Who we are

- Sustainable energy investment company
- Set up in 1994 by Triodos Bank (now separate from the bank)
- Capital and funding raised through 9 share and bond issues to date
- Own and/or funded 25 renewable energy projects
- Project based investments - proven technologies
- Scale £500k to £30m: Filling the gap between communities, utilities and infrastructure investors
- Assets under management £93m
- Turnover £13.8m
- Community of 6,100 investors from £5 to £5m
- Providing facilitating capital
- Plugging funding gaps: acquisition, joint venture or funding of new sustainable energy projects
Community investment

- Joint ventures with communities
- Community benefit programme
- Own Energy – host power plant
- Community energy funding bridge
Community Bridge

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

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

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

STEP 1
STEP 2
STEP 3

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Investment Appraisal

Risk

Return

Impact?

Do not invest

Invest
Project’s risk / return / impact profile

**Risks**
- Credit Risk
- Commercial risk

**Borrower/Project Creditworthiness**
- Resources
  - Wind speed
- Environmental
  - Landscape/bird/community etc
- Operational
  - Maintenance Requirements?

**Technology**
- Proven or not?

**Means of financing**
- Cost of capital

**Returns**
- Project costs
  - How much out
- Project revenues
  - How much in

**Revenues**
- Contracted or merchant?

**Impact**
- Environmental
  - CO2 impact, green electricity
- Social
  - Education, Community benefits, access to services for local community
## Financing Structure

<table>
<thead>
<tr>
<th>Project phase</th>
<th>Funding sources</th>
<th>Key contracts</th>
<th>Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Development</strong></td>
<td>Shareholders/members, Grants</td>
<td>Planning, Lease Option</td>
<td>Organisation, relationship, motivation</td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td>Shareholders/members, Bondholders, Mezzanine lender, Bank – senior lender</td>
<td>EPC, Civils, Grid Connection, Project Management, Financing Contracts, Lease Agreement, Insurance</td>
<td>Construction management, planning, Commercial finance</td>
</tr>
<tr>
<td><strong>Operations</strong></td>
<td>Revenues</td>
<td>O&amp;M, Asset Management, PPA</td>
<td>Operational, health and safety, finance</td>
</tr>
<tr>
<td><strong>Late stage</strong></td>
<td>Reserve, revenues</td>
<td>Life extension, repowering or decommissioning</td>
<td>Planning finance</td>
</tr>
</tbody>
</table>
Terms of finance

• Long term or short term
• 2.5% to 6% cost of capital depending on risk profile
• Organisations such as Thrive can co-invest to complement crowdfunding
• Target assets – Additionality and impact
  • **Preferred** – Projects nearing FC, commencing, or in construction
  • **Possible** – Operational assets, freeing up capital which will be recycled into the development of more renewable energy assets.
• Community energy and crowdfunding constrained by asset availability, untapped, well priced source of capital with social benefits
Lessons learnt so far..

**LEARN**

- Every **community is different**
- Talk to **other community** networks who may be ahead in the process
- What is your primary **objective**?
- Is the **project feasible**?
- Look for **opportunities and listen**

**PLAN**

- **Steering group and leadership**
- Establish **relationships and identify partners** who can offer technical, financial, legal and planning support.
- Plan **funding strategy** for each stage of the project
- Draw a **business plan and risk/profile**

**DO**

- There might be other **organisations to cooperate** with (community groups, developers, local authorities)
- Prepare for **Due Diligence**
- Who can you share costs with?
- Focus on **long term operations** management
- **Motivate the community group** – fieldtrips and events
Challenges and opportunities

- Planning risk – community involvement
- Revenue risk – crowd appropriate? Supply options
- Value squeeze – wider benefits
- Grid costs – technology solutions
- CAPEX – technology solution (subject to planning)
- Debt – lower gearing, but all in cost could be higher
- Own energy – circular benefits
- Investment – exclusive club, alternative relationship
- Local authority – Climate Emergency, net zero
- Engagement with addressing climate change – empowerment
- Scale – joint venture, working together
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