



exeter community energy



# Solar Power Community Share Offer

An invitation to invest  
in Exeter's Energy Future

First Share Offer: November 7th - November 27th

Second Share Offer: Opens Jan 18th

[www.ecoe.org.uk](http://www.ecoe.org.uk)

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"The board of directors of The Real Food Store fully support ECOE's community share offer. We know from our own experience that the people of Exeter are generous and supportive of community enterprise and we look forward to them once again getting behind this great local scheme."

**Les Bright**

Director, The Real Food Store

# Chair's Invitation to invest



On behalf of Exeter Community Energy (ECOE), I am delighted to invite you to invest in our first project and become a member. We are a not-for-profit community benefit society run as a co-operative. Our founding directors were brought together by Transition Exeter and ECOE is continuing its work – building low-carbon sustainable communities through local action. Our vision is for community-owned renewable energy to play a part in building a fairer, greener and more resilient future for Exeter by addressing the challenges of increasing energy costs and our over-reliance on fossil fuels.

These challenges as well as leaving us with severe problems of increasing fuel poverty, depletion of our natural resources and increasing climate instability also hold the potential to create opportunities for transformation. Community energy is one such opportunity. By learning and working together, people in a local area can create and run successful renewable energy projects with wide-ranging benefits including reducing energy costs to host buildings, producing green energy, strengthening the local economy, building a sense of community and reducing carbon emissions. It can change the way we use, think and produce energy; moving away from the dominance of the Big Six utilities towards local secure supplies of green energy.

If you want to be part of transforming challenges into opportunities become a member of ECOE by investing in this our first community share offer. We're looking to raise £390,000 to install 300 kWp of solar panels. You can invest between £50 and £40,000. All members have one vote irrespective of their shareholding. Being owned and run by our local community matters to us and although we welcome investors from all over the UK, we will give local investors priority. We want to pay our investors a fair rate of return and we intend this to be 5%.

The equivalent of 2,575 tonnes of CO2 will be saved over the 20 years of the project and our business model supports there being £250,000 available to be paid into a community fund to enable energy-related projects promoting energy efficiency and alleviating fuel poverty.

In response to the recent announcement by the government concerning community energy projects no longer being able to claim up to 30% tax relief through the Enterprise Investment Scheme from Nov 30th, we have arranged for our first share offer to close on Nov 27th. This means all funds we have received into ECOE's bank account by the Nov 27th will have share certificates issued on Nov 29th and will therefore still be eligible for EIS tax relief. There will then be a second share offer starting in January if we do not raise the full amount during this three week period.

I do hope you can help ECOE make this happen.

**Be part of Exeter's energy future by investing in Exeter's first community-owned renewable energy project.**

A handwritten signature in blue ink that reads "Gill Wyatt".

**Gill Wyatt (exec chair)**

**"I'm excited that ECOE are ready to launch their first portfolio of rooftop solar and fully support their community share offer. I'll be investing and I hope the people of Exeter can get behind this excellent initiative."**

**Ben Bradshaw MP**



# Summary: Solar Power Community Share Offer

## Invest in Exeter Community Energy

Share offer.....	390,000 shares at £1 to raise £390,000
Minimum investment.....	£50 in Exeter and East Devon elsewhere £250
Maximum investment .....	£40,000
Target annual return .....	5%
Target income stream for community fund .....	£250,000
Projected CO2 savings over 20 yrs .....	2,575 tonnes
Projected annual energy generated .....	5,597,000 kWh
Projected savings in energy costs for host sites over 20 yrs .....	£340,000

### TIMETABLE: 2015

**Nov 7th:** Share offer opens

**Nov 27th:** 1st close

**Nov 29th:** 1st issue of shares

**Dec 14th:** Share certificates posted

### TIMETABLE: 2016

**Jan 18th:** 2nd open

**At directors discretion:** 2nd close and issue

This prospectus provides information about an opportunity to invest in Exeter Community Energy, a not-for-profit, registered society run for the benefit of our local community. This is our first share offer to raise money for the installation of solar electricity panels on community and commercial buildings within Exeter and East Devon.

Your investment will support the first community-owned renewable energy installation in the area. It will provide zero carbon solar energy to host sites and reduce their energy bills. More importantly it will be the first step in Exeter taking greater control of the generation and supply of energy – an essential service. It will help to reduce fuel poverty through the energy efficiency projects funded by the community fund, increase community resilience and reduce carbon pollution.

Income will be generated through the government's Feed-in Tariff, the sale of energy to the host site and the export of energy to the grid. This means we can offer investors a reasonable return on their investment, build a community fund and develop further projects.



For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: [communityshares.org.uk](http://communityshares.org.uk)

This share offer has been awarded the Community Shares Standard Mark showing that it meets national standards of good practice.

