

Yealm Community Energy
Share Offer Document ADDENDUM
25th October 2023

Summary

Yealm Community Energy (YCE) is one of five Community Benefit Societies collectively buying a portfolio of seven solar farms across England and Wales, working as Community Energy Together (CET).

We are pleased to announce that in November we will proceed with the purchase of Newton Downs, Creacombe, and Marlands solar farms for the benefit of our community, generating substantial funds for local social and environmental projects alongside renewable energy. This follows an increased Junior Loan offer from Power to Change (PtC) and Big Society Capital (BSC) which, as part of CET, we have accepted. This means our purchase is able to complete this autumn, growing total community owned solar in England and Wales by a significant 20%.

The increased Junior Loan means our CET combined minimum equity raise has been lowered from £2 million to £1 million, which we have already passed in the community share raise with Ethex. We plan to carry on raising equity until the new closing date of 10th November 2023. Any equity raised above £1 million will be used to reduce the size of the additional Junior Loan.

Further investment and extension

Our offer and the offers of our CET partners are being extended for 2 weeks until 10th November 2023, to allow more people to invest and own part of the solar farms with the multiple additional benefits that brings.

Will YCE's operational capacity be affected?

Our Community Benefit Society is expected to continue to receive £3,000 per MW per year of funds, as per the original model, which means that our capacity to cover operating costs remains unaffected.

Is YCE's risk profile affected?

The Junior Loan still needs to be refinanced within five years, as modelled in the offer document. As a result of the anticipated increase in Junior Loan, the refinancing risk has increased slightly. As before, failure to refinance successfully within five years would impact the ability to pay forecast Community Benefit Funds and to pay target members' interest. It remains part of our business plan to refinance the Junior Loan and the anticipated increase, as originally intended.

Notes in addition to the Offer Document following the reduction in Portfolio Minimum

P5 addendum: **£860,000**

YCE aims to raise ~~£300,000~~ through our share offer, with CET raising £1M collectively.

P6 addendum:

Offer close date: 10th November 2023

P6 addendum:

As CET, we have accepted the offer of an increased Junior Loan from Power to Change and Big Society Capital as lenders. Their offer to increase the size of the Junior Loan is

enabling us to close with a lower collective minimum raise, triggering the sale of all the solar farms in November 2023 as planned.

P7 addendum:

If we continue for the five year term without raising further equity, there will be a small reduction in the lifetime community benefit fund. For YCE we estimate the reduction would be around £77,000, or 1%.

P14 addendum:

Across the CET portfolio, the increased Junior Loan would equate to a reduction of approximately 1.1%, or £228,000 in Community Benefit Fund across the project lifetimes.

P16 addendum

The refinancing risk has increased slightly with the increase in Junior Loans. Failure to refinance successfully within five years would impact the ability to pay the forecast Community Benefit Funds and to pay the target members' interest. In the Directors' view, this does not materially change the risk of the offer, and the intention to repay the Junior Loan remains the same.

P26 addendum:

Our combined minimum equity raise has been lowered from £2M to £1M. We have collectively already raised £1.2M as of October 2023 enabling us to complete the sale this November. Increased Junior Loan interest payments are offset by reduced tax and reduced equity interest. The net change in lifetime CBF is about 1.1%, due to the slightly higher interest on Junior Loans compared with equity.

If you have any questions relating to the above changes, please contact info@yealmenergy.co.uk

Tony Roper, Director, Yealm Community Energy

YEALM COMMUNITY ENERGY

Share Offer July 2023



Yealm
Community
Energy

Part of

**COMMUNITY
ENERGY
TOGETHER**



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**YOUR CHANCE TO INVEST IN A CLEANER,
GREENER, FAIRER FUTURE**

For those of you to whom we have been promising a chance to invest in Yealm Community Energy (YCE) it must seem a long wait – and it has been for us on the board as well! The time has now arrived, and I thank you for your patience. For those who did not express an interest in the past, I hope this share offer for a community enterprise with a strong track record in tackling climate change and supporting local social and environmental initiatives will be of interest to you.

I'm delighted we are now able to offer you an opportunity to invest in YCE and become a member of our Community Benefit Society (CBS) and enable us to take ownership of three solar farms in the Yealm Estuary area.

YCE was founded in July 2015, when we got a chance to purchase a 5MWp solar farm at Newton Downs Farm on the outskirts of Newton Ferrers. The solar farm was given planning permission on condition that the community was given first choice to buy it.

At the time, funding was an issue, and we were on the point of giving up when we were introduced to Community Owned Renewable Energy (CORE). CORE was able to acquire Newton Downs and later in 2018 funded the development and purchase of Creacombe and Marlands Solar Farms with the sole purpose of facilitating their ultimate transfer into local community ownership.

However, while the refinancing arrangements were being worked out, the Covid pandemic hit, then the war in Ukraine and a financial recession, all of which slowed the process down.

After protracted negotiations, CORE has secured a low cost of finance from institutional lender abrdn (formerly Aberdeen) by amalgamating four other Community Benefit Societies sharing the same aims and objectives into a partnership called Community Energy Together (CET) comprising seven solar farms with a total capacity of 36MWp. This innovative model enables us to reduce legal and financial transaction costs and to support each other in the event of any one organisation having financial or technical difficulties. As part of CET, YCE is part of a larger, supportive family, working together to get the best out of all our projects and maximising the surpluses we can devote to community benefits.

We have been lucky that during the refinancing negotiations, CORE continued to support YCE's Community Benefit Fund, allowing us to dispense some £100,000 in grants locally in support of low carbon, educational and ecological projects.

Community ownership should generate £8M of Community Benefit Fund, before YCE running costs to fund local projects dedicated to our aims. In addition to the debt financing arranged by CORE, we are aiming to raise a target of £860,000 in community equity, so every £1 you invest will result in about £10 of community benefit.

I do hope that you will feel inspired to join us in this exciting venture, be part of it and have a say in what we do locally. Please give this offer your serious consideration and help us continue to generate local clean energy and re-invest the surplus into our community.

Peter Brown,
Chair, Yealm Community Energy



SHARE OFFER SUMMARY

Check addendum for updates



Target return

6% per year

Offer Open Date

31st July 2023

Offer Close Date

27th October 2023

Target Raise

£860,000

Community Energy Together Target

Community Energy Together aims for a target equity raise of £2.5M by 27th October 2023. We must raise a collective minimum £2M to trigger the sale of the portfolio of solar farms to our individual Community Energy Together partners. The offers may be left open after initial target equity raise.

Minimum Individual Investment

£250 (each share has a nominal value of £1)

Maximum Individual Investment

£100,000

Summary of benefits

It is estimated that over 27 years the YCE Community Benefit Fund could generate £8M before YCE running costs. This money will be spent on projects that benefit the community in the Yealm Estuary Area. The total community benefit generated by all the CET solar farms is estimated at £20M.

Tax

For UK residents interest is paid gross and is potentially taxable. Standard rate taxpayers can currently earn interest up to £1,000 per annum tax free. It is your responsibility to declare this to HMRC. For non-UK residents interest is paid net and the society will pay the tax to HMRC. It is your responsibility to declare these earnings to HMRC.

Liquidity

Shares are not transferable and withdrawing of share capital is subject to agreement by the YCE board. Shares cannot be withdrawn before May 2029 except in case of death or exceptional circumstances. Withdrawal requests will be dealt with on a first come, first served basis by the directors. It is expected that all new share capital raised should be repaid within the period 2029 to 2037. Enduring shareholder participation is fundamental to our Community Benefit Society principles, so we will want new shareholders to retain a minimal shareholding.

Eligibility

Anyone aged 18 and over may apply for shares. Overseas investors must have a UK sterling bank account. For details of how you can buy shares for those under 18 see the **How to Invest** section. Co-operatives, Community Benefit Societies, companies and other incorporated associations may also apply for shares. An applicant who/ which is not a UK resident is responsible for ensuring that this application complies with any laws or regulations applicable outside the UK to which they are subject. No commission will be payable to introducers of potential investors.

Membership of YCE

All shareholders will become a member of YCE on a one vote per shareholder basis.

