



**Bath & West
Community Energy**
Generating local energy

Share Offer

Become a member of Bath & West Community Energy

- ☀ help to reduce carbon emissions
- ☀ build renewable energy capacity
- ☀ put money into the local community

Share Offer Open: February 2019

BWCE is a Community Benefit Society
registration number 30960R

The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to:
communityshares.org.uk



You are invited to become a member of **Bath & West Community Energy**, a successful and well established not-for-profit community business

Through this offer we are seeking funds to support exciting projects that will deliver new technology and create new approaches to reducing carbon emissions, whilst also delivering wider community benefit and providing a return to investors.

By buying shares you will become a member of Bath & West Community Energy (BWCE or the Society) and be able to take part in running our Society including voting at general meetings (one member one vote) or standing for election to our board. Our aim is to be transparent and democratic and to involve and engage our members wherever possible.



BWCE is a Community Benefit Society (No. 30960R) registered with the Financial Conduct Authority (FCA) under the Co-operative and Community Benefit Societies Act 2014.

The information contained in this offer document has been prepared under the supervision of the directors of Bath & West Community Energy, who take responsibility for its contents. To the best of their knowledge, all information is accurate.

The issue of withdrawable and non-transferable shares exempts this Offer Document from the requirements of an approved prospectus set out in section 85(1) of the Financial Services and Markets Act 2000. This means you have no right of complaint or recourse to the Financial Ombudsman Service in relation to this investment.

A community benefit society is registered with, but not authorised by, the FCA and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

BWCE complies with statutory requirements and those of the FCA. As the shares will not be listed, the Society is not obliged to comply with the UK Corporate Governance Code.

An investment in the shares offered in this offer document carries risks and you may lose the whole value of your investment. Please consider it carefully in the context of this complete offer document and related information and, if needed, seek independent advice.





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1. Welcome Message

We are delighted to be able to once again invite you, through this share offer, to become a member and invest (or invest again) in Bath & West Community Energy.

It's been a while since our last share offer in 2016. Since then we have launched our new business plan¹, outlining how we move from relying solely on the Feed in Tariff to embracing new opportunities offered by the changing electricity market.

This is a challenging but vitally important time for all those concerned with the looming threat of climate change. A threat thrown into stark relief by the recent IPCC report² stating we have only 12 years left to make major changes to how we use energy if we are to stand a chance of keeping global temperature increases below 2 degrees C.

When we hear that greenhouse gases have again reached another all-time high³, we are even more convinced that mobilising interest, concern and action at a local level and within our communities is essential if we are to convince politicians to take ambitious action that matches the challenges we currently face.

But community energy goes way beyond just an opportunity to show we care about what happens to the environment that our children and grandchildren will have to navigate. Community energy also offers practical opportunities for people to become part of the solution.

We are proud of our achievements to date, demonstrating a sound not-for-profit community energy model that has helped us build a wide range of community owned solar PV projects and one small hydro scheme, recycle £175,000 back into local community projects via our community fund and provide between 6% and 7% interest annually to our members. We are now one of the largest community energy businesses in the country – but this is still so very far from being enough.

This share offer will help us to expand our portfolio of community solar PV schemes as well as developing exciting new and innovative approaches to carbon reduction, utilising proven but innovative domestic battery technology.

This share offer will also help us pilot ways of working that could develop new income streams to help us to replace the Feed in Tariff as the dominant funding mechanism for new projects.

This will be essential if we as BWCE are to continue to grow and increase our impact at a local and national level.

We hope that the new business models that we and others are working on will form the foundation for the rapid growth of community energy in the future. Our Managing Director Peter Capener, through his roles as a director of Community Energy England and

“This share offer will help us to expand our portfolio of community solar PV schemes as well as developing exciting new and innovative approaches to carbon reduction, utilising proven but innovative domestic battery technology



chair of the Local Energy Ministerial Contact Group, will work to disseminate learning from our projects and learn from others working with similar goals.

So please get involved if you can. Help do our bit to reduce our collective impact and, through positive action, add your voice to creating the political space for our leaders to implement the ambitious response to climate change and energy security we desperately need.

As well as making a clear statement of support for what we are trying to achieve, becoming a member of BWCE will also provide you with the opportunity to get involved in a not-for-profit community enterprise, democratically run by its members based on one member one vote. An organisation that is committed to carbon reduction and delivering community benefit, whilst still offering a fair rate of interest to its members and investors.

We look forward to welcoming you to our next AGM.

The Directors:



Rupert Atkinson, Sonya Bedford, Pete Capener, Chris Crookall-Fallon, Peter Harvey, Jolyon Orchard, Pam Penkman, Barney Rhys Jones, Jane Stephenson

notes

- 1 See www.bwce.coop under Resources/BWCE Documents
- 2 We have 12 years left to limit climate change warns UN – The Guardian 08.10.2018
<https://www.theguardian.com/environment/2018/oct/08/global-warming-must-not-exceed-15c-warns-landmark-un-report>
- 3 Greenhouse gas levels in atmosphere reach new record – World Meteorological Organisation 20.11.2018
<https://public.wmo.int/en/media/press-release/greenhouse-gas-levels-atmosphere-reach-new-record>



2. Summary of Key Facts about this Share Offer

This is an invitation to become a Member of BWCE and an opportunity to buy shares in the organisation, or, if you are already a Member, to increase your investment. BWCE is an established Community Benefit Society that has already installed over 12 megawatts (MW) of renewable generation capacity, comprising both rooftop and ground mounted solar PV panels, and a small hydro scheme.

New capital is required for three purposes, outlined in more detail in section 6.2. These are:

- 1 To establish an innovation fund that BWCE can use to test new approaches to reducing carbon emissions. The first opportunity will be to fund a pilot 'Solar Streets' scheme which will integrate batteries with household solar PV installations and encourage householders to reduce demand for electricity at peak times.
- 2 To install more community scale roof mounted solar PV systems on a similar basis to the ones already carried out.
- 3 To provide replacement finance for some of our existing capital, improving liquidity and allowing some existing shareholders to withdraw their shares.

Target interest rate	4% per year subject to performance and the risks outlined in this document. See section 6.5
Future interest rate	We plan to increase the target interest rate to 5% after 3 years. The decision to increase the target interest rate will be subject to our ability to derive additional income streams through local electricity markets. See section 5.
Impact on existing shareholders	Nothing in this document will affect the rights and returns associated with BWCE's existing 'A' shares, as outlined in previous share offer documents. See sections 6.3.1 and 6.5 for more information.
Interest payment	Interest is paid annually after approval at our AGM and without the deduction of tax. You may be liable to pay income tax on this interest although some interest can be received tax free under the Personal Savings Allowance, see HMRC website and sections 8.7 & 8.8 of this offer document.
Rights	Purchase of shares entitles the holder to full Member rights as outlined in our Rules, available on our website at www.bwce.coop under Resources/ BWCE Documents.
Withdrawal	Shares are withdrawable, subject to funds being available, at the discretion of the BWCE board and in line with our share withdrawal policy. See section 8.6.
Minimum investment per applicant	£100
Maximum investment per applicant	£100,000, including any shares from previous BWCE share offers
Maximum sum to raise	The initial target is £500,000, but the BWCE board reserves the right to raise more funds, as required by the Society.
Minimum sum to raise	There is no minimum fundraise. All valid applications will be converted into shares.
Tax relief	Shares are not eligible for EIS tax relief. They will normally be exempt from inheritance tax providing they are held for two years. You should seek further advice from a financial advisor or accountant on tax matters as appropriate.
Timetable	This is an 'open' share offer so there is no formal closing date. BWCE's board reserves the right to temporarily suspend and reopen the share offer based on its needs for share capital.
Eligibility	Anyone aged 16 or over may apply for shares. Co-operatives, community benefit societies, companies and other incorporated associations may also apply.
How to apply	Applications can be made via www.bwce.coop/invest . The application form at the end of this offer document is available if necessary.

