

POWER FOR THE PEOPLE

HOW TO GET YOUR LOCAL CLEAN ENERGY PROJECT FUNDED



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COMMUNITY ENERGY IN THE UK

The need for a cleaner, fairer energy system has never been greater. We're seeing more people living in fuel poverty as a result of the worsening energy and cost of living crises, while fossil fuel consumption continues to cause global climate change at a scale that will soon be irreversible.

To tackle the climate emergency, the UK (and the rest of the world) needs to end its reliance on dangerous and expensive fossil fuels. We're big believers in the role that community energy has to play as part of a just transition. Not only do community-owned projects ensure the benefits of clean energy are open to all, but they also help inform and drive the wider behavioural change which is paramount to success.

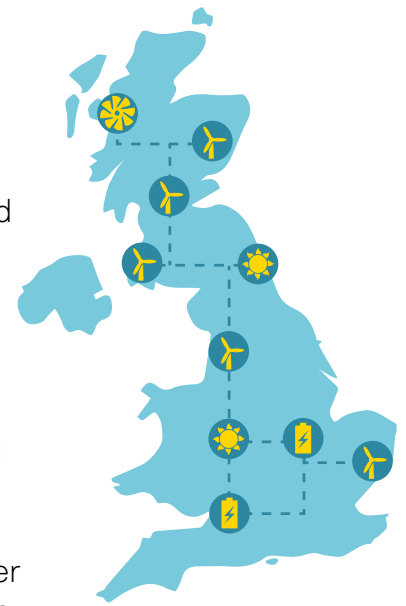
Community energy groups are perfectly placed to get new projects built because they understand the motivations and concerns of residents and put the emphasis on how these projects will support their community in the long run – whether it be access to cheaper electricity, revenue to kickstart other local initiatives or creating new green jobs.

It's brilliant to see the community energy movement more galvanised than ever,

with an increasing number of people joining together to take control of their energy resources and tackle the climate emergency. But this isn't to say that it's without challenges.

The removal of government-backed funding and a lack of stable policy has impacted the number and types of projects being constructed, while access to public and private sector finance, routes to market and resource are also significant hurdles that community energy groups are having to overcome.

We feel that no one should be left behind in the clean energy transition and understand the importance of community ownership. As a renewable energy investment company, one way in which we can support groups is by providing the funding and expertise needed to get local projects procured, built and operational.



Mean Moor investors

GETTING FUNDING FOR YOUR PROJECT

When it comes to building local energy projects, we recognise that access to funding is one of the biggest barriers community groups will face. This, coupled with a lack of resource, time and organisational capacity can sadly result in projects being stalled or cancelled all together.

It's one of the reasons we first created our community energy offer in 2016, not only helping to provide the up-front capital required, but offering our decades-long experience in funding, building and operating clean energy projects in the UK. Since then, we've invested £16 million (and counting!) into community-based wind and solar projects across the country.



Below we outline the unique, collaborative funding models we can offer to move your project forward – whatever stage in the process you're at.



COMMUNITY FUNDING BRIDGE

If you're looking to own or build a clean energy project locally, and require funding to move forward quickly, then we could help bridge the funding gap.



SHARED OWNERSHIP

We can provide you with the capital and expertise to build or develop larger scale projects alongside other public or private sector partners.



CO-DEVELOPMENT

We can offer funding to support you through the initial development process to get new clean energy projects consented, built and operational.

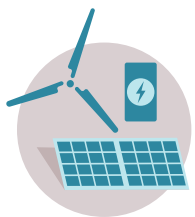


OUR INVESTMENT CRITERIA

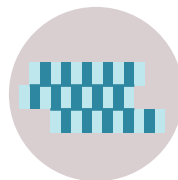
Got a project and are looking for funding? We work to a set of criteria that enables us to invest in projects which are genuinely sustainable. This includes:



Must be sustainable and demonstrate positive impact – financially, environmentally, and socially.



Asset based projects using proven technologies including onshore wind, solar PV, rooftop solar, hydro, battery storage, renewable heat and geothermal.



£0.5 - £20 million per investment.



The project's risk, return and impact profile must adhere to our ethos and commercial requirement.



Projects located in the UK or Ireland.

