

Community-led photovoltaic initiatives

Support and information for community groups and social enterprises setting up community-led photovoltaic projects



About this action pack

This action pack has been developed as part of a series produced by the Academy of Champions for Energy (Ace). Each pack has been written and reviewed by community activists with first-hand knowledge of what it takes to set up social enterprises to address the challenges of peak oil and climate change. Inside you will find practical suggestions and inspiration for setting up your own community initiative, helping those who are ready to take action to do just that.

This series of action packs was originally funded by NESTA and produced by Local United (www.localunited.net), a co-operative of social entrepreneurs which aims to speed up the rate at which good ideas are adopted by communities. These latest revisions have been produced by Ace, a sustainable energy initiative running in the UK, Ireland, France, Belgium and the Netherlands, funded by the INTERREG IVB NWE programme.

Ace aims to bring together 'Champions' of energy transition across the public, private and community sectors to share and disseminate information to increase uptake of renewable energy and energy efficiency measures. The focus is on using resources already available within our communities to build sustainable futures. This means citizens working together to find collaborative solutions which integrate energy transition into our everyday lives. Citizen engagement and community-led action are therefore central to this vision, and these packs aim to demonstrate how to build projects from the bottom up for the benefit of everyone. For more information about Ace visit www.aceforenergy.eu. For more guidance on citizen engagement visit www.aceforcommunities.net.

Each pack provides a useful 'how to' guide, illustrated by inspirational stories of what can be achieved when communities come together to act. Many of the packs contain technical advice, links to other information, copies of legal templates or lists of regulations all of which can help communities get their projects off the ground. Of course, any information provided is only as up to date as the day it goes to print.

Downloadable versions of the packs are available on the many partner websites. If your group or organisation would be interested in sharing the packs on your own website, contact the National Energy Foundation via ace@nef.org.uk. Community groups who have used the packs to support their own projects are also invited to provide information on how useful the packs have been, what other information should be provided or any other feedback which may improve future packs.



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Will Cottrell
Brighton Energy Co-operative
2014



1. Introduction

This action pack details a case study of how Brighton Energy Co-operative (BEC) came into being and illustrates the processes that startup solar PV energy co-operatives go through. From working out the finances and the organisational structure, to attracting public attention and engaging the community, this pack will take you through BEC's experience and lessons learned to help you develop your own community-led solar PV project.

At the time of writing, BEC has succeeded in performing three share issues, raising £700,000 from the community and continues to install solar PV across Brighton – adding to its five existing sites in the city which already total 500kWp.



2. Brighton Energy Co-operative's story

2.1 Initiation

BEC came into existence after founder Will Cottrell attended the Copenhagen Climate Change Conference in 2009. After the failure of any significant accord many people realised that effective change would only come from the grass roots.

Will was among them and he stumbled upon a vehicle to do just that: a few days after the talks ended, travelling around Denmark by train, Will spotted that many towns and villages appeared to have their own wind turbine. Further investigation revealed that these were community-owned: locals had banded together to collectively pay for their own energy supply.

Returning to the UK, Will also discovered that several groups in the UK had put together



similar organisations, notably Baywind in the Lake District as well as its sister co-operatives founded by Energy4All.

Around the same time, Will attended a course at the Centre for Alternative Technology in Wales, and learnt to build his own wind turbine. The hands-on process of carving blades, wiring an alternator and welding a frame demystified renewable technology: it was not, he realised, rocket science. He also began thinking about how it could be financially viable - the government had recently introduced the Feed-In Tariff (FIT) system to the UK.

A quick look at regulations made Will realise that home-made turbines were not going to qualify for FITs; reluctantly the turbine was put into the shed and he started looking at solar PV instead.

Will has a background in business – he has built financial models to do with publishing, travel and online marketing. So he began building the first BEC financial model to discover the financial implications of FITs. He found two things: (1) modelling using FITs delivered reasonable returns and (2) renewables were not cheap. To get a project off the ground would require the involvement of other people – lots of other people. So the community-investment model he had discovered in Denmark became applicable. It was time to go public.

2.2 Taking the idea public

A public meeting seemed like the most effective way to attract the kinds of people interested in the idea of community-owned renewable energy. In June 2010 Will booked a midweek evening slot at a local community centre in central Brighton to bring together some of these people.

However, in order to get people to attend, awareness had to be raised about the idea and the meeting. Attracting the attention of people is an easily-learned skill (see 3.3 Communicating with your audience). First, determine a name. It is important that the name conveys a meaning quickly i.e. that it 'does what it says on the tin'. The word 'Coop' has a great resonance: many like the idea of working collectively and are disaffected by traditional organisational structures. 'Brighton' was in since local engagement would be key, and 'Energy' can have a dual sense – both in terms of electricity and community engagement. 'Brighton Energy Coop' seemed to convey quickly and clearly what the organisation would be about.

Next up: building a web presence. Will built a basic website using a content management system called Wordpress (see Appendix A for an example of the early website content). This would be the home base online – all other promotional materials would point to this site. He also designed a logo and flyers (see Appendix B for an example flyer) and created a Facebook group, as well as collating a list of local press to send press releases to. He then wrote to everyone he could think of, especially those in local green, transition and sustainability networks, and invited them along to the meeting.

The night was a great success. Sixty people turned up, and Will presented ideas around



community-ownership and organisational models, technologies, and finances. A director from a nearby energy co-operative – OVESCO in Lewes – also gave a presentation and there was great enthusiasm at the end of the night. The email addresses collected at the end of the night formed the beginnings of the email list that today is the cornerstone of BEC's cash-raising abilities.

2.3 Attracting the team

Post-meeting Will held lots of meetings, having little clue as to what to do next. He discussed technologies, money and organisational structure with more than fifteen people. They brought many skills to the table: businessmen, accountants, project managers as well as those already involved in renewable energy. Plenty of people had ideas and were enthused. With no experience in team building, however, it was unclear to Will how to progress. The answer presented itself in terms of actions: it was those who went away from those meetings, worked on an aspect that was discussed and then came back with follow up who subsequently became part of the team.

Damian Tow¹ was the first. Damian has been a Project Manager for British Telecom and had also funded a dot-com start-up. Project management is a highly desirable skill for energy co-operatives (or any form of renewables). There are long lead times, and projects can become complicated. Project managers streamline processes and make sure that actions follow a logical order, thus keeping the concept facing in the right direction.

Danni Craker had recently moved to Brighton after leaving a job in corporate accountancy. She had also recently started her own accounting business, Craker Business Solutions². She approached Will at a networking event and together they began to build BEC's first financial model. An energy project's finances are its keystone: if it does not make a profit then there is little point in continuing. There are all sorts of conventions around how to think about finances – such as developing 'profit and loss' and 'cash flow' calculations. These then help the management make decisions based on their outputs. Bringing a financial professional on board added a financial rigour to the team, as well as a monetary credibility with the wider public.

The team had only a vague idea of whether the BEC project would ever pay them anything. It just seemed like a good idea, and appeared to deliver reasonable potential returns. Discussions around recompense would come later.

2.4 Financial model

Building the financial model was fundamental. If the numbers didn't work then there seemed little point in going forward. Will and Danni met several times in a local pub to finesse Will's earlier numbers. Together they went over expected revenues and costs, and their implications on cash flow and profit and loss. They also looked at their assumptions, and

¹ <http://uk.linkedin.com/pub/damian-tow/6/431/766>

² www.crakerbusinesssolutions.co.uk



tried to figure out what variables needed to be included. What were the expected outputs of PV systems? Were those expectations reasonable? Could a project work financially? Unbeknown to the team this was a process that was being undertaken by many people – particularly in the city of London. It was the beginning of the UK's rollout of renewable energy – community energy was just one idea that began to really grow in these early days.

2.5 Organisational structure

The next stage was to figure out what sort of organisation could deliver locally-owned renewable energy in Brighton. What structures exist that can facilitate community ownership?

A key decision was around shares – a Community Benefit Society or Industrial and Provident Society can issue shares without scrutiny by the Financial Conduct Authority. Oversight by the UK's main financial authority for a tiny organisation like BEC sounded ridiculous – BEC was only an idea. So the team chose a Community Benefit Society, as it wouldn't need that oversight, would enable lots of people to get involved and that could still raise cash for renewables.

The organisational structure had implications for how the organisation would function. The team again set to work. What did this mean in terms of financial planning? How does a co-operative make decisions? Early documentation by Co-operatives UK³ provided an outline but there were still plenty of things to understand and make specifically applicable to the BEC project.

2.6 Raising start-up capital

Once the team had a good understanding of the money and the organisation, they then needed to figure out how to put that organisation into action. Up until now they had worked for free – however, this was becoming difficult given the hundreds of hours they had already put in. They decided that for it to be viable to go forward they would need to get some sort of financial reward. There were other costs, too, associated with starting an organisation – such as printing, hall hires, web support, branding; there were bound to be others.