3. Our Society

As a Community Benefit Society, we are radically different from an ordinary company in that our aims must be to benefit the wider community rather than our own members or shareholders.

Social enterprises in this sector have traditionally favoured the Community Benefit Society as a suitable legal structure which is attractive to ethical investors and which protects the founding principles and ethos of the business with an asset lock (see section 8.14).

Our aims, as defined in our Rules, are to carry out any business for the benefit of the community that involves promoting, facilitating, developing and running renewable and low carbon energy and energy efficiency projects in Bath and the surrounding areas.

The main features of BWCE as a community benefit society are:

- Membership of BWCE is based on shareholding which is open to anyone aged 16 or over who supports our aims.
- We pay our members interest on their shares. This is not a distribution of profits but is regarded by the

Financial Conduct Authority (our registering body) as a cost on the business.

- Members are invited to participate in the running of the Society, for example by attending general meetings, or standing for election to the board, and to engage with the work of the organisation.
- Shares are valued at £1 each. The maximum shareholding is £100,000, per member.
- All shares issued by the Society have equal member rights (e.g. voting rights at general meetings) but may be eligible for different rates of interest as specified in the conditions outlined in the relevant share offer document.
- BWCE is run democratically. Members have one vote regardless of the number of shares they own. One Member – One Vote.
- Membership is governed by our Rules which are available for download from our website.
- We are registered with the Financial Conduct Authority (FCA). Our registration number is 30960R.



Community solar PV on Peasedown St John Primary School, funded from our first share offer in 2011

3.1. Our Team

We have an experienced and diverse team, most of whom have been working closely together for a number of years. We are committed to community energy and the power it has to bring people together to address climate change, whilst also generating significant local community and economic value. Our team has:

- A successful track record in the delivery of community energy projects.
- Expertise in renewable energy and energy efficiency projects.
- Entrepreneurial zeal.
- Electricity contracting and negotiation experience.
- Financial track record.

- Business experience.
- Accounting and financial expertise.
- History of working on community projects in Bath and surrounding areas and further afield.

The majority of our board of directors are elected by our membership. Any Member aged 18 or over is eligible to stand for election to the board as a non-executive director, and elections are held at each AGM. We have just recruited specialist expertise on communications and community outreach and we draw on a range of freelance consultants to deliver project development support as and when needed.

Non-Executive Directors



Chris Crookall-Fallon: Chris is presently Head of Climate Action at a district council in Gloucestershire. Previously he's worked for a specialist co-operatives and social enterprise business consultancy, run his own renewable energy consultancy business, and for many years worked in Corsham for a specialist climate, energy and sustainability consultancy which he helped to transfer into employee ownership. Chris was a member-elected director of BWCE early in the Society's life.



Peter Harvey: Peter is an environmental lawyer and legal editor with a long-term, practical commitment to mainstreaming community energy and tackling climate change. Peter helped set up BWCE in 2010. He was an early member/investor and its first secretary from 2010 to 2012. He was also Chair of Trustees of the BWCE Community Fund from 2016 to 2018.



Jolyon Orchard: Jolyon is a co-founder and director of Luminous Energy Ltd, a developer of utility scale solar and energy storage projects. He participates in all aspects of the development process and has extensive experience of originating and developing greenfield opportunities through to construction, including negotiating with planning authorities, landowners, contractors, grid operators and investors.



Pam Penkman: Pam is a former partner and company secretary at BuroHappold Engineering, a Bath-based international firm of consulting engineers. There, her particular responsibility was the development and maintenance of a form of corporate governance and corporate structure appropriate to an international firm. Additionally, she managed the in-house team of commercial lawyers and reported to the board on health and safety issues across the entire firm. She has been an enthusiastic supporter of renewable energy for many years.



Barney Rhys Jones: Barney is the Asset Management Director for Octopus Renewables' 1GW Solar portfolio, having spent nearly 14 years in the clean tech sector. He previously worked as Portfolio Director at Oxford Capital, overseeing £350M of investments in solar, anaerobic digestion and grid response. Barney also worked in Telecoms before moving into the renewables sector with Low Carbon Investors and subsequently as Managing Director and Chief Operating Officer at Good Energy PLC, the UK's first dedicated 100% renewable electricity supplier.

Executive Directors



Jane Stephenson (Chair): Jane led Resource Futures, the employee owned and non-profit distributing environmental business specialising in sustainable resource management, as CEO from its formation in 2006 until April 2016. As part of that company's succession planning she now sits on the Board as Business Development Director. She has a strong expertise in governance and strategic development of social enterprises in the environmental sector and currently serves as a non-executive director of Wild Service, a new consultancy set up by Avon and Gloucestershire Wildlife Trusts.



Pete Capener (Managing Director): Pete has worked in the sustainable energy field for over 30 years. He led the early growth of the Centre for Sustainable Energy in Bristol where he was chief executive. Since resigning from CSE in 2002 due to family illness, Pete has worked as an independent advisor on a range of energy efficiency, renewable energy and fuel poverty projects with a strong focus on community action at both local and national level. He was a co-founder of BWCE, is a director of Community Energy England, a trustee of the Centre for Sustainable Energy and is chair of the Local Energy Ministerial Contact Group.

Co-opted Directors



Sonya Bedford: Sonya is a Partner with Stephens Scown solicitors; a non-executive director at Regen; a director at Exeter Community Energy and South Dartmoor Community Energy and vice chair of Green Wedmore. Her strengths lie in dealing with all aspects of renewables development from feasibility through to construction and funding. Sonya has a particular expertise in accessing grid, development of alternative connections and licensed and local supply. Published papers include green belt and solar development, local supply, solar thermal, asset management for renewables and optimising AD projects.



Rupert Atkinson: Rupert is a finance professional and private investor in start-up / scale-up technology companies – many of which are pioneering examples of the positive environmental change being initiated by the private sector. Rupert complements his investing activities with support for a number of university enterprise / entrepreneurship initiatives, including the Launch Lab of City University (Mentor, and member of the Advisory Board) and SETsquared Bath (Mentor).

BWCE Staff



Nick Bird (Communications & Community Outreach Co-ordinator): Nick has been involved in community projects, network development, volunteer management and training for over 30 years, working in Sheffield, Leeds and London before settling in Bath in 2003. He has been involved in developing the Larkhall Festival in Bath and the Bath Co-operative Alliance.



Alison Turnbull (Project Developer): Alison is one of BWCE's main project developers. She has worked in the renewable energy industry for 20 years. She has worked on the development of small-scale PV community schemes with BWCE, CoCoEnergy and Frome Renewable Energy Co, where she is on the board. She is currently helping identify and develop new solar roofs and is involved in the delivery of the Solar Streets project.

3.2. Board Practices

Non-executive and co-opted directors are unpaid and, beyond reimbursement of expenses, receive no other benefits. BWCE is managed day to day by the two executive directors. Information on executive directors' remuneration is provided on our website at www.bwce.coop under About Us/Statement of Directors' Earnings.

3.3. Conflicts of Interest

The board is not aware of any actual or potential conflicts of interest between directors and any of its partners outlined in section 9.