CASE STUDY

FUNDING THE CONSTRUCTION OF ENGLAND'S LARGEST ONSHORE WIND TURBINE WITH AMBITION COMMUNITY ENERGY

We are thrilled to have been able to support Ambition Community Energy C.I.C. (ACE) in its mission to build England's largest onshore wind turbine in our home city of Bristol. The group came to us with planning permission and grid connection secured but needed additional capital to help them move the project into construction after years of planning work. We provided them with a £4 million loan to fund the build, with the turbine serving the community in Lawrence Weston – an area in the north of Bristol, just east of our Avonmouth wind farm. It was added to loans from Bristol and Bath Regional Capital (BBRC) City Funds and members of the Society of Merchant Venturers, as well as a grant from the West of England Combined Authority Low Carbon Challenge Fund (part of the European Regional Development Fund).

With a maximum capacity of 4.2 MW, the turbine can generate enough power for close to 3,000 homes – the equivalent of Lawrence Weston's domestic use – and will save almost 48,345 tonnes* of carbon emissions over its lifetime. It will also provide a new revenue stream for the local community, with all profits from electricity sales being reinvested back into the area, acting as a driver for regeneration. Moving forward, the group plan to build an Energy Learning Zone to inspire young people and provide training to upskill residents for zero carbon careers.

Prior to Thrive coming on board, ACE had received initial funding from the Urban



Community Energy Fund in 2016 (BEIS funding which was supported & administered by Bristol-based organisation, Centre for Sustainable Energy). Bristol City Council's (BCC) Energy Services Team then agreed to help them by offering potential sites on council land that could be used for a wind turbine. The planning application received support from residents, local communities and local councillors, as well as funding from BCC's Bristol Community Energy Fund, Bristol and Bath Regional Capital and the Power to Change sandbox programme.

“ Many Lawrence Weston residents are struggling to heat their homes as they have poor insulation and low-energy efficiency, exacerbating fuel poverty as energy costs rise. Charity, Ambition Lawrence Weston, has taken the lead in implementing their community plan to tackle fuel poverty and address the climate emergency, resulting in this wind turbine project. We've never given up on getting the ACE wind turbine project built, helping ensure that their community plans are funded and allowing them to take control of their destinies. With the help of Thrive, the newly constructed turbine will serve as a model for other UK communities. ”

David Tudgey, Project Development Manager, Ambition Community Energy CIC

* 2022 Carbon intensity figures <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022>

CASE STUDY

FACILITATING SHARED OWNERSHIP OF OUR 20MW BATTERY PROJECT

Battery storage is a critical technology for a net zero electricity grid, providing balancing and flexibility services so that we can make better use of wind and solar to power our homes and businesses.

Our 20MW battery project located on Feeder Road in Bristol has the capacity to store and deliver 1.5 hours or 30MWh of electricity to the national and local grid. Not only will the project provide those vital services, but we're also working with the local community energy group to ensure it continues to have a positive impact on the people who live close by.

Teaming up with **Bristol Energy Co-operative (BEC)**, we're giving them the opportunity to make a co-investment of up to 20%, which is the first time in the UK that an owner has offered shared ownership of a standalone commercial battery project to the local community.

What does this mean for BEC? As well as having a say in how the project is run, it also means that local good causes will be able to benefit from a share of any revenues generated.

IT'S ALL ABOUT COMMUNITY

The theme of community has always been at the heart of this project. It's why we were so committed to building it and supporting the goals of the passionate, resilient residents who have fought to make it happen.

In 2017, the site was originally destined to be a diesel-generator plant but thanks to a successful campaign from a group of residents in St Phillip's Marsh, the planning application was rejected. **Residents Against Dirty Energy (RADE)** is now helping to support groups facing similar issues elsewhere.