Target equity raise

At the point of target equity raise, any societies who have raised more than their share offer raise targets will loan any excess via an inter-company loan agreement to any societies who have not achieved their share offer target. This lending of excess can occur up until the point at which the under raising societies have reached their targets. If CET's £2M collective minimum has not been met at closing date, the offers may be extended.

Check addendum for updates



INTRODUCTION TO YCE



Yealm Community Energy (YCE) is a member-owned society, registered with the Financial Conduct Authority (FCA) in July 2015 and based in the five parishes of Brixton, Holbeton, Newton Ferrers and Noss Mayo, Wembury, and Yealmpton in South Devon. The society will invest in renewable electricity and will use the financial surpluses to provide grants for projects for the benefit of the local community.

These have included providing advice on fuel poverty; carbon-reduction and ecology-enhancing projects including wildflower meadows; start-up funding for a pioneering community-run electric ferry; and a wildlife corridor to include the whole river catchment.



These three community solar farms generate electricity equal to that used by all 4,450 homes in our five parishes



Beehives at Creacombe Solar Farm



Yealm community electric transport – community e-propulsion ferry

YCE was established to bring local renewable energy installations, such as solar farms, into community ownership. This share offer provides members – and prospective members – with the opportunity to buy shares to enable YCE to complete the process of purchasing three solar farms within the Yealm Estuary area.

YCE is currently owned by 189 members, with an extended network of some 210 supporters. Members vote at the Annual General Meeting (AGM) when they appoint the board. YCE has a consultant Operations Manager who works with the board and is responsible for project management, community outreach, administering the community fund, and marketing.

As a Community Benefit Society, which is a type of co-operative society, all surplus income is used for the benefit of the local communities rather than for its investing members. Equity shares are offered to members who receive a target interest payment annually, and can withdraw their investment if they wish, subject to board approval, after an initial qualifying period. Investing members will each have one vote at the AGM, regardless of shareholding.

Why invest in YCE?

By investing you will:

- Receive a projected annual 6% return on your investment
- Help to provide £8M in community benefits over the life of the solar farms
- Enable a range of local community projects through YCE’s Community Benefit Fund
- Be entitled to vote at the AGM
- Contribute to Devon’s 2050 net zero target
- Support the generation of local green energy
- Facilitate education on the benefits of renewable energy
- Help to provide a legacy for future generations over the life of the projects

THE ASSETS

Following surveys in the local area, we identified three potential solar farm sites with low environmental and visual impact. As we are in an Area of Outstanding Natural Beauty, planning permission would only be granted if the community was given an opportunity to buy them.

These are: **Newton Downs near Newton Ferrers, and Creacombe and Marlands, both near Holbeton.**

Collectively, the three solar farms have an installed capacity of 12.28MWp, generating 13GWh/year – equivalent to the demand of about 4,450 average homes. They are saving about 133,000 tonnes of CO₂ over the lifetimes of the farms (based on southwest regional carbon intensity of grid 2021/22 of 150g CO₂/KWh).

They have already generated over £100,000 in Community Benefit Funds, and are expected to generate a further £8M over their lifetimes once they are in community ownership.

All three sites are now fully operational, selling their electricity via the National Grid through Power Purchase Agreements (PPAs) with electricity supply companies (such as EDF and Octopus).

Additionally, Newton Downs and Creacombe both benefit from subsidies as they were commissioned before these were withdrawn. They are enshrined in law and can be considered as secure sources of income. Marlands is subsidy free.

Newton Downs receives 1.2 Renewable Obligation Certificates (ROC) for every MWh sold, currently worth £70.80 per MWh, inflation adjusted, payable until 2037.

Creacombe receives the Feed-in Tariff (FiT), which guarantees a minimum price of £60 per MWh until 2039.

All three solar farms are performing above predicted generation.

The revenues from the PPA contracts, plus the ROCs and FiT payments, pay the operating expenses. These include outstanding debt, maintenance of the sites, community benefit contributions and the community share interest payments. The asset management of the solar farms is provided by a service contract with Bright Renewables. The services include: operational asset management; finance and accounting (income claiming, expenditure, taxation, quarterly management accounts, annual audit), and regulatory compliance (Health and Safety, HMRC, Ofgem, FCA, etc).



Newton Downs Solar Farm

Sheep grazing at Newton Downs

YCE ASSETS – TECHNICAL INFORMATION

Solar Array Technical Info:	Newton Downs	Creacombe	Marlands
Rated capacity	4.98MWp	4.4MWp	2.9MWp
Net installed capacity	12.28 MWp		
Commissioning date	January 2018	January 2020	January 2020
Engineering, procurement and construction contractor	Solarcentury	Goldbeck Solar	Goldbeck Solar
O&M service provider	PSH	New contractor under negotiation	New contractor under negotiation
Asset manager	Bright Renewables		
Lease contract expiry	October 2046	August 2050	
Subsidy regime	ROC	FiT	None

The leases and planning permission for Newton Downs and both Creacombe and Marlands run out in 2046 and 2050 respectively, but there is a reasonable possibility of these being extended.

Newton Downs is leased from a local farmer, while Marlands and Creacombe are leased from Gnaton Farms. All three solar farms were developed on moderate quality farmland (Grade 3b). The land is being managed through sheep grazing at Newton Downs, while the intention is to introduce sheep grazing at Creacombe and Marlands in future.

Each solar farm has a Landscape and Ecological Management Plan. A benchmark biodiversity audit has also been conducted with the aim of monitoring and improving biodiversity gain in future. At Creacombe and Marlands, wildflowers have been sown throughout the site through the use of green hay sourced from elsewhere on the landowner’s estate.

OUR TEAM

All our YCE directors are unpaid volunteers when undertaking duties directly for YCE.

OUR DIRECTORS

Peter M Brown, Chair

Peter M Brown MB, BCh, FRCS is a retired NHS Consultant, a role in which he became very aware of the health consequences of climate change. After moving to Devon in 2005, he set up an educational environment group, which soon expanded into projects encouraging local people to increase the energy efficiency of their houses and to install renewable energy systems. As chair of YCE, Peter brings the necessary drive and enthusiasm to encourage volunteers to give up their valuable time for the common good and zero carbon.



Ray Holland, Director

Ray Holland, BSc, MIET, is a chartered electrical engineer, trained at the Royal Naval Engineering College, Manadon, Plymouth. He has spent the last 30 years managing renewable energy projects and energy policy programmes in Africa, Asia and Latin America, including managing a small consulting firm, and an EU programme that set up the Africa-EU Renewable Energy Cooperation Programme (now GET.Invest). Much of this work involved local communities owning their own electricity supplies, so he is keen to apply lessons from this experience in his own community in South Devon.



Dominic Crawley, Director

Dominic Crawley brings extensive banking and risk evaluation knowledge and experience to the Yealm board. He had a 40-year career in financial and capital markets, including 20 years in banking and subsequently 20 years with S&P Global Ratings, where he was an executive managing director and head of Global Rating Services. Dominic joined the board for Yealm as he saw the opportunity to share his knowledge and skills and contribute to making the opportunity to acquire three local solar farms become a reality, thereby securing a lasting endowment to the local communities. Dominic lives in Newton Ferrers.



Tony Roper, Director

Tony Roper has nearly 30 years' experience of making and managing infrastructure investments. Between 2006 and 2017, Tony was responsible for two listed infrastructure funds, financing and making investments in a wide range of infrastructure assets including solar PV. He joined YCE to help with the financing and purchase of the solar farms for the local communities, including Newton Ferrers where he and his wife have a home.



Stephen Brown, Director

Stephen Brown has recently retired after a career in trading seafood. Based in London and with offices in Europe and the USA, Stephen ran a seafood company trading in frozen seafood mainly from the Far East to Europe, USA and Central and South America. He has also been involved with Seafish in the UK and SIPA in Europe working on technical and regulation aspects of the seafood trade. Stephen is a resident of Holbeton.



Tracy Ebbrell, Consultant Operations Manager

Tracy Ebbrell has an extensive career background covering banking, aviation, project management, environmental conservation, charitable funding and marketing, and, as such, was the ideal choice with the broad skills base needed for the operations manager role at YCE. Tracy lives in Holbeton with her family.