3.4. Legal Proceedings

There have been no governmental, legal or arbitration proceedings relating to BWCE and none are pending or threatened which could have a significant effect on the financial position or profitability of BWCE.

3.5. Disclosure

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

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We are committed to community energy and the power it has to bring people together to address climate change, whilst also generating significant local community and economic value



The Wilmington Solar Array near Marksbury in Bath & North East Somerset

4. Our purpose

This share offer will help us to achieve, and build on, the following:

4.1. Carbon reductions

Our primary purpose is to mitigate climate change by helping to reduce carbon emissions caused by electricity generation. We are pleased to say that our projects generate around 12,000 MWh per year, enough electricity to meet the equivalent annual electricity demand from nearly 4,000 typical UK homes⁴ and reduce carbon dioxide emissions by the equivalent of the full carbon footprint of nearly 1,000 local residents⁵. This share offer will allow us to install more solar PV systems and household batteries and to further reduce carbon dioxide emissions.

4.2. Encouraging behaviour change

Mitigating climate change is about more than just replacing fossil generation with renewable generation. To achieve the required levels of carbon reduction, we need to reduce and modify our usage too. This means encouraging people to use energy more efficiently and to be flexible enough to use renewable generation when it is available. We believe that community ownership of local renewable energy projects helps raise the profile of energy use and where it comes from. We can see from surveys that being a Member of BWCE encourages a significant proportion of our membership to talk more to people about climate change and community energy and to take action to reduce their carbon footprint⁶. We also know that many of the schools we have worked with have used our solar PV systems as an educational tool.

Solar Streets is, however, our first project that engages directly with householders to help reduce their energy costs and to find ways of modifying their energy use so that they can more effectively reduce carbon emissions. See section 5 for more details.

4.3. Generating Community Benefit

We see community benefit from all the activities above, helping us to reduce our carbon emissions and build community resilience by taking important local assets like renewable energy generation equipment into community ownership.

Community benefit also derives from a focus on recycling value back into the local economy. For example, by paying interest to local investors, creating local jobs, supporting local suppliers wherever possible or distributing surplus cash via our local community fund, we retained £550,000 or approximately 35% of last year's income locally. The vast majority of this would leak out of our area if our projects were purely commercial in nature.

With regard to our community fund, we are delighted by how many small local groups we have been able to support. By expanding our portfolio we will be able to support even more groups. See section 6.5 for discussion around community fund and Member interest payments.

To distribute our community fund, we have set up a separate charity called the Bath & West Low Carbon Community Fund CIO. Since our formation in 2010, we have gifted over £170,000 to this charity. Grants have been made to a wide variety of local community projects that promote carbon reduction or alleviate fuel poverty. Information on the full range of projects funded can be seen on our website at www.bwce.coop under Community Fund. A few examples of the projects supported are outlined overleaf.

notes

⁴ Assumes 3,100 kWh per year consumed by a typical home without electric storage heaters. From Ofgem

<https://www.ofgem.gov.uk/gas/retail-market/monitoring-data-and-statistics/typical-domestic-consumption-values>

⁵ Assumes 3.9 tonnes CO₂ emissions/capita for residents in Bath & North East Somerset. From BEIS

<https://www.gov.uk/government/statistics/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-2016>

⁶ BWCE member surveys in 2015 and 2018 (still open) suggest that as a result of being a member of BWCE around 70% of people talk more to friends, family, neighbours or colleagues about community energy, nearly 65% similarly talk more about climate change and over 50% have taken actions to reduce their carbon footprint

Examples of how our **community fund** has benefited the community

Bath Carnival



A grant of £4,950 to the Bath Carnival enabled them to run a series of workshops across the city with children, parents, special needs groups to help build non-motorised and electric powered forms of transport for the carnival.

The workshops were hugely successful with a wide range of decorated floats produced (including six schools building electric-powered go carts) enabling a wide range of participants to get involved. The new floats replaced a number of petrol and diesel vehicles, reducing carbon emissions and pollution and directly impacting on the thousands of carnival participants.

Carnival organisers say that the BWCE fund grant has kick-started their plans to become the greenest carnival in the UK, with a range of initiatives implemented in 2018 as part of the wider event organisation and more planned for 2019.

Time Bank Plus



A £4,950 grant from us has enabled Time Bank Plus to fund a development worker for their 'Growing Together' programme to offer free training for people who want to grow their own food, whether from their own garden or from an allotment.

BWCE Fund trustee Peter Andrews says: "This grant was important to us because it reinforces the fact that 'low carbon' is about more than just solar energy.

"Growing food close to where it to be consumed is a major factor in reducing our emissions, with the added benefit of providing local people with new skills and access to cheap healthy food."

Bath Carers' Centre

We made a grant of £5,000 towards a desperately-needed new lighting system for the Carers' Centre in Bath. The Carers' Centre supports individuals and families who look after their loved ones.

The centre helps over 4,000 people every year caring for family and friends with all sorts of illnesses or disabilities.

The money enabled the centre to replace the old fluorescent strip lights with new LED lighting which is much more efficient and has a longer functional life. This has the multiple benefits of saving carbon, creating a more pleasant working environment and being cheaper to run and maintain.



Age UK Bath & North East Somerset

A £4,880 grant supported Age UK B&NES to raise the profile of fuel poverty and provide information, advice and support to 1,750 older and more vulnerable people in the local area on keeping warm and healthy.

Many received benefit checks including checking receipt of additional winter fuel payments where relevant.

Age UK B&NES worked with partners like the Salvation Army, Bath Ethnic Senior Citizens Association as well as through GP surgeries, pharmacies, and care communities.

Age UK B&NES found that supporting older people to talk to others also helped reach people who might otherwise be reluctant to seek help.



5. Our Business

5.1. Background

BWCE was set up in 2010 with the aim of creating a financially sustainable community enterprise delivering renewable energy, energy supply and energy efficiency projects via a strong community model.

Our intention is to pay a fair interest to our investors and to use surplus profit for community benefit. Although BWCE is a not-for-profit organisation, we need to generate a surplus so that we can pay for our running costs, pay interest on any capital we borrow, and contribute to our community fund. All our activities are carefully assessed to test their financial viability.



We're proud of our achievements to date. With the help of our members, investors and partners we have:

- Installed 14 roof mounted solar PV systems across schools and community buildings, five ground mounted solar PV systems and one hydro scheme.
- In total installed 12.35MW of renewables capacity, generating enough to match the equivalent annual electricity demand from around 4,000 households.
- Raised £9 million through community shares and bonds and £10 million through commercial loans to fund these projects. A significant proportion of the initial community bonds has now been repaid.

- Helped set up three community energy enterprises and supported others to raise a further £6m plus commercial loans to build nearly 8 MW of solar PV, generating enough electricity to match the equivalent annual demand from a further 2,500 households.
- Set up an independent charity to distribute £155,000 of our cash surplus as grants to other local community projects focussing on fuel poverty and carbon reduction.
- Paid between 6% and 7% on member shares over the last seven years and paid the interest due on the three different bonds we have issued.

Our projects are held in a range of wholly owned subsidiaries of BWCE in order to limit liabilities and to more easily enable the organisation to draw in debt finance. One subsidiary is 10% owned by the business park to which the 250kW solar system supplies electricity.

We launched an update to our business plan at our AGM in 2017 where we have outlined how we plan to cope with the removal of the Feed in Tariff for new projects and take advantage of new opportunities. The business plan is available for download from the website at www.bwce.coop, under Resources/BWCE Documents.

