

Solar in a Box

Shareenergy has been working on a community solar project in Leominster, Herefordshire, where a 50kW PV array will be installed on the local leisure centre, which will be financed through a community share issue. This will save over 22 tonnes of carbon dioxide a year. As a result of this work, Shareenergy's aim was to put together a service which would help community groups with all the back end work to get a co-op project going. Community groups then only need to raise a smaller amount of development funding and with Shareenergy's support, can set up and run a successful, self-financing, solar PV co-operative.

So here it is: Community Solar in a Box. Just add:

- A. A site. You'll need a large roof, in the region of 400m² of south facing roof, that is in good condition – see the Shareenergy guide for more information;
- B. People. Enthusiastic people with some time to spare to help get the scheme up and running. Also, a wider group of supporters to be drawn on later who are willing to invest, based on a fair return; and
- C. Development funding. You'll need to raise in the region of £10,000 for the development stages. This could be a grant, a loan or a combination of the two.



All of this has been made possible by the introduction of the government's Feed-in-Tariff in the UK. In addition to making it a viable proposition to put solar PV on individual homes, groups can now club together to install a much larger array on a community building. By using the Industrial and Provident Society (IPS) model pioneered by Energy4All for renewable energy projects, communities can raise the finance needed for the project through a community share issue. Income for the co-operative is generated from both the electricity and the feed-in-tariff. This provides members in the co-op with an annual interest payment, making the investment worth their while. This not only enables communities to reduce carbon emissions through generating renewable energy, but it also provides them with a local and green investment opportunity and helps foster a greater sense of community whilst potentially reducing the cost of electricity for a community service such as a school, hospital or hospice.

The community finance model means groups no longer have to be reliant on dwindling or increasingly non-existent capital grant funding from government or other sources. Provided they can raise approximately £10,000 as a grant and/or loan to finance the development stages of the project, then much larger sums of money can be raised entirely from the local community, on a democratic, one member one vote basis. A minimum investment amount per person is usually £250 and a maximum of £20,000. For a 50kWp solar PV project communities could expect to raise in the region of £170,000 if successful with their share issue. This would cover all capital and installation costs and ensure the smooth running of the business over a 25 year project life.

Shareenergy is a membership organisation that has grown out of a successful project in the West Midlands, to support communities to generate their own renewable energy. The purpose of Shareenergy Co-operative is to ease and speed the delivery of community owned renewable energy in the UK. As a membership organisation it is led by the needs of its members, that is, community groups with successful projects under their belts and those in the process of developing them, providing what they need in the way that they want.

The table below provides a breakdown of the costs of using Solar in a Box with an explanation of the role of Shareenergy, the community group and any additional expertise or input. This has been designed to provide groups with the lowest cost and highest quality service, where they are in the driving seat and they have a thorough understanding of what will be involved in making their project happen from the outset.

For a fuller guide on how to find a suitable roof, please see the Solar PV guide for community groups on the Shareenergy website:

www.shareenergy.coop

If you need further information or would like to discuss a project please contact Eithne Flanagan on 07912 100665 or email:

eithne@shareenergy.coop

Task	What Shareenergy provides	What you need to do	Shareenergy time or costs	External costs
Find a site	<ol style="list-style-type: none"> 1. A guide to what to look for in terms of a suitable location 2. Feedback on sites you propose 	<ol style="list-style-type: none"> 1. Read our guide 2. Identify suitable sites and provide the information we require to give you feedback 	Free	
Establish a relationship with a building owner	<ol style="list-style-type: none"> 1. Advice on how to approach building owners 2. Documents which set out the basic terms of the deal with the building owner including a short-term exclusivity agreement 	<ol style="list-style-type: none"> 1. Set up a meeting with the building owner 2. Convince them that a community owned scheme is a great option for them 3. Talk them through what it involves based on information provided by us 	Advice and basic documents: Free 1 day for attendance at meeting if required	
Feasibility/Options Appraisal	<ol style="list-style-type: none"> 1. Study of site including indicative energy generation, carbon saved, financial savings for building owner & return for members of co-op for each site under consideration 2. Advice on selection of sites with which to proceed and options for combined share offers 		4 days for first site. 6 days for up to 3 related sites	
Business Plan	<ol style="list-style-type: none"> 1. Creation of financial model for viable site(s) for accurate estimates of generation and financial implications based on up-to-date and realistic assumptions. Suitable for use in negotiations with building owner and share offer. Updated at financial close once firm quotations are received. 		5 days for single site. 3 days per additional site	
Negotiate the deal	<ol style="list-style-type: none"> 1. Support to negotiate a deal with the 	<ol style="list-style-type: none"> 1. Work with Shareenergy to decide on 	1-3 days for	

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with a building owner	building owner leading to the signing of a 'Heads of Terms' agreement	approach, set up and attend meetings with building owner	meetings as required	
Technical assessment	1. Provide links to reputable experts or installers to provide robust technical and site specific cost assessment including obtaining quote from Distribution Network Operator	1. Liaising with the building owner to obtain any information and access to site	Free	Technical assessment: Free-£6,000 (depending on deal with installer)
Planning application	1. Support to complete planning application based on our template using drawings and technical information from installer	1. Customisation of planning application to local planning policies	Planning application: 2 days	Drawings & info: Depends on installer (as above)
Lease	1. Standard lease agreement 2. Suggested legal team	1. Negotiate with building owner's solicitor if required	Template lease: £500 Support to instruct lawyers: 1 day	Lawyers: £1000-5000 depending on complexity
Co-operative set up	1. Provide model rules at low cost and obtain a lower cost registration	1. Choose a suitable name 2. Find directors & provide documentation 3. Sign and send off the paperwork	Model rules: £250	FSA Registration: £30
Procurement process for installers	1. Due diligence on capital components 2. Template bid and assessment documents that can be tailored 3. Expert input on selection process	1. Assess the bids and choose an installer and product	Due diligence: 2 days Expert input on installer selection: 2 days	
Share offer preparation &	1. Guidance on what will be involved and key ingredients for successful	1. Time to adapt prospectus to your project	Expert advice on structure: 2 days	

Task	What Shareenergy provides	What you need to do	Shareenergy time or costs	External costs
oversight of process	share issue 2. Preparation of prospectus 3. Guidance on FSA regulation requirements and EIS tax relief 4. Training in how to communicate correctly technical, tax and other aspects of the project	2. Find the right publicity opportunities for your project locally 3. Warm your community up to the prospect of a local, ethical and environmental investment opportunity	Guidance on FSA, EIS etc and training: 2 days	
Share offer launch	1. Attendance at public event to answer questions about co-ops, finance, solar etc 2. Set up website and mailing list for projects	1. Arrange Public event to formally launch share offer 2. Press releases, local publicity (press, TV, radio) 3. Keep website updated	Public event attendance: 1 day + expenses Website and mailing list setup: 1 day	Events and publicity budget: £250
Share offer running	1. Admin for investments support	1. Answer questions for public, spread word of mouth, keep publicity going 2. Admin of investments	Admin support: 3 days	
Total	£250 per day for 27 days (assumes one site) plus £750 Shareenergy costs not including expenses for attendance at public event		£7500	£1,280-11,280