

Project Finance Module

Module Structure

In the past, it was the case that the high costs involved with setting up loan finance for energy projects tended to favour large (£million plus) schemes, but there are now a number of different sources of finance aimed at smaller projects. However, whatever the scale, the basics of project finance will remain the same.

This module is organised into the following sections

- 1. Overview: funding each stage of development**
- 2. Steps to Obtaining Project Finance:**
 - i. Development Stage finance
 - ii. Assessing Financial Viability
 - iii. Project Finance Options
 - iv. Financial Close Obtaining Project Finance
- 3. The Basics of Finance**
- 4. Further Information**

Overview: funding each stage of development

The appropriate source of funding will depend on where your project is in the development process PlanioCal and CSE's The Source have further information on funding providers (Further Information section).

Figure 1 shows the development risk and sources of funding that are available at each stage of the project development cycle. Sources are split into grants, debt and equity. This includes where the Local Energy Preparatory Stage Grant, the Capital Grant and the Capital Loan may be applicable. Information on these is available in the Further Information Section.

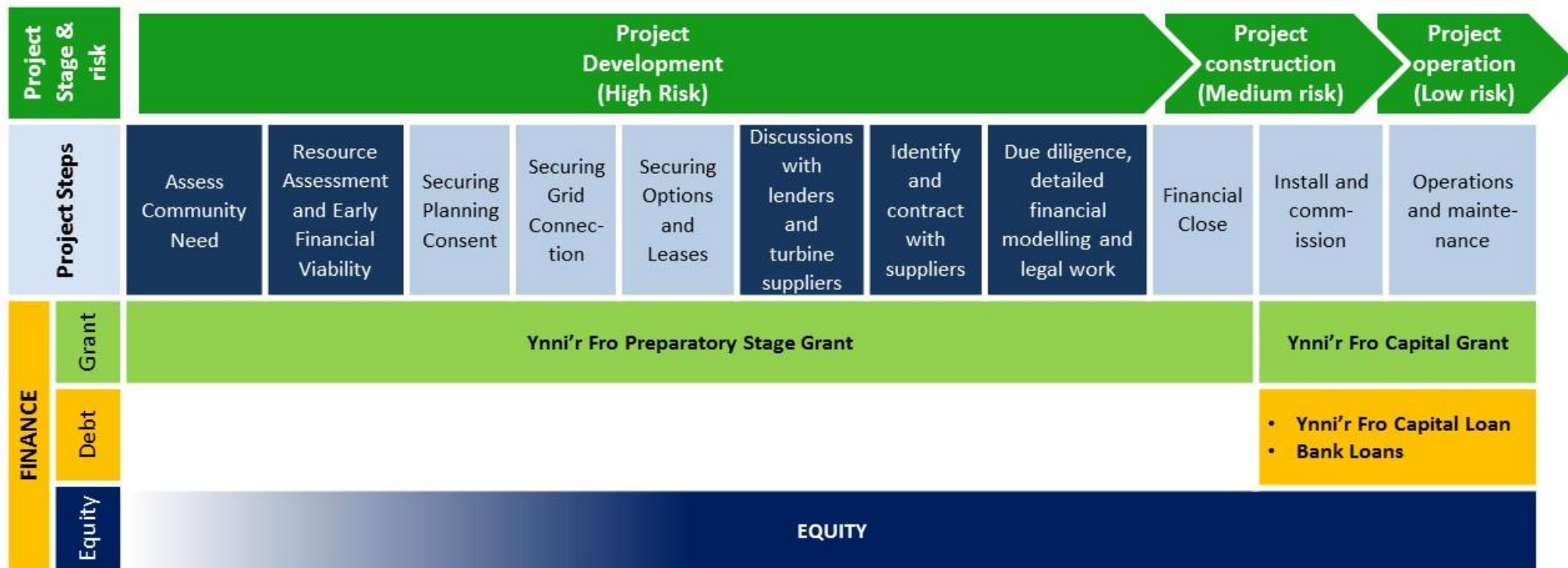


Figure 1 - Risks and financing options at each stage of the project development cycle

The main kinds of funding by project stage are:

- I. Project Development
 - Grant funding: for example, Local Energy Preparatory Stage Grant
 - Equity provided by project owners
- II. Project Construction
 - Grant funding: for example, Local Energy Capital Grant
 - Debt: for example, Local Energy Capital Grant and Bank Loans
 - Equity provided by project owners: for example through a community share offer
- III. Project Operation
 - Revenue from the project should be sufficient to cover operating costs and loan repayments.

