Everything you wanted to know about raising finance but were afraid to ask

#CEconf18
Ethex Track Record

13,000+
Registered investors

£65m
Amount raised

65
Projects funded

www.ethex.org.uk
Primary offers

- Investment raise from individuals
- Orders placed through the Ethex online platform
- Time limited
- Usually community (withdrawable) shares or bonds
- Success factors
  - Engaged community
  - Social impact
  - Financial return
  - Strong marketing campaign

www.ethex.org.uk
Community shares

“Community shares” can only be issued by co-operative societies and community benefit societies – main type of investment issued by community energy organisations.

- Non-transferable. Shareholders can withdraw their share capital
- Value of shares is fixed
- Democratic - shareholders have one vote, regardless of the size of their shareholding

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Bonds

A bond is a form of loan agreement between an individual and an enterprise with a promise to pay interest and to repay the capital to the bondholder on a set date.

Used to raise finance by community energy groups but not as frequently as community shares.

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Community Bonds – a new model?

A bond which is structured in order to provide greater flexibility to the issuer through a long date and provision that interest and capital payments are dependent on not creating financial instability for the issuing society.

Issued with a condition that the investor also purchases a single community share in the society.

- Current live offer by Energy Garden is a community bond

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Refinancing

Ethex has seen a number of recent offers which are refinancing deals.
Can be seen as a tough sell but lots of benefits:
- Often enables a society to replace more expensive finance with cheaper investment – frees up monies for community funds
- Individual investors can come in at a later, lower risk stage, when the site is up and running at an optimal level
- Allows new members, including the local community, to join the Society
- Social finance loan provider can exit and reinvest their capital into other new impactful ventures

Recent examples:
- Resilient Energy
- Gower Repowering
- Low Carbon Hub
Innovation will be key!

Community Energy Fund aims to raise £4 million over the next three years to pursue a range of opportunities. Will enable it to strengthen and grow its portfolio of community energy projects. Society will be in a position to invest when opportunities arise.

Raising investment for a fund which will look to transfer up to 12MW of privately held solar assets into community ownership.
Community Energy Conference 2018

Josh Brewer
Senior Business Development Manager
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Post subsidy opportunities

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Thrive Renewables

• We believe in a clean, smart energy system that is powered by the investment of many.

• Our mission is to power the transition to a sustainable energy future by helping people meaningfully connect with clean energy projects.
Introduction

Portfolio

- 21 renewable energy projects, total capacity 105 MW
- Plugging funding gaps
  - 12 owned, 4 JVs and 5 Mezzanine
  - 4 community owned, 6 industrial sites
- 6,240 community of investors
- 160,550 MWh of renewable electricity generation*
  - 56,440 tCO₂e,*
  - 41,170 homes equivalent*
  - 9 tCO₂e per shareholder*

* owned portfolio
Update

The Thrive Community Bridge

We are supporting communities in taking ownership of their local energy projects.

**Step 1**

A community wants to own a renewable energy project.

The project is owned by a mainstream developer and the Community wishes to buy it.

**Step 2**

Thrive gives the Community the breathing space to organise their own funding.

**Step 3**

Thrive is repaid and the project belongs to the Community for the long term.

Website: www.thriverenewables.co.uk

Email: info@thriverenewables.co.uk

Phone: 0117 428 1850
2018 and beyond

Evolution of renewable electricity generation assets

- Transition from NFIO/SRO to RO
- RO Banding & introduction of FIT
- EMR, Capacity Market, Adhoc FIT CFD, RO ending, FIT cuts
- Adhoc FIT CFD auctions, wholesale elec.

Revenue certainty
2018 and beyond

Evolution of renewable electricity generation assets

Revenue certainty
Perceived project risk
2018 and beyond

Evolution of renewable electricity generation assets

- Revenue certainty
- Perceived project risk
- Cost of capital

Market context

June 2018
Wholesale electricity prices and grid price parity