These standards ensure that:

- **You are provided with all the facts you need to make an informed decision**
- **The facts are supported by the annual accounts and/or business plan for the society**
- **Nothing in the documents is purposefully incorrect, confusing or misleading**
- **Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit.**



# About ECOE

Exeter Community Energy (ECHOE) is an innovative social enterprise enabling local people to take ownership of renewable energy. We grew out of Transition Exeter's energy group and our vision is for renewable energy projects to bring about practical, sustainable, local change in our community, which address energy related challenges and inspire local people to take ownership of producing renewable energy.

Community ownership builds and strengthens community by people investing, working and learning together. People become energy producers instead of only consumers and this changes how we use and think about energy. Our projects will benefit Exeter, its people and the environment as the community fund ECOE will set up provides an income to support energy-related projects helping save energy and alleviate fuel poverty.

ECHOE has been a registered society since January 2014 and is run for the benefit of the community, not just its members. As a largely locally-owned co-operative, our members – the local community – will help to run the organisation, with our community's interests at heart.

Our rules, which explain how the organisation is run, can be found on our website [www.ecoe.org.uk/about/](http://www.ecoe.org.uk/about/). These describe more fully our aims and objectives, how the organisation is governed and how the interests of our members and the wider community are protected.

Since its launch in February 2014, ECOE has run many public engagement initiatives to raise awareness of sustainable energy. Local interest has been keen, with well-attended ECOE public meetings and energy-related events including the Big Community Energy Weekend, the Exeter's Energy Future series of events and being a part of the Relight My Fire Festival.

To find out more and access the supporting documents to the share offer - our primary rules, secondary rules, business plan and first year accounts go to [www.ecoe.org.uk/about/](http://www.ecoe.org.uk/about/)



## The rise of community energy

The community energy revolution is underway and through ECOE's solar power community share offer, Exeter has an opportunity to take its part.

"We have witnessed a rapid growth in the number and capacity of community energy projects over the past few years... As of January 2014, there was 66MW of installed community renewable electricity capacity, and over 200MW in development. This represents just 0.4% of the UK's total renewable energy capacity, but community energy has the potential to grow even further."

Community Energy: Unlocking Finance and Investment - ResPublica

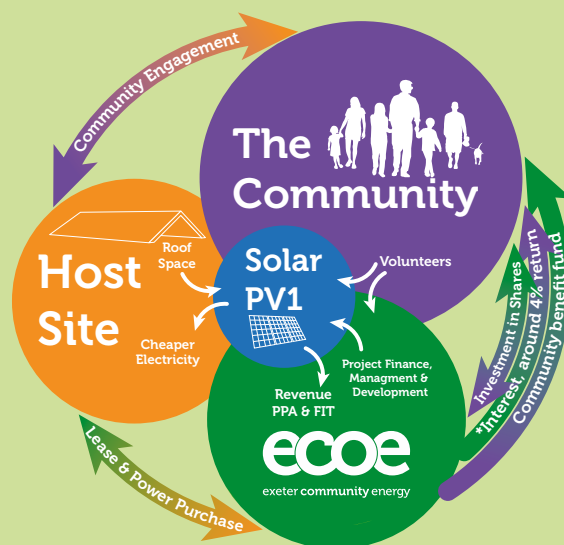
# Solar PV 1: roofs of energy

Solar PV 1 will be installing solar photovoltaic panels on community and commercial buildings in Exeter and East Devon. ECOE and the building owners will agree a lease to cover 20 years of energy generation.

## Project Income

There are three sources of income:

- 1 The government Feed-in Tariff (FiT):** this is paid on the whole amount of solar energy generated. It is secure for 20 years and increases in line with the Retail Price Index.
- 2 Sale of energy to the host site:** solar energy is sold through a Power Purchase Agreement (PPA) to the owner or occupier of the building at a reduced market cost ensuring significant savings.
- 3 Export of energy to the grid:** any electricity unused by the host building will be sold to a 'green' utility company and exported to the national grid.



## ROOF PORTFOLIO

Over the last year ECOE has been working to find roofs for the project and agree terms with their owners. We now have a list of nine roofs to enable us to achieve our objectives in full:

	PROPERTY INSTALLATION	SIZE (KW)
A list	Wonford CLC	20
	Shillingford Organics	40
B list	Ashwoods Automotives	33
	Newcourt Community Centre	16
	Exeter Central Library	9 + 26
	Great Moor House	100
	Beehive Honiton	29
	Pinhoe Road Baptist Church	18
	Glasshouse Lane Medical Centre	12
	<b>Total</b>	<b>303</b>

The current portfolio of roofs for our proposed share offer is shown above. The A list have legal agreements signed and will be installed and commissioned by Dec 20th when their pre-registered FiT rate runs out. An interest free loan has been arranged to cover these costs in advance of finance raised by the share offer.

All sites in the B list have agreements in principle in place. Exeter Central Library, owned by Devon County Council (DCC) has an existing 9 kWp installation, which DCC is selling to ECOE for £1. We will then extend with a further 26 kWp making a total of 35 kWp. Great Moor House, also owned by DCC, has an existing 50 kWp, which ECOE will extend by a further 100 kWp. DCC will remain the owner of the existing array and will also own the extension, whilst granting ECOE 20 year rights to the solar energy. Both of these projects will be financed by the interest free bridging loan, and this will be repaid from the money raised by the share offer.