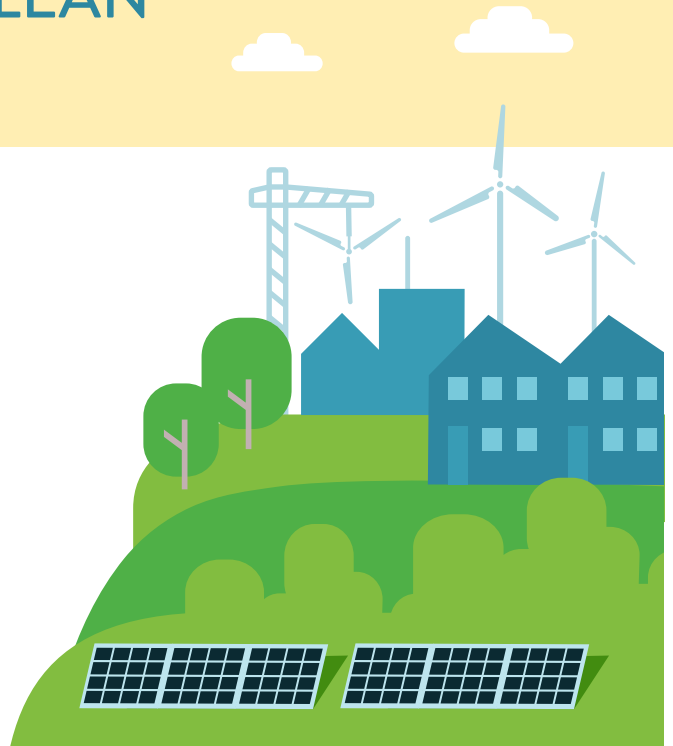
“Community energy gives people agency to take practical action on climate change in their local community. This project is a perfect example of how the community coming together can bring about real change. People power fought off a highly-polluting diesel scheme and replaced it with the storage technology we need to help us go net zero.”

Andy O'Brien, Co-Director,
Bristol Energy Cooperative



CONSIDERATIONS FOR COMMUNITIES SEEKING TO BUILD A CLEAN ENERGY PROJECT

Want to build your own clean energy project but unsure on how to get started? Whilst Thrive is not an advisor, we are pleased to share our vast experience in funding, building and operating clean energy projects with community groups starting their journey.



1 WHAT IS YOUR PRIMARY OBJECTIVE?

Why are you embarking on this project? Is it to increase the amount of renewable energy generated locally? Is it to bring financial benefits into the community? Your objective for the project will shape your business plan, what type of funding you pursue, who you work with, and how you raise the finance.

2 HOW ARE YOU GOING TO FUND THE DEVELOPMENT STAGE?

There are different funding options for different stages of the project due to the level of risk you are taking. The first phase of funding you will need is for the development stage of the project – to finance site assessment studies and professional advisors. Grants are a useful form of funding for community groups at this stage, but private sector partners – such as Thrive – could also support you through this process.

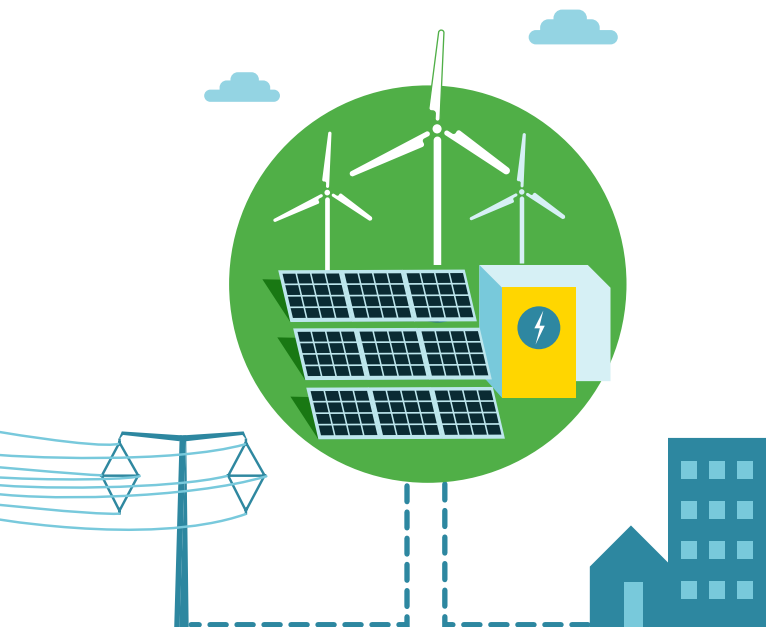


3 IS YOUR PROJECT FEASIBLE?

For your project to be successful, you need access to enough natural resource to make it economically viable – for example, in a location which is particularly windy or sunny. Every site is different and calculations need to be accurate so you might consider carrying out an energy resource study using professional consultants, who will be able to measure wind speed and UV radiation for you on a site-by-site basis.

4 WHAT IS YOUR BUSINESS PLAN?

A business plan is an important strategic tool. A good business plan will not only help you focus on specific steps to make your project a success but will also help you secure funding and the trust of investors. It should include strong, well thought out financials, considering where your revenue will come from and ensuring you are realistic in your proposals.