They decided to launch a 'pioneer' share offer – an early stage share invitation (see the Pioneer Share Invitation in Appendix C). A pioneer offer is the equivalent of start-up capital: the cash required to get the ball rolling. To do this they wrote a business plan detailing where the organisation was heading, how it would get there and how much this would cost.

To market the pioneer offer the team once again organised a public meeting, both to update people on how things were progressing and where the organisation had got to. At that meeting (held in December 2010) they went through details of the business plan and outlined the money they required. They also sent details of the plan to the mailing list (now

³ See

http://www.uk.coop/sites/storage/public/downloads/practitioners_guide_to_community_shares_jul11.pdf



180-strong).

Over the course of the next few months, the team held one-to-one meetings with local people who had expressed an interest in joining and investing in the project. At this stage it was fundamental for the team and the project idea to remain credible. They intensively rehearsed all presentations as well as answers to potential questions. Each director was allocated specific subject areas. They arranged meeting in the reception of a nearby 4-star hotel. Eight people subsequently bought shares, and BEC raised its first monies: £18,000.

2.7 Finding a location

With the added confidence of local support, the team now set about finding a location for solar PV. This proved to be the hardest part of the operation.

They drew up a target list of buildings they thought would have large, good-quality roofs. Using their local contacts and the mailing list, they also solicited from the public: did anyone know any roofs? See Appendix D for an example flyer used.

At the same time they set to work on writing the lease agreement that would be signed between BEC and the sites. This was a significant piece of work: a fifty-page legal document that would form the basis of the relationship between the two parties for twenty years. Will heard that a London solicitors – Reed Smith – allocated a percentage of their profits to pro bono work, and applied on BEC's behalf. The answer was positive. After intensive questioning of the BEC team, Reed Smith wrote the lease agreement, framing BEC's needs within legal terminology.

BEC began discussions with various organisations. It became increasingly obvious, however, that some organisations are better at making decisions than others. Those organisations with a community-minded focus proved the most amenable, but in total BEC contacted more than fifty building-owners. After eight months three had signed the lease.

Organisations find it difficult to make decisions around ideas which are new to them, and this can especially be the case when it comes to community-owned renewable energy. Partly this is due to the complexity of the offer: few people understand electricity, let alone the idea of someone else generating it on their roof. For others it was a case of the unusualness of the idea: they had never considered solar power, let alone via a local co-operative. Others found the idea of getting involved with a start-up organisation too risky. Yet others thought the idea was great – and went ahead and bought the PV themselves.

In some cases the people BEC met were not qualified to make a decision on behalf of their organisation. In some instances the concept was then passed up the management chain, where it often disappeared. In others decision making would be thwarted by a timid management board. Some people just didn't 'get it', however many presentations, emails and explanations the BEC team gave. It became a case of developing a pipeline of possible sites: the team determined that they would need to keep on trying, until (surely) some would step forward. In the end, three organisations joined BEC's project, a conversion rate of one in every seventeen prospects.



The three organisations included two churches and a local port. St George's Church in Kemptown was the first: the local vicar, Father Andrew, understood the pressing need for renewable energy, and appreciated the idea of involving the community in its rollout. The second – City Coast Church in Portslade – felt a similar way. Finally, Shoreham Port liked the idea too. As a trust Port, Shoreham has a responsibility that goes beyond fiduciary – it is also required to engage and benefit the local community when carrying out its activities. BEC was ready to go live.

2.8 Keeping the momentum going

Throughout the search for locations, the BEC team continued to build the organisation's local profile. This was done through both online and offline marketing: feeding social media with updates, information, stories and pictures (see 3.3 Communicating with your audience), while at the same time contacting local media and talking up community renewables. They emailed many local organisations and offered to speak about the BEC idea. Often groups were receptive: the idea of something new, local and progressive is an innovative addition to a list of meetings and events.

Over the course of a year or so this became a form of political campaigning as slowly BEC began to build its constituency.

To whet the appetite of increasing local interest, the team launched a pledge scheme on the website. This meant that anyone interested in joining could pledge the amount they would like to invest (as well as their contact details). By October 2011 BEC had more than £100,000 pledged – and hence an excellent list of potential members when the time came to launch.

2.9 The first public share offer

To raise the funds for solar PV panels on the three sites, our main share launch was scheduled for November 2011. Before BEC went live, however, the team needed to write a share offer document⁴. Similar to a business plan, a share offer document is composed of two parts: the business case and what membership means.

The business case outlines the proposed activities, and what sort of return members can expect. This took significant effort from the BEC directors: the financial model was scrutinised and all assumptions questioned. It was tight: the solar systems were not huge and potential returns to investors were small.

The team went through the financial model again and again, eventually deciding to offer a 4% return starting in year three of the project; capital repayment would similarly be suspended for three years. They thought this was realistic: nearly a year previously a sister energy co-operative in nearby Lewes⁵ had raised more than £300,000 with a similarly structured offer.

The share offer document also detailed risks: what would happen if the organisation went

⁴ See <http://www.brightonenergy.org.uk/wp-content/uploads/2012/05/invite.pdf>

⁵ OVESCO – www.ovesco.org



bust? What if the government changed the rules around the Feed in Tariff? The second half is more prosaic: what it means to be a member, how investments will be paid back, how decisions are made and how to apply.

2.10 Disaster and resilience

With three days to go before the public meeting announcing BEC's share offer, disaster struck. Because of the huge uptake of solar FITs, the government announced it was changing the rules: FITs were to be cut in half. At a tense meeting the team reviewed the position: suddenly the financial model no longer worked.

Ironically the printed share offer documents arrived during this meeting; with a heavy heart the team agreed to postpone the share launch until an unspecified date.

While this was a major blow, it is a harsh truth about community renewables: even with the best planning in the world things can go wrong. The government's announcement was particularly difficult since the £18,000 already committed was left exposed. For the team it meant a degree or soul-searching: could they continue doing this?

In many ways this experience mirrored the trajectory of lots of small, start-up enterprises. While a successful organisation can be extremely rewarding on a personal level, it often takes a lot of effort to get there and there are setbacks on the way. The key here is to keep going. It really helps if those starting up the co-operative have other sources of income, since this can sustain them through difficult periods. Community organisations also have the benefit of lots of public support. And it was the contribution of one of our members that showed the way forward.

2.11 Keeping abreast of the market price

Over time the price of renewable energy falls. For conventional solar panels, the price drops 24% for every doubling of total global installation⁶ (to consider current market costs, see 3.1 Costing your project).

By May 2012 the price of UK solar had fallen a staggering 60% compared to six months previously. This outweighed the 50% cut in FITs. At the urging of BEC member and architectural consultant⁷ John Smith (John would later become a director), the team once again reviewed the financial model. Much to their surprise, they found themselves back



⁶ <http://go.bloomberg.com/multimedia/solar-silicon-price-drop-brings-renewable-power-closer/>

⁷ www.cityzendesign.co.uk/



where they had been six months previously. With another FIT change looming, they hurriedly re-scheduled the share offer.

2.12 Share launch and offer period

With all the materials and legal agreements in place from the previous November, the BEC team re-activated the marketing plan for the share launch. Fifty people attended a public meeting as the team went through the financial model and share offer documents⁸.



The next month was an invigorating time. With everything in place, the team had to wait and see what happened. Marketing and community engagement activities continued: public talks, social media work, and regular email updates to report on the progress of the money raised. Yet much was out of their hands: it was now down to the public.

A share offer has certain characteristics. A large sum of money arrives fairly quickly as those who are enthusiastic about the idea get involved. Then it slows down: joining a renewable energy co-operative is not necessarily the highest priority on everyone's list. Finally, as the share offer period comes to an end, more people get involved as they remember that they have only a certain amount of time to join.

For BEC, the team raised £180,000 in the month period allocated. Another £50,000 came in in the form of a loan from PURE Leapfrog⁹.

⁸ See Appendix E for the share invitation application form and see the share invitation here: <http://www.brightonenergy.org.uk/wp-content/uploads/2012/05/invite.pdf>

⁹ www.pureleapfrog.org



2.13 Installations

With the money in place, BEC was in a position to sign contracts with its installer partners. This contract is usually similar to agreements used by building and property contractors, and covers issues such as risks, mitigations, insurances, warranties, project plans, timelines and prices. Since it is a fairly standard formula, it is worth getting someone in project development to look it over, as well as a solicitor.