## INSTALLERS

Our preferred installers who have gone through a competitive process will carry out installations. More details can be found in our secondary rules.

Other projects in the B list, once we have negotiating leases and PPA's and the share offer is completed, will be installed and completed using the pre-registered FiT rate secured until Sept 2016.

There are additional sites whose owners have shown a strong interest and if any of these become confirmed while the share offer is open we will aim to raise sufficient funds through this share offer to provide the capital to fund these further sites being installed as part of Solar PV 1. The alternative is for them to become part of a later Devon-wide share offer in 2016, where the twenty sites involved have been pre-registered and pre-accredited to secure Sept 2015 FiT rates.

ECOE has always considered Solar PV 1 as a beginning, with many more future renewable energy projects ahead. With the recent government policy changes and proposed drastic reduction in FiT rates in the January 2016 FiT review, the future is now more uncertain. As well as this Devon-wide solar rooftop project, ECOE will be investigating local energy supply and storage, renewable heat and projects to save energy and help to alleviate fuel poverty as well as investigating the possibilities of developing a new business model for solar projects post subsidies.



### Ashwood Automotives

**SOLAR POWER: 33kWp**

**POWER USED LOCALLY: 70%**

Ashwood Automotives is an award-winning cleantech company with 25 employees. They will use most of the energy generated onsite to continue their ongoing work with electric vehicle components.

### Newcourt Community Centre

**SOLAR POWER: 16kWp**

**POWER USED LOCALLY: 15%**

Newcourt Community Centre provides rooms to hire and a programme of activities to serve 800 households in its catchment area. The panels will allow it to make savings and as a result provide more services to the community.



### Pinhoe Road Baptist Church

**SOLAR POWER: 18kWp**

**POWER USED LOCALLY: 30%**

Established in 1933, the Baptist Church has around 450 users a month and is a registered Fair Trade church. The savings generated by this installation will allow it to continue to offer daily space for community events.

### The Beehive in Honiton

**SOLAR POWER: 29kWp**

**POWER USED LOCALLY: 70%**

The Beehive is a key venue for music, theatre, comedy, dance & cinema whilst providing a space for community activities of all kinds. It has nearly 7000 users per annum and the power generated will support the growth of its facilities and user base.



### Glasshouse Lane Medical Centre

**SOLAR POWER: 12kWp**

**POWER USED LOCALLY: 70%**

Glasshouse Lane Surgery serves 10,000 patients in the Topsham area and employs 35 staff. The power generated by solar panels and the savings made will help ensure they continue to deliver the highest quality health care to patients.

# Solar PV 1: roofs of energy



## Exeter Central Library

**SOLAR POWER: 35kWp**

**POWER USED LOCALLY: 95%**

Exeter Central Library is an essential community space that ECOE are proud to help preserve with the planned installations. The Library has 45,000 visitors a year and provides a vital resource for many including children, the elderly and those on low incomes.

## Great Moor House

**SOLAR POWER: 100kWp**

**POWER USED LOCALLY: 95%**

Great Moor House is home to the Devon Heritage Centre. Great Moor House has 600 employees working for Devon County Council and South West Heritage Trust. It serves many visitors and the installation will help maintain its vital connections to the past whilst also helping secure our collective future.



## Shillingford Organics

**SOLAR POWER: 40kWp**

**POWER USED LOCALLY: 50%**

Shillingford is a local organic farm with 8 permanent staff and 450 customers a week reached via its popular veg box scheme and farmers markets. The solar install will improve the farm's overall sustainability and free up funds to grow the business.

## Wonford Community & Learning Centre

**SOLAR POWER: 20kWp**

**POWER USED LOCALLY: 50%**

Wonford is a flourishing community centre serving around 500 users a week. The centre plays host to many community activities and provides affordable facilities to local residents. Savings made from the solar panels will help provide financial security to the Centre.



I am partnering with ECOE because I gain half-price solar electricity with the added benefit that it is from a sustainable source on our roofs! Its investment free for me and its great to be a part of a community project, which is making positive changes towards a flourishing and healthy planet.

**Martyn Bragg**  
Shillingford Organics





# The Investment Opportunity

You are invited to invest in the Exeter Community Energy share offer to raise **£390,000** to build and manage a portfolio of rooftop solar energy installations for the benefit of our local community.

## Offer shares

**390,000** ordinary shares of **£1** are offered. These are 'withdrawable' shares that can only be bought back by ECOE upon the agreement of the directors, unlike the 'transferable shares' typical of a limited company that can be traded or sold.

## Who can invest

The share offer is open to anybody over 16 living in the UK. Individuals, charities and organisations can all invest. All are welcome to apply and if the share offer is over subscribed people living in Exeter and East Devon will have first priority.