Development stage finance

This section presents the steps to follow during the preliminary stages, helping community groups to select and access the appropriate finance method.

Step 1 Selecting an appropriate financing method

Once your group has Developed the Vision for their community energy project (See step 1 of the technology specific **Local Energy Renewables Toolkit Technology Modules**), they should consider the best way of financing the project.

Figure 1 on the next page provides a useful guide for new community groups or community businesses on the best finance arrangements for their project. This includes set up options, and whether debt or equity should be used. The **Local Energy Renewables Toolkit Establishing a Community Group module** outlines the available sources of finance available to different types of community groups.

Step 2 Consider applying for a Local Energy Grant

The an Local Energy Preparatory Stage Grant provides grant funding to help towards the costs incurred in the development stage of your project. Up to £30,000 is available for community groups to fund non-capital aspects of a project.

This grant can fund all development stage activities. This includes early stage activities, without which the installations would not be able to go ahead, such as feasibility studies, community consultation and other preparatory costs.

The grant also provides support for later stage development activities, as community applicants take forward plans for renewable energy generation schemes on land they own or could lease from a land owner.

Before applying for Preparatory Grant, it is recommended that you look to other sources of funding for development stage community capacity-building activity. Technical Development Officers are in place across Wales to help groups develop their projects and access Local Energy funding.

For information on whether your community group is eligible for the Local Energy funding, and how to apply including the expression of interest form, see Further Information.