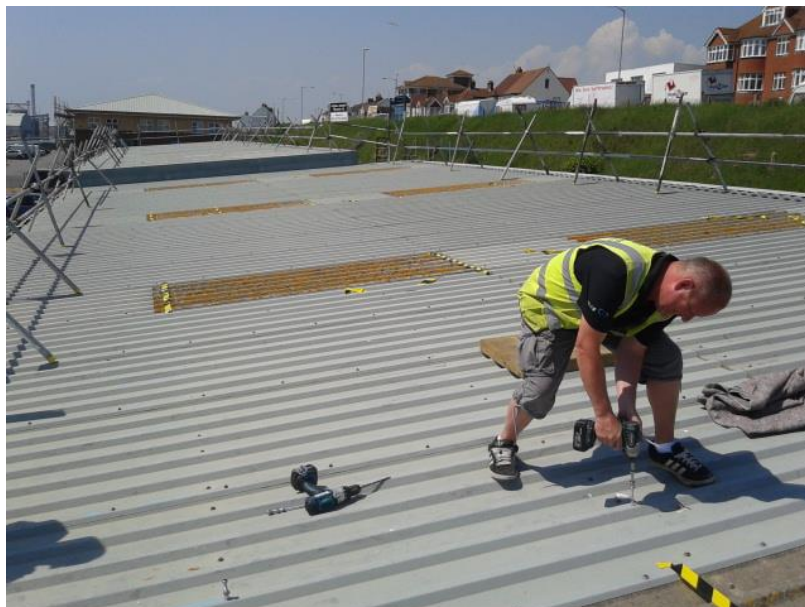
At the same time BEC needed to pay for installations as they progressed. Payments are usually staged: a payment schedule might look something like 10% on signing the contract, 40% when materials are delivered to the site, 40% on works completion and the remaining 10% on grid connection. VAT also needs to be paid, which can be claimed back later.

2.14 Going forward

Since our first installations in 2012, BEC has raised a further £480,000 and installed an additional 412kWp of solar PV. This was done largely by repeating the process above.

A fundamental consideration, however, is how to keep the organisation going. Sustainability is key. An important lesson for BEC was that it is not possible to maintain the continual process of project development, fund-raising and installing without people getting paid. Building community energy on volunteer power is nice, but limited. If the movement is to scale then community should be a vocation for those who practice it.

When raising money, therefore, BEC also raises a project development fund which pays for the next project to get off the ground. When that one is built, a similar fund is raised, and so on. Through this mechanism the organisation continues to grow.



3. Steps for developing your own community-led PV initiative

3.1 Costing your project

There are two things to consider when costing your project:

1. Installation costs
2. Ongoing running costs

Installation costs

The price of solar PV is not static – it falls regularly. To estimate the current market price find the most recent spot prices for solar PV modules¹⁰ and double it (the modules are only half the equation: there is also the labour, installer margin cost and the rest-of-the-system costs – these on average work out about the same price as the module costs). Note that this method is only an approximation and is subject to all sorts of variations – but it will give you an idea.

It is also useful to get quotes from several installers. The price they charge will depend on the size of the system and the geography of the site. However, competition is fierce and it is well worth discussing each proposal with installers in detail. Note that installers typically make a 15-20% margin on the installations they deliver.

Finally, ensure that grid connection costs are also factored in. If your grid connection point is a long way from the installation site, or requires ground works (such as digging a trench) it is likely there will be some significant extra costs involved.

Ongoing running costs

To keep the system and organisation running, you will need to budget for some ongoing running costs. These should include:

- a. **Export meters.** If your system is more than 50kWp you will need to have an export meter installed¹¹ in order to get export payments (see 3.2 Working out revenue). An export meter costs around £500 a year.
- b. **Operations and Maintenance.** Periodically your system will require cleaning and the electrics checked. Your installer can advise, but a useful metric is to budget £10 per kWp each year and allocate it to operations and maintenance.
- c. **Insurance.** Again, your system will need insuring against various risks. Roughly £500 per system can be allocated against insurance.
- d. **Inverter sinking funds.** It is the industry standard that solar PV inverters will need replacing once over the 20-year life cycle of the system. That means at some point you

¹⁰ See <http://www.solarserver.com/service/pvx-spot-market-price-index-solar-pv-modules.html> and <http://pv.energytrend.com/pricequotes.html>

¹¹ For a guide on how to get your export meter installed see <http://www.brightonenergy.org.uk/2014/06/guide-installing-export-metering-solar-pv/>



are going to have to pay for new ones. Ask your installer for the price of the inverters and divide it by ten – this means that in ten years the organisation will have the money to pay for the new one in ten years' time. This 'sinking fund' should be kept in a separate bank account. Another way of approaching this is to get a 20-year warranty for your system – you pay more at the beginning, but less as time goes by.

- e. **Accounts.** Each year your organisation will have to submit accounts to HMRC and to the membership. An accountant is required to do this. Again, solicit some prices from local accountants.
- f. **Administration.** Each year the organisation will need to perform certain functions, such as communication with members, holding an AGM and overseeing the systems. While it is possible to get this done by volunteer directors (as some organisations do), in the long-term it is prudent to allocate some money to paying for this service. Brighton Energy Coop offers management services to perform this function.
- g. **Metering.** You will also need to pay for metering so you can check online and see how your systems are performing. A cheap way of doing this is to ensure your inverter has a SIM card in it – data can then be texted each day to a monitoring website such as ss4meteronline.co.uk (£25 annually). Again, ask your installer for information on this.

3.2 Working out revenue

There are three possible sources of revenue for solar PV projects:

1. Feed-In Tariffs
2. Export tariffs, ROCs and REGOs
3. Electricity sales to your solar landlord

Feed-In Tariffs

Feed-In Tariffs are paid based on the amount of electricity that is generated. They change often¹². To calculate revenue from FITs, you will also need to know how many kilowatt hours the systems will generate. This varies according to your location and system setup; in Brighton our south-facing panels generate more than 950kWh per kWp.

Export tariffs, ROCs and REGOs

Export tariffs are paid based on the amount of electricity that is sent into the grid. They are calculated via readings from your export meter (see 3.1 Costing your project). There are lots of people wanting to buy your power, and they will pay different rates. An innovative way of selling your export is through auction¹³. As well as the export tariff, you can also expect to receive a small amount from ROCs and REGOs - Renewable Obligation Certificates and

¹² For the latest figures see <http://www.fitariffs.co.uk/eligible/levels/>

¹³ See <http://www.nfpas-auctions.co.uk/whatispower.html>



Renewable Energy of Guaranteed Origin¹⁴. It is not much, but may add 0.5p per kWp to your revenue stream.

Electricity sales to your solar landlord

Electricity that's not exported is used onsite by your solar landlord. Before solar is installed the landlord will be paying grid rates – after they can save significant amounts since the electricity you sell them is likely to be cheaper. The cost that you charge the landlord will be part of the negotiations when discussing your lease agreement. This agreement is also commonly known as a Power Purchase Agreement (PPA).

3.3 Engaging your audience

There are no hard and fast rules as to how to engage with your audience: more than likely you will get a feel for it as you go along. And the more you do, the better you get.

Considerations include:

1. Identifying your audience
2. Communication style and content
3. Communication channels
4. Managing your communication

Identifying your audience

It is possible to get a rough idea of your potential audience by assuming they have similar interests and cares as those who are already involved in your organisation. This intuition can lead you to like-minded people who like what you are offering.

So the 'people like me' approach will form a broad-brush picture of who to talk to. These people probably in the UK, for example. They are probably interested in community and are keen on renewables. They may well be concerned about climate change, nature, and other environmental issues. These generalisations can be a useful background reference when thinking about what we say.

Another way of considering who to talk to is to do market research. In the co-operative movement we are fortunate that some research has already been done and is available. For example, Wessex Community Assets has carried out research into the profile of people who invest in community shares (see Appendix F). Their results reveal some interesting facts which are likely to be illuminating when thinking about who might like to get involved in yours. Many, for example, read The Guardian. Many, also, are members of the National Trust. Most are over forty.

¹⁴ See this Ofgem FAQ for more <https://www.ofgem.gov.uk/ofgem-publications/58353/faq230507.pdf>



Fundamentally, this research shows that people get involved in this sort of thing for a variety of reasons, which range from social and environmental to financial.

Black and white definitions like the above don't really fit with our human experience. However, what we can say is that there is a sliding scale of motivations for people getting involved: some care mostly about the environment and very little about the financials. Others just want a return on their investment. In the middle are all sorts of people who are somewhere in between the two.

Communication style and content

What does the above mean for communication style and content?

a. **Tap into your audience's motivations**

Suppose, for example, you were to write an email to your mailing list. You know that people are motivated by the environment and money, to varying degrees. Therefore, your first sentence might mention financial returns. Your second might talk about carbon savings. You can then go on and talk about whatever else it is that you want to say. Your next email might do the reverse. But you know that these two aspects are key motivators.

You can play with these ideas. You could devote a whole email to financial aspects, and then the next to environmental. An innovative approach would look at the relationship between the two. Similarly your website would contain a page on each (if not more). The homepage will press these very buttons. The list goes on.

b. **Stay current**

People can also be motivated by topical issues relating to current affairs, and those motivations can stick. Speaking about what motivated his action in office, Prime Minister Harold Macmillan said: "events, dear boy, events". The same is true of everyone's concerns. And by aligning your message with what is currently going on, you can tune into these motivations.