As the level of intermittent renewable electricity on the grid increases, so does the need to match supply with times of highest electricity demand. A key strand in our business plan is innovation and how we can take advantage of new electricity markets to help manage the rapid shift from centralised to decentralised electricity generation.

The electricity industry is working to implement a 'smart' electricity system that is evolving to cope with



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“We believe community energy can play an important role in helping to build confidence and trust in new electricity markets”

the increase in local generation, electric cars, smart appliances and to improve consumer participation in helping to manage electricity demand.

As this shift towards decentralised generation occurs, new markets will develop to encourage increasingly active consumer participation in balancing supply and demand at a more local level. These markets will reward the ability to aggregate services to those that manage the local grid, providing additional capacity from batteries or the ability to shift demand away from times of peak demand.

For more information on local energy markets see this series of two minute animations produced by Regen for our local distribution network operator Western Power Distribution – www.westernpower.co.uk/community-energy-video-library

At BWCE, we believe that community energy can play an important role in helping to build confidence and trust in new electricity markets, as well as ensuring that new markets benefit local communities and not just the shareholders of the existing energy sector.

For us that means testing new approaches to energy consumers and understanding to what extent we can play a role in supporting local people to more actively engage with the way they use electricity.

This share offer will start the process of raising the funds necessary to develop new ways of working that will enable us to deliver our business plan. However, because all the returns are not yet totally clear within markets that are not yet fully developed and because we will not be able to rely on the Feed in Tariff income for some of the new projects we are planning, we will not be able to offer the same level of interest on shares as we have in the past. See section 6.5 for more information.

5.2. Long term ambitions for BWCE

BWCE intends to continue to invest in new carbon saving projects subject to these projects being financially viable. To achieve that, BWCE will raise new capital either from community shares or from other sources as capital is needed. Future share offers will offer the same membership rights as existing share offers, but interest rates will reflect the market conditions at the time.

Spotlight on: Solar Streets

Solar Streets is a local community energy initiative running across Maple Grove, the south side of Bloomfield Avenue and Bloomfield Road/Elm Place in Bath.

What is the problem we are trying to solve?

Peak electricity demand, usually between 6-8pm for domestic consumers, places the greatest stress on the electricity grid and requires the most expensive and carbon intensive electricity generation to satisfy. There is also a significant mismatch between the time of generation from renewable solar schemes and the time of this peak demand, undermining the UK's ability to significantly roll out renewables further. Reducing peak demand will therefore:

- reduce carbon emissions.
- reduce the cost of supplying electricity.
- make it easier to increase the proportion of our electricity that can come from intermittent renewable energy sources.

What Is the Solar Streets solution?

The Solar Streets project will use a mix of approaches to solve this problem.

- We will install up to 25 domestic solar PV systems.
- We will install up to 30 domestic batteries (including some batteries in homes with existing solar systems) to enable households to use electricity generated by the solar PV panels later in the evenings during peak demand periods.
- The solar and battery systems will be owned and maintained by BWCE with BWCE receiving the FIT payments and with the householder paying a one-off, 'use of system' charge to receive free electricity from the solar and battery system.
- We will encourage households to use a 'time of use' tariff to encourage them to shift their electricity demand to off-peak times whenever they can.
- We are monitoring electricity demand at the local



Domestic solar PV and batteries as part of the Solar Streets project



substation so we can assess the impact the project has on peak demand.

- We will use this pilot study to test the extent to which a community approach can be effective in raising awareness and engaging local people. A feasibility study will use modelling and market analysis to assess the best conditions for operating a viable community ownership model for domestic solar PV and battery storage.

The project is part of our local distribution network operator Western Power Distribution's Open LV programme, in Partnership with the Centre for Sustainable Energy.



We will install up to 30 domestic batteries to enable households to use electricity generated by the solar PV panels later in the evenings during peak demand periods

6. Financial

6.1. Summary

BWCE is seeking to raise £500,000 in share capital through this share offer, though the board reserves the right to raise further funds to meet future needs defined under the three categories outlined in section 2, innovation projects, community solar PV and facilitating share withdrawal, and detailed in section 6.2 below. If less than £500,000 is raised, then the first priority will be to support the Solar Streets project. Beyond that, allocation of funds will depend on the scale of community solar projects secured and the level of share withdrawal requests received.

6.2. Financial impact

6.2.1. New Innovation Projects - Solar Streets

We will be looking to deliver a range of pilot projects over the next few years that will develop new community approaches to decarbonising our energy system and test new business models to underpin this transition. We will fund these pilots from a mixture of grant and capital raised through our share offers.

The first of these is the 'Solar Streets' pilot. See the facing page for more information on the project.

We have secured grants from the Friends Provident Foundation and from Power to Change to help subsidise the installation of the batteries as well as meeting revenue costs to help deliver the project.

Work is already underway on the project with the first 12 householder surveys conducted in November 2018. Solar installations will be completed before the end of March 2019, making them eligible to receive income from the Feed in Tariff (FIT) as well as the export tariff. As well as a one-off use of system charge when the system is installed, the householder will make an annual contribution to the costs of system maintenance. This will be supplemented for three years by an annual payment from the battery supplier Moixa, but we expect that this will be replaced from the third year, maybe

sooner, by a commercial income from the batteries for the supply of grid services. See section 5.1 for more information on the development of local electricity markets. What we learn from this pilot will enable us to assess what level of support would be needed to expand this scheme to a larger scale.

The income will be used to cover the running costs which will comprise insurance, maintenance and a fund to cover the cost of replacing essential system elements. The total capital cost for this project will be up to £200,000 ex VAT, depending on take up and final system costs, of which around £80,000 will need to come from this share offer.

Offers will be made to householders where a project return to BWCE can be secured of between 5% and 5.5% across a 20 year lifetime. Financial assessments will be based on competitive quotes for PV panel and battery supply and maintenance, known values of the FIT and export tariff and informed assumptions on factors such as inflation (2.5% long term average for RPI), electricity yield and the likely need for replacement of parts.

Project returns of this order would ensure that we could pay interest to members investing in this share offer at 4%, return capital to members subject to our share withdrawal policy and make a contribution toward our overheads. If local electricity markets develop as envisaged, returns will be higher enabling BWCE to increase the interest rate paid to members as well as making a contribution to its community fund. BWCE will be transparent with members about the additional revenues secured and how they are used.

6.2.2. Expansion of our community solar portfolio

We intend to invest in further community solar PV schemes, initially on commercial and community buildings on a similar basis to our existing portfolio, with BWCE owning the system and the site owner benefiting from reduced electricity bills. As with the existing installations, we would obtain a lease for the

panels to be installed, would finance the installation, manage and operate the panels and receive income from electricity sold to the grid and to the building occupant. Depending on timing, projects may or may not be eligible for the FIT. The value of the FIT has been greatly reduced for new projects, so the vast majority of the income would in the future come from sales of electricity on site. The building occupant would however benefit from being supplied electricity from the panels at lower cost than electricity supplied from the grid.

As ground mounted schemes become financially viable again without FIT subsidy, as panel prices fall further, we will look at potential sites for development within our area.

Some sites for roof top schemes have been identified and discussions are underway with site owners, whilst we are also still looking for additional new sites. BWCE will only proceed with projects that deliver a project return to BWCE of at least 6% over 25 years, enabling BWCE to pay interest to members investing in this share offer at a target of 4%, return capital and also make a contribution towards our overheads and our community fund.