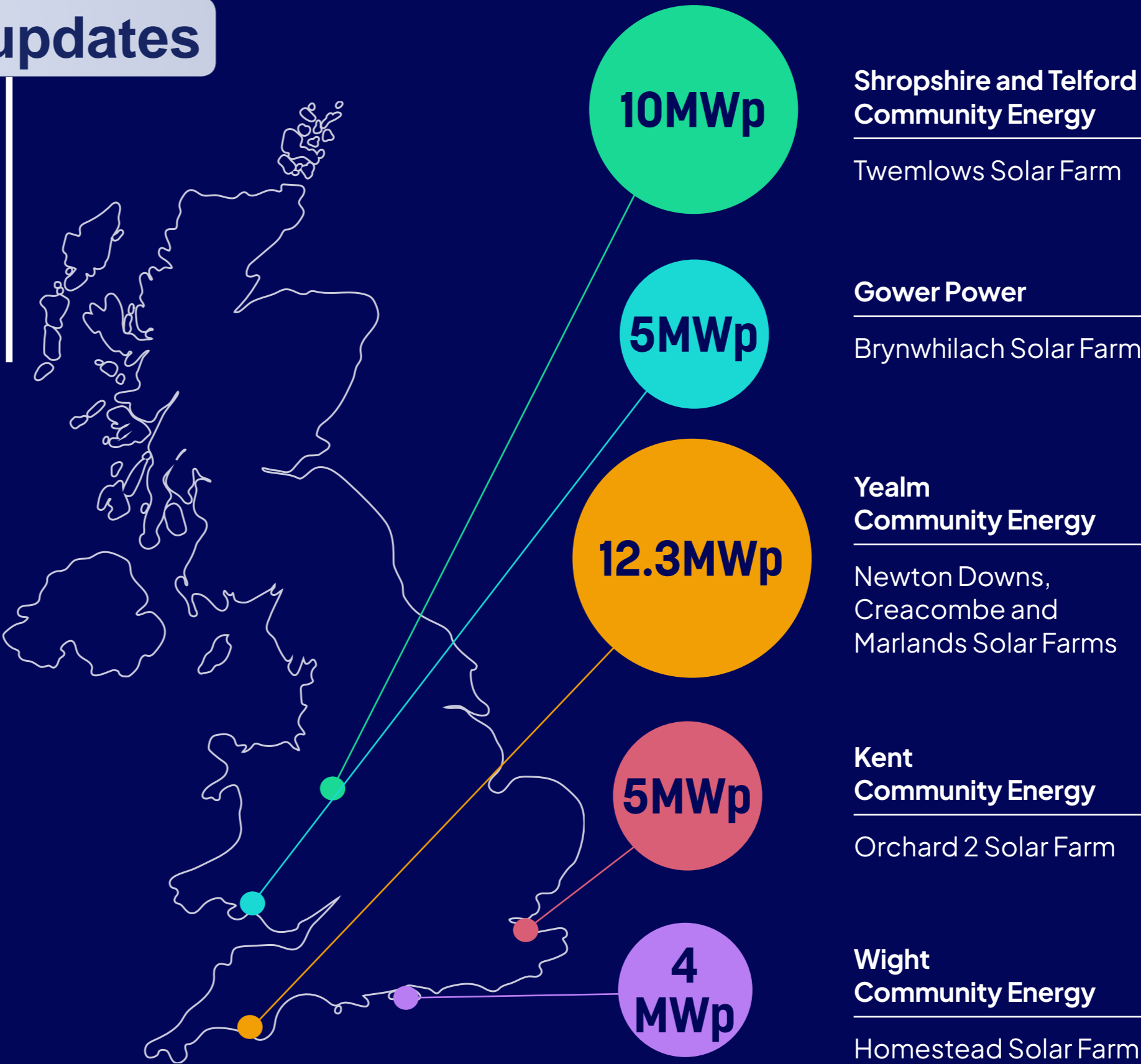
Check addendum for updates

As mentioned, Newton Downs, Creacombe and Marlands Solar Farms are now part of a portfolio of seven UK solar farm assets, which have been cross-collaterally financed by CORE. Each asset is being purchased by a local Community Benefit Society in the UK. Five societies are involved as some are buying more than one asset.

Four of the five member societies of Community Energy Together (CET), including YCE, launched their share offers on 31st July. One society, Gower Power, is converting from a Community Interest Company to a Community Benefit Society before it launches. The application process is underway with the FCA and Gower Power expects to launch in time to participate in this offer. There is a small risk that Gower Power doesn't convert to a CBS before this offer closes - see the **Risks** section for more details.

CET has been set up as the umbrella organisation to manage the cross-collateralised debt arrangements while the shared debt finance remains in place, for about 13 years. The portfolio of seven solar farms will increase the capacity of community-owned solar energy in England and Wales by around 20% once the transaction to each society has taken place. Together these assets will generate some £20M of surplus funds which will be directed by the societies over the coming 20 years toward charitable and non-charitable local projects and to the development of new community owned renewable energy projects.

The cross-collateral debt arrangements of CET will enable each solar farm to generate enhanced levels of Community Benefit Funds for many years to come, compared with a standalone community solar farm, while also sharing risk as a group. This is because the cross-collateral debt finance has a lower interest rate than the traditional bank financing of community owned solar. The interest payments are linked to inflation, providing a hedge against changing revenues since most of the asset revenues are also linked to inflation. In the unlikely event there is a problem with one asset, that society will not go into 'lock up' but will be supported by the other societies in the group.



CET will be owned collectively by the five asset owning societies, with each society providing one CET director. As community partners, we are committed to working together in good faith for the good of our communities through CET. We are also committed to complying with the shared loan obligations while servicing the cross-collaterally raised debt, working as a group to ensure we reach our collective target through share offer raises.

As a group, we are also taking a Junior Loan from Power to Change and Big Society Capital at the point of transaction. After initial target equity raise, our offers may be left open and any further funds raised will be directed to reduce the Junior Loan size and thereby increase the Community Benefit Funds we can generate. Up to a collective maximum of £13.75M could be drawn down incrementally, at which point the loan CET takes would have been reduced to zero.

The majority of the Junior Loan will be repaid over the next five years from surpluses generated by the seven assets. However, the Junior Loan end date is 31st March 2029, so any amount outstanding at that date will need to be refinanced at the end of that period. This could be through CET arranging a replacement term loan, or by issuing bonds, or by individual societies raising additional funds from subsequent share issues. The amounts lent by Power to Change and Big Society Capital for the Junior Loan vary between each society. Nonetheless, although certain societies