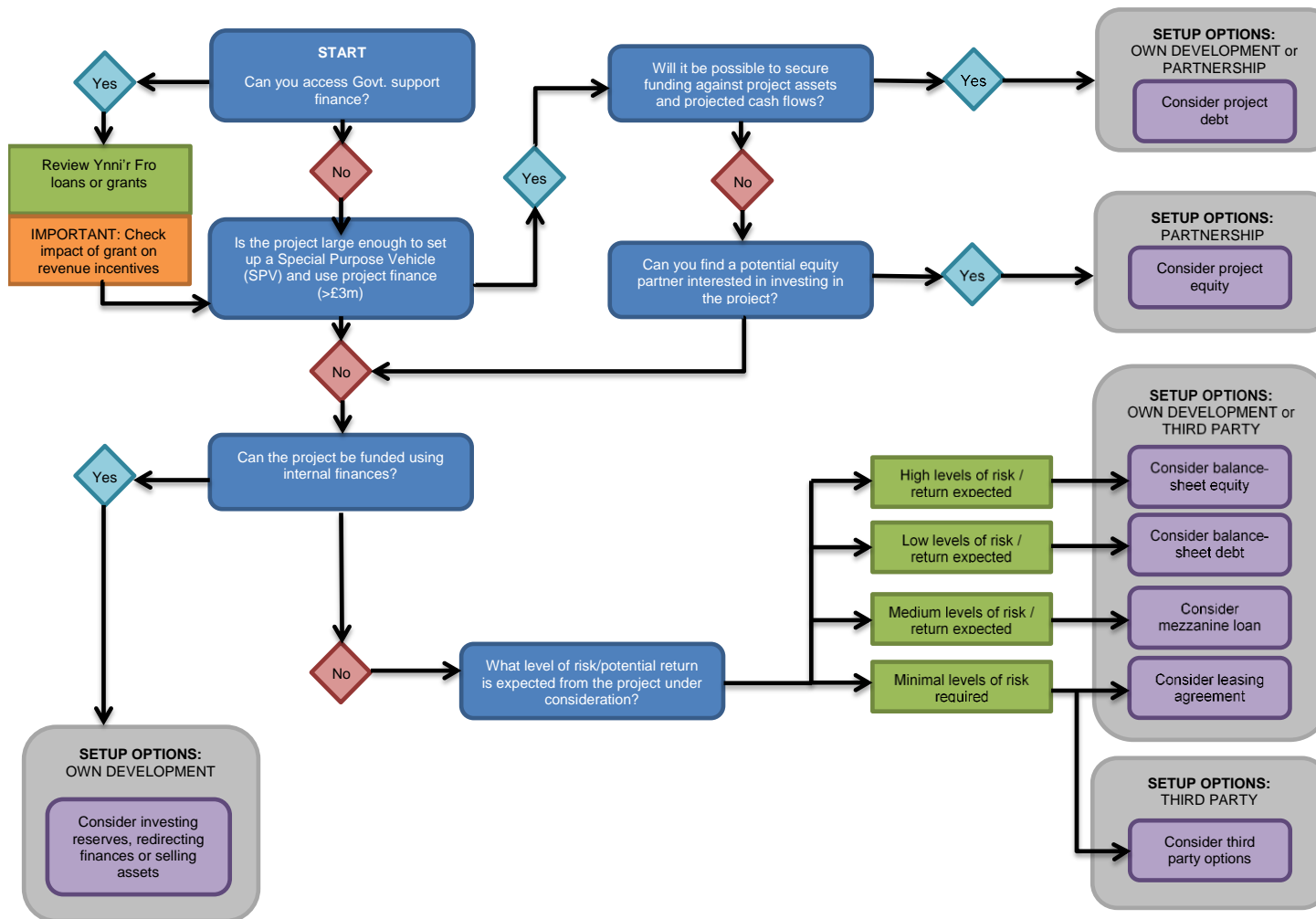


Figure 2: Potential funding arrangements for your project (Source: based on a diagram developed by The Carbon Trust)

Assessing Financial Viability

The action and tools for assessing the community project's financial viability are presented here.

Step 3 Using the Local Energy Renewables Project Finance Model

The Local Energy Renewables Toolkit contains a financial model that is based on inflation-adjusted cash flows, profit and loss (with depreciation), and provides balance sheets for the life of the project. The **Local Energy Renewables Toolkit Project Finance model** is easy to use and incorporates all the elements that a lender will expect to see:

- Project schedules, income and operating costs;
- Pre-planning costs and construction costs at the appropriate periods of the project;
- Cash flow and balance sheet calculations; and
- Project IRR, Equity IRR, Project NPV, Debt Service Cover Ratio and more.

A lender will want to see a completed finance model for the project from development through construction to operations. It is important to begin populating and using this model at an early stage. However, it must be recognised that finance providers will have their own approach to project appraisal, so this generic model should be used for indicative purposes only. By populating the financial model with all the costs associated with project development, construction, operation and maintenance, you will have collected a lot of the information that a bank will require to see before considering the offer of a loan.

Step 4 Measuring the project's financial performance

There are a number of ways in which the financial performance of a project can be measured. Different finance providers may prefer different measures.

- Simple payback
- Net present value (NPV)
- Internal Rate of return (IRRs)

Both IRR and NPV can be calculated for your project using the **Local Energy Renewables Toolkit Project Finance Model**. As a minimum you would want to know the indicative equity IRR of your project in your first financial viability assessment (For details see The basics of finance section below).

Financial covenants

To provide the security required by the finance provider a number of financial covenants must be provided.

- Debt service cover ratio (DSCR).
- Loan life cover ratio (LLCR).
- Debt service reserve account (DSRA).
- Maintenance reserve account.

The **Local Energy Renewables Toolkit Project Finance Model** calculates DSCR and DSRA, for further information see **The Basics of Finance** section.

Local Energy Renewables Toolkit Project Finance Model

The **Local Energy Renewables Toolkit Project Finance Model** allows for more than 30 different inputs. The following table outlines the minimum inputs that are required to be entered to evaluate the potential financial performance.

Model Input	Description	Input data
2	Development Phase Start Date	The model assumes the development phase starts on the last day of a month to avoid interest costs in that month. Enter the date in the MM/YYYY format and the actual end month date is automatically calculated
3	Financial Close Date	The model assumes Financial Close (i.e. the date the project documents all get signed and banks offer loans on the main project) occurs on the last day of a month to avoid interest costs in that month. Enter the date in the MM/YYYY format and the actual end month date is automatically calculated.
4	Construction End Date	The date that the construction of the project ends and all commissioning is completed which assumed to occur at the end of a month. Enter the date in the MM/YYYY format and the actual end month date is automatically calculated. The next day, operations starts.
6	Rated power of renewable energy device (kW)	The capacity of the renewable energy device in kW
7	Maximum electricity generated assuming no downtime (kWh per year)	Total energy generated assuming no downtime (maintenance and repairs). This value will be found in the Technical Advisers report, e.g. the P50 value.
11	Support tariff (p/kWh) at date of operations commencement	Support tariff (e.g. FiT rate (p/kWh) at the date of operations commencement. PLEASE NOTE: if the project is expected to be commissioned and start generating support revenues in one year's time then the support price (p/kWh) needs to be estimated to account for inflationary increases in support prices. Account also needs to be taken for any FiT degression for projects supported by FiTs.
16	Development Costs	The development costs need to be inserted into the light green cells in worksheet 'Development Costs', splitting between costs that will be financed with a combination of a Local Energy Capital Grant loans and equity (in the proportion of cell [23]), other junior loans and equity (in the proportion of cell [23]), and any development phase grants. Some explanations (column B) have been put in, but the user is free to amend the headings as they see fit. The user should enter the expected monthly costs for each sub component in the number cells. PLEASE NOTE: this worksheet automatically updates dates from development phase start to the date of financial close. Please ensure that no numbers appear outside the green box. This will mean that if the date of the Development Phase start [2] or Financial Close [3] changes in a scenario this worksheet will need to be updated

