



Our aims and objectives: To promote involvement in and benefits arising from renewable energy initiatives and projects, including, without limiting the generality of the foregoing, wind, wave, hydro, solar and biomass initiatives and projects. To secure benefits from such renewable energy initiatives and projects for those living in or working on Islay, Jura and Colonsay. To promote involvement in and benefits arising from energy sources other than renewable energy. To encourage the public to adopt energy efficiency techniques with a view to reducing poverty within the community. To advise and educate the public on the effective use of all forms of energy.

Achievements and Performance:

The Castlehill Wind Turbine Project and Community Benefit Fund

The community-owned wind turbine at Castlehill was developed by IET and transferred to the specially-created Islay Energy Community Benefit Society (IECBS), which owns the turbine. After a period of testing, the turbine was formally handed over by Enercon (the turbine supplier) to IECBS in April 2015. During the calendar year 2015, the turbine generated electricity for export to the grid in line with the figures set out in the original prospectus, at just over one million kilowatt hours. Through the provisions of an Operating Services Agreement (OSA), IET manages the turbine on behalf of IECBS, monitoring performance, dealing with maintenance requirements and handling all payments/receipts and book-keeping. This work requires a detailed understanding of all of the contracts and processes involved, and establishing routines to ensure all aspects are under proper control. During 2015 this included a protracted period of correspondence with Ofgem to secure the final accreditation of the turbine, to allow IECBS to claim the feed-in-tariffs, which are vital to the profitability of the project. We continue to seek ways to improve the processes involved, and address some of the inevitable issues which arise in the early stages of a major project such as this. The audited accounts of IECBS were presented to their AGM on 27th April, where it was announced that the sum of £60000 would be transferred to IET as the first annual payment to the Community Benefit Fund (CBF). This is also in line with the original prospectus. Year-to-date in 2016, the turbine has generated 656,000 kWh which indicates that the forecast for the full year should be in the region of 1,100,000 kWh.

Community Benefit Fund

In preparation for the launch of the CBF, IET advertised for the position of Benefit Fund Manager, and in February were pleased to engage the services of Dr Billy Sinclair. After a period of familiarisation, he has developed the processes and application procedures through which members of the communities of Islay, Jura and Colonsay can seek support for a range of projects. Based on the original research done on behalf of IET, there are three main “target” areas which can be supported by the CBF. These are the development of further renewable energy related projects, the strengthening of community groups to provide environmental or social benefits, and the relief of fuel poverty and improvements to energy efficiency in domestic and community properties. The fund was launched at the IECBS AGM and has been advertised in the *Ileach* and on the IET website (www.islayenergytrust.org.uk) where full details of the application method are available. At the time of writing we have received eleven expressions of interest, which will be discussed with the applicants, and full applications will be completed. These applications will be evaluated according to clearly defined criteria, by a panel drawn from the Boards of IECBS and IET, supported where necessary by advisors. There are currently four completed applications in the review process. We are indebted to the support of the Big Lottery fund during the initial period while the CBF becomes fully established. We expect the annual fund to at least reach 2015's level, and to increase over time, such that we will be distributing around £2m over the life of the turbine.

Sound of Islay Tidal Project

The project to install turbines in the Sound of Islay received approval from the appropriate authorities in 2015. However, Scottish Power Renewables (SPR) decided that they should not proceed with this development alone, and subsequently sold their interest in the project to Atlantis Resources Ltd, while retaining a shareholding interest in the Atlantis company which now owns the project. Atlantis are focussing their current efforts on their 'Meygen' project in the Pentland Firth (see www.atlantisresourcesltd.com for details) which is progressing on schedule. Islay Energy Trust (IET) welcomed the Director of Atlantis to Islay in March this year, where he explained that planning for the Sound of Islay project would follow after it became clear that Meygen was full on track. We therefore anticipate that Atlantis will be in touch later this year and will advise us and the Islay and Jura communities how they propose to ensure that all stakeholders understand what the impacts of the project are likely to be. Having had a mutually beneficial relationship with SPR in the early stages of the project, IET stands ready to assist Atlantis as required.

Other Work:

We announced in late 2014 a potential partnership with the European Marine Energy Centre (EMEC) to lease an area of sea-bed off the south-west of Islay as a demonstration zone for tidal stream devices. Since that time, demand for such a facility has reduced, and EMEC has sufficient capacity at their site in Orkney. We had previously stated that this was a long-term possibility, but now must state that it is extremely unlikely to proceed.

IET has also assisted Dunlossit Estate with the accreditation of the Loch Allan hydro scheme, and has spent time considering other renewables sectors in the light of the changing policy framework. This latter area is of concern since remote rural and island communities may not be able to justify local projects without some form of support. IET will continue to lobby in this area but such is the level of uncertainty surrounding the renewables sector at both UK and Scottish levels that we do not anticipate any imminent clarity.

Your Board

There have been a number of changes to the IET Board over the past 18 months, and we are pleased to say that we have a full complement of Trustees, including Deborah Bryce and Alex Dunnachie from Jura who joined in November 2015. At the same time, Stephen Harrison was appointed as Chair, while Dr Malcolm Ogilvie and Jenni Minto resigned from the Board. Their contributions were greatly appreciated. We are confident that we have the skills and resources to ensure that IET will continue to serve our communities effectively.

Membership

Membership currently stands at 349 and is available free to adult Islay, Jura and Colonsay residents (over 17 years of age), Juniors who are aged 12 to 16 years and Associate Membership for non-residents of Islay. The wider our membership, the greater our potential influence can be.

Membership forms are available from the IET office at the address below.

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