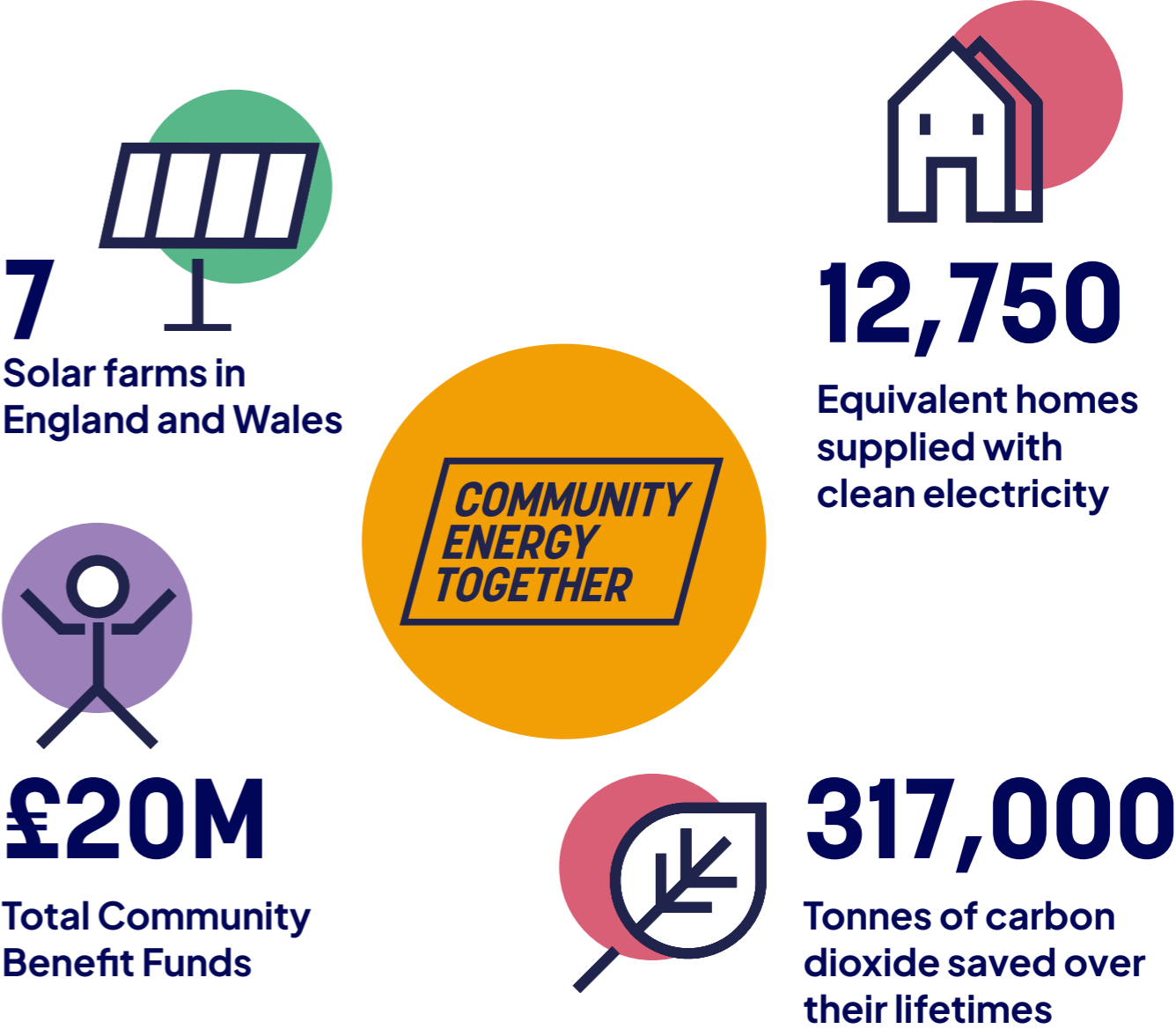
may have repaid their share in full before any refinancing, the responsibility for the refinancing is shared across all five societies. If the required refinancing is not arranged within the five years this could affect the ability to pay interest and community funds for all the societies. It is the intention of all societies to prioritise refinancing so this should not occur.

All CET assets will be managed by Bright Renewables, the UK's first fully community owned asset management company. It manages the UK's largest proportion of community owned renewable assets, with more than 83MWp of generation across 42 projects. CORE and FE facilitated the recapitalisation and consolidation of Bright Renewables, thereby establishing an economic and beneficial resource to be shared by the CET societies in the future.

Bright Renewables' industry position gives it the advantage of scale when arranging and negotiating portfolio-level and individual contracts to optimise the value of all the CET assets they manage. Contracts include lease and planning extensions; Power Purchase Agreements; operational efficiencies; and new renewable project initiatives. The intention is each CET society will be a member of Bright Renewables post asset purchase, and indeed some members already are.

Further information about the structure of our wider group can be found in our [business plan](#).

Check addendum for updates



CET ADDRESSES THE FOLLOWING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:



OUR PARTNERS IN CET

SOCIETY	SOLAR ASSETS TO BE ACQUIRED	CORE ACQUISITION DATE	DESCRIPTION
Yealm Community Energy (YCE)	Newton Downs, 4.9MWp, Creacombe 4.4MWp, Marlands 2.9MWp, all in South Devon	2017 2019 2020	YCE is a Community Benefit Society in Devon, established in July 2015.
Kent Community Energy (KCE)	Orchard 2, 5MWp, near Sittingbourne	2018	KCE is a Community Benefit Society in Kent, established in 2016.
Wight Community Energy (WCE)	Homestead, 3.9MWp, near Newport, Isle of Wight	2019	WCE is a Community Benefit Society on the Isle of Wight, established in 2015. WCE has managed the Homestead site since 2016 and has carried out a successful previous share raise for £700,000.
Shropshire and Telford Community Energy (STCE)	Twemlows and Twemlows 2, 10MWp, near Whitchurch, Shropshire	2019	STCE is a Community Benefit Society in Shropshire, established in 2022.
Gower Power	Brynwhilach 4.99MWp, Llangyfelach, near Swansea	2019	Gower Power in Swansea was originally set up as a Company Ltd by Guarantee in 2013, converting to a Community Benefit Society in 2023.



GRANTS AND UPSKILLING



YCE, along with three of the other CET members, has benefited from the Next Generation programme, which is funded by Power to Change and delivered by the Centre for Sustainable Energy. The programme has helped to equip our organisation with the knowledge, advice, training and skills for management of the society.

The programme has also provided startup funding for us to develop new innovative long-term projects that deliver against local needs and priorities. For example, funds have been directed to activities to enhance the impact of the solar assets, such as biodiversity master planning, natural capital assessments and exploration of opportunities for battery energy storage and electric transport.

Since 2018, Power to Change has provided YCE substantial operational grant funding used for:

- Services of a consultant Operations Manager
- Marketing and preparation of this share offer
- Financial accounts and audits
- Legal advice
- Insurances
- Startup funding for an innovative project
- Membership of key renewable energy associations and Coops UK

A balance of the grant funding is available to cover the period until the purchase of the solar farms is complete.



OUR IMPACT

Since 2018, £100,000 of Community Benefit Fund has been distributed by YCE to 47 local projects in the parishes of Wembury, Brixton, Yealmpton, Newton and Noss, and Holbeton. The Community Benefit Fund has been funded from the financial surpluses generated by the solar farms during their ownership by CORE. Once under YCE ownership net financial surpluses will continue to be available each year for grant applications and £8M of additional Community Benefit Fund is forecast to accrue over the remaining terms of the solar farm leases.

Making an impact in the community is at the heart of what we do. Each year we will report back to our members, via our AGM and our website, what impact the society has made over the previous twelve months.

The projects YCE has supported to date include:

Energy saving advice: provided to households in fuel poverty.

Energy saving measures: insulation, LED lighting and PV panels for public buildings and community halls.

Environmental education: projects for local schools; and a ground-breaking woodland education space for children with learning difficulties.

Opening of Newton Ferrers primary school outdoor environmental classroom



“With fantastic support given by Yealm Community Energy, we were able to part-fund an outdoor classroom and woodland pond that have been fantastic teaching aids for our biology and woodland ecology lessons.”

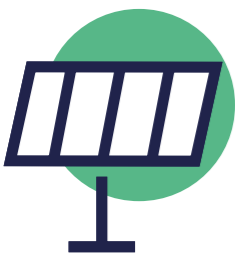
Head Teacher, Newton Ferrers Primary School

Yealm Community Electric Transport

Highly innovative electric transport: the sponsorship and support for a community-owned electric ferry on Yealm Estuary, (Yealm Community Electric Transport), where we provided initial funding until the project could be established as a separate standalone Community Interest Company.

“We are extremely grateful to Yealm Community Energy for having the vision and understanding to support this pioneering project.”

Richard Robinson, Director, YCET



133,000

Tonnes of carbon dioxide saved over the lifetime of the solar farm



4,450

Equivalent homes supplied



£8M

Community Benefit Funds over the lifetime of the solar farms

Brixton Community Compost Scheme



“Being muddy and often flooded, we took the decision to create an all-weather facility by installing a concrete pad. The upgrade was completed at the end of 2020 and we were fortunate to be given a £1,000 grant by Yealm Community Energy to put towards the total cost for the work.”

Alan Powell, Brixton Composting Service

One in every 10 residents in our community have had a direct benefit from the solar farms via grants from the Community Benefit Fund.

“I believe the board have done an excellent job and that YCE has become an impressive community force.”

Testimonial from a YCE member

Wildlife protection: bird boxes, wildflowers for pollinators and school ponds.



Community Engagement: wildlife surveys and garden waste composting.

Brixton and Yealmpton villages biodiversity: improvements on open spaces and allotments; waste composting.



Brookings Wood: Ash dieback works, storage shed and bird box making for educational events.