## How much can you invest

ECOE is offering **£1** shares. If you live in Exeter or East Devon the minimum investment is **£50** and if you live outside of this area the minimum is **£250**. The maximum investment is **£40,000**.

## How to invest

For the first share offer in November you can apply via the ECOE website using BACS or sending a cheque with a completed paper application form. Either download one from our website or they will be available at the following venues – the Real Food Shop, Exeter Central Library and all of our installation sites.

For the second share offer in January (if the first does not raise the target capital) in addition you will be able to apply online via our website [www.ecoe.org.uk/invest](http://www.ecoe.org.uk/invest) which will direct you to Microgenius. Our preference is for online applications as they save paper, money and time.

## The benefits of investing

Each shareholder becomes a member of ECOE and it is this membership that makes us a community-owned renewable energy project delivering wide-ranging benefits to members and the community.

### INVESTOR BENEFITS INCLUDE:

- We intend to offer an average of **5% rate** of interest per year over the 20 years.
- Each member has one vote regardless of the size and value of their shareholding and can play a part in the organisations decision-making process.
- As much as **30% of your investment** can be claimed back as income tax relief through the Enterprise Investment Scheme.

# Share offer

## Enterprise Investment Scheme (EIS)

ECOE has received advance assurance from the Enterprise Investment Scheme (EIS) in relation to Solar PV 1. EIS is designed to help smaller higher-risk trading companies to raise finance by offering a range of tax reliefs to investors. However, as a result of the recent government announcement, these tax relief will no longer be available from Nov 30th for community energy projects.

ECOE has decided to close our first share offer on the 27th November to ensure those of you who want to access these tax relief can. All monies received and cleared by Nov 27th (cheques will need to be received by Mon 23rd at the latest) will be eligible as we will issue share certificates on Nov 29th.

### THE TAX RELIEFS INCLUDE:

- Up to 30% upfront Income Tax relief up to a maximum investment of £1 million, which can be carried back to the previous tax year
- 100% Inheritance Tax relief (provided the investments have been held for at least 2 years at time of death)
- Capital gains tax deferral for the life of the investment
- Tax relief from investment losses

For more information please visit <https://www.gov.uk/government/publications/the-enterprise-investment-scheme-introduction>.

The share offer for **£390,000**, will be in two phases with the first offer opening on **7th November 2015** and closing on **27th November 2015**.

As long as the minimum level of investment (£50,000) has been reached, a second share offer will start on 18th January 2016 and will remain open at the discretion of the directors or until the target is reached.

The minimum share capital of £50,000, along with the 0% interest bridging loan will provide the capital for Wonford Community and Learning Centre, Shillingford Organics, Exeter Central Library and Great Moor House. The optimum target is £390,000 and this amount would fund all of the roofs including paying back the bridging loan for the roofs installed before the end of December 2015.

We have arranged a bridging loan for up to £250,000 from a private loan facility. In the first instance, this acts as a bridging loan and then in the second instance to underwrite the share offer as it will provide a loan if the share offer falls short of its target. As long as our share offers raise £140,000, this with the loan will allow all installations to be completed

If the share offer does not reach the minimum of £50,000 all applications and monies will be returned.

If the offer raises more than £50,000 but less than £140,000 then additional finance will be arranged. This could be from a further share offer or loan facility provided by a third party. This could affect share interest, amount going to the community fund and share capital repayments.

If the share offer is oversubscribed and the additional interested sites have confirmed their interest to be part of Solar PV 1, ECOE will accept the extra capital, approximately £40,000 to install these further two sites.

### SHARE ALLOCATION

Membership is at the Directors' discretion and we may decide to issue applicants fewer shares than you applied for. We would like as many people as possible to become members of Exeter Community Energy, and will accept investment in such a way that strengthens the democratic reach of the organisation. If the share offer is oversubscribed, the directors reserve the right to give preference in allocating shares to residents of Exeter and East Devon.

# Share offer

## REPAYMENT OF CAPITAL

ECOE plans for further community energy projects to be established and this will create opportunities for reinvestment. Members therefore will have a choice between applying for some or all of their capital to be returned from year 4 or if they wish not to withdraw their investment it can be used for reinvestment. Members will be consulted at general meetings and will take part in any decision-making concerning options for reinvesting and/or repayment.

In the case of repayment, three months notice is required and cash reserves will be held to allow 6% of shareholders investment to be repaid from year 4 to year 20. Repayment is at the discretion of the directors and is conditional on there being sufficient capital reserves. If ECOE takes on a loan with interest as a result of the short fall in capital raised, this ability to withdraw capital would be limited until the loan was repaid.