At the time of writing, fuel poverty has become a hot topic. Ideas around energy independence come and go. Energy efficiency is often a recurrent theme, and all these are valid concerns. So to connect your message to the concerns of your audience you will need to keep an eye on what is being talked about and the things your potential members might be reading and watching, and weave it together with the things YOU want to talk about.



c. **Tone**

In terms of tone, keep it upbeat. 'Community organisation fails, money lost, directors given up and gone to bed,' is unlikely to have your audience euphorically punching the air.

That said, it is also worth recognising that us humans have things that we believe in, and issues that are important to us. While it is unlikely to be upbeat, taking a position on a negative issue (fracking, for example), means that you align yourself with people's concerns. As such you become a representative for those concerns.

Similarly, raising questions about a local council's policy on renewable energy or inputting into a consultation (another opportunity to communicate!) is all valuable content that deserves to be communicated because it aligns you with the concerns of the people who might be interested in joining the co-operative.

d. **Report key events**

Communication is not simply a one off event. It is an ongoing stream of information - but it needs to be information that is of interest to your (potential) members.

Primarily, the news reports one thing: events. Something happening. Someone has said something. Somebody else did something. The whole news industry can be summed up by 'something happened'.

You can think about your own communications in a similar way. Try to conceive events that can be packed up (i.e. written) and then distributed through your various communication channels.

A good example of this is milestones. If you are looking for say £100,000 for your renewables project, set yourself five targets of £20,000 increments and you have five events. Add in a 'nearly there...' and a 'we've done it!' to each milestone and you have got fifteen events to promote.

When you connect events together over time, you start to get something a lot more interesting: a story. Imagine your audience has received ten emails from you over the course of a year. What story is that telling them? How do they imagine your organisation? Where would you like the story to go?

Different communications channels are suitable for different types of event. Twitter is very newsy. Renewable energy news, co-operatives news, related success stories and your own updates are all good to communicate to your audience. You can put virtually anything relevant on Twitter, but be sure to use it regularly - the constantly updating format means that you are more likely to gain followers through frequent updates.



Facebook can be used in a similar way to report events, but can be more sedate. Emails, however, are less likely to be read for outside news events - much more popular is news from your organisation itself. And press releases should be saved for major events in your organisations history: launches and installs in particular.

e. **Practice makes perfect**

Communication almost always requires writing. Not everyone feels comfortable doing it, and it is a bit of an art form. But the more you write, the better you will be, and you will also gain a great outlet for venting the frustrations and shouting about successes that come from your project.

A key aspect about writing is keeping things clear. It is fair to say that once you have written something, you can usually delete half of it.

So write what you have got to say, then go back over it and think: what am I trying to say here? Think about what is likely to grab people's attention, and put it at the beginning (and in the title). Say what you are going to say (introduction), say it (body), then recap (conclusion). But more than anything, keep doing it because you will get quicker and better as you go along.

Communication channels

There is little point in thinking about who to talk to without a method to get the message to them. These methods are called communication channels. They act rather like funnels. A communication channel is a funnel to the eyes and ears of a potential member of your energy organisation.

Commercial organisations have access to many different communication channels. So when they communicate their words go bouncing all over to all sorts of people's ears and eyeballs in many different ways.

That didn't happen by accident. Commercial operators pay lots of money for their communication channels. But using online tools there are many free ways to do it. Note here that a communication channel doesn't happen overnight. It takes time to build. Think of it as an ongoing task.

a. **Phones**

In the hierarchy of communication channels phones perhaps sit at the top. Yet receiving unsolicited phone calls can really irritate people. Phone communications are very personal, and should only be used when you have a strong indication that someone is already interested (like if they have already pledged to invest in your scheme, for example).



b. **Email list**

In many ways the email list is your most important tool for talking to your people. Again, email is a personal way of communicating, but one that it is more acceptable to receive unsolicited messages.

These things take time to build. So take an email signup sheet to every event, collect business cards and put them on your list. Use online an email organiser like Mailchimp¹⁵ to manage your list (free for up to 2000 emails), and add an email signup box to your website.

Don't, however, spam your list. Emails should be sent once a month, or a maximum of once every two weeks. Your email list is your golden goose: but don't expect it to lay too often.

c. **Organise a meeting**

There is nothing better than talking face to face to get across your idea. The best face to face opportunity is a public meeting. It is gratifying that once you start talking about potential projects, many people pop up saying 'what a good idea'. This is, of course, the magic of a community enterprise: it is not uncommon for startup co-operatives to attract 50-100 people to their initial meetings.

Organising a meeting is a straightforward process, but one that requires a little legwork. Book a hall and invite a couple of relevant speakers. Spread the word by telling all your friends and networks, putting details of the event onto a website and sharing the event on Facebook, Twitter and other social media channels. You could also tell the local press. Flyers are a waste of time – there are just too many people doing it.

There is quite a bit of work to be done for presentations, but an outline of what a co-operative is, details of other people who have done something similar and a rough understanding of how the money works should do the trick.

d. **Ask if other organisations would like a guest speaker**

Try contacting other local community groups, NGOs, or residential organisations and ask if they would like a talk from a member of your organisation. Many of these will be quite small, and happy to hear from you. In politics, this is what is called building a base: one by one you convert people to your way of thinking. Once the project is up and running, these people could become your investors.

Sometimes this may seem hard work, but it pays off in unexpected ways. At the beginning of our project in Brighton we once presented at a meeting at which five people

¹⁵ www.mailchimp.com



attended. Two nodded off during the slideshow. Two years later, however, the three who stayed awake that night invested £45,000 into our project. You just never know.

e. **Website**

It is worth thinking about where people go online. It is safe to say that 100% of internet traffic (and hence eyeballs) end up in one place: on websites (as varied and diverse as they are).

It is, therefore, important that your co-operative has a website. The website is the focus of all your other communication channels - flyers can reference it, emails can point to it, Facebook and Twitter pages can link back to it and you can be found via Google searches.

Building a website is not complex and it is worth getting your head around how to update a Wordpress website - being able to add bits and pieces will save you time and effort later on.

f. **Twitter**

Twitter is often a more powerful tool than Facebook. Posts on Twitter should be regular and often (at least once or twice a week). If you find something that you think will be of interest to your demographic, then don't hesitate: tweet it. Get your browser to automatically log you in when you type in the URL and you can be in and out in seconds. The hashtag #communityenergy is becoming more and more popular - a sure sign of a growing movement.

g. **Press**

It is not hard to get together a list of local press in your area: Google “[your town] magazine / TV / radio”. It is well worth creating a list of these contacts and sending your events and achievements to local journalists.

Note that local publications have very few staff and often don't have time to send a reporter to your event. They will, however, often write up press releases, particularly if you send a good picture along with it. Writing a press release is easy: look up a guide on Google. Imagine you are actually writing the story for the local publication, and write it like that. It often happens that press releases are re-printed almost verbatim.

Managing your communication

All the above activities here take time and, crucially, concentration. It is worth thinking about setting a budget for your communications activities, so that you pay someone in your team to do at least some of it. Getting someone to do PR, for example, is a pretty specialist job, takes time and requires lots of effort to be done well.



While there are no fixed rules on how much cash to allocate to a marketing budget, many co-ops pencil in 5% of the capital to be raised as a fund to pay for communications. Of course there will be things you can do for free, but if the trade-off is that marketing is taking up too much of your team's mental capacity then it is worth thinking about which bits could be outsourced to someone else.

4. Conclusion

Engaging with your community and building your project takes time and effort. Given time, however, you will find that you get better and better and your project grows. Citizen engagement and project development are rarely about one overwhelming success story - progress requires regular engagement through a variety of channels and a determination to keep going despite any setbacks: it is this drip-drip approach that really works.

Often people will only listen on the third or fourth time they notice your organisation's name. They might have glimpsed you on Facebook, for example, then notice that they have had an email from you. They then might see a tweet from you and decide to click on it. Then someone at work might mention you: only then will they visit your website. This was certainly the experience for BEC.

This means that it is imperative to work on multiple fronts, as outlined above. Over time, this has a cumulative impact, to the point where you will bump into people on the street and they will say 'oh yeah, I've heard of that'.

They won't know how that happened. But you will.



5. Appendices

5.1 Appendix A: Early website content

BRIGHTON ENERGY CO-OPERATIVE



What We Do **Get Involved** Join Contact newsletter

Get Involved	Title bargraphic	
Join	Get Involved	
Donate		
Invite your friends		
Sign up for email updates	Join Brighton Energy Co-op	Signup for emails
Download posters & flyers	As a member of BEC you'll join hundreds of other people supporting the UK's first solar Co-op. By joining us as a	Keep up to date with our campaigns and find out what you can do to help by signing up for regular updates by email.
Book a speaker		
	Book a speaker	Volunteer
	Part of a group, college or organisation and want to learn more about Brighton Energy Co-op? We have experienced speakers available	Volunteering is a great way to discover more about Brighton Energy Co-op and community renewable energy. You'll be part of a pio-
		Download materials
		Volunteering is a great way to discover more about Brighton Energy Co-op and community renewable energy. You'll be part of a pio-



5.2 Appendix B: Flyer for first public meeting

www.brightonenergy.org.uk
info@brightonenergy.org.uk

BRIGHTON ENERGY

CO-OPERATIVE

RENEWABLE ENERGY FOR BRIGHTON

BRIGHTON ENERGY CO-OPERATIVE is a new collective project to generate renewable energy in Brighton. Co-op membership is open to anyone - come to the meeting below to discover how to get involved in our pioneering £350,000 Brighton solar installation.