Moor-to-Life Project

“With fantastic support given by Yealm Community Energy, we were able to part fund an outdoor classroom and woodland pond that have been fantastic teaching aids for our biology and woodland ecology lessons”

Environmental enhancement: tree planting in our local community woodland; engagement on the establishment of a wildlife corridor, including planting 10,000 trees in local woodland areas (the Yealm Estuary to Moor project); and carbon sequestration for agriculture through biochar.



YCE Team shot, Creacombe

THE FINANCIAL MODEL/ PROJECTION

Total revenues over the next 27 years (the life of the solar farm leases) are projected to be around £38M. Projected revenues and costs are based on a number of key assumptions, including inflation and electricity prices, which are built into the financial model prepared by FE.

The subsidy (ROC) income for Newton Downs will be paid until December 2037. By this time, all the loans and the majority of the share capital should have been repaid. For Creacombe, the entitlement to FiT will lapse in December 2039. We can continue to earn income from exporting electricity after these dates. The leases and planning permission for Newton Downs and both Creacombe and Marlands run out in 2046 and 2050 respectively, but there is a reasonable possibility of these being extended. YCE will be responsible for clearing the site when the project concludes, but a significant part of the decommissioning cost should be covered by the scrap value.

CASHFLOW PROJECTIONS (£1,000s)	YEARS 1-5	YEARS 6-10	YEARS 11-15	YEARS 16-20	YEARS 21-25	YEARS 26-30
Total revenues	9,168	8,155	7,500	6,377	5,705	1,296
Operating expenses	(2,288)	(2,497)	(2,681)	(2,860)	(2,691)	(668)
EBITDA	6,880	5,657	4,819	3,517	3,014	627
Corporation Tax	(262)	(847)	(843)	(689)	(564)	(81)
Cashflow available for financing	6,618	4,810	3,976	2,828	2,450	546
Senior and junior debt (interest and capital)	(6,012)	(4,815)	(2,295)	-	-	-
Community equity interest and capital repaid	(246)	(871)	(186)	-	-	-
Junior debt refinance Capital and interest	-	1,250	(1,932)	(141)	-	-
Opening cash	577	571	606	950	3,643	6,135
Closing cash	571	606	950	3,643	6,135	6,632
Reserves (DSRA/MRA)	718	678	-	-	-	-
Closing cash + reserves	1,289	1,284	950	3,643	6,135	6,632

Notes

Operating expenses include the costs of running YCE and a basic annual Community Benefit Fund.

EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

This is an estimated Corporation Tax figure. If all earnings are spent on eligible expenses or donated to charities the Corporation Tax bill should be lower than this.

DSRA (Debt Service Reserve Account) and MRA (Maintenance Reserve Account) are part of the abrdn senior debt requirements and will be released back to YCE once the abrdn facility is fully repaid.

Once the Junior Loan is repaid the closing cash and reserves could be utilised to fund new projects or to increase the annual Community Benefit Fund, though some reserves need to be kept for working capital and to cover potential decommissioning costs.

Check addendum for updates

The key assumptions underlying these projections are as follows:

Yealm Community Energy raises £860,000 through the share offer.

CET societies raise a combined minimum of £2.5M through the share offers.

CET societies raise £10.5M of Junior Loan from Big Society Capital and Power to Change, which is due to complete at the same time as completing this share offer. The Junior Loan of £10.5M is based on forecast cash available and £2.5M combined equity raise. If the cash position at closing or combined equity raise is lower than expected, the Junior Loan will need to be increased.

The capital raised from this share offer, the other community societies' share offers and the Junior Loan capital is used to repay CORE and transaction costs associated with the financing.

This will bring the Newton Downs, Marlands and Creacombe Solar Farms into the full ownership of Yealm Community Energy.

The financial projections, and therefore YCE's ability to fulfil its financial commitments and pay member interest, are based on certain key assumptions, which may, or may not be realised. Full details of the financial projections, assumptions and risks are given in our [business plan](#).

abrdn Loan (Senior debt)

The CET community societies have a loan from abrdn in place with an outstanding balance of £24.2M as at 30th September 2023. The senior loan is allocated across the underlying solar farms that Yealm Community Energy, Wight Community Energy, Kent Community Energy, Shropshire and Telford Community Energy, and Gower Power are looking to acquire. The outstanding senior loan attributed to Yealm Community Energy is c. £6.2M as at 30th September 2023.

The abrdn loan is repaid collectively by the solar farms based on a fixed semi-annual repayment profile with the final repayment being made in December 2036. The abrdn loan bears interest at a rate of 0.1% and both interest and capital repayments are indexed to RPI. The abrdn loan is cross-collateralised with first ranking security interest over the solar array assets and shares across the group structure.

Full details of loan arrangements are given in our [business plan](#).

Finance Earth has also looked at three possible downside scenarios in the financial model, lower output, lower electricity prices and lower inflation. Each of these would reduce the surpluses available but none of them individually would affect YCE's ability to repay the interest and capital repayments on the loans and shares. It is possible that a perfect storm combination of two or more of these downside scenarios could impact on our ability to repay the loans but this is considered to be unlikely. Further detail is given in YCE's [business plan](#).

YCE Director Ray Holland being filmed for a live online science lesson for local schools during the Covid pandemic.



RISKS

All investments carry some risks. This table indicates how YCE and CET have worked to minimise and mitigate the risks involved with owning a solar farm.

OPERATIONAL AND TECHNICAL	
Risk	Mitigants
<p>The underlying asset/s may not perform as expected.</p> <p>Past performance is not an indication of future performance. The solar installations may not generate the electricity as expected. There could be lower than anticipated technical performance due to a range of factors, for example:</p> <ul style="list-style-type: none">• Panel or inverter underperformance• Reduction in efficiency and/or degradation• Unanticipated seasonal variations	<p>All sites have been the subject of technical due diligence by Everoze Partners. They did not detect any significant issues that would cause concern compared with industry standards.</p> <p>The PV modules are still under warranty. All inverters are under warranty.</p> <p>The financial model considers the build-up of a maintenance reserve fund, which provides enough cover to replace the inverters once over the project lifetime.</p> <p>The senior debt repayment schedule has been structured so that capital repayments are lower in December and higher in June to reflect seasonal variations in revenues.</p>
<p>The National Grid ESO (Electricity System Operator) has the right to unilaterally restrict the export of power to the grid.</p> <p>The National Grid Electricity ESO operates the power grid, balancing the supply and demand of electricity at a national level. Power generated and sold by each solar farm is exported to the grid.</p> <p>National Grid ESO may unilaterally restrict the export of power to allow it to balance supply and demand. This moderation may result in the installation exporting less power than it is generating. The National Grid ESO can require generators and operators to curtail their output or disconnect altogether.</p> <p>Where a site cannot export power, this reduces the total volume of energy sold, and reduces total revenues.</p>	<p>Each site has been designed and sized in collaboration with a regional electricity distribution company ('DNO'). This exercise includes a mapping of (expected) generation against demand. As the portfolio comprises ground mounted solar panels, which reach peak generation conditions midday in summertime, generating patterns are highly predictable and predictability materially reduces the likelihood that the portfolio could be impacted by a curtailment by the National Grid ESO.</p> <p>Everoze, the technical advisor to the senior lender, abrdn, performed an energy yield assessment study for the portfolio in 2021. In this study, Everoze found that, based on reviewing historic grid curtailment events, the CORE portfolio availability factor has been in the range of 98.5% to 99.5%. These values have been determined on a per project basis and applied into the lenders and long-term forecast financial models.</p> <p>Additionally, while generators are not directly able to control grid downtime, the portfolio has procured business interruption insurance to cover for periods of revenue loss in excess of seven days of downtime. The business interruption values insured have been determined using forecast revenue values for the forthcoming insured periods, determined at each renewal period in May annually.</p>