18	Construction Costs	The construction costs need to be inserted into the light green cells in worksheet 'Construction phase'. Some explanations (column B) have been put in, but the User is free to amend the headings as they see fit. The User should enter the expected monthly costs for each sub component in the number cells. PLEASE NOTE: this worksheet automatically updates dates from financial close to the end of the construction phase. Please ensure that no numbers appear outside the green box. This will mean that if the date of Financial Close [3] changes in a scenario this worksheet will need to be updated
20	Operating Costs	Constant annual operating costs that only rise by inflation should be inserted. The User is free to adjust the headings. It may be the case that the landowner receives a fixed rental on the site, in which case the rental should be included here. However, it is also possible the landowner may receive a land rental related to the electricity sold (plus the support tariffs and LECs), in which case the percentage can be included in [21]. PLEASE NOTE: this worksheet automatically updates dates from financial close to the end of the construction phase. Please ensure that no numbers appear outside the green box

Step 5 Securing equity finance

As a condition for most debt finance, project owners must be prepared to contribute as much as 30% of the total project finance. Finance provided by project owners is known as equity.

Potential sources of equity finance include:

- Stakeholders, in return for some kind of share of the benefits from the operating project – this can take the form of money or the donation of effort as part of the development process (so-called ‘sweat equity’);
- Private sector sources (‘venture’ capital providers) usually in return for a large stake in the operating project;
- Local share offers supported by organisations such as:
 - Shareenergy
 - Communities for Renewables
 - Energy4All and
 - Microgenius.

While it may only require ‘sweat equity’ to take a project to the point where it is demonstrated to be potentially viable, money will be required from that point on.

Project Finance Options

Project financing will cover the construction and part of the operational phase of your project.

Step 6 Choosing a source of debt funding

If the initial feasibility study determines there is a potential financially viable project and no ‘show stoppers’ were identified, a group may be eligible for a capital grant to fund the construction phase of the project. Eligible organisations can apply for the Local Energy Capital Grant of up to £300,000 however the list of eligible costs is limited by the Feed in Tariff rules that largely prevent grants being used to fund many of the costs associated with the construction stage.

The Technical Development officer can support you with this application. Guidance on applications is in the Further Information Section.

There are several different types of Loan to choose from, detailed below.

Local Energy Capital Loans

The Local Energy programme also provides Capital Loans to fund the construction phase of your project. Contact a Technical Development officer for further information.

Fund and Bank Loans

Banks and investment funds may loan money directly to developers of renewable energy projects with some, such as **Triodos**, having specialist renewable energy funds. **Barclays** and **Close Brothers** supports ‘Cleantech’ investments. Other high street banks such as **Santander** also provided finance to viable renewable energy projects.

The value of the loan sought will dictate if your application will be dealt with at branch level or by specialist teams in the bank. It is worth noting however that these types of commercial lenders are often looking to fund projects with over £1million in capital costs, and the cost of the due diligence process is usually high.

It is likely that your group will have had to negotiate banking facilities to operate. In this case, your banking services provider may be worth talking to about providing a loan for the project as well.

Before approaching any lender, it is important to ensure that you have collected all the information that a bank will require, enabling them to make an informed decision regarding the level of risk associated with your project. A Technical Development Officer may be able to work with you to outline how to collect this information.