## Intended member returns per £1,000 investment

Amount invested	£1,000		
Intended interest	5.0 % or £50 per year		
Total accumulated estimated cash return	£2,000		
Additional EIS tax relief for eligible investors	£300		
TIME	ACCUMULATED MEMBERS INTEREST (£) AT 5% PER YEAR	CAPITAL REPAYMENTS (£)	TOTAL CASH RECEIVED DURING PERIOD (£)
Years 1 -5	250	-	250
Years 6 -10	250	-	250
Years 11 -15	250	-	250
Years 16 -20	250	1,000	1,250
<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>2,000</b>

## INTEREST PAYMENTS AND THE NATURE OF COMMUNITY SHARES

To raise sufficient capital, ECOE is allowed to pay interest at a level necessary to attract the required capital. Based on our business plan, the directors intend to offer an average of 5% annually to members over the 20 years of the project. We hope to make the first interest payment following the completion of the first year of generation.

The amount of interest to be paid will be discussed and agreed at Annual General Meetings. This investment should be considered a long-term investment and a social investment where investing is an opportunity to contribute financially to the community. The financial return is in addition to a social and environmental return.

"At last! An alternative to 'The Big Six' energy suppliers. I've been supporting ECOE as I believe it will genuinely benefit and empower our local community."

**Si Paull**  
Volunteer



# Benefits for All: Making energy work for

Community-owned renewable energy projects deliver wide-ranging benefits for investors, roof owners, the local community and the environment.

## Community involvement

The local community becomes an energy producer changing the way we think, use and produce energy.

People being involved and playing a part in local projects build a sense of community and resilience.



## Roof Owners

No Investment Required

No responsibility for planning, installing and maintaining the installation

Significant savings on electricity bills

CSR and marketing opportunity

A major sustainability education opportunity



## Reducing carbon emissions

If emissions continue to grow at present rates global temperature could rise as much as 7 °C above pre-industrial temperature by 2100. By the 2080s, annual economic damage from flooding in the UK could increase from £1 billion to between £15 billion and £21 billion. Reducing carbon pollution is critical. We estimate Solar PV1 will save 2,575 tonnes of CO2 every year, alleviating the future risks of climate change. More than this, the project will reduce the associated environmental damage from fossil fuels from use and extraction.



## Strengthening the local economy

A substantial amount of money leaves the Exeter economy through utility bills. By enabling roofs in Exeter to generate their own energy we can support the local economy by reducing the need for electricity from outside the area, making it less vulnerable to supply interruptions. It also reduces our dependence on fossil fuels mainly imported from outside the region and country. Solar PV1 is an important first step in enabling the community to take ownership over its energy needs, having greater control over an essential service.



"I'll be investing because community owned renewables are an effective way of reducing carbon emissions and providing funding for further, local energy projects"

Doug Eltham



for everyone

## Helping to alleviate fuel poverty

Fuel poverty is on the rise in the UK and a recent study by the Policy Exchange found that more than a million households couldn't afford to heat their homes sufficiently even though a member is in work. This share offer will enable the creation of a community fund to support initiatives to save energy and help to take people out of fuel poverty.



"It's brilliant news that ECOE are bringing community-owned renewable energy to this area. This is all about people taking back the power, investing money in the local economy and bringing about real social and environmental benefits."

**Joss Stone**  
Grammy Award-winning musician

## Monitoring benefits

ECOE will identify indicators to allow measurement of the projects impact that will be reported to the Annual General Meeting.



## Community fund

Part of the revenue generated from the solar installations will go into a dedicated community energy fund, which ECOE will manage alongside its other activities. This fund will be used to support projects which promote energy efficiency and help to alleviate fuel poverty in Exeter. Our neighbouring community energy group, SidEnergy will be invited to be involved in any decisions with the local community regarding the allocation of a part of the community fund as they passed on their contact with the Beehive, Honiton Community Complex to ECOE.

Community groups can apply to the fund; and members, the local community and directors will assess applications and use a participative process to decide on which projects to support.

We are giving investors the opportunity to provide an extra boost to the community fund by electing to donate their interest to the fund. If you would like to do this please indicate on the application form.



# Our Team

The directors bring a range of different experience coming from varied professional and personal backgrounds. We share a belief that community energy can help the transition we are currently facing to find better, more sustainable and more caring ways of living our lives.



**Gill Wyatt** executive chair

Gill is a facilitator, community researcher and consultant with Creating Synergies. She has project managed several energy projects in Exeter with Transition Exeter. Gill is inspired by collaboration in delivering transformational solutions to big challenges. Her experiences have shown her that communities working together can make a difference.



**Gabriel Wondrausch** technical director

Gabriel is the managing director of the award winning renewable energy company Sungift Solar, which was founded in 2005. The business has been based in Exeter since it started and been involved in a number of flagship solar developments within the city.



**Hertha Taverner-Wood** company secretary

Hertha is a qualified engineer working for Hydromatch Consulting, a renewable energy company specialising in domestic and community scale hydropower. She has a long history with renewable energy and co-operatives and is committed to continuing this involvement.



**Sonya Bedford** legal director

Sonya is a partner at Stephens Scown solicitors and head of their Renewable Energy Team. Sonya has supported a number of community energy schemes in the south west and brings wide-ranging knowledge and experience to the organisation.



