

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

#CEconf18

Community Energy Conference 2018



Josh Brewer
Senior Business Development Manager



13,000+

Registered investors

£65m

Amount raised

65

Projects funded

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

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

Pros	Cons
Flexibility for issuer – interest and withdrawals at Director discretion	Can be less attractive to more ‘returns focused’ investors – lack liquidity
‘patient’ capital	Managing the withdrawal process can be tricky
Provide membership rights	Can’t go into an IF ISA

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.

Pros	Cons
Investor friendly, particularly if short dated - usually have a fixed term and fixed interest rate	Fixed term and interest payment mean less flexibility for the issuer
Usually transferable, therefore liquid	Likely to require refinancing if not long dated e.g. > 10 years
Can go into an IF ISA	No membership or voting rights

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

Pros	Cons
Enables membership of the Society	Potentially less attractive to some 'returns focused' investors due to long date and potential flexibility of annual interest
Transferable, therefore liquid	
Can go into an IF ISA	
Gives flexibility to issuer	
Long term capital	

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.

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Thrive Renewables plc
Community Energy England
June 2018

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.



Portfolio

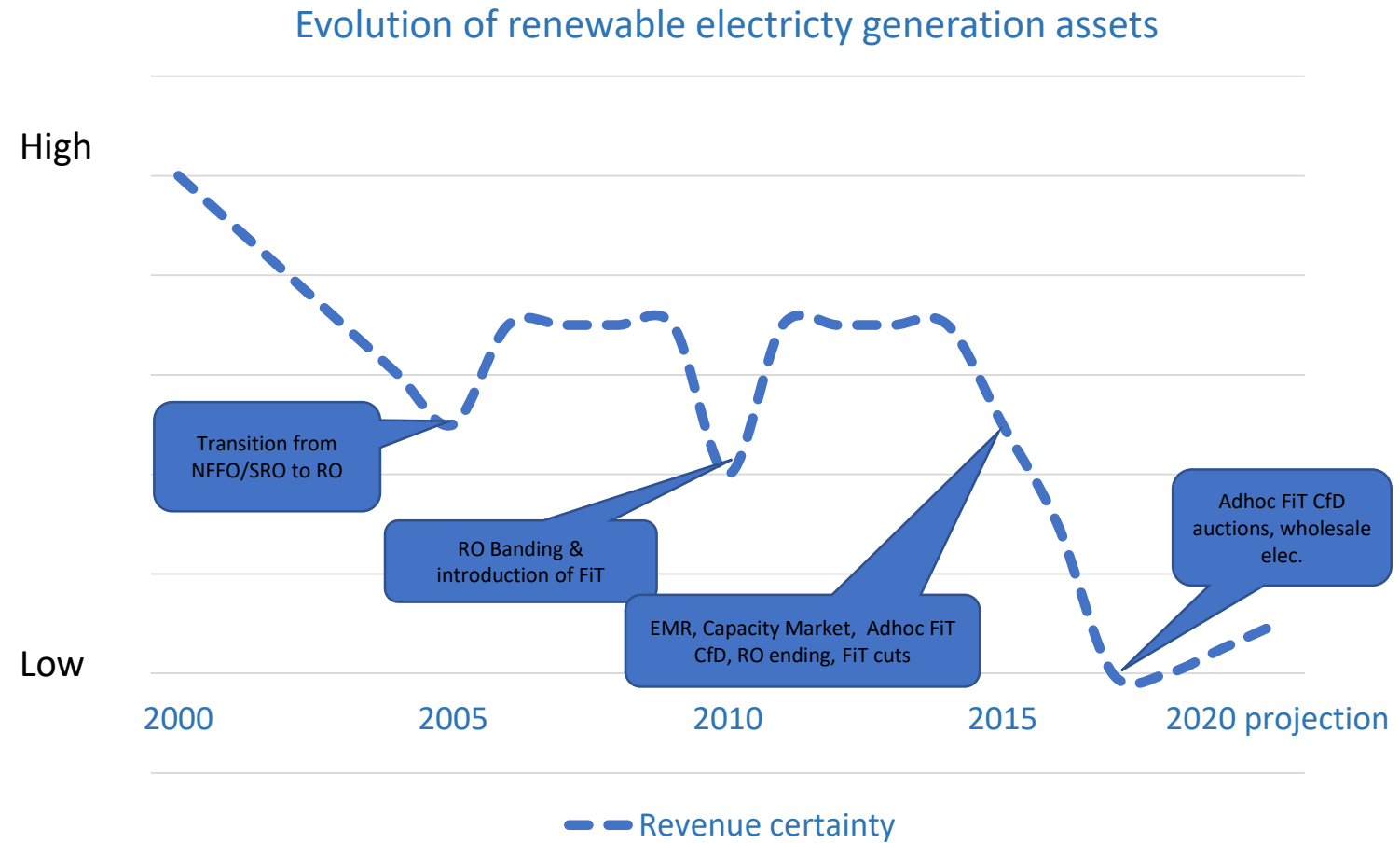
- 21 renewable energy projects, total capacity 105 MW
- Plugging funding gaps
 - 12 owned, 4 JVs and 5 Mezzanine
 - 4 community owned, 6 industrial sites
- 6,240 community of investors
- 160,550 MWh of renewable electricity generation*
 - 56,440 tCO₂e,*
 - 41,170 homes equivalent*
 - 9 tCO₂e per shareholder*