Other Sources of debt funding

Other sources of funding specific to community schemes include, but are not limited to:

- Abundance Generation
- Big Issue Invest
- The Charity Bank
- The Cooperative Bank
- The Community Generation Fund
- Robert Owen - Community Energy Development Fund
- Social Investment Business
- Trillion Fund

In addition, there are a growing number of examples where the communities themselves fund projects by selling shares in the scheme.

Financial Close

There are a number of potential sources of funding for community-based energy schemes in Wales. There are specifically tailored programs (such as Local Energy funding programme) designed to support the high-risk stages of project development to get a project to the point where it can be financed.

These milestones are required for securing finance:

- Grid connection;
- Required options and leases
- Planning consent; and
- Turbine deposits.

Without all four in place, the project does not have a significant market value. However, once these are in place, the project will be in a position to begin discussions with major lenders with a view of securing indicative offers, identifying any funding gaps and obtaining a payment.

Step 7 Investment Readiness

For a lender to consider providing finance for a project, there are a number of significant factors they will consider over and above whether or not the project is profitable. Each of these factors has a risk associated with it and the overall level of risk associated with a project, in addition to whether or not a project is profitable, will influence whether they will consider financing a project.

Ensure you keep a detailed record of the following information, as it will be required for discussions with lenders: Project Documentation, Legal Documentation, Financial Documentation and Community Documentation. These are detailed in the Due diligence section below.

Step 8 Preparing for Lender Due diligence

Any finance provider will want to scrutinise every aspect of your project and your organisation to confirm the things that you are telling them and to identify areas of risk.

These may be things that you had not even considered. They will complete this assessment at your expense.

Ensure you keep detailed record of all the necessary documentation that will be required by a lender when completing its due diligence. Having this information quickly and easily to hand simplifies the process, will potentially reduce any delays and costs, and will show to the lender that the project is being well managed.

Listed below are some of the key studies, contracts and documents that you would normally want to have in place to assist the due diligence process.

Financial due diligence

A professionally indemnified assessment of proposed capital and operating costs and associated project lifecycle cash flows, debt service cover ratio analysis and sensitivity analysis on the main financial variables (e.g. capital cost, operating costs, revenue rates and any variable interest rates). Completing the **Local Energy Renewables Toolkit Project Finance Model** is a good starting point for this.

The **Local Energy Renewables Toolkit Project Finance Model** is an indicative early stage financial model to help communities understand the potential profitability of renewable projects, before deciding whether it is worth undertaking further technical and financial due diligence to develop the idea further.

Disclaimer

This model is copyright of the Energy Saving Trust (EST), and is based on an original model developed for the Scottish Government (CARES Model – copyright Scottish Government). With the permission of the Scottish Government, EST's consultant, Ricardo-AEA, has adapted the CARES model to produce a model for EST that gives an indicative early stage financial model to help community groups understand the potential profitability of community renewable investments. Any information and results derived from the use of the EST model are subject to the accuracy of data inputs supplied by the user. All results should be checked and challenged before any reliance, publication or use. This EST model has not been subject to any external independent audit. EST and Ricardo-AEA hold no liability for any subsequent adjustment or amendments made to the EST model or any loss or damage arising from any reliance on or use of the information generated by the EST model by any community group, lender, investor or other interested parties.

Financial due diligence also requires a comprehensive understanding of the assumptions underlying the project to support the performance of a sensitivity analysis to define an agreed financial base case. This includes quantification of a range of project-specific uncertainties and exceedance probabilities. Where this process shows that the annual energy yield prediction has a 50% probability of reaching a higher or lower annual energy production than predicted, it is called P50. In a similar way, a result of P75 from this process indicates that the probability of the annual energy production being reached is 75%. The risk that the annual energy production of P90 is not reached is 10%. These then become measures of the required energy output not being met. P50 and P90 values over a 10-year period are commonly used by financiers.

