



BIG SOLAR CO-OP

SHARE OFFER #1 2022

Join us to write a new chapter in
community solar:

- ☀ Volunteer powered
- ☀ UK wide
- ☀ Seriously ambitious

About this offer

We're the Big Solar Co-op - a 100% member-owned co-operative with ambitions to develop and own solar PV across the UK.

We're training and tooling up volunteers to find suitable solar sites – mainly focusing on rooftop solar on community and commercial buildings. We've already assessed sites all across the country.

You can join us as an investor, a volunteer, or both.

This share offer aims to raise £1.2 million to build our first solar installations, and to continue developing our pipeline of future projects. We have already reached our minimum raise of £600,000, which will be enough to install our first three sites and continue our development work.

This offer opened on 24 June 2022. The offer will close either when the full target is raised, or when the Society decides to close the offer.

You can invest between £100 and £100,000. Each year we aim to pay you interest on your capital at the rate of 4%. If you want to withdraw some or all of your share capital we will make it as easy as possible.

You can apply for shares online at:

<https://apply.shareenergy.coop/big solar>

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The Big Solar Co-operative complies with statutory requirements and those of the Financial Conduct Authority. As the Shares will not be listed, the Society is not obliged to comply with The Combined Code on Corporate Governance. Those interested in investing should do so only after reading this document in full and taking appropriate financial and other advice. This offer is not covered by the Financial Ombudsman Service or the Financial Services Compensation Scheme.

Our vision

The Big Solar Co-op has been incubated by Sharenergy Co-operative and grew out of their 10 years of experience delivering community solar.

The community solar movement has been a great success – hundreds of dedicated volunteers have created over 200 MW of new solar since 2011.

Some local community solar organisations continue to grow and develop. But in many parts of the UK the movement has stalled since the removal of Feed-in Tariff subsidies for solar in 2019.

The Big Solar Co-op aims to jumpstart community solar with a new model which can work in places where small solar co-ops may struggle.

UK-wide. Big Solar Co-op is set up to operate anywhere in the UK. If you know a possible solar site, we can work with you to get it built.

Volunteer-led. Our ethos is to trust volunteers and to support them to deliver solar. Our co-op is owned by its members, supported by training, tools, peer mentoring and expert staff where needed.

Ambitious. We aim to build 100 MW of solar PV capacity, mostly on rooftops, by 2030.

Ethical. We are a not-for-profit Society and proudly part of the co-operative movement. We aspire to lead in the sourcing of ethical solar panels and the creation of fair agreements with our clients.

Carbon-first. Our core aim is to combat climate change through reduction of carbon emissions.



Our structure

Big Solar Co-op is a little bit different to most solar co-operatives in the UK. We are owned by members of the public who either work with us, invest in us, or both.

Worker Members

Anyone who wants to establish co-operatively owned solar PV in the UK can join us. They sign a standard agreement and agree to do a certain amount of work with us as a volunteer. Worker Members control 75% of the votes in the Big Solar Co-op.

Investor Members

Supporters who cannot give us their time can buy shares in the Big Solar Co-op and become Investor Members. Investor Members control 25% of the votes in the Big Solar Co-op.

Any Investor Member who wishes to do so can at any time commit to work with the co-operative and become a Worker Member. Come and join us, we need your skills!

Groups and nodes

We work together in groups. A group can be based on a shared task (we have a financial modelling group) or a geographical area. In some places Big Solar Co-op is hosted by an existing organisation as a partnership to jump-start

solar locally. We call this a 'node'. We currently have nodes in Birmingham, Stroud and Shropshire, hosted by local environmental groups and staffed by local co-ordinators.

Training and support

We have an active programme of training sessions, where members can learn skills such as solar site finding, initial solar design or negotiating with solar host sites.

Staff and governance

Big Solar Co-op has a staff team of six. All the Big Solar Co-op staff are currently employed by Sharenergy, and their services are provided to the Big Solar Co-op at cost.

Noël, Chris and Jon formed the founding Board in early 2022 and registered the Society.

Our first AGM will be held later in 2022, at which point Volunteer and Investor Members will be brought onto the board, and the founders will either stand down or put themselves up for re-election by members.



Support

Our work is supported by a range of experts, including:

Sophy Fearnley-Whittingstall

PR & Communications adviser



Sophy has been working in renewable energy for over a decade and is passionate about empowering people, communities and businesses to make a positive difference to the climate emergency. She has helped raise over £30 million in community investment

for renewable energy projects. Sophy is advising us on our branding and media strategy.

Joe Bentley

Operations Manager at Sharenergy



Joe manages Sharenergy's administrative and financial support services to over 35 community energy societies, ensuring that everything runs smoothly behind the scenes. Joe and his team carry out our member and client administration, billing and financial support.

Mark Simmonds

Co-op advisor at Co-op Culture



Mark is an experienced co-operative and community business advisor, with a particular interest in governance and community finance. Based in West Yorkshire, Mark is also the founder of several co-operative and community enterprises including Pennine

Community Power, Heptonstall Community Assets and his local pub The Fox and Goose in Hebden Bridge. Mark advises us on the structure and governance of the Big Solar Co-op.