OPERATIONAL AND TECHNICAL	
Risk	Mitigants
<p>Insurance policies may not cover the full extent or circumstances of revenue loss or cost to make good equipment.</p> <p>Extreme weather conditions may cause damage to power facilities or even total loss of power plants. Repeated theft or vandalism could incur losses above insured amounts.</p>	<p>Solar Power Operational All Risks Insurance has been taken out with Allianz for each asset in the portfolio. The policy includes material damage to the plant and machinery, ancillary equipment and housing and civil works. This policy also includes business interruption, public and product liability.</p> <p>In addition, Property Terrorism Insurance has been taken out with Geo Speciality Limited. This policy covers the assets in the case of an act of terrorism or sabotage.</p> <p>The O&M and asset management contracts include insurance coverage for professional indemnity, public liability and employers' liability up to industry standard levels.</p>
<p>The operations of the solar installation depend in part on other contractual parties.</p> <p>The solar installation operations may rely on the performance of operation and maintenance providers, asset managers and those parties supplying ancillary services. The contracted parties may from time to time suffer from circumstances, which may affect their ability to deliver the contracted services.</p>	<p>The CORE portfolio may enter into agreements with certain counterparties for specific project-related activities. These include, but are not limited to, engineering, procurement and construction and O&M services, asset management, and contracts managing the interconnections between the solar asset and transmission or distribution networks.</p> <p>The portfolio of companies relies on the asset manager to maintain and manage major contractual parties. The asset management contract has been executed with Bright Renewables, a specialist community renewables asset manager owned by a number of community energy companies including those in CET.</p> <p>However, there can be no assurance that a counterparty will honour its obligations under the relevant contract(s). To mitigate against this, the O&M and asset management contracts include insurance coverage for professional indemnity, public liability and employers' liability.</p>

FINANCIAL	
Risk	Mitigants
<p>Financial expectations may not be realised. Project revenues may move up or down over time.</p> <p>The financial performance of the Borrower may vary over time. There may be unexpected revenue movements, which may impact the ability of the Borrower to fully meet financial obligations.</p>	<p>Finance Earth has produced a bespoke, audited financial model for each operating company and the portfolio. The model has incorporated energy yields from technical advisors, government inflation measures, and market standard forward wholesale prices. However, financial expectations beyond these assumptions may not be met.</p> <p>The financial model uses industry standard forward pricing from AFRY, Baringa and Aurora and assumes that no embedded benefit linked revenues are received.</p> <p>If a solar farm within the CET portfolio incurs an issue of such a magnitude that it has no free cash and is unable to meet its debt interest and principal repayments as they fall due, the other societies are expected to use their Community Benefit Funds and money due to pay their members' interest to support the society with the problem, to avoid a lock-up or default under the senior loans. This financial support is expected to be repaid by the society with the issue as soon as it is able to do so.</p>
<p>Junior Loan and Refinance Risks</p>	<p>As part of the financing of the portfolio of solar farms, BSC and PtC are providing a five-year bridging loan. CET plans to refinance this loan before it expires. Failure to refinance successfully within five years will impact the ability to pay any CBF and to pay members' interest.</p> <p>BSC and PtC are sociably responsible investors and as part of the Junior Loan arrangements, all CBSs are expected to abide by these principles. A remote risk is that a CBS breaches these conditions materially, which could lead to an event of default under the Junior Loan affecting our ability to repay Members.</p>
<p>Gower Power may not be able to convert to a CBS in time to participate in this share offer, leading to the contingent risk that a different way to purchase Brynwhilach solar farm may need to be considered, for example the Junior Loan may need to be increased.</p>	<p>The Junior Lenders and the participating societies are committed to bringing Brynwhilach solar farm into community ownership. A number of different scenarios have been explored, including Brynwhilach being purchased by the other CBSs and being sold on to Gower Power within twelve months. For all scenarios the lenders and societies are confident a solution can be found, however investors should understand there is an element of risk.</p>

FINANCIAL	
Risk	Mitigants
<p>Wholesale power prices are determined by market movement and may move up or down over time.</p> <p>Wholesale energy prices are determined by market forces and are not influenced by the Borrower. The price per unit of electricity generated in the UK may fluctuate, impacting the price per unit achieved by the solar installation.</p>	<p>Where wholesale prices move down, the revenues of certain CORE group assets are protected by government supported subsidy schemes. Several assets in the portfolio are FIT accredited. These are:</p> <ul style="list-style-type: none"> • Twemlows 1 and 2 • Orchard 2 • Creacombe • Homestead <p>The FIT Export price floor provides a minimum sale price for the power generated by the site. FIT asset revenues are generated from subsidies and energy sales at the FIT Export price floor. The FIT subsidy is RPI linked and provides a secure source of revenue that is not subject to fluctuations in wholesale energy prices.</p> <p>Assets subsidised under the Renewables Obligation Scheme are:</p> <ul style="list-style-type: none"> • Brynwhilach • Newton Downs <p>These assets generate revenues through the sale of Renewable Obligation Certificates (ROCs) and energy sales by way of PPAs. ROCs are purchased by UK energy suppliers to fulfil regulatory obligations. The price of ROCs is not determined by wholesale energy prices.</p> <p>All CET assets are locked into PPAs agreed until March 2026, under which they will receive favourable energy prices.</p>
<p>The costs of maintaining the solar installation equipment may move up or down over time.</p> <p>The solar installation contains equipment, which may need to be repaired, enhanced, or replaced over time. The cost of work or servicing may change from time to time.</p>	<p>The CORE portfolio holds inflation-linked operations and maintenance contracts where costs are clearly set out and defined.</p> <p>The financial models assume an ad-hoc O&M expenditure budget is also available each year for additional component parts or labour needed to keep the asset operational.</p>
<p>The use, and measures, of inflation indices may fluctuate over time.</p> <p>The UK Statistical Authority has planned to transition the methodologies used by the CPI into the Retail Price Index from the early 2030s. Inflation measures may also fluctuate over time, moving upward or downward. There is no guarantee that current long-term measures of inflation are accurate. This may impact the Borrower's ability to service its obligations.</p>	<p>All major income streams (i.e. FIT, Export Tariff and off-take contract payments) are contractually linked to RPI. Most of the management and operating costs will also fluctuate with inflation, either the CPI or RPI.</p> <p>The portfolio model utilises short-term inflation views published by the Office of Budget Responsibility from reviewing the UK government budget forecasts. These short-term rates are then tapered to a long-term target rate in the models.</p>

POLICY	
Risk	Mitigants
<p>Loss of FiT accreditation by a licensee may result in that licensee being unable to fulfil its obligation to pay the FiT to the project owner.</p> <p>Loss of ROC buyer.</p>	<p>Each FiT asset has a nominated FiT licensee. Where a FiT licensee is unable to fulfil its obligations under a scheme, these obligations are automatically passed to a new licensee under Ofgem’s supplier (licensee) of last resort.</p> <p>Each electricity supplier has an obligation to acquire ROCs, which can be traded on the open market as well as bundled as part of a Power Purchase Agreement. In the event of a supplier failing, the ROCs can readily be sold to others.</p>
Changes to the FiT or ROC regimes.	While the FiT and ROC regimes, overseen by Ofgem, are no longer available for new schemes, the assets have FiT and /or ROC registration, which lasts until a defined date. Loss of FiT or ROC income is considered to be very unlikely.
<p>Changes in the political and legislative landscape may adversely affect the renewable energy sector.</p> <p>Unforeseen changes in regulation, political ambition and laws may impact the FiT or ROC scheme or taxation. Additional levies may be enacted, impacting the ability of the assets to generate revenues and/or profits.</p>	<p>Regulation, political will and laws change from time to time. During the period between commissioning and the present, Ofgem has undertaken the Targeting Charging Review. The initial outcome of the review reduced embedded benefits to zero. This has been factored into the financial model.</p> <p>The export price has been assumed to fall from 2026 as the current peak in electricity prices is expected to pass. It is unlikely though that export prices will return to the levels seen in 2021 and even if they do, the solar farms will still have the FiT or ROC generation income.</p>

Notes to Risks

While there are risks with all community share investments this offer does have some significant advantages, as follows:

1. The sites are already operational with good data available on their performance.
2. As part of CET, if one of the solar farms were to experience difficulties, help is at hand.
3. CET enables co-ordinated fundraising and management of the schemes.