The community benefits of a typical 100kW roof mounted solar PV scheme delivered by BWCE include:

- 90,000kWh of electricity generated per year.
- Electricity bill savings to the site owner (or occupant) of approximately £2,250/yr growing to £4,500/yr after 20 years or £88,000 in total, assuming electricity prices grow at least 1% more than RPI over the period.
- Annual reduction in carbon dioxide emission of 28 tonnes.
- Contribution to BWCE's community fund and organisational overheads over 20 years of up to £55,000.

6.2.3. Supporting capital withdrawal

We currently have nearly 650 members, investing over £5.6 million in shares in BWCE and 200 bondholders who have invested £1.8 million in community bonds. Bonds are redeemed over agreed time periods.

Shares, however, are withdrawable by request, subject to the availability of funds and board approval. Shares are long term investments. All shares will be repaid within the 20-25 year lifetime of the projects with funds generated by the projects themselves. However, we recognise that sometimes people may wish to withdraw their shares early if they find they have need of the capital for other purposes, and we wish to ensure that BWCE can accommodate requests for withdrawal when they arise.

Part of the share capital raised through this offer will be used to make it possible for existing shareholders to more easily withdraw their capital and/or redeem community bonds. The new share capital raised through this share offer will attract a lower rate of interest than the capital it is replacing. All capital replacement of this type would be helpful to us by reducing the total amount of interest payable. This reduces our overall cost of capital and makes it easier for us to develop new, less profitable projects in the future and increases our ability to deliver community benefit.

For more information on our approach to balancing the two sub classes of BWCE's 'A' shares (the shares allocated as part of this share offer and all the shares allocated up to this point), see section 6.3.1 and section 6.5.

6.3. Summary of BWCE current financial position

BWCE was incorporated on 5 May 2010. Its financial year-end is 31 March. Accounts up to year end March 2018 have been filed with the FCA and are available on our website via each relevant AGM page at www.bwce.coop/resources

During the 2017/18 financial year our projects generated just over 12,000 MWh which resulted in an income of approximately £1.5m. BWCE's financial situation is summarised in the following table:

Society funds at year end	Year 2018	Year 2017	Year 2016
Fixed assets	£16,693,182	£16,538,358	£9,751,019
Member share capital	£5,674,600	£5,722,320	£4,727,420
Society reserves (or losses)	£881,097	£857,224	£433,539
Long term liabilities (loans & bonds)	£11,193,220	£10,593,805	£5,304,036
Net assets	£6,555,697	£6,579,544	£5,160,959
Member share capital	Year 2018	Year 2017	Year 2016
Opening balance of member share capital	£5,722,320	£4,727,420	£3,448,770
New share capital invested during year	£500	£994,900	£1,278,650
Share capital withdrawn during year	(£48,220)	0	0
Closing balance of member share capital	£5,674,600	£5,722,320	£4,727,420
Membership levels	Year 2018	Year 2017	Year 2016
Number of members at the beginning of year	651	523	431
Number of new members joining	3	128	92
Number of members leaving	13	0	0
Number of members at the end of the year	641	651	523
Use of Society funds	Year 2018	Year 2017	Year 2016
Interest rate on (eligible) share capital	6%	6%	7%
Interest paid on share capital	£327,657	£257,859	153,060
Community fund payments	£30,000	£40,000	£50,000
Total Comprehensive Income	£24,417	£224,736	£178,013
Addition (reduction) to society reserves	£23,873	£423,685	£284,696

BWCE has a policy of revaluing its assets in line with market value. This revaluation is done annually with an independent valuation every 5 years or at any time there is a change in the discount rate used. As an example, the discount rate for the large ground mounted solar arrays is 7%, a conservative figure given the current market. The annual revaluation tends to offset the impact of depreciation and reflects the fact that traditional approaches to depreciation greatly undervalue the market value of solar assets during their early years, given the long term, RPI-linked income streams that renewable electricity projects secure through the Feed in Tariff.

The impact of revaluation is shown in the Total Comprehensive Income figure in the table above. Total Comprehensive Income represents the sum of the net surplus (loss) and the change in asset value indicated by

that year's revaluation. Total Comprehensive Income is shown as a separate line in our audited accounts, as part of the Statement of Comprehensive Income.

6.3.1. Historic payments of share interest

We have previously run five separate share offers (and three bond offers) to raise capital for the projects we have already constructed. The target rate of interest for all of the share offers was 7% per year subject to project performance and the terms as outlined within the share offer documents in force at the time. We have paid interest on Member shares at 7% for the financial years to end March 2012, 2013, 2014, 2015 and 2016. We paid 6% interest for the financial years ending March 2017 and 2018. The reason for the reduced payment of interest in 2017 and 2018 was primarily due to lower than average levels of sunshine

during those two years. Project performance reports with an analysis of the impact of lower than average solar irradiance can be seen on our website at www.bwce.coop under Resource/BWCE Documents and on the relevant AGM pages.

We remain committed to a target of 7% interest on existing shares, subject to project performance. We are not however in a position to continue offering a 7% target interest rate on new shares, as per this share offer document. If we were to do so we would not be able to deliver any new projects given the reduction and removal of the Feed in Tariff. Given the current urgency of action with regard to climate change and energy security we do not believe this is an option for us.

BWCE's board also believes that its track record of project performance and organisational governance demonstrates a level of security and organisational strength that minimises risk for new members.

6.3.2. Membership changes

During the last year three new members have joined BWCE due to share transfers that took place following the deaths of existing members. We have also had 13 members leaving the Society following share transfers or share withdrawals.

We are keen to increase and widen our membership as much as we can (we have reduced the minimum buy in for this share offer), in particular with a focus on gaining new members within our local area. For

Trading Performance	2017-18	2016-17	2015-16
Electricity generation income	£1,520,992	£1,016,097	£496,047
Interest, grant and development income	£11,650	£109,564	£724,007
Total Income	£1,532,642	£1,125,661	£1,220,054
Cost of sales	(£403,127)	(£304,404)	(£712,643)
Overheads	(£99,565)	(£91,234)	(£127,105)
Interest on loans and bonds	(£561,045)	(£430,788)	(£99,798)
Depreciation	(£702,650)	(£410,102)	(£243,560)
Revaluation of assets	£585,819	£593,462	£294,125
Surplus Before Members' Interest	£352,074	£482,595	£331,073
Members' Interest	(£327,657)	(£257,859)	(£153,060)
Total Comprehensive Income	£24,417	£224,736	£178,013
BWCE Assets			
Project Fixed Assets	£16,693,182	£16,538,358	£9,751,019
<i>Debtors less Creditors</i>	(£132,323)	(£272,784)	£464,731
<i>Cash at Bank</i>	£1,188,058	£907,775	£284,536
Net Current Assets	£1,055,735	£634,991	£749,267
Total Assets Less Current Liabilities	£17,748,917	£17,173,349	£10,500,286
Less Long Term Liabilities (loans & bonds)	(£11,193,220)	(£10,593,805)	(£5,339,327)
Net Assets at Year End	£6,555,697	£6,579,544	£5,160,959
BWCE Capital & Reserves			
Share Capital	£5,674,600	5,722,320	4,727,420
Reserves less P&L account	£881,097	857,224	433,539
Total Group Funds	£6,555,697	£6,579,544	£5,160,959



Community solar PV on B&NES Council offices, funded from our share offer in 2014

more information on the geographical scope of our area, see our Business Plan Overview available on our website www.bwce.coop under Resources/BWCE Documents.

6.4. Historic financial performance

More detail on BWCE's recent financial performance is provided in the table left that summarises more fully BWCE's audited accounts for the last three years.

For an explanation of our approach to revaluing our assets and for an explanation of Total Comprehensive Income, see section 6.3.