PUBLIC MEETING:

17 June, 7.30pm, Phoenix Community Centre, 2 Phoenix Place, Brighton, BN2 9ND. FREE

Learn about: how solar works, how communities can earn money through government Feed in Tariffs and how we're going to set up Brighton's largest renewable system. Speakers: Howard Johns (Southern Solar), John Stevens, (Solar Century), Will Cottrell (BEC)

What is Brighton Solar Co-op? We aim to stimulate growth in Brighton's renewable energy capacity. We facilitate communally-owned renewable installations in Brighton - doing anything we can to get more renewables in the city.



5.3 Appendix C: Pioneer share invitation



Your Invitation to invest in Brighton Energy Limited

Pioneer Share Invitation Document

Brighton Energy Co-op is the trading name of Brighton Energy Limited, a Community Benefit Society registered in England, Registration number 31107 R.

Introduction

Expanding the supply of renewable energy is central to the UK's efforts to tackle climate change. Yet the proportion of our energy generated by renewables has consistently missed targets.

Feed-in tariffs (FITs) stand to change all that. As a subsidy on renewably-generated energy, FITs are a guaranteed, index-linked source of revenue for small renewable systems. Suddenly, renewables are financially viable.

Brighton Energy Co-op's objective is therefore to tap the latent interest in solar generation to create, finance and run an energy co-operative (co-op). With the ambition to benefit the environment, the community and our members.

Following from the success of wind co-ops nationwide, this is an idea well-suited to Brighton. 16,238 voted for Caroline Lucas in the 2010 general election and the city has historic environmental credentials. This is another opportunity for the city to make eco-history.

The Investment Opportunity

Brighton Energy Co-op provides a new economic model for local people to own and profit from the development of renewable energy.

This Pioneer Share Invitation Document (Invite) outlines an opportunity to invest and become a member of Brighton Energy Co-op. It sets out the opportunities and risks involved.

This Invite seeks to raise a minimum of £42,000 and a maximum of £58,000 by the issue of shares at £1 each, to finance the Organisational Structure and Feasibility phases of development of Brighton Energy Limited.

Potential members should regard this Invite as a long-term investment with environmental, social, and financial benefits as set out below.

Environmental benefits - a double carbon benefit

Brighton Energy Co-op aims to produce a "double carbon benefit", not only will it aim to provide renewable electricity generation capacity but it also aims to create and support community programmes which further reduce Carbon Dioxide (CO₂) levels.

Renewable installations offer a clean alternative to fossil fuel generation. It is increasingly obvious action needs to be taken on climate change; developing renewables is a positive step in this direction.

By creating, engaging in, and supporting community schemes aimed at reducing emissions Brighton Energy Co-op will also help reduce energy consumption at source. Similar community-based schemes elsewhere in the UK have reduced domestic CO₂ emissions by up to 36%.

Brighton Energy Co-op opens the door for grass-roots involvement in climate change. By joining Brighton Energy Co-op, anyone with the minimum investment required can take positive action for the environment.

Brighton Energy Co-op is the trading name of Brighton Energy Limited, a Community Benefit Society registered in England, Registration number 31107 R.

Social benefits

Brighton Energy Co-op is a democratically owned network of like-minded people. Based on a sound business model, Brighton Energy Co-op aims to contribute to a sustainable community in Brighton and Hove, as well as strengthening community bonds.

With members owning their own clean energy generating capacity, Brighton Energy Co-op aims to increase self-sufficiency and energy security against a backdrop of potential peak oil and rising energy prices.

In taking an active ownership role members gain insight into a functioning business as well as the benefits of working together. Brighton Energy Co-op aims also to be a powerful voice within the community for advocacy on climate change and energy policy as well as positioning Brighton and Hove as a national leader in solar.

Financial benefits

Brighton Energy Co-op aims to deliver a return on investment sufficient to retain that capital investment whilst allowing Brighton Energy Co-op to meet its objectives of:

- (i) Developing the supply of energy from renewable resources in the Brighton & Hove area for the benefit of the local community and other relevant communities of interest.
- (ii) Additionally to promote the need for improved energy efficiency and renewable energy generation due to the threats of climate change and 'peak oil'.
- (iii) And lastly, to provide an opportunity for public-spirited people and organisations to contribute financially to the community, with the expectation of a social dividend, rather than personal financial reward.

The financial benefits will primarily be retained within the Brighton and Hove area, thus supporting the local economy and creating an appetite for more local investment in the future. Similarly, Brighton Energy Co-op is aiming for membership in excess of 1000 members and therefore surpluses are distributed widely.

Brighton Energy Co-op Structure

Brighton Energy Co-op is the trading name of Brighton Energy Limited a Community Benefit Society (CBS) formed in 2010.

As a CBS, Brighton Energy Co-op is democratically owned. Each member has one vote, regardless of the number of shares they hold. Unlike a limited company which is designed to benefit shareholders, a CBS is designed to benefit the community whether they are members or not.

Brighton Energy Co-op is bound by its Rules, and the powers of members and Directors are set out within those Rules. The Directors run Brighton Energy Co-op in line with the Objects set out in the rules on behalf of the members. The members have the right to elect and remove Directors.

A brief bio of each of the current Directors is detailed below.

Will Cottrell – Chairman and Director



Will owns and manages two travel and website based businesses from Brighton and Hove. He brings his experience in online marketing and social networking, as well as in starting, buying and selling businesses. He launched the concept of Brighton Energy Co-op in June 2010 after attending the Copenhagen Climate Conference in December 2009.

Will's interest in environmental issues stems from a countryside upbringing in West Sussex. He has travelled widely, seeing rainforest and coral reef destruction close up. He became involved in Greenpeace, and views grassroots action as key to addressing the environmental issues we face.

Danni Craker – Finance Director



Danni is a chartered accountant who spent nearly 8 years working with PricewaterhouseCoopers in both their London and Tokyo offices. After resigning in late 2009 Danni set up a Brighton and Hove based environmentally conscious accountancy practice which is registered with the Institute of Chartered Accountants in England and Wales. She started working with Brighton Energy Co-op in August 2010.

Danni's interest in the environment and the challenges we all face has grown over a number of years culminating with her decision to start her own business based on strong environmental values and a desire to help others do the same.

Damian Tow – Director



Damian has most recently completed a Masters in Leadership for Sustainable Development at Forum for the Future. Prior to that he was a Director of a small software company and has 14 years experience as a project and programme manager at Cable and Wireless and BT. He has been working with Brighton Energy Co-op since August 2010.

Damian's interest in the environment comes from a countryside upbringing, a love of nature and the great outdoors and working as a mountain leader; skiing in the winter and trekking in the summer. He brings his variety of business experience and learning gained from his Master's to Brighton Energy Co-op's Board.

Brighton Energy Co-op is the trading name of Brighton Energy Limited, a Community Benefit Society registered in England, Registration number 31107 R.

A short history of Brighton Energy Co-op

After the launch of the Brighton Energy Co-op concept in June 2010 Brighton Energy Coop has completed the first phase of its development; „Organisational Structure“ and in doing so has achieved the following:

- Identifying and setting up a suitable legal entity structure,
- Putting into place the governance and day to day operational procedures, including weekly Director meetings,
- Performed a financial feasibility study into various project scenarios,
- Carried out a detailed risk analysis,
- Generated a marketing plan and updated the branding, website and other social media,
- Researched, reviewed and applied for various grants,
- Researched and contacted potential Sites for installations, and;
- Compiled a detailed business plan.

Many of the above activities are ongoing as the Directors“ continue to make improvements, for example, the business plan and risk analysis are evolving documents.

Brighton Energy Co-op is currently in phase 2, „Feasibility“. During this phase, Brighton Energy is working to secure Site(s) for installation and preparing for the first Share Invitation to fund installations.

Key activities of the Feasibility phase include:

- Sourcing and negotiating with potential Sites solar panel installations and signing of lease agreements with appropriate Sites,
- Obtaining planning permission for installations,
- Updating financial feasibility studies as each Site is agreed,
- Writing and obtaining legal review of the Share Invitation, and;
- Marketing the Share Invitation.

The estimated costs for completing of the first two phases of development, „Organisational Structure“ and „Feasibility“ are set out within Table 1 below.