* owned portfolio

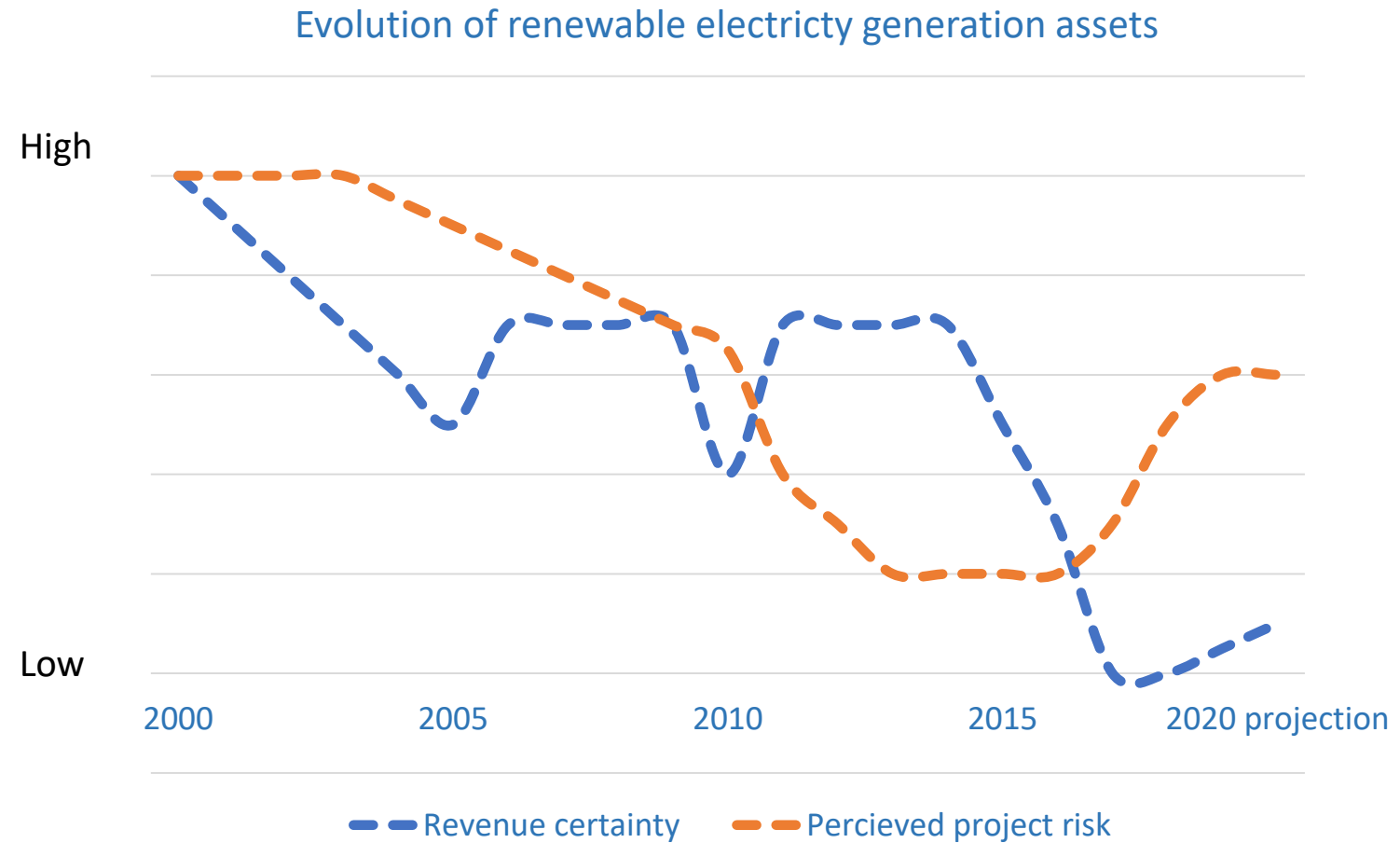




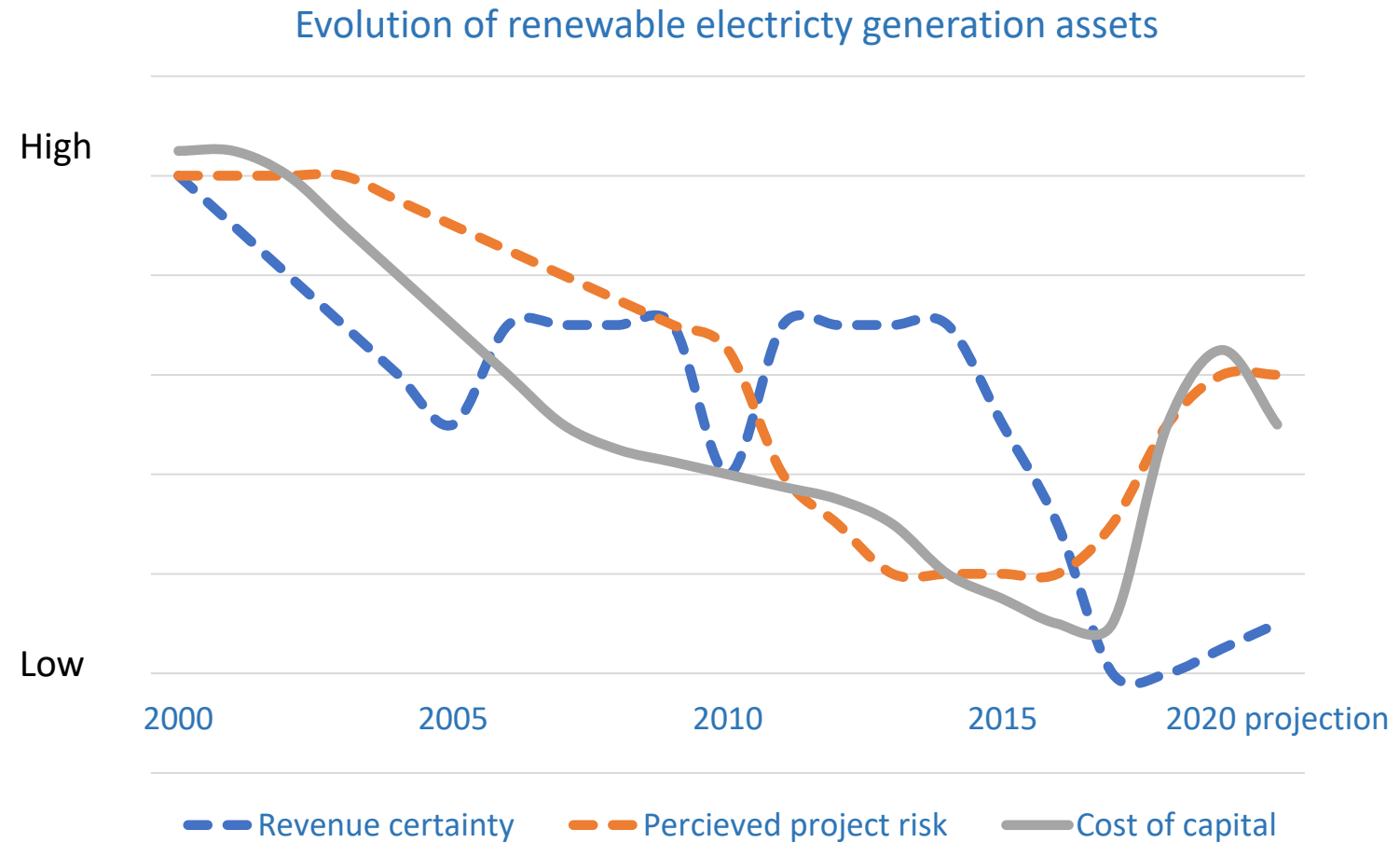