**Gill Westcott** non-exec director

Gill is an experienced community organiser and facilitator. Gill helped to set up and is now chair of Exeter Pound as well as being an active member of Transition Exeter since its inception. Gill is also the secretary of the Cheriton Bishop Land Trust.





"I became a Director of ECOE because I wanted to ensure that the community where I work has the benefit not only of clean electricity but also all the collaborative and educational benefits community energy brings to an area."

**Sonya Bedford**  
Legal Director



### **Alastair Mumford** non-exec director

Alastair has been involved in the renewables sector for over 15 years and is currently works for Regen SW, a not for profit working to increase renewable energy deployment in the region. Alastair co-founded the community owned Topsham Ales co-operative and has been a director at Somerset Co-operative Services and Co-Cars.



### **Miles Davey** non-exec director

Miles is co-founder and Director of Lewis Davey and has spent the last decade recruiting talented people and providing market intelligence across the low carbon and sustainability industry globally. Having grown up in East Devon, Miles is keenly aware of the impact climate change and rising energy bills will have on local communities.

## **CURRENT SHAREHOLDINGS**

All directors invest £250 in Exeter Community Energy shares. We have also received £10,000 advanced investment from a member.

## **CONFLICTS OF INTEREST**

Our technical director Gabriel Wondrausch is also the strategy director of SunGift, one of ECOE's preferred installer. SunGift went through a competitive process to become a preferred installer and each project is awarded a contract after a competitive process. Gabriel plays no part in these decisions.

Our legal director Sonya Bedford, is also head of Stephen Scown's renewal energy department. They act as ECOE's solicitor. We are aware and monitor any potential conflicts of interest.

## **DISCLOSURE**

None of the Directors of ECOE have, for at least the past five years, received any convictions (for any fraudulent offence or otherwise), or been involved in any bankruptcies or receiverships, or received any public recrimination or sanction by a statutory or regulatory authority or designated professional body, or been disqualified from any function by any court.

## **REMUNERATION**

Non-exec directors receive no remuneration. The Executive directors of ECOE have been paid for project management and recently there are two paid project consultants.

# Financial model

Our financial model has been developed to deliver a robust and reliable investment opportunity as well as a sustainable source of income for community energy-related projects and re-investment in other community-owned renewable energy projects to further the aims of ECOE



Installed capacity .....	300 kWp
20 year generation.....	5,597,000 kWh
20 year share interest total .....	£235,000
20 year community fund .....	£250,000
Share investment required .....	£390,000

**The share offer target is £390,000 and this will be used for:**

- Purchase and installation of solar PV systems
- Project development costs
- Legal, financial and technical services
- Contingency costs for unforeseen circumstances and to cover operational costs in year one before PPA and FiT payments are received.

We have secured two bridging loans to pay for the four installations needing to be installed and commissioned by Dec 31st. Both are interest free and will be repaid from share offer monies.

The majority of start-up costs were paid by early grants and donations and are not included in the share offer.



## Project costs

Capital expenditure on installations.....	£339,200
Accumulated start-up costs to date.....	£16,900
Finance for share offer and project set-up costs .....	£24,100
Additional working capital.....	£11,500
<b>Total project costs .....</b>	<b>£391,700</b>



# Financial model

## INCOME

The main income for the project will be the government's Feed-in Tariff for renewable energy. Most of our sites have been pre-registered with OFGEM to secure current FiT rates for 20 years. Roofs not pre-registered will be fully installed and commissioned by 31st Dec before the next FiT rate review takes place.

Further income will be generated by the sale of electricity to host sites and the excess will be sold to an electricity supplier to be exported to the grid.

## ONGOING COSTS

The financial model has ongoing costs such as insurance, maintenance and replacing inverters built into it. There is also a small budget for funding the central organisation, which we will look to expand when future projects come online.

## PAYMENTS

ECOE's outgoings are:

- Shareholder interest payments, paid annually and intended to be an average of 5% a year for the 20 years.
- Community fund contributions which are expected to be £250,000 over the 20 years. We hope to start payments after year one if cash held allows this.
- ECOE overheads including site operation and management, share administration and insurance.
- Share withdrawal payments, which will be available from year 4 for those who want to cash in their shares when cash flow allows and at the Directors discretion.

## SURPLUS

We will aim to maintain at all times a cash surplus of at least 6% of the total shares held or £10,000, whichever is higher, in order to cover any necessary repairs or unforeseen costs.

"We aim to be self sustaining and installing PV panels will make a significant contribution to reducing our energy costs and carbon footprint."

**David Perkins**  
Director/Trustee, Beehive, Honiton  
Community Complex



20 year share interest and community fund



# Share Offer Risks

Make sure you can afford to be without any money you are considering investing as you could lose some or all of your investment. Read the entire share offer and if you are in any doubt about information in this document you should consult a Financial Conduct Authority registered independent financial advisor or get advice from a solicitor or accountant.