Phase Activity	Cost GBP
Registration of Community Benefit Society	660
Review of Share Invitation Documents (Pioneer Invite and subsequent Share Invite) legal fees	1,500
Lease agreement legal fees	3,000
Marketing (including website build and branding)	1,775
Printing and stationery and other office costs	1,325
Travel and subsistence (including volunteer costs)	800
Insurance	1,500
Directors remuneration for 6 months to 31 January 2011 in cash	9,748
Contingency	1,000
Total	21,308

Note; all costs above are excluding VAT. Brighton Energy Limited is seeking voluntary registration for VAT.

Additional to the cash costs above, it is expected Brighton Energy Limited will issue shares in return for services received. The estimated share value to be issued for services received to complete the first two phases of development is £20,580. The majority of the shares issued for services are issued to the Directors. The shares issued to Directors are bound by this Invite and enjoy the same benefits and risks as all other shares issued in line with this Invite.

The Feasibility phase will complete with launch of the Share Invitation when the „Fund and Install“ phase commences. After completion of installation each site will move into the „Operation and Maintenance“ phase. It is likely installations will be phased in over a number of months and therefore the Fund and Install phase and Operation and Maintenance phase will run concurrently.

Brighton Energy Co-op is the trading name of Brighton Energy Limited, a Community Benefit Society registered in England, Registration number 31107 R.

Terms and Conditions of Investment

This document details and contains an invitation to subscribe for shares in Brighton Energy Limited (“BE”). It is important and requires your detailed attention. If you require any advice you should consult with a bank manager, solicitor, accountant, stockbroker or other independent financial adviser authorised under the Financial Services Act 1986.

Please read this section carefully – it sets out the details of becoming a member. Membership is open to individuals, corporate bodies, voluntary organisations and public sector investors.

Legal Information

This document is issued by Brighton Energy Limited, registered number 31107 R, as a Community Benefit Society incorporated in England and Wales on the 10 November 2010 under the Industrial and Provident Societies Act 1965.

Shareholdings and Membership

The minimum shareholding for membership, which you can apply for under this prospectus, is £375 and the maximum is £20,000, except for other Industrial and Provident Societies which have no limit on their investment.

Larger sums can be made available to BE as donations, grants or loans. Please contact the Chairman at the registered address for further information.

All applications are subject to the terms set out in the Rules of BE.

There is only one class of ordinary withdrawable share. The shares are not transferable, they may not be sold. The shares are withdrawable on 3 months’ notice and up to a maximum of 5% of issued share capital per annum. In the case of joint investments, all investors concerned must agree to a withdrawal. Shares will be repaid at the original price (subject to comments hereafter). The Directors of BE have the right to change the notice period for withdrawals, or to suspend withdrawals, The withdrawal of shares is currently suspended for the foreseeable future, and the scope for being able to withdraw shares in the future will be dependent upon BE raising additional funding to fund installations and upon BE developing a successful business

The Directors have the right to write down the value of shares, if the liabilities of BE (and its share capital) should exceed the value of its assets. Members who then withdraw their shares will only receive the written down value of their shares.

In the event of BE ceasing to trade, members will be re-paid up to a maximum of £1 for every £1 share owned, once all creditors have been repaid in full. Any remaining assets and surpluses shall not be distributed to members, but instead shall be transferred to some other non-profit body or bodies subject to at least the same degree of restriction on the distribution of surpluses and assets. See clause 69 of the Rules.

Nomination option

In the event of the death of a member, the repaid value of the shares will normally be added to the estate for probate purposes. You may (if you so wish) elect to nominate a recipient for the value of the shares (but only up to the amount set out in law) and thus (under current legislation) remove the value of the shares (up to the amount set out in law) from your estate for probate purposes i.e. the shares may pass to the nominee outside the Will of the deceased). The nominated property will nevertheless form part of the deceased’s estate for Inheritance Tax Purposes, unless the estate is an excepted estate.

Voting

Each member has one vote regardless of the size and value of their shareholding. It is proposed that members will be kept informed of BE’s services and developments through the Brighton Energy Co-op website, by e-mails where the member so wishes, by occasional newsletters, the annual reports and the Annual General Meetings.

Brighton Energy Co-op is the trading name of Brighton Energy Limited, a Community Benefit Society registered in England, Registration number 31107 R.

Return to Members

Provision is made in the BE Rules, clause 65, for paying interest on the share capital at such rate or rates as may be determined by the Board of Directors from time to time. BE will pay only a sufficient rate of interest on money paid for its shares and may pay no interest at all. A sufficient rate is determined by the Directors as the minimum rate necessary to obtain and retain the capital required to carry out the Objects of Brighton Energy Co-op as set out within its Rules.

BE is seeking clearance for application of the Enterprise Investment Scheme to BE shares. At this time, such clearance has not been completed. If obtained, application of the Enterprise Investment Scheme will also depend on the specific circumstances of each member, and potential members are advised to seek professional advice.

Your investment in BE should be regarded as a social as well as a financial investment. Development of renewable energy sources is urgently required to address the challenges of climate change and energy security threatening the well being of the community. BE will ensure democratic control of renewable energy sources by the local community through the right of each member of BE to exercise once vote regardless of individual share holdings.

Risk Factors

The value of your shares may fall and their value will not exceed the £1 per share paid up. Although shares in this Community Benefit Society are withdrawable, you may not be able to withdraw the full price you pay for them if BE does not have sufficient funds available at the time you want to withdraw your shares. In some circumstances, the Directors may be compelled to write down the value of your shares. Should you then wish to withdraw your shares, you should expect to receive only their written down value.

The Directors have identified the following key risks which may impact the value of shares:

- BE is unable to raise sufficient capital to develop any renewable energy projects,
- BE is unable to secure suitable sites for renewable energy installations,
- Changes in Government legislation may reduce revenues generated from the Feed-in-Tariff scheme,
- The price of electricity can go down as well as up,
- Local weather conditions may affect the amounts of electricity generated,
- Projects may be delayed due to technical, financial or legal matters,
- There may be interruptions to the generation of electricity caused by financial or legal matters which may reduce and/or delay revenues,
- There may be interruptions to generation of electricity caused by mechanical/electrical failure of equipment which may reduce and/or delay revenues,
- There may be a delay in Feed-in-Tariff registration which may delay cash inflow,
- The capital costs are based on quotations obtained prior to this share issue and may change by the installation date,
- Overhead costs are estimates and may go up or down over time,
- BE may not be able to meet debt repayments due to risk factors above reducing available cash for repayments,
- Stakeholders do not understand the risks to which they are exposed when becoming a member of BE or entering into an agreement with BE, resulting in legal action against BE, and;
- BE may have a detrimental impact on the environment from poorly sourced supplies.

The Directors seek to protect against these risks through implementing prudent management practices.

As a Community Benefit Society, BE does not need to be authorised by the Financial Services Authority to take deposits by issuing these withdrawable shares. Therefore, the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

BE shares are not „investments“ for the purposes of the Financial Services Act 1986. Therefore you do not have the level of protection that you might otherwise be offered by the Act. In particular, this document does not need approval (and has not been approved) by an „approved person“ under section 57 of the Financial Services Act 1986.

Brighton Energy Co-op is the trading name of Brighton Energy Limited, a Community Benefit Society registered in England, Registration number 31107 R.

This issue of shares is not regulated by the Financial Services and Markets Act 2000 or subsidiary regulations. This document is not regulated by the Prospectus Regulations 2005. These regulations do not apply because there is a specific exemption for community benefit societies that conduct their business for the benefit of the community.

Should BE get into financial difficulties:

- BE may have to suspend your rights to withdraw your shares
- BE may have to write down the value of your shares
- You may lose all the money you pay for your shares

You should buy shares only with money you can afford to have tied up, without interest, and without capital appreciation, for several years or longer.

Documents:

The documents that are available for your inspection are as follows:

- The Rules of Brighton Energy Limited.

You may inspect these, during normal business hours, at the registered office with prior arrangement.

Terms and Conditions for Applying for Shares

Your application

You cannot withdraw your application for shares after BE receive your application form.

The Directors do not have to accept your application for shares. They may decide not to issue shares to you or may allocate you fewer shares than you applied for. They do not have to give any reason for their decision.

Your application will be considered for approval at the first convenient Board of Directors meeting after you have applied, and therefore you should not expect an immediate response.

Your payment

The Directors will acknowledge receipt of your payment and application. They may cash your cheque as soon as it is received. BE will hold your money on trust for you until the Directors consider your application.

The Directors will return your money to you (within 28 days of the Board of Directors meeting at which we consider your application) if they decide not to issue shares to you. If they decide to issue fewer shares to you than you applied for, they will return the balance to you (within 28 days of the Board of Directors meeting).

The money will belong to BE (and the Directors will no longer hold it in trust for you) as soon as the Directors issue shares to you (to the extent that they take it as payment for shares).

BE will not pay you interest on any money it returns to you.

Where your payment is in the form of services provided to BE, the Directors upon receipt of your invoice for services rendered, will issue shares to you (to the extent they are agreed the services have been fully performed).