Technical due diligence

These are technology-specific activities that relate to key technical areas of risk. Examples are shown below:

- Resource assessments with a clear indication of the forecast resource and resulting annual energy yield over the life of the project
- Geotechnical reports for any foundations (e.g. for wind turbines), hard-standings for biomass fuel storage, and other construction and access improvement works
- Design plans that are compliant with the Construction Design and Management Regulations 2007 and site-specific method statements for the construction of all

generator and associated infrastructure installations, any new and altered road, and amenity and sea access works necessary to commission the installation

- Transport route assessment report and sign off from the relevant competent authorities for any use of public highways and marine facilities, etc., and additional marine transport method statements for any proposed novel/non-standard marine transport proposals

Legal due diligence

These are technology-specific activities that relate to key legal areas of risk. Examples are shown below:

- Evidence of unfettered title to land and/or to conduct all necessary activities on the land, including step in rights for the financier to take over the scheme if your community group defaults on repayments or ceases to trade
- Evidence of unfettered access to all necessary lands and resources, including lay-down and over-sail rights, and a resource protection assurance for wind, hydroelectric and solar resources
- Evidence of adequate legally binding contractual commitments with suppliers, contractors and sub-contractors in place, and suitable provisions and bonds secured to guarantee performance and/or mitigate default against contractual terms
- Evidence that full insurance cover is in place to cover all delays and project failure risks not covered elsewhere by performance bonds and professional indemnity covers in place

This makes it important for you to be as rigorous as possible during the development of your project, and to identify and deal with all areas of uncertainty or risk. A record of each of the studies and contracts should be detailed kept together in an organised manner, with a summary of each for reference.

You must also be clear on cash flows during and after the development and construction of the project, and ensure that you have enough cash available to complete the project. For instance, as a newly established legal entity, suppliers or contractors may require a down payment and, as the developer, you will also need to provide construction insurance. This may require you to borrow more money.

The **Local Energy Renewables Toolkit Project Finance Model** allows you to schedule all your payments and provides you with a detailed cash flow during project development, construction and operation. It enables you to determine the impact of shifting a payment from one month to the next and how this will affect interest payments on loans. It is standard practice in project financing to negotiate changes in payment schedules for deposits to optimise the cash flow balance of the project.

A financially viable project with a grid connection, a lease and planning consent has value. At this stage you are in a position to approach lenders for funding, which covers the construction and operational stages of the project.

Step 9 Making debt and equity repayments

When the project is operational, revenues will be earned through the sale of electricity.

Revenues will cover the operational costs of the project. They will also serve to repay the debt financiers, through project loans and interest payments. In addition, any equity financiers will also be repaid through dividend payments for shareholders.

The Basics of Finance

This section reviews basic and key concepts in project finance.

Equity

Typically projects are funded by a mixture of debt and equity. Equity finance is funding that comes from project owners. Debt finance is funding that comes from third parties, for example a bank.

Until a project has secured a site and all consents, it is not debt 'financeable' because there is no assurance that a project will be able to pay back the money that has been borrowed. Therefore, equity finance is used to cover the costs involved in taking a project from concept to the point where it becomes potentially able to draw down debt finance against the demonstrated value of the project. As there is no guarantee that a project will progress from concept to operation, equity finance is always provided at risk of gaining no return.

Debt

A lender will need the following before making any money available for a project:

- Due diligence assessments of risk;
- The payment of fees to arrange any loan (usually);
- Security – they want to be the last to lose their money if a project fails; and
- Financial covenants (linked to the above).

Types of loan

Loans can be differentiated by seniority. If a project has more than one loan, the loan seniority determines the order in which these loans are repaid, after operating costs and taxes have been paid.

1. Senior Loans are the first to be repaid. Loans offered by banks are commonly called senior loans.
2. Junior loans are second to be repaid – i.e. in each period they are only repaid if the operating costs, taxes and senior loan providers have been paid. Junior loans can also be known as subordinated debt or sometimes mezzanine finance.

If there are three levels of loans, then a common terminology is senior loans, junior loans and then subordinated debt as the third most risky level.

In addition to seniority, loans can further be differentiated by two "recourse" types.

Project finance or non-recourse finance

This loan is secured on the asset of the project alone. In this case, the project debt and equity used to finance the project are paid back from the income generated by the project.

This requires far higher levels of due diligence to be undertaken and stricter financial controls to be applied. The lenders need to have complete confidence that the project is viable and the income generated by the project will be sufficient to finance the loan provided. Equity is also invested at the point of construction, with the potential that grants can form part of the equity invested by a community. The greater the amount of equity in a project, the less finance that is required.

Secured finance or recourse finance

This loan requires some other form of asset to secure the loan, usually in the form of property. As a result, more legal documentation is required and property valuations must be undertaken.

It is important to note that some form of equity is also likely to be required, even in a project finance scenario. This is because funders want to be sure that the project developers have a good incentive to make the project a success.