2018 and beyond



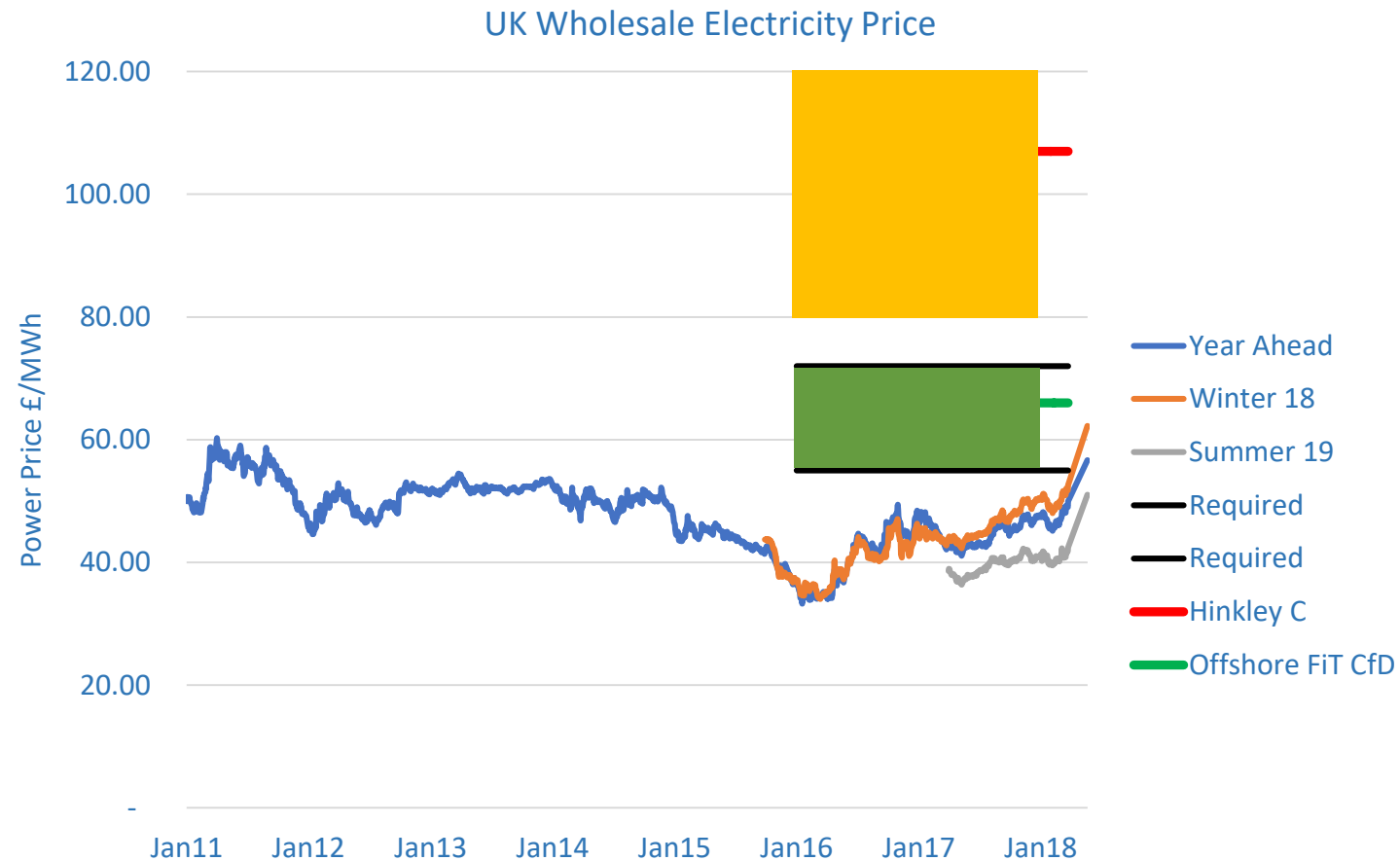
2018 and beyond



2018 and beyond



Wholesale electricity prices and grid price parity



www.thriverenewables.co.uk