A community benefit society is registered but not authorised by the Financial Conduct Authority, which means unlike banks and building societies you have no right to financial compensation or right of complaint to the Financial Ombudsman. The whole of your investment will be at risk (although you will not incur a liability beyond your investment). Please consider carefully whether to invest or not.

All investment carries a risk, if you are thinking of buying shares in Exeter Community Energy, it is important you are aware of and consider the possible risks, which we have outlined below.

## **FAILURE TO INSTALL BY DEC 2015**

There is a risk that Wonford and Shillingford will not be installed and commissioned by Dec 20th and achieve their pre-registered FiT rate. ECOE has ensured our installers both know and have agreed to install and commission by this date.

Similarly there is a risk that DCC's Exeter Central library and Great Moor House would not be installed and commissioned before the Jan 2016 FiT rate reduction. Again our preferred installer has agreed to install and commission both of these sites by Dec 31st 2015.

As a safeguard we have also negotiated contracts with our installers to include a penalty to cover our loss in income if they fail to commission and achieve the expected FiT rate.

## **HIGHER COSTS THAN EXPECTED**

Due to unforeseen circumstances installation and project costs may be higher than expected and therefore the return on investment affected.

ECOE has a preferred installer framework and has developed partnerships with each of our chosen installers. Each roof has been thoroughly assessed by the chosen contractor. Using this approach we are very confident our estimates are accurate.

Project management costs have been developed with experienced professionals to ensure accuracy.

## **LOWER REVENUE THAN EXPECTED**

It is possible our income projections are not achieved due to variations in weather and climate reducing sunlight levels, failure or breakdown of panels or theft and damage to panels.

ECOE is managing this risk in several ways. Our forecasts use widely-used industry figures on predicted light levels and due to the long-term nature of the investment any short-term changes to the norm will average out. We'll be using panels with industry standard twenty-year manufacturer's warranties and panel performance will be monitored to ensure any issues are quickly dealt with. All installations will be insured against the risk of theft or damage. Our business model will be generating surpluses to cover any minor repairs or replacements.

## **CHANGES OR REVERSALS TO THE FEED-IN TARIFF**

Our business model relies heavily on the government's Feed-in Tariff policy, which has been subject to considerable uncertainty.

The government are currently consulting on the future of the FiT with a FiT review expected in Jan 2016. ECOE is managing this risk by pre-registering all roofs so FiT rates are set and linked to inflation (Retail Price Index) for the 20 years. If the government were to default on its commitment, it would open itself up to considerable legal challenge and all FiT registered renewable energy projects in the UK face this risk. Historically the UK government has never removed a mechanism like the FiT to those with agreements and to do so would be a major change in national policy.

## **INCREASED RISK FROM FUTURE PROJECTS**

You are buying shares in ECOE, not only this particular solar project. ECOE intends to raise further capital for other renewable energy assets and your shareholding may be exposed to risks associated with those assets.

# Terms and Conditions



## ELIGIBILITY

Membership is open to any individual over 16 years, corporate bodies and voluntary organisations.

## MAXIMUM AND MINIMUM SHAREHOLDING

The price of each share is £1.

The minimum shareholding for residents of Exeter and East Devon is 50 and 250 to all other investors.

The maximum is 40,000.

## THE OFFER TIMETABLE

The Offer timetable is included in the summary on page 4.

## MEMBER RIGHTS

All Members have one vote. All shares will receive interest. This means that a Member with 10,000 shares has a single vote but will receive interest on all 10,000 shares.

Interest payments will be paid annually when they are greater than £5, if below this they will be held in safe keeping until they reach £5.

There is the facility to donate your interest to the community fund by indicating this on the application form.

## COMMUNITY SHARES

Shares in ECOE cannot be sold to a third party or traded. The value of the shares cannot exceed the face value of £1, but may be reduced if liabilities exceed assets.

## NOMINATION OPTION

You may elect a nominee to receive your shares in the event of your death for the value of the shares (but only up to £5,000) and thus (under current legislation) remove the shares (up to £5,000) from your estate for probate purposes (i.e. the shares may pass to the nominee outside the Will of the deceased).

## OVERSUBSCRIPTION

If the applications received are in excess of the target, the directors shall, at their discretion, determine the allocation of Shares. If this is necessary priority will be given initially to applicants in Exeter and East Devon.

## IF THE OFFER IS UNSUCCESSFUL

If less than the minimum is raised or for any reason the directors decide Solar PV 1 cannot proceed, monies received will be returned.

## DECLARATION

In signing the Application Form you are agreeing to enter into a contract with the Society. Under Money Laundering Regulations, you may be required to produce satisfactory evidence of your identity and it is a condition of the Offer that you do so if requested.

## ASSET LOCK

Under the Rules, members will not benefit financially from a winding-up of ECOE or a transfer of its business. In such circumstances, the residual assets would be transferred to another community benefit society or similar.

"ECOE is making it real for communities across the city to discover for themselves the benefits of solar energy and community ownership."