Your responsibility to BE

You promise that:

- Your cheque will be honoured on presentation,
- You, as an individual, are at least 18 years of age,
- You have the authority to sign the application form. If you are signing it for another person, you will provide the Directors with evidence of your authority to sign if they ask to see it,
- You will supply us with proof of your identity and address if the Directors ask for it. We may need to do this to comply with the Money Laundering Regulations 2003. The Directors may have to hold back your shares until they see this, and;
- You are a British citizen and resident in the United Kingdom.

Miscellaneous

The law of England applies to these terms. The courts of England and Wales have exclusive jurisdiction.

You will be bound by the Rules of BE (as may be amended from time to time) if the Directors issue shares to you.

The registered office for Brighton Energy Limited is:
Flat 1, 27 Temple Street, Brighton, East Sussex, BN1 3BH

Advisers and bankers

Solicitors: Co-operative Legal Services

Bankers: Co-operative Bank

Brighton Energy Co-op is the trading name of Brighton Energy Limited, a Community Benefit Society registered in England, Registration number 31107 R.

Pioneer Share Invitation Application Form - Notes

Important:

Before completing this application form you must:

- Read the accompanying Pioneer Share Invitation Document,
- Pay special attention to the risk factors on page 7 of the Invite,
- Consider taking financial or other advice in relation to the Terms and Conditions of the Invite, and;
- Read the Rules of Brighton Energy Limited

How to join:

To become a member you must purchase at least 375 shares. Each share has a value of £1. The maximum permissible is £20,000 for an individual or a body which is not an Industrial Provident Society.

To become a member please complete the Share Application Form (either as an Individual or a Corporate) and return with a cheque payable to „Brighton Energy Limited“ to Brighton Energy Co-op, Flat 1, 27 Temple Street, Brighton, East Sussex, BN1 3BH.

Please also complete the Nominee Appointment Form if you wish to nominate a person to receive your shares on your death.

Applications can be received at the office of Brighton Energy Limited until the Directors declare the Pioneer Share Invitation closed.

Pioneer Share Invitation Application Form - Individual

PLEASE USE CAPITAL AND BLACK INK.

I/We wish to become a member of Brighton Energy Limited in accordance with the Rules. I/We apply for shares to the total value of £.....

I/We enclose payment for that amount (cheques payable to Brighton Energy Limited).

Name and address

For joint applications, all applicants (up to 4 persons) must sign (please photocopy this form if there are more than 2 joint applicants).

	First Applicant		Second Applicant for Joint Applications
Forename(s) in full:			
Surname:			
Address:			
Telephone:			
Email:			

Declaration:

I confirm my understanding that:

- This application, if and when accepted by Brighton Energy Limited forms a contract subject to English law on the Terms and Condition of the Pioneer Share Invitation Document.

I confirm that:

- I have read the Pioneer Share Invitation Document, including the Risk Factors,
- I am over 18,
- I am not making an Application for more than 20,000 shares,
- I understand that the Board may reject my application and does not have to tell me why it has been rejected, and;
- I am not relying on any information which is not included in the Pioneer Share Invitation Document.

Data protection and money laundering

The data provided by you on this form will be stored within a computerised database. This data will only be used for Brighton Energy Limited purposes and will not be disclosed to a third party. It is a term of the Invite that to ensure complete compliance with the Money Laundering Regulations 2003, Brighton Energy Limited may at its absolute discretion require verification of identity from any person seeking to invest.

Signed:

Print Name:

Date:

Pioneer Share Invitation Application Form - Corporate

PLEASE USE CAPITAL AND BLACK INK.

We wish to become a member of Brighton Energy Limited in accordance with the Rules. I/We apply for shares to the total value of £.....

We enclose payment for that amount (cheques payable to Brighton Energy Limited).

Official name and correspondence address

Full official name:	
Address for correspondence:	
Registration Number:	
Registered Address:	
Contact Name:	
Telephone:	
Email:	

Declaration:

We confirm our understanding that:

- This application, if and when accepted by Brighton Energy Limited forms a contract subject to English law on the Terms and Condition of the Pioneer Share Invitation Document.

We confirm that:

- We have read the Pioneer Share Invitation Document, including the Risk Factors,
- We am not making an Application for more than 20,000 shares,
- We understand that the Board may reject my application and does not have to tell me why it has been rejected, and;
- We am not relying on any information which is not included in the Pioneer Share Invitation Document.

Data protection and money laundering

The data provided by you on this form will be stored within a computerised database. This data will only be used for Brighton Energy Limited purposes and will not be disclosed to a third party. It is a term of the Invite that to ensure complete compliance with the Money Laundering Regulations 2003, Brighton Energy Limited may at its absolute discretion require verification of identity from any person/organisation seeking to invest.

Signed:

Print Name:

Position:

For and behalf of:

Date:

Brighton Energy Co-op is the trading name of Brighton Energy Limited, a Community Benefit Society registered in England, Registration number 31107 R.

Nominee Appointment Form

PLEASE USE CAPITAL AND BLACK INK.

Your full name:	
Your address:	

You can nominate a person to whom you wish your shares to be transferred on your death. We will respect those wishes (so far as the law and our Rules permit).

If you are a joint holder and you do not wish your holding to pass to the other joint shareholder(s) then you must complete this form. You may nominate a person to whom you wish your joint shareholding to be transferred on your death.

Please name your choice of nominees below:

Your Nominee's full name:	
Your Nominee's address:	

I understand that it may not be possible for Brighton Energy Limited to action this request and I and my heirs will not hold Brighton Energy Limited responsible for its actions.

I understand that these instructions can only be revoked or amended by my giving clear written instructions to the Secretary of Brighton Energy Limited at the registered office.

I understand that trustees will need to be appointed if my nominee is under 18 years of age.

Signed:

Print Name:

Date:

5.4 Appendix D: Flyer for attracting sites

www.brightonenergy.org.uk
info@brightonenergy.org.uk



Free panels for your roof!

We offer free solar panels to large roof spaces in Brighton and Hove. We provide all design, planning, installation and financing in return for a 25-year lease on the site.

How does this work?

The site owner receives either a fixed rental or long-term cheap electricity.

Who owns the panels once installed?
Brighton Energy Co-op.

What happens if the building is sold?
Title can pass to another owner. The new owner must agree to the original lease agreement.

What access is required?
We need access for maintenance, typically at 6-monthly intervals.

Who is in charge of maintenance?
BEC & our contractors. We require building owners to maintain roofs to a level which leaves PV systems undisturbed.

For more: info@brightonenergy.org.uk



What are the benefits?

- Ready access to discounted power for 25 years
- An ability to adhere to CRC and Carbon Off-set requirements
- Immediate ability to develop an on-site Solar PV installation with no capital or managerial cost
- Immediate ability to demonstrate green renewable credentials

What do I need?

- A property with flat or maximum 10 degree pitch roof area in excess of 1000 metres squared
- A sound roof construction, preferably less than 20 years old (not asbestos)
- The capacity to deliver a 25-year lease or owner occupation
- A high on-site energy consumption

Get involved!

While we continue our negotiations with potential sites, we'd like to invite you to join our provisional association. Joining costs £1 - you can either sign up on our website, or send a cheque to 'Brighton Energy Co-op', 27 Temple St, BN1 3BH - and receive our investment invitation when it's ready. Alternately, check our website for ways you can get involved in the UK's first solar co-operative.



5.5 Appendix E: Share invitation application form

Share Invitation Application Form

How to Apply

To become a member you must purchase at least 400 shares. Each share has a value of £1. The maximum is £20,000.

How to Apply

To apply, fill in this form and return to Brighton Energy Co-op, Flat 7, 47 Montpelier Rd, Brighton, East Sussex, BN1 3BA.

How to send Payment

Payment can be made via bank transfer or cheque. Our bank details are: Brighton Energy Ltd, Co-operative Bank, Account: 65446120, Sort: 089299. If paying via bank transfer, please add a reference to your payment when you pay, comprising your initials and year of birth (no spaces). Also add this reference in the box overleaf. We also accept cheques, made out to 'Brighton Energy Ltd'.

Terms and Conditions

Your application

You cannot withdraw your application for shares after the Society receives your application form. The Directors do not have to accept your application for shares. They may decide not to issue shares to you or may allocate you fewer shares than you applied for. They do not have to give any reason for their decision.

Your application will be considered for approval at the first convenient Board of Directors meeting after the close of the Invite period, and therefore you should not expect an immediate response.

Your payment

The Directors will acknowledge receipt of your payment and application. They may cash your cheque as soon as it is received. The Society will hold your money on trust for you until the end of the Invite period and the Directors consider your application.