2017-18 saw the revaluation of our hydro scheme for the first time and, due to cost overruns during construction, the revaluation reduced the asset value of this project by over £100,000. This, alongside other smaller reductions in asset value on other projects, shows as an impairment in the accounts, increasing the depreciation figure and reducing the surplus by the same amount. For a commentary on our finances please refer to our financial report to members available on our website,

www.bwce.coop under Resources/2018 AGM.

6.5. Share interest policy

Shares issued under this share offer will provide the same membership rights (for example, right to vote at the AGM) as existing shares, but the target interest paid on these shares is lower than shares issued under earlier offers. This partly reflects the lower level of risk; BWCE is now an established organisation with a successful track record. But it also reflects the lower level of return now possible on new solar PV projects due to the large fall in the value of the FIT (and disappearance of the FIT in April 2019).

This share offer will comprise a sub-class of BWCE's 'A' shares, with an initial target return of 4%.

Funds raised through this share offer will be used to develop projects that will enable us, over time, to test new income streams that might be derived from the local electricity markets described in section 5.1.

We won't know for a few years how these markets will

develop, but there is a lot of focus now from Ofgem and other key players within the electricity industry to make these new markets work. The question is whether organisations like ours, with a mission to deliver community benefit rather than to maximise profits, will be able to gain access to these markets as they develop.

If we are able to gain access to these new markets then our innovation projects, of which Solar Streets is the first, will secure income streams which will enable us to both increase community benefit and increase our target interest rate. We will make sure our activities in this area and our success in securing any additional value is made fully transparent to members. As outlined elsewhere, we will then look to increase our target interest rate on these shares after three years to 5%, subject to the issues outlined above.

BWCE's board remains committed to offering a target return of 7% on shares issued prior to this share offer, subject to performance and based on the share offer documents that were in force when members invested. BWCE's board is bound to honour the terms outlined in those original share offer documents, the last of which was issued in 2016. As a result, existing members can be confident that nothing in the board's approach to setting interest rates on pre-existing shares can change as a result of anything in this share offer.

At the end of each financial year, BWCE's board will review the performance of all BWCE's projects against budget. If projects underperform, the proposed interest rates and community fund payments will be reduced pro rata to account for the value of that underperformance. So, if in the future there is not sufficient surplus to pay all members at the interest rates projected in their respective share offer documents, interest rates on shares will be reduced by the same factor i.e. all members will share equally the financial risk on the Society going forward.

As an example, last year to end March 2018, BWCE's projects underperformed due to below average levels of sunshine during the year. The reports that went to members at the AGM in September 2018 outlined the reasons for the underperformance and how the impact of that underperformance was reflected in the payments



If we are able to gain access to these new markets then our innovation projects, of which Solar Streets is the first, will secure income streams which will enable us to both increase community benefit and increase our target interest rate

that were made to members and our community fund. Both these reports can be seen on our website at www.bwce.coop under Resources/2018 AGM.

In years where performance is higher than forecast, any additional surplus will not be distributed to members in interest. BWCE's board is required by our Rules to maximise the benefit of the wider community rather than individual members.

Although the capital raised through this share offer is specifically targeted to the purposes above, the shares are linked to BWCE as a whole, and not just to these individual projects. The payment of interest on the share capital, and repayment of the capital itself, would be linked to the overall financial performance of BWCE and not to the financial performance of these individual projects alone.

6.6. Other sources of capital in BWCE

In addition to the share equity of over £5.6 million, BWCE also has just over £11 million in bank loans and community bonds. The payment of bank loan and community bond interest and capital takes precedence over payment of share interest and capital. Payment of bank loan capital and interest is covered by our income.

7. Risks

All commercial activities carry risk – and community energy projects are no exception.

If the Society has a bad year, you may receive less interest than projected. If something goes wrong on a longer-term basis, then your capital may be at risk.

Our shares are non-transferable, withdrawable shares – meaning they can't be traded but you can apply to withdraw if you need to. We make provision to cover this but the ability to withdraw at any particular time cannot be guaranteed. For further details, see section 8.6. We have made every effort to minimise risks to our shareholders. Here, we summarise key assumptions and risks, along with measures we have taken to minimise them.

Inability to install Solar PV schemes before the end of March 2019 when the Feed in Tariff closes

As part of the Solar Streets project, domestic solar PV schemes will only be installed if they can be completed before the end of March 2019. If systems cannot be installed by then the capital will be retained for other purposes. With regard to the community solar PV schemes currently being developed, it will be a bonus if they can be installed before end of March 2019. Projects are being sought on the assumption that they need to stack up financially without the Feed in Tariff. We will focus on sites that have high on-site electricity demand where electricity can be sold to site owners at a discount on what they would otherwise have had to pay.

Future profitability

Our ability to pay interest and repay the capital on these shares depends on BWCE continuing to make a profit. Your return on these shares depends on the financial success of BWCE as a whole, and not the specific projects this share offer is raising money for. BWCE has been trading for eight years and already has a successful portfolio of renewable energy projects which are receiving income from the Feed in Tariff scheme which is index linked for 20 years. New projects will be designed on the same basis and with the same financial scrutiny as our existing systems albeit that the returns will be lower because of the reduced FIT.

Project performance may be lower than predicted

Renewable energy generating equipment performance projections are based on methodologies commonly used by the industry, but long-term changes to weather patterns and/or equipment under-performance may result in lower levels of electricity generation and therefore income. BWCE's assumptions around potential renewable energy generation levels each year are based on site capacity and yield calculations provided by our construction partners. These calculations and the solar insolation levels have been reviewed and verified as part of BWCE's due diligence process.

Share offer not raising enough capital

There is no lower limit on this share offer. New projects will only be undertaken if we attract sufficient capital to construct them.

This offer raising more capital than we can use

It is possible that we may not find many financially viable new solar PV sites or that the Solar Streets project is not able to use the capital we are expecting. If this happens our share offer may raise capital which we may not be able to use profitably. We believe this is unlikely to occur because we will tailor the scale of our share marketing according to the imminent need for capital, and we retain the right to pause the receipt of applications if we risk issuing too many shares. Our website will prominently make it clear if the share offer is temporarily paused. We also have bonds that are due to mature in July 2019 and so we can use additional capital to redeem bonds if needed.

Income on existing projects

As the FIT is reduced, income on new installations reduces accordingly. However, the government has committed to not reducing the FIT for schemes already registered. Therefore our existing FIT income is protected and index linked.

Electricity price

Financial projections assume industry standard projections for increases in wholesale electricity prices. If wholesale prices drop, income from our larger community solar schemes drops. However, we have the guarantee of being able to take the minimum export tariff if wholesale prices fall below this. As a result, we are protected against major falls in the price at which we can sell electricity from our larger community solar installations into the grid.

Value of Future Local Electricity Markets

The Solar Streets project, alongside other innovation projects we may look to develop, will in the future rely on income from local electricity markets as outlined in this offer document. If these markets do not develop as expected or if BWCE is unable to access these markets for whatever reason, then BWCE's board may not increase the target interest rate on these shares from 4% to 5%. The target rate of 4% does not assume that these markets develop.

Equipment failure

All our installations are covered by a maintenance agreement, and also have operational insurance.

Installation and operational costs

Higher costs for installation, service, admin, insurance and rates would reduce performance. However, we will use fixed price contracts for installations and maintenance to minimise future liabilities.