All the solar farms are covered by insurance. However, there is the possibility that issues affecting any of the other solar farms could limit the ability of YCE to pay interest to its members, but only after the following step-by-step procedure is followed:

1. The society that owns the problem asset forgoes some of its additional Community Benefit Fund for that year.
2. That society’s shareholders receive reduced or zero interest on their shares for that year.
3. Additional surpluses that would be otherwise available to the other societies are utilised.
4. The other societies have their extra Community Benefit Fund reduced.

Only if the above four mechanisms are not sufficient to cover the issue will the other societies’ members’ interest payments be affected.

The interest repayments on the loans are protected unless the above mechanisms are not sufficient to cover the issue.

It is considered that the advantages of the group setup of CET outweigh this risk of potential reduced income if one or more of the other societies have issues with their solar farms.

IMPORTANT NOTICE

Community Shares and Bonds (Capital at Risk)

Any capital invested in community share issues is at risk and all community energy investors are advised to take financial advice and to spread their risks. The value of the shares can go down, but they cannot gain value. YCE will endeavour to pay the target 6% interest per year, but we cannot pay out more interest than we can afford. We will also aim to re-pay the share capital between 2029 to 2037 but this cannot be guaranteed.

Investors are not protected by the Financial Services Compensation Scheme (as you would be with a savings account) and do not have recourse to the Financial Ombudsman Service. Please do not invest any money that you can’t afford to lose.

HOW TO INVEST



How do I apply for shares?

Applications for YCE shares can be made through the Ethex platform by going to www.ethex.org.uk/invest/yce

This will take you through to the Ethex website where our share offer is listed. You will need to complete various steps to register, where eligibility checks will apply, before you can invest. The final decision to approve each application is at the discretion of the directors of Yealm Community Energy.

Ethex is an Oxford-based not-for-profit organisation operating an online platform for positive investments, which makes positive investing easy to understand and easy to do.

If you have a query about how to apply for this offer, please visit www.ethex.org.uk or contact Ethex by email at help@ethex.org.uk

For general queries about this offer, please contact YCE at: info@yealmenergy.co.uk

Who can apply for shares?

The board may, at its discretion, accept share offer applications from any individual aged 18 and over, any corporate body or nominee of an unincorporated body, firm or partnership, who supports the objects of the society. A corporate body that is a Member shall, by resolution of its governing body, appoint a representative who may during the continuance of her/his/their appointment be entitled to exercise all such rights and powers as the corporate body would exercise if it were an individual person. Each such corporate body Member shall supply notification in writing to the society of its choice of representative. Ethex's platform cannot accept US or Canadian investments.

Investors in this share offer may hold shares on behalf of somebody who is under 16 years of age. If you wish to invest on behalf of a child then you can do this at the end of your online order process. The Ethex platform is unable to have accounts for individuals under the age of 18, instead you should use the online nomination form if you are buying shares on behalf of someone aged 16–17. Once the offer closes, the shares will be held in the name of the applicant (as first named member on the share register) on behalf of the person under 18 years old until such time as the named member instructs the society otherwise. On notification, we can cancel the original shares and new shares will be issued to the nominated individuals aged 18 on proof of age.

What happens if/once my application is accepted?

Prior to any drawdown of funds, Ethex will provide the board of directors with an allocation list for consideration at the next board of directors' meeting. The board will be required to approve the list of investors, and, upon approval, funds will be transferred to YCE.

Money will be held by ShareIn as Ethex's designated receiving agent until the shares are issued. Your money will be held by ShareIn in escrow until we issue shares to you. After this, you will be bound by the Rules (see [YCE website](#))

Can I sell my shares?

Community shares are non-transferable and so cannot be bought or sold on any listed marketplace. Applicants should know that the only way of getting their money back is by selling shares back to the society. Notice has to be given of the intention to withdraw share capital and directors have the right to refuse requests for withdrawal. Before May 2029 the YCE directors will only accept requests for withdrawal associated with death or other exceptional circumstance, after that we will endeavour to meet all withdrawal requests providing sufficient funds are available.



What happens if the offer fails to reach its target?

If this offer fails to reach its target, any shortfall will be met through inter-company loans within CET, by other societies who over-raise. If the society partners fail to meet their overall equity raise targets, the junior lenders (BSC and PtC) will increase the Junior Loan amount to cover the remaining shortfall, so long as the CET minimum has been met. If the CET minimum is not met then the BSC/PtC Loan may not complete and if it does not, investor funds will be returned in full.

What happens if the offer raises above its target?

If the offer raises above its target, it may loan funds to other societies who under-raise. After this it may be allocated to its apportionment of the Junior Loan provided by BSC and PtC and will decrease by the over-raised amount (minus fees due to Ethex). The Junior Loan will be revised to meet the remaining financing need.

When can I expect to receive my first interest payment?

Interest payments will be agreed at our next AGM (Annual General Meeting), which we expect to hold in the early summer of 2024, and will be released after this.

Will I become a member of YCE?

All those who purchase shares through this offer or other similar offers will become members of YCE for as long as they hold at least the minimum investment. Each member is entitled to one vote at the AGM and any extraordinary general meetings. All members may stand for election as a director of the society at an AGM.

Could YCE sell any of the solar farms?

As a CBS the value of the assets are locked for community benefit. If they were sold the money raised by the sale must be used for community benefit. A sale would also need the approval of the membership and of the senior lender, abrdn, unless the senior loan has already been repaid.

What about further community energy schemes and share offers?

YCE may consider acquiring new community energy assets over the next few years so may be issuing further share offers. Any new scheme will only go to a share offer with the approval of the membership. Any future share offer could have different terms and conditions to this offer. Any future schemes could affect YCE's ability to repay the capital invested under this share offer, hence the requirement to get members' approval before undertaking further share offers.

What is CORE's relationship with YCE?

Community Owned Renewable Energy (CORE) LLP is the current owner of the holding companies for the three solar farms: Newton Downs, Creacombe and Marlands. It is also the owner of all other holding companies in the CORE portfolio. The original funders, Power to Change (PtC) and Big Society Capital (BSC) own CORE LLP. PtC and BSC also have nominated representatives on the CORE management board, which oversees the management, strategic decision making, operation and administration of the CORE portfolio.

Upon completion of the equity raise, ownership of the three YCE solar farm holding companies will be transferred to YCE. Portfolio level decision-making will be handled by CET, which is governed by members of each of the societies. PtC and BSC will maintain an ongoing relationship with YCE and CET as junior lenders to the portfolio through CET.

What is Finance Earth's role and relationship with YCE?

Finance Earth (FE) designed CORE and launched it with funding from PtC and BSC in 2017. FE currently acts as the advisor and investment manager, providing a range of services including acquisition and corporate finance advice, administration services, restructuring and optimisation and debt and equity refinancing. FE also prepared bespoke financial models for the CORE portfolio and each society, including YCE. These models have informed this share offer document and supporting business plan.



TERMS AND CONDITIONS

Minimum and maximum investments

The minimum investment in this share offer is £250, the maximum investment is £100,000. Each share has a nominal value of £1.

Interest

YCE is targeting a 6% interest paid annually on all retained capital. The first payment should occur shortly after the AGM in the summer of 2024.

Capital repayments

No capital will be repaid in the before May 2029, except under exceptional circumstances, as all available resources will be directed to repaying the Junior Loan. It is expected most of the capital will be repaid within 10 years, but members might like to leave some capital in the society to stay as a member (unless they have also invested in subsequent YCE share offers).

Share withdrawal

Shares are not transferable, but requests can be made to withdraw share capital ahead of the timetable set out by the directors. Once the Junior Loan has been repaid in full the directors will endeavour to meet all withdrawal requests but cannot guarantee the request will be met.

Society membership

All those investing in any YCE share offer will become a member of YCE with a right to vote at its AGMs on a one-member-one-vote basis so long as at least 250 £1 shares have been retained. Members are encouraged to get involved in the activities of the society either through joining the board or by taking part in supporting activities.

Society rules and business plan

A copy of YCE's rules and business plan can be found at www.yealmenergy.co.uk

Tax

For UK residents interest is paid gross and is potentially taxable. Standard rate taxpayers can currently earn interest up to £1,000 per annum tax free. It is your responsibility to declare this to HMRC. For non-UK residents the interest is paid net and the society will pay the tax to HMRC. It is your responsibility to declare these earnings to HMRC.

