel Glew who continues to volunteer her time to this task. We greatly appreciate Mel's efforts in this regard.
14. We met with Westernport Water to explore common ground between their carbon emission reduction goals and how the EI Co-op may assist.
15. Co-op members continue to respond to phone and email queries about renewable energy options, concerns about their solar systems and other issues.

Acknowledgement and appreciation of each of the Directors contributions needs to be made. We are a small Board so everyone pitches in. Thank you to our Treasurer Bruce, who approaches this role with terrific ease and clarity. Thanks to Susan Davies, our very dedicated Secretary, who continues to plough through a huge work load. I'd like to particularly acknowledge her amazing success with gaining DGR status for the EI Co-op in 10 short months, for working on the website and bringing back the benefits of our VCSA membership into the EI Co-op. Thank you to Peter, Dave, and George for your depth and breadth of knowledge of the electricity and renewable industries that guides our decision making so well. And to Peter for persisting with our newsletter and news bulletins and George for taking on the ComMET role. Sarah, who always knows what to do with challenges thrown up by websites, newsletters and computers, will be missed. And lastly, John, who contributed enormously to this year's successful grant application for the Old Energy New Energy Project, I am very glad you were the successful applicant for the Project Officer's role. I look forward to welcoming two new Board members to fill the places left open by Sarah and John, and to the new insights and enthusiasms they will bring.

We have exciting times ahead. The Energy Innovation Co-operative is in a strong position to deliver on our objectives and our members interests. We are where we want to be, actively engaged in installing and supporting community owned renewable energy, which was the inspiration for starting the Co-op in 2009. We are so pleased to be the facilitators of this activity, increasing the capacity of people to take up renewable energy and driving down emissions on behalf of our community.

Financial Review and result for the year:

The Co-operative has made a surplus of \$3,329 for the year

At 30 June 2017 the Co-operative had total assets of \$46,624. This included \$33,250 of unexpended grant funds, leaving an account balance (net assets) of \$9374.

Matters or circumstances arisen since the end of the financial year which may significantly affect the operations of the Co-operative, the results of those operations or the state of affairs of the Co-operative in the subsequent financial year?

(See below)

Future Developments and Results:

The likely developments in the operations of the Co-operative in future financial years and the expected results of these developments are:

Our ability to offer tax deductibility for donations received, and to apply directly to philanthropic organisations for "public fund" grants to assist the EI Co-op in acting on its objectives, now that we have REO and DGR status. In the next 12 months we will focus mainly, but not solely, on the Southern CORE Fund and the Old Energy New Energy Project. Beyond this we are committed to managing the feasibility study that is proposed in the 'Pathfinding' project proposal and maintaining our usual series of public events, our website (old and new), newsletters, presentations and submissions.

Environmental Regulation:

The operations of the Co-operative are not currently subject to environmental regulation.

Share options:

Each paid up member of the Co-operative has one voting share.

Directors and executives benefits and contracts:

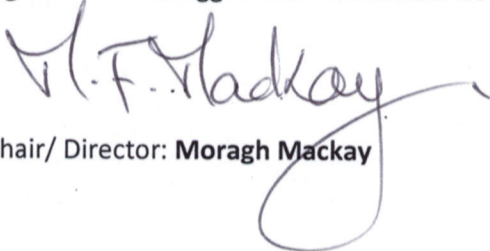
During or since the end of the previous financial year, Directors of the Co-operative have not received any benefits or contracts.

Indemnification and insurance of officers/auditor:

Insurance premiums have been paid for Director's liability insurance and public liability insurance during or since the end of the financial year.

This report is made in accordance with a resolution of the Board and is signed for and on behalf of the Directors.

Signed at Wonthaggi on 26th November 2017



Chair/ Director: **Moragh Mackay**



Treasurer/Director: **Bruce Thomas Hydon**