Regulatory impact on potential income

Government policy towards renewable energy may change. Throughout the operation of the FIT the Government has committed to the concept of 'grandfathering' which ensures that whatever tariff a project is registered for at the commencement of operation, will remain the same for the duration of the FIT period. Therefore revenue for existing installations should not be affected by any future changes to the FIT. Ofgem is in the process of reviewing network charges and these changes may have an impact on the income that existing projects secure.



The government has committed to not reducing the FIT for schemes already registered. Therefore our existing FIT income is protected and index linked

8. Share Offer

Up to 500,000 shares will be issued each with a par value of £1 on acceptance of a valid application on the Terms and Conditions of this offer document and subject to the board rights outlined in section 8.1. The shares, which will not be traded on any stock exchange, have been created under the Co-operative and Community Benefit Societies Act 2014.

8.1. Targets

Our target is 500,000 shares. There is no minimum below which shares would not be issued. All valid applications up to the maximum of 500,000 will be converted into shares. The board reserves the right to increase this target if the purposes as outlined in this offer document require further funds.

8.2. Offer timetable

The share offer will open in February 2019. This is an 'open' share offer, that is, there is no closing date. The share offer will remain open until the target is reached or until the board decides to close the offer. BWCE retains the right to pause and restart acceptance of new applications according to the need that BWCE has for capital at any point in time.

8.3. Share allocation

Shares will be allocated first on 29 March 2019. Following that shares will be allocated every two months against all applications and payments received in the preceding period. Successful applicants will receive share certificates and their details and holdings will be recorded in a share register managed by Neville Registrars on our behalf. Although marketing will be concentrated within our local area, there is no geographical restriction on share ownership and we welcome applications from the UK and beyond.

If there is a prospect that we will raise more share capital than we can profitably use in the immediate future, prior warning that the offer will be suspended will be given on our website.

If this happens, all valid applications received before the date of suspension will be accepted. The board reserves the right to accept or reject applications received after the suspension date. If applications are rejected, the monies

will be returned within one month of the date of rejection, without interest. The applicant will be notified if and when the share offer is re-opened and will be invited to send a new application.

8.4. Eligibility

Membership is open either to any individual (at least 16 years of age), or to any incorporated organisation (an organisation with a registration number from either Companies House or the FCA) that supports the aims of the Society.

Where an incorporated organisation applies to become a Member, the application needs to include the name of a nominated representative, but the nominated representative can be changed in the future by appropriate notification to BWCE by the member organisation.

There is no provision for joint membership or for membership of unincorporated organisations. You can buy shares on behalf of children (see below).

8.5. Purchasing on behalf of children

Providing you are at least 16 years of age, you can purchase shares on behalf of your child. To do this, you must indicate your intention on your application form by ticking the checkbox provided.

We will register the shares initially in your name. When your child reaches 16, you should confirm to us that you still wish to see the shares held in your child's name. If this is the case, we will obtain consent from the child that they wish to become a Member, cancel the requested number of shares from your allocation and create the same number of shares with identical rights in the child's name.

8.6. Provision for share withdrawal

Members may request the withdrawal of their shares, subject to board approval.

The board of BWCE will seek to ensure that requests for withdrawal can be accommodated. This cannot be guaranteed but one of the purposes of this share offer is to ensure that new share capital can be accessed by the Society which in turn enables us to grant requests for withdrawal of existing share capital.

Applications for share withdrawal are processed once each year by the board at the first board meeting after the 1 July, except in exceptional circumstances. The board will act in line with our share withdrawal policy, available on our website at www.bwce.coop under Resources/BWCE Documents. To date, all requests for share withdrawal from members have been accepted and fulfilled.

Our financial strategy provides for the situation where all members are able to withdraw their shares within the 20 year life of our projects, and we fully believe that the Society will be in a position to do so. There is, however, no obligation on members to withdraw their shares by any date.

8.7. Interest payments

All Members are entitled to share in interest subject to an annual surplus. A Member with 10,000 shares has a single vote but will receive interest on all 10,000 shares.

All interest payments are paid annually after the AGM, usually held in September for the year ending the previous March. Share interest will be paid on the balance of each Member's account at rates reflecting annual financial performance. Proposals for Member interest will be made by the board each year and will be voted on by Members at the AGM.

The first time that shares receive a distribution of interest, the interest they receive will be calculated from the date of allocation as described in section 8.3 above.

8.8. Taxation on interest payments

Interest payments will be made gross and members will be responsible for declaring this income on their tax returns.



Applications for share withdrawal are processed once each year by the board at the first board meeting after the 1st July, except in exceptional circumstances

If you are a basic rate taxpayer you are currently able to earn up to £1,000 in savings income tax-free. Higher rate taxpayers will be able to earn up to £500. See the HMRC website for details.

Shares are not eligible for the Enterprise Investment Scheme tax relief or Social Investment Tax Relief. Shares will normally be exempt from inheritance tax providing they are held for two years. You should seek further advice from a financial advisor or accountant on tax matters as appropriate.

8.9. Provisions on death of a Member

In accordance with the Society's Rules, on the death of a Member of the Society, their personal representative can apply for withdrawal of the share capital or for transfer of the shares to another person. Return of share capital under this provision will be prioritised by the board over any other return of Members' capital.

8.10. Application procedure

Before completing an application, you should consider taking appropriate financial and other advice. In completing your application you are making an irrevocable offer to enter into a contract with the Society.

Under Money Laundering Regulations, our receiving agent, Neville Registrars, will need to complete basic identity checks. Full details are provided in the application form at the end of this offer document. Non-UK residents must take responsibility for ensuring that there are no laws or regulations in their own country that would prevent them from investing in or receiving income from a UK Society.

Applications can be made online, helping us to minimise costs and speed the application process, via

www.bwce.coop/invest. If you are unable to apply online there is an application form at the end of this offer document. All applications will be handled by our receiving agent, Neville Registrars, who also maintain our share registry.

By making an application an applicant offers to subscribe, on these Terms and Conditions, for the number of shares specified, or such lesser number as may be allocated. An applicant who receives shares agrees to automatic membership of BWCE and to be bound by its Rules. An application once made cannot be withdrawn.

The price of each share is £1. The minimum number is 100. The maximum per applicant is 100,000, subject to an overall maximum holding in BWCE of 100,000 shares. Multiple subscriptions will be accepted providing that they do not result in a Member holding more than the maximum.

8.11. Procedures on application receipt

All payments whether by cheque, bank transfer or debit card will be presented on receipt. Please make your application online in order to utilise payment via debit card.

Surplus application monies may be retained pending clearance of cheques.

Applications may be rejected in whole, or in part, or be scaled down.

Monies in respect of any rejected or scaled-down applications shall be returned no later than one month after they have been rejected.

No interest is payable on submitted application monies which become returnable. Incomplete or inaccurate application forms may be accepted as if complete and accurate.

Monies received as share applications will be lodged in a BWCE client account until shares are issued. This money will be ring-fenced and the Society will not access or make use of it until shares are issued. In the event that shares are not issued, all application monies will be returned to the applicant.

8.12. Pricing, trading and dealing arrangements

Shares are offered at their par value of £1. The value of each share cannot rise, but could fall if the net value of the Society's assets falls below zero. Shares are not tradable or transferable except on the death or bankruptcy of a Member.

8.13. Payment

Payments may be made by bank transfer (details can be found on the application form), debit card (only via the online application form) or cheque. All payments must be in pounds sterling and drawn on a UK bank account in the name of the applicant and will be immediately presented for payment.