Terms of loan

This will include:

- **Loan length.** Depending on the lending institution, they may offer a variety of loan structures and lengths. They may have breakpoints built in where refinancing could be appropriate
- **Fees.** The loan provider will likely charge a fee which can be around 0.5% of the loan. On top of this will be legal fees and the cost of undertaking the due diligence exercise
- **Interest rate.** The rate of interest is built up from the interest rate banks can lend between themselves (called the London Interbank Offered Rate (LIBOR)) and a margin to cover the risk inherent in a project. For senior loans banks commonly lend at about 6% or 7%, but the rate varies depending on the length of the loan, the technology, riskiness of the project and other factors.

Project Financial performance measures

This section details methods for calculating the financial performance of your project.

Simple payback

As the name implies, this simply compares the total cost of project development with the income after all operating costs, to calculate the point at which the income pays back the development cost. A payback can be calculated for all finance provided or a payback just on the equity invested. While this gives a good 'rule of thumb' as to viability, it is almost never used by finance providers. On the other hand, community business or community groups that are self-financing a project can use this approach as one of a number of metrics to decide if they want to invest their own money into a project.

Net present value

Net present value (NPV) compares the value of a pound today to the value of that same pound in the future, taking inflation and returns into account. This future return required (%) is typically expressed as a discount rate. NPVs are commonly calculated for a project as a whole. This means the period on period cash flows of the initial investment and then the subsequent cash flow available for finance (revenues, less operating costs and taxation) are discounted by a single discount rate. If the NPV of a prospective project is positive then it makes more than the target return. If a project is financed 100% by equity then the discount rate would be the target return equity investors require. If a project is financed with a blend of debt and equity then the discount rate is the weighted average cost of capital. The NPV can be calculated for your project using the **Local Energy Renewables Toolkit Project Finance Model**.

Since NPV takes into consideration the future value of money, financiers sometimes use it as a measure of project attractiveness.

Examples of how NPVs are calculated can be found at:

- www.financeformulas.net/Net_Present_Value.html
- www.youtube.com/watch?v=zGRVVSC4UUQ
- <http://projectzone.wordpress.com/2010/02/04/net-present-value-explained-in-simple-words/>

Internal rate of return

The internal rate of return (IRR) is the discount rate that makes the NPV of all cash flows from a particular project equal to zero. This is another measure of project desirability as, generally speaking, the higher a project's IRR, the more profitable it will be. The IRR can be calculated for your project using the **Local Energy Renewables Toolkit Project Finance Model**.

Two main types of IRR are commonly calculated for a project. These are the:

- **Project IRR** – this is simply the discount rate that makes the NPV of the period on period cash flows of the initial investment and then the subsequent cash flow available for finance (revenues, less operating costs and taxation) equal to zero. So if a project's IRR is calculated at 12%, but the weighted average cost of finance (the blended return required by debt and equity providers) is 8% the project can be viewed as profitable
- **Equity IRR** – this is the discount rate that makes the NPV of the initial equity injection and then all the subsequent dividend repayments and repayment of equity equal to zero. So if equity investors have a target return of 12% and the equity IRR is 15% the project could be viewed by equity investors as attractive.

Because the IRR is a rate quantity, it is an indicator of the yield from an investment. This is in contrast with the NPV, which is an indicator of the value or magnitude of an investment.

This can be calculated for your project using the **Local Energy Renewables Toolkit Project Finance Model**. As a minimum you would calculate the project IRR in your first financial viability assessment.

Examples of how the IRR is calculated can be found at:

- <http://accountingexplained.com/managerial/capital-budgeting/irr>
- www.youtube.com/watch?v=ESx2wNvULzo
- www.mathsisfun.com/money/internal-rate-return.html

Financial covenants

To provide the security required by the finance provider, it is usual that a number of financial covenants must be provided.