**Dawn Rivers**  
Community Involvement Officer  
Exeter City Council



# Guidelines for applying



**Before completing the application form, make sure you have read the whole share offer. If there is anything unclear consider taking appropriate financial and other advice. We suggest you pay particular attention to:**

- The Risk Factors section which describes risks relating to an investment in the offer shares.
- The terms and conditions of the offer, as when you complete the application form you are agreeing to them and the rules of the society and will be making an irrevocable offer, which may be accepted by Exeter Community Energy.
- The Rules of Exeter Community Energy as when you invest you will become a Member of the Society and will be bound by the Rules.

## **PAYMENT**

For the first share offer please pay by BACS or attach a cheque, drawn on a UK bank or building society, for the exact amount shown in the box under 'Amount to invest'. For the second share offer in January, you will also be able to apply and pay through the Microgenius share platform - details will be on our website.

Payment in full is required with your application and directors will acknowledge receipt of your application and payment. You can make more than one application as long as your total holding isn't in excess of the maximum. Once payment is made, it cannot be withdrawn.

Directors will return any monies within one month of the close if they decide not to issue shares to you or to scale-down the amount. No interest will be paid on monies returned to you.

## **DATA PROTECTION AND MONEY LAUNDERING**

The data provided by you will be stored on a computerised database and will only be used for ECOE purposes and will not be disclosed to any third party. In relation to The Money Laundering Regulation 2003, ECOE may require you to verify your identity.

### **Online applications:**

Download and complete  
your application form  
Complete BACS  
Email to: [info@ecoe.org.uk](mailto:info@ecoe.org.uk)

### **Postal applications:**

Print and complete your application  
form, send with cheque to:  
ECOE Ltd  
3 Redhills, Exeter, Devon  
EX4 1TP

### **For more information:**

07806 623311  
07847 168183  
[info@ecoe.org.uk](mailto:info@ecoe.org.uk)  
[www.ecoe.org.uk](http://www.ecoe.org.uk)



# ecoe Share application form

## Amount to invest

I wish to invest a total amount of £  in offer shares in Exeter Community Energy Ltd.

**At the price of £1.00 per Offer Share.** You may invest a minimum of £50.00, if you live in Exeter or East Devon and £250 elsewhere and not more than £40,000.

## Online applications:

**I have completed a BACS transfer to Exeter Community Energy Ltd.** ☐

The Cooperative Bank, Acc no: **65713471** Sort code: **089299**

Please use ECOE and first letter of your first name and your surname eg **ECOEHSymthe**.

The reference I used is:

Download and Email your completed application form to: **info@ecoe.org.uk**

## Postal applications:

Print and complete your application form. Send with a cheque for this amount made payable to: **Exeter Community Energy Ltd** and then post to: **ECOE Ltd, 3 Redhills, Exeter, Devon, EX4 1TP**

**If you would like to donate your interest to ECOE's Community Fund, please tick here.** ☐

You can update this at any time by contacting us.

## Applicant details

Title:

Forenames:

Surname:

Date of birth:

Address:

Postcode:

Telephone:

Email address:

We prefer to save paper as far as possible by communicating electronically.

Please tick if you are willing to receive future communications solely by email.

**Please provide your bank account details if you are willing to receive your interest by bank transfer**

Account Name:

Account Number:

Sort code:

# ecoe Share application form

## Applicant details – Organisation

If applying for an organisation please provide the following additional information:

Organisation name:

Type of organisation:

Registration number:

Your role (as authorised signatory) in the organisation:

## Agreement

- ☐ I wish to become a member of Exeter Community Energy Ltd and I am 16 or over.
- ☐ I have read the share offer including the risks section.
- ☐ I agree to be bound by the terms and conditions found in the share offer and within the society's primary rules.
- ☐ I understand the directors may not accept my application in part or in whole and if insufficient funds are raised, my subscription may be returned.

SIGNATURE:

DATE:



"I would like to wish Exeter Community Energy every success in their forthcoming share offer launch - this is a very worthy scheme that will benefit local people in Exeter. We know the value of such schemes from those developed in other towns and cities - strengthening communities and helping people have a greater understanding of their energy use as providers as well as consumers, so I am delighted that at last we have our own community energy scheme here in Exeter.

I am also very pleased that we could assist Exeter Community Energy in some way by providing the roof for their first photovoltaic installation at Wonford Community and Learning Centre, which I feel is a befitting starting point for a community project. I hope that citizens will also give their wholehearted support to the project and help it to build a more sustainable future for our communities, as well as reduce fuel bills, promote energy efficiency and address fuel poverty."

**Cllr Rachel Sutton** Exeter City Council, Portfolio Holder for City Development

#### Our Suppliers:

Insurance provider .....	Naturesave Policies Ltd
Accountants .....	Thomas Westcott
Financial advisors.....	Hammett Spire LLP
Bank.....	The Co-operative Bank
Marketing advisor .....	Another World Productions Ltd
Artwork.....	Sound in Theory Ltd

**ecoe**  
exeter community energy

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[www.ecoe.org.uk](http://www.ecoe.org.uk)