8.14. Asset lock

The Society has an asset lock incorporated into our Rules, ensuring that our assets can never be cashed in by, or transferred to, private individuals or commercial interests for their own advantage. This means for example that in the event of the Society being wound up, any proceeds would be used to repay share capital to shareholders at up to a maximum of £1 per share. Any surplus above this amount would be gifted to another society or charity with an asset lock with similar objectives.

8.15. Privacy

You can view our privacy policy on our website at www.bwce.coop/privacy.



The solar energy array near Crewkerne

9. Our Partners

Moixa



Moixa is a UK battery manufacturer with a specialist focus on the development of smart battery technology and Gridshare software to facilitate smart energy storage and sharing.

Following BWCE's competitive procurement process Moixa will be supplying and maintaining domestic batteries and solar PV systems as part of the Solar Streets project. Installation will be done under sub contract by solar installer TH White.

www.moixa.com

TH White



Part of the TH White Group, a Wiltshire company operating across land, building and machinery since 1832, the renewable energy division has been installing solar PV since 2010. They have installed a wide range of solar PV systems on all types of buildings including some of BWCE's existing solar projects.

TH White will be working under sub contract to Moixa as part of the Solar Streets Project.

www.efs.thwhite.co.uk

Bright Renewables



Bright Renewables is a provider of renewable energy asset management services and is 100% owned by its community energy clients.

Bright Renewables provides asset management services to BWCE across our whole portfolio.

www.brightrenewables.co.uk

British Solar Renewables



British Solar Renewables is a renewable energy developer and provider of expert services to the renewable energy industry, operating since 2010 and based in Somerset.

British Solar Renewables provides Operations and Maintenance services to the majority of our larger solar arrays.

<http://britishrenewables.com>

Neville Registrars



Neville Registrars have provided share registry services for 75 years across multiple sectors.

Neville Registrars services and maintains BWCE share registry and acts as our receiving agent for this share offer.

<https://www.nevilleregistrars.co.uk>

Shareenergy



Shareenergy is a Social Enterprise that helps community groups across the UK to develop their own community energy projects, sets them up as co-operatives or community benefit societies and organises finance through community share offers.

Shareenergy has supported the drafting of this Share Offer Document

www.shareenergy.coop

Application form

We would welcome your application and payment via the online form at www.bwce.coop/invest in order to help us reduce admin costs and speed the application process. Please use this application if you would rather not use the online form.

I wish to buy a total of _____ shares in BWCE at £1 per share (min £100, max £100,000)

Title (Mr/Mrs/Ms/other): _____ Forenames: _____

Surname: _____ Date of Birth: _____

[illegible]

Please do provide your email address if possible to keep admin costs down. If an email address is provided, this is how you will be contacted.

Postal Address: _____

Post code: _____ Day-time telephone: _____

If applying on behalf of an incorporated organisation please also provide:

Organisation name: _____ Type of organisation: _____

Organisation address: _____

Registration number: _____ Registered with: Companies House / FCA

Your Position within Org: _____

(You must be authorised to sign on behalf of the organisation. Please supply notification of this appointment by the governing body with this application form.)

Note: it is not possible to buy shares on behalf of an unincorporated organisation.

☐ Tick this box if you wish to allocate some or all of your shares purchased via this application to one or more children when they reach 16, See section 8.5 for more details.

If you would like payments from the Society to you to be made by bank transfer, please provide your bank details:

Bank Account number: Sort Code:

Please note that we are not able to use these details in order to receive payment from you, only to send them, therefore please continue to arrange payment for this investment.



To ensure compliance with the Money Laundering Regulations 2017, it is also a term of your application that our receiving agent, Neville Registrars Limited will utilise an online verification process operated by Equifax, and will submit your basic details for verification (that is to say, your name, address and date of birth or, if you are a body corporate, nominee, or trust; the same details of those persons who have significant control over the entity, such as directors or trustees). Equifax's privacy policy may be found on their present website. Should you not wish for your information to be provided in this manner, please discontinue your application and contact us in order to explore the possibility of only providing original or certified copy documents directly to us as part of your application.

Declaration:

By signing this application, I confirm my understanding that:

- This application, if and when accepted by BWCE, forms a contract subject to English law on the Terms and Conditions of the offer document.
- An applicant who/which is not UK resident is responsible for ensuring that this application complies with any laws or regulations applicable outside the UK to which he/she/it is subject.
- If the offer is paused or oversubscribed it is possible that an otherwise eligible application will not be accepted in part or in whole.

And that I confirm that:

- I have read the offer document including the section on risk factors and share withdrawal.
- I enclose a cheque or have paid via bank transfer for the sum concerned, following the instructions outlined below.
- I am at least 16 years of age and meet the offer eligibility criteria.
- BWCE is hereby authorised to make such enquiries as are deemed necessary to confirm the eligibility of this application.
- I am not making an application that would result in an aggregate holding of more than 100,000 shares.
- Whilst I recognise the range of links provided for information purposes, I am not relying on any information or representation in relation to the offer which is not included in the offer document.
- I will provide all additional information and documentation requested by BWCE in connection with this application, including in connection with money laundering, taxation or other regulations.

We would like to send you our newsletter and related information in order to keep you up to date with our activities and the progress and performance of our projects, including those referred to in this share offer document. If you consent to this, please tick this box, otherwise we will only send you information that is directly linked to your membership of BWCE (note: in neither case will we pass your contact details on to any third party unless we are required to do so by law)

☐ Please send me your newsletter about your activities including progress and performance of projects referred to in this offer document (you can opt out of this at any time).

Signature: _____ Date: _____

CHEQUE. If paying by cheque make payable to **Neville Registrars Limited Re Clients Account** and cross a/c Payee.

TRANSFER. If paying by transfer please use these details:

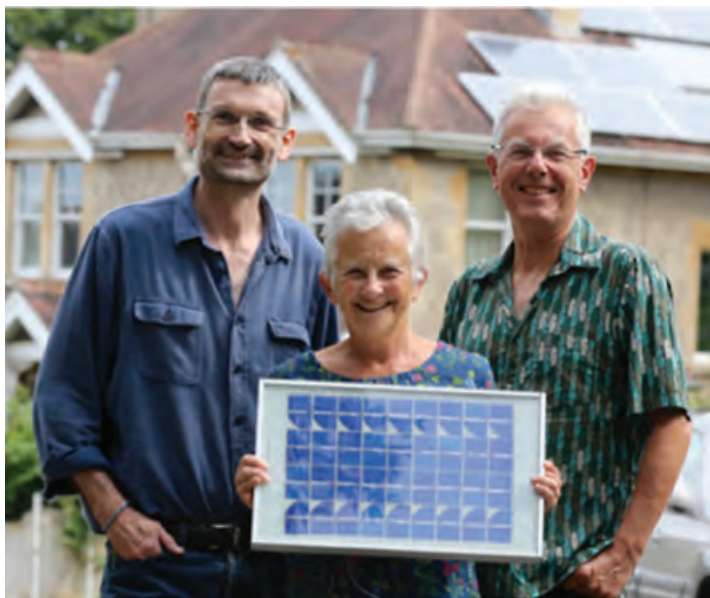
Sort Code: 60-09-39 **Acc. No:** 78662613 **Acc. Name:** Neville Registrars Limited Re Clients Account. Please use the Applicant initials and postcode as the reference attached to the transfer to avoid any delay in assigning your payment to your application.

Send this completed form to **Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD**

10. Contact Us

For all enquiries contact Nick Bird on **07517 100889** or via Nick.Bird@bwce.coop

Our website can be found at www.bwce.coop



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A Community Benefit Society registered with the FCA

Registered No: 30960R

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