Privacy Policy

Yealm Community Energy will handle data in line with guidelines as detailed at www.yealmenergy.co.uk/privacy-policy

This is in addition to any information provided to Ethex in the course of registering to use their site, for which they will act as Data Controller until such time as you cancel your account with their site.

Their policy can be found here: www.ethex.org.uk/legal/privacy Ethex may also require additional documents to be provided as part of their anti-money laundering processes.

APPENDIX 1: DEFINITIONS

BSC	Big Society Capital is a financial institution dedicated to social impact investment in the UK. Big Society Capital's mission is to improve the lives of people in the UK through social impact investing. With other investors alongside, Big Society Capital has helped make over £2.5BN available to more than 2,000 social enterprises and charities that are tackling a wide range of problems, such as homelessness, mental health and childhood obesity.
CBF	Community Benefit Fund In this case a fund drawn from the surplus of the solar farms used to support local social and environmental projects through grants and direct project funding.
CET	Community Energy Together, which is the alliance of the five community partners with seven assets: Homestead, Brynwhilach, Twemlows, Orchard 2, Newton Downs, Creacombe and Marlands, and shared company responsible for loans, asset management, etc.
Community Partners	Yealm Community Energy Kent Community Energy Wight Community Energy Shropshire and Telford Community Energy Gower Power
Completion	On completion of the Junior Loan agreement and the community equity raise, when control of the solar farms will pass to the five groups.
CORE	Community Owned Renewable Energy
CORE funding partners	Big Society Capital and Power to Change.
CORE Home Nations	Refers to the legal entity (original investment of £10M).
CORE LLP	Refers to the legal entity (original investment of £40M).
CORE partners	All of CORE LLP, Home Nations, CORE funding partners and Finance Earth (FE).
CORE portfolio	Seven assets: Homestead, Brynwhilach, Twemlows, Orchard 2, Newton Downs, Creacombe and Marlands.

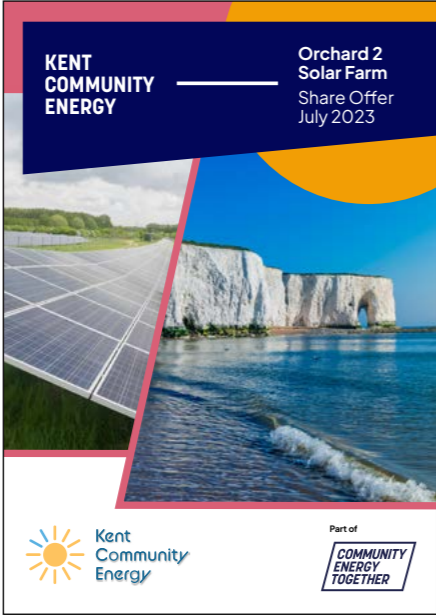
FE	Finance Earth, a specialist investment manager that provides corporate finance, project finance and fund management services to corporates and NGOs that seek to protect and restore nature. FE is CORE partners' advisor and investment manager, providing a range of services including acquisition and corporate finance advice, administration services, restructuring and optimisation and debt and equity refinancing.
FIT	Feed-in Tariff, a revenue support mechanism under which generators of renewable energy receive payments funded by the government.
Junior Portfolio Loan Note	Proposed up to £10.5M Junior Loan Note.
Junior Security Trustee	Security trustee to be appointed for and on behalf of the Junior Portfolio Loan Note holders.
MW	Megawatt, a unit for measuring electricity energy output of a project and the equivalent of 1,000kW (kilowatt hours).
MWh	The amount of energy generated at a constant power of one Megawatt (MW) for one hour.
MWp	The maximum (peak) power generation capacity measured in Megawatts (MWp).
Notes	Senior Portfolio Loan Note together with the Junior Portfolio Loan Note.
O&M	Operations and maintenance
PPA	Power Purchase Agreement, the agreement between a supplier of electricity and a generator of electricity regarding the price that will be paid for the energy purchased.
Project companies	The companies that own the solar assets.
PtC	Power to Change is an independent charitable trust that strengthens communities through community business. Established in 2015 with an endowment from The National Lottery Community Fund, Power to Change brings partners together to grow and back community business to make places thrive.
ROC	Renewable Obligations Certificate (subsidy).
UNSDGs	United Nations Sustainable Development Goals

APPENDIX 2: OTHER SOCIETIES' SHARE OFFER DOCUMENTS

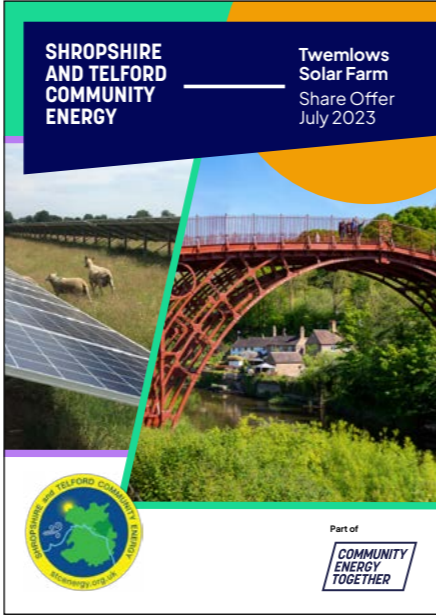
There are five Community Benefit Societies in Community Energy Together. Each is buying, or has bought, solar farms in their areas.

Now they're giving you the chance to invest in these solar farms to bring them into full community ownership.

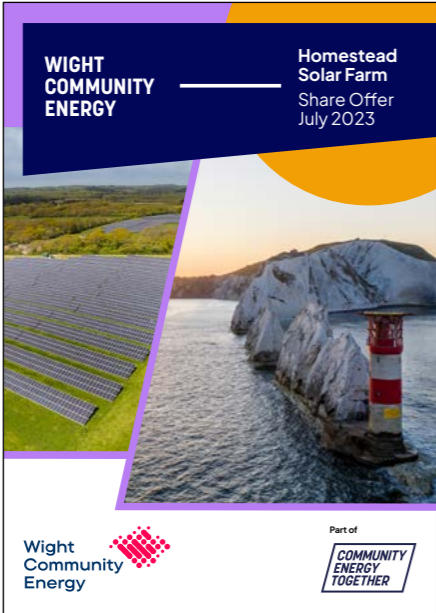
Click to download the other societies' Share Offer Documents to find out more.



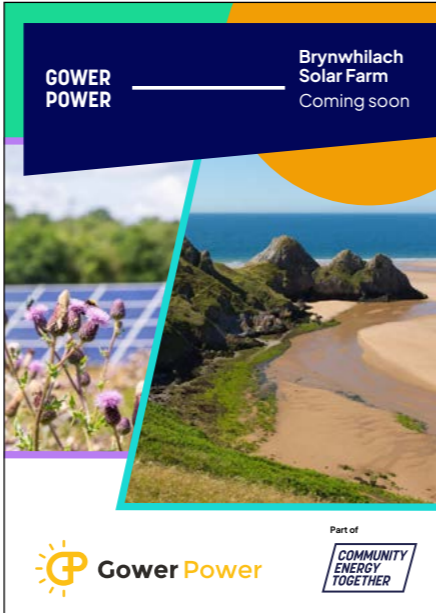
[Kent Community Energy](#)



[Shropshire and Telford Community Energy](#)



[Wight Community Energy](#)



[Gower Power \(Available soon\)](#)



In June, CORE won the Environmental Finance's Sustainable Investment Awards 2023 Environmental Fund of the Year in Europe, for its work in assembling the CET portfolio ready for ownership by our five communities. Your investment in one or more CET partner's share offers can now help complete the programme of work set up by CORE, by triggering the final transfer of each asset into community hands.



**Your chance to invest in a
cleaner, greener, fairer future**

Community Energy Together (CET)
is a group of Community Benefit
Societies in the UK. Together, we
believe in the power of community
energy to generate returns for
people and the planet.

Now, we are giving you the chance
to buy shares in our solar farms.

Find out more:

[Community Energy Together](#)

[Yealm Community Energy](#)

POWER THROUGH PARTNERSHIP



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YCE is a registered Community Benefit Society, Registration number 7173