The Directors will return your money to you (within 28 days of the Board of Directors meeting at which we consider your application) if they decide not to issue shares to you. If they decide to issue fewer shares to you than you applied for, they will return the balance to you (within 28 days of the Board of Directors meeting). The money will belong to the Society (and the Directors

Important:

Before completing this application form you should:

- read the accompanying Share Invitation Document (pay special attention to the risk factors on page 5),
- consider taking financial or other advice in relation to the Terms and Conditions of the Invite,
- read the Rules of Brighton Energy Limited.

will no longer hold it in trust for you) as soon as the Directors issue shares to you (to the extent that they take it as payment for shares).

The Society will not pay you interest on any money it returns to you.

Your responsibility to the Society

You promise that:

- Your cheque will be honoured on presentation,
- You, as an individual, are at least 16 years of age,
- You have the authority to sign the application form. If you are signing it for another person, you will provide the Directors with evidence of your authority to sign if they ask to see it,
- You will supply us with proof of your identity and address if the Directors ask for it. We may need to do this to comply with the Money Laundering Regulations 2003. The Directors may have to hold back your shares until they see this.

Miscellaneous

The law of England applies to these terms. The courts of England and Wales have exclusive jurisdiction.

You will be bound by the Rules of the Society (as may be amended from time to time) if the Directors issue shares to you. The registered office for Brighton Energy Limited is: Ground Floor, 49 Montpelier Rd, Brighton, East Sussex, BN1 3BA

Advisers and bankers

Solicitors: Reed Smith, The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS

Bankers: The Co-operative Bank Plc, 1 Balloon Street, Manchester, M60 4EP



Share Invitation Application Form - Individual/ Joint

PLEASE USE CAPITALS AND BLACK INK

I/We apply for shares to the total value of

£

I/We enclose payment for that amount (cheques payable to Brighton Energy Limited).

Full Name

Address Line 1

Address Line 2

Town/ City

County

Postcode

Phone Number

Email

Payment Reference (if paying via bank transfer)

Applications on behalf of others/ Joint Applications

You may apply for shares on behalf of someone else. Note, however, that their signature will be required in the box below. For joint applications photocopy this form for each applicant and ensure all applicants have completed all boxes. Maximum four persons.

Declaration

I confirm my understanding that this application, if and when accepted by Brighton Energy Limited forms a contract subject to English law on the Terms and Condition of the Share Invitation Document.

I confirm that:

- I have read the Share Invitation Document, including the Risk Factors,
- I am over 16,
- I am not making an Application for more than 20,000 shares,
- I understand that the Board may reject my application and does not have to tell me why it has been rejected, and;
- I am not relying on any information which is not included in the Pioneer Share Invitation Document.

Data protection and money laundering

The data provided by you on this form will be stored within a computerised database. This data will only be used for Brighton Energy Limited purposes and will not be disclosed to a third party. It is a term of the Invite that to ensure complete compliance with the Money Laundering Regulations 2003, Brighton Energy Limited may at its absolute discretion require verification of identity from any person seeking to invest.

Signed:

Print Name:

Date:



Share Invitation Application Form - Corporate

PLEASE USE CAPITALS AND BLACK INK

We apply for shares to the total value of £

We enclose payment for that amount (cheques payable to Brighton Energy Limited).

Full Official Name

Address for Correspondance

Registered Address

Contact Name

Telephone Email

Payment Reference (if paying via bank transfer)

Declaration

We confirm our understanding that this application, if and when accepted by Brighton Energy Limited forms a contract subject to English law on the Terms and Condition of the Share Invitation Document.

We confirm that:

- We have read the Share Invitation Document, including the Risk Factors,
- We are not making an Application for more than 20,000 shares,
- We understand that the Board may reject our application and does not have to tell us why it has been rejected, and;
- We are not relying on any information which is not included in the Pioneer Share Invitation Document.

Data protection and money laundering

The data provided by you on this form will be stored within a computerised database. This data will only be used for Brighton Energy Limited purposes and will not be disclosed to a third party. It is a term of the Invite that to ensure complete compliance with the Money Laundering Regulations 2003, Brighton Energy Limited may at its absolute discretion require verification of identity from any person seeking to invest.

Signed:

Print Name:

Date:



5.6 Appendix F: Community shares investor profile



Who is Buying Community Shares? Key Findings

The aims of this research were to find out who was buying community shares; what were their motivations when they bought the shares; what was most important to them – the financial, social or environmental returns on their investment; and, informed by the findings, what marketing techniques would be best suited to this form of capital raising. An internet questionnaire to 11 Societies which had recently issued Community Shares was emailed out to 1785 members and 240 respondents completed the survey (a healthy response rate of 13%). This was followed up with 30 semi structured interviews by telephone. Data was also analysed from the share register of Societies on amounts of individual shareholding and location of members. From this research we have been able to build up a picture of who is buying community shares.

- There are 4 categories of investor
 - **The Local Community Investor** – an individual who wants to create or maintain local facilities for social return, can also include those with connections to, but no longer living in the area (e.g. investing in a community owned shop or pub); *“...seemed like a good idea to own the store between us and maintain it...”*
 - **The Community of Interest Investor** – an individual who wants to create or maintain facilities they have an interest in for social return (e.g. investing in a community owned railway); *“..purely out of interest! I am interested in railways and railway management...”*
 - **The Social Investor** – an institution or high net worth individual interested in receiving a blend of social and financial return, possibly social investment is only a small part of a larger investment portfolio (e.g. investing in a co-operative wind farm); *“...the finances have to stack up or we won’t invest, but if the social impact and mission isn’t there then we won’t invest either...”*
 - **The Ethical Investor** – an individual with no obvious connection to a Society other than approving of its social aims, sometimes motivated by democratic structures and ideology, and wishing to invest as a means of receiving primarily a social return (but not foregoing financial compensation – a small amount of interest or a tax incentive); *“...When we have a bit of extra money we’ll put a £1000 in something if it seems good...”*
- The word ‘investment’ doesn’t really describe how people view buying community shares! 93% of members interviewed (of all categories apart from those Social Investors who are also institutions) have **no** plans to withdraw their shares. Yet these members do not consider the shareholding as a donation. Respondents described how their shareholding gives them **influence, information** and a **sense of belonging** : *“If it was a donation, I wouldn’t be a member so with this I do have more say”*; *“the reason I invested was purely to be part of this social initiative”* *“I’m pleased to have a share in what they are doing, with a donation there is a feel- good factor, here there is a feel-good factor and a sense of belonging”*.



- The location of our community investor is either **local** to the Society (within 10 miles) or 50 miles away and further. There is a trend for more **distant** members to be investing larger sums. The top 10% by value of investors invest at least 30% and sometimes 50% of the capital needed to help the project succeed. Depending on the amount that a Society wishes to raise it will need to consider how it can access this market of investors, both locally and further afield. There is only a limited amount that can be raised directly from the Community (both local and “of interest”). For further capital the Society will need to tailor its marketing and communication efforts towards Social and Ethical Investors too. This will need to be reflected in the design and production of share offer documents.
- People don’t tend use **financial advisors** when they decide to buy community shares (98% of questionnaire respondents). This is because they don’t believe that financial advisors will understand the offer, because they felt that the sums involved were too small to warrant advice, and they want control of their investments. The vast majority of members stated that they had selected an amount to invest that they could afford to lose. As members are not seeking external advice Societies have a great **responsibility to detail risks clearly** in any share offer documents; *“we looked at the prospectus, it set out all the risks, we did not consult an advisor as they would probably feel it was a bad investment and I wasn’t making it as a financial investment”*. However, when asked what would encourage investment, some respondents suggested **making investing easier**, and a service to match investors with projects they would be interested in *“..it is easy to go to a big financial institution and invest in a unit trust, I could probably do it over the internet with a credit card, you can invest smaller sums over a longer time. The ethical side doesn’t seem to have that, maybe they don’t have the resources to do this... people are not imaginative about how they invest, there are lots of small enterprises out there that could do with investment and lots of investors who would like to invest in them, but no way of matching...”*
- Some statistics from the questionnaire
 - The demographic profile our community investor is:
 - Older, **aged 45+**;
 - Gender ratio showed **59.3% male: 40.7% female**
 - Investors tend to be **higher managerial or professional occupation or retired**.
 - **82%** claimed to be either **very satisfied or satisfied** with their investment
 - **One third** of our questionnaire respondents **held shares, loans or bonds within other community enterprises**
 - For **93%** of members community shares are a **small proportion of their savings / investments**
 - **65%** read **the Guardian or Observer**
 - **18%** read **the Big Issue**
 - **17%** read **New Scientist** (members of a spread of different Societies)
 - **52%** are members of the **National Trust** (again, members of a spread of different Societies)
 - **45%** have **purchased other shares** (not just acquired them, but actively purchased them)
 - The **most important factor** to most people when deciding to buy community share is that the organisation has a **social purpose** (63% ranked this as very important), closely followed by the organisation providing **environmental benefits** (57% ranked this as very important), receiving a **good financial return was not seen as being important** (35%, said this was neither important nor unimportant, 28% said it was not really important, 23% said it was not important at all).





**Academy of
Champions
for Energy**