- **Debt to equity ratio**. Also known as loan: value ratio. Usually, senior debt providers will provide only 70% (or 75%) of the debt and require the remainder to come from equity or from junior loans/ subordinated debt/ mezzanine finance.
- **Debt service cover ratio**. The debt service cover ratio (DSCR) can also be known as debt cover ratio (DCR) is the ratio of cash available for debt service divided by the interest and principal repayments in that period. Typically, most commercial banks require the ratio of between 1.15 and 1.35. The **Local Energy Renewables Toolkit Project Finance Model** can be used to calculate the DSCR for your project
- **Loan life cover ratio**. This is the ratio of operating cash flow to debt payments over the entire term of the loan. Usually, a ratio of 1.50 is required to ensure that the project is profitable and the loan covered
- **Debt service reserve account**. Banks are likely to require that enough cash is held in reserve to cover debt payments for items over and above loan repayments. In the case of project finance, at least six months' cover may be required, but less for secured finance loans
- **Maintenance service reserve**. For assets that require periodic refurbishments, or upgrades (e.g. solar panels require the inverters to be replaced after 7 years or so) banks often require a reserve account to be built up in the 12 or 18 months running up to the replacement to ensure there is sufficient cash flow to pay for the maintenance.

- **Refinancing.** Once a project has been financed through the construction and early phases of operation, some finance providers provide an option to refinance the project at this stage

Further Information

The following is a list of reference documents and websites that may be useful.

Overview: funding each stage of development

Development stage finance

Step 1 - Selecting an appropriate financing method

Local Energy Renewables Toolkit Technology Modules

Local Energy Renewables Toolkit Establishing a Community Group Module

Step 2- Consider applying for a Local Energy Grant

For further information on the Local Energy funding, see:

<http://www.energysavingtrust.org.uk/organisations/content/ynnir-fro-community-programme>

For the expression of interest form, see

<http://www.energysavingtrust.org.uk/organisations/reports/ynnifro-expression-interest-form>

To find out if you are eligible for the Local Energy Preparatory Stage Grant, see here the EST website: <http://www.energysavingtrust.org.uk/organisations/content/ynnir-fro-community-programme>

To contact the Welsh Technical Development Officers, see the Energy Savings Trust Website:

- <http://www.energysavingtrust.org.uk/organisations/content/ynnir-fro-community-programme>
- <http://www.energysavingtrust.org.uk/organisations/sites/default/files/Development%20Officers%20Bin%20Wales.pdf>

Further guidance on financing your project:

- Renew Wales also provides support: <http://www.renewwales.org.uk/>
- CSE's The Source - <http://www.cse.org.uk/thesource/browse/managing-projects-finances-and-legal-issues-7/financing-your-project-9>
- PlanLoCal - <http://www.planlocal.org.uk/pages/renewable-energy/funding-and-finances-2>

Assessing Financial Viability

Step 3- Using the Local Energy Renewables Project Finance Model

Local Energy Renewables Toolkit Project Finance model

Step 4 - Measuring the project's financial

Refer to **Local Energy Renewables Toolkit Project Finance model** above.

Step 5- Securing equity finance

- Sharenergy <http://www.sharenergy.coop/>
- Communities for Renewables <http://www.cfrcic.co.uk/>
- Energy4All <http://energy4all.co.uk/>
- Microgenius., <http://www.microgenius.org.uk/>

Project Finance

The Energy Savings Trust also provides useful information on available funding sources: <http://www.energysavingtrust.org.uk/organisations/content/finding-funding-wales>

Fund and Bank Loans:

- Triodos, Renewable Energy Funds <http://www.triodos.co.uk/en/personal/ethical-investments/renewables/overview/>
- Barclays 'Cleantech' Investments http://www.barclayscorporate.com/sector-expertise/technology-media-telecoms/cleantech.html?gclid=CO3O1qndiboCFU_HtAodCkUAVw
- Close Brothers <http://www.closebrothers.com/>
- Santander http://www.santander.com/csgs/Satellite/CFWCSancomQP01/en_GB/Corporate/Sustainability/Santander-and-sustainability/Financing-renewable-energy-projects.html

Other Sources of Funding

- Abundance Generation <https://www.abundancegeneration.com>
- Big Issue Invest <http://bigissueinvest.com/>
- The Charity Bank: <http://www.charitybank.org/>
- The Co-operative Bank <http://www.co-operativebank.co.uk/corporate>
- The Community Generation Fund <http://www.thefsegroup.com/social-impact-funding/community-generation-fund>
- Robert Owen - Community Energy Development Fund <https://rocbf.co.uk/CEDF>
- Social Investment Business <http://www.sibgroup.org.uk/>
- Trillion Fund <https://www.trillionfund.com>

Financial Close

Step 7- Investment Readiness

Step 8- Preparing for Lender Due diligence

Refer to **Local Energy Renewables Toolkit Project Finance model** above.

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