5 HOW WILL YOU SELL YOUR ENERGY?

You should also consider where your revenue will come from. Is it better for your project to export electricity to the grid via a Power Purchase Agreement with a supplier, a corporate Power Purchase Agreement, or to supply directly to a local entity via a private wire? It's worth weighing up the pros and cons of these strategies and choose which one best meets your community's needs. You may also consider whether your project would benefit from the government's Contracts for Difference (CfD) scheme.

6 DO YOU HAVE THE RIGHT RELATIONSHIPS?

Renewable energy projects require you to work with many different types of professionals such as lawyers, accountants, engineers, consultants and ecologists. We'd encourage you to start building these relationships early to establish a strong rapport. A good place to start is by seeking recommendations from other successful community energy projects and groups.

7 HOW WILL YOU FUND THE CONSTRUCTION AND OPERATIONS?

Once you have done your feasibility studies and successfully obtained planning permission and grid connection, you can start to engage with investors and seek funding. A well-developed funding strategy can help guide this stage of your project. The type of funding you seek will be influenced by your objective for the project. You could consider seeking long-term finance from banks and other reputable institutions, alongside crowdfunding from the local community.

Generally, these are the types of finance available:

- Senior debt (55-70% of project costs) from banks
- Bonds or share issues
- Mezzanine finance or co-investment from organisations like Thrive

8 WHO CAN YOU SHARE COSTS WITH?

In a subsidy free environment, many benefits can come from working with partners such as local authorities, other community groups or commercial renewable operators like Thrive. Through joint ventures you could build bigger, more impactful projects and share fees and services. There are also more funding opportunities for larger renewable energy projects which can make them more competitive.

9 HOW WILL YOU MANAGE OPERATIONS?

You've secured investment and built your renewable energy project. Now it's time to think about operating the site. Who will manage day-to-day activities? Who will co-ordinate health and safety at the site? Who will be first contact in case of emergencies? These are all important questions to consider if managing the project yourselves. Another option is to work with an organisation who can manage the operations of your project for you, like [Energy4All](#).

10 WHAT ABOUT THE ADMIN?

Records are your friend! We'd recommend keeping up to date data from the project's operations, plus all agreements and contracts, in a secure and well organised location.





11 SHOULD YOU CONSIDER SHARED OWNERSHIP?

To access economies of scale and enhance the viability of your project, you could consider co-operating with larger scale, commercial projects through a shared ownership agreement. Shared ownership can help promote stronger relationships between local communities and the renewables sector, as well as deliver lasting economic and social benefits. Thrive has experience of these types of partnerships, so please get in touch with us if you'd like to discuss further.

STILL HAVE QUESTIONS?

Get in touch with the Thrive team on:

 info@thrivere Renewables.co.uk

 0117 428 1850





ABOUT US

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.

Thanks to our thousands of investors, we have been funding, building and operating clean energy projects in the UK since 1994 – a time when less than 2% of electricity in the UK was produced from renewable sources. Since then, we have expanded our largely onshore wind portfolio to include technologies that reflect the diverse energy system of the future including solar, hydro, battery storage, renewable heat and geothermal.

Our inclusive approach to investment allows us to offer flexible, collaborative funding to developers including businesses and communities, helping get new renewable capacity built and supporting the UK's wider net zero goals.

We've also been awarded 'Best For The World' status, meaning we scored in the top 5% of all global B Corps for our positive impact on the environment.

OUR VALUES



Sustainable at heart

The principles of sustainability have guided us for almost three decades, from the projects we invest in to how we run our business. To generate clean energy that can meet the needs of today's world and future generations, we only ever invest in sustainable projects, in a sustainable way.



Rewarding connection

We make decisions based on the interests of our investors. That means we invest in real projects, that are supported by real people, and that create real rewards – financial, environmental, and social. We always communicate these impacts clearly and transparently.



Movement for change

We play an active and committed role in the clean energy movement: a growing community of people and businesses who are committed to making change happen. We share our knowledge and insight to catalyse change, and we're passionate and excited about what is possible.

LOOKING FOR FINANCE FOR YOUR PROJECT?

Contact us to hear more about our multi award-winning community funding offer:

✉ info@thrivere Renewables.co.uk

☎ 0117 428 1850

🌐 www.thrivere Renewables.co.uk



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