Sonya Bedford

Solicitor at Spencer West



Having worked for over 18 years in the energy legal sector, Sonya has experience in all aspects of renewable energy projects and across all the key technologies. Sonya has acted for many community energy groups alongside local authorities, developers,

landowners and funders and has been awarded an MBE for her services to Community Energy. Sonya is working with us on leases, power purchase agreements and training.

Our solar sites

You may have looked around in your town or village and wondered why so few big rooftops have solar. So did we! The Big Solar Co-op is designed to overcome the factors holding back rooftop solar in the UK:

Cost. For many organisations and businesses, an investment in solar on their own roof does not meet their criteria for return on investment – often they are looking for a 3-year payback time or less. We are funded by ‘patient capital’ – our investment comes from members of the public who are driven to reduce carbon emissions and willing to invest their personal money in return for a modest but fair return. And because we are volunteer-led our development costs are low.

Risk. Even large and well-established businesses may need to change their plans in the future. We are building a portfolio of solar installations large enough to be able to smooth out the impact of any one site changing usage.

Trust. Rent-a-roof solar does not always have a good name. By contracting with a not-for-profit organisation with a carbon-first focus, solar host sites reduce their risks considerably.

Our solar model works best for sites which have a tennis court sized available rooftop space (or larger) and where at least 50% of the energy we generate can be used on-site. Examples of suitable sites include:

- ☀ Commercial and industrial sites
- ☀ Education sites
- ☀ Leisure centres
- ☀ Public buildings
- ☀ Care homes

There are hundreds of thousands of potentially suitable buildings across the UK which still do not have solar PV. We calculate that these could contribute at least 5 GW of solar capacity.

Our focus is on large rooftops or relatively small ground-mounted systems, because it is here that we can make the greatest impact. Commercial developers are already building solar fields at large scale, and our models do not currently work well for domestic properties.

Our first sites

We have been working hard on finding and assessing solar sites around the UK and we have a significant pipeline of sites under development across the UK including commercial premises and community buildings.

Our first round of installations will cover 3 sites in the Midlands:



Kerry Ingredients, Tenbury Wells
300 kWp
Multi-roof install on food processing plant



McConnel, Ludlow
120 kWp
First phase install at farm machinery manufacturer



Eden Court Medical Practice, Birmingham
30 kWp
Solar array and vehicle charging for doctors surgery

Share offer

This is our first share offer. Our aim is to raise funds to finance our first tranche of solar installations and the working capital we need to get our pipeline of future solar projects running.

Our initial development was funded by grants and in-kind support from a range of organisations (listed on the last page of this document). This generous support has enabled us to recruit a small paid development team, recruit an initial team of volunteers and identify our first solar host sites. With this share offer we are making the transition to a self-sustaining core financial model.

In future we aim to have a regular or rolling share offer to raise funds as we need them for new installations.

Unlike some community share offers you may have seen, we do not have a projected schedule for repayment of share capital. As we are planning many more solar installations, we will aim to keep as much share capital as possible and use it to build more solar. If you wish to withdraw your capital, you can apply to sell the shares back to the Society. We will actively facilitate this - if necessary, by seeking additional share investment to cover withdrawals.

We aim to pay 4% interest annually on all share capital we have deployed.

As we have big ambitions, this first share offer target includes quite a lot of working capital to help us build our team. Our financial projections show us making our first surplus in two years' time. This means that if you invest under this share offer your first planned interest payment will be in October 2024.

By investing at this stage and being willing to wait two years before receiving interest payments you will be helping to pioneer a new model in community solar. We greatly appreciate your support.

Share interest will be tax free for some shareholders under the Personal Savings Allowance scheme.

You can apply for between 100 and 100,000 £1 shares using our online application form at:

<https://apply.shareenergy.coop/big solar>

Financial projections

The Big Solar Co-op is in its start-up phase. This means overall financial projections can only be indicative – we don't know exactly how things will progress in the future.

We have a target of getting to 100 MW of installed solar. To achieve this by 2030 will require annual growth of 35% from 2022. It's ambitious but we are sure the opportunities are there.

We create detailed solar models for individual sites so we know whether they are viable. We use industry-standard software to design solar arrays and we can predict accurately how well solar output will match on-site energy usage. Our figures for the cost of operations are derived from Sharenergy's experience helping to run over 200 community solar sites.

It's a time of extreme volatility in energy prices. While high prices are potentially an opportunity, we are seeing a matching spike in supply chain costs. Our projections are therefore conservative and assume that prices will largely revert to the mean over the next few years.

In planning our new approach to community solar, we have made some changes to existing approaches. One of the most

important is that we have created new standard leases and power purchase agreements that are less onerous for solar host sites.

As part of the same initiative, we have incorporated a risk rating into our financial models: from year 5 of every project we treat risk as an expense alongside any other – so we are budgeting for our host sites to change their energy usage, repair their roofs, or even for a proportion of them to go out of business.

The projections given here assume that we will continue to grow and build more solar over a 12-year period, followed by an operational phase when we concentrate on returning capital to investor members. In practice we hope to continue developing solar for a longer period, but this serves to illustrate our overall financial model.

Our default lease period is 30 years, and we expect our installations to last at least that long in most cases. Projections on the next page are given over a 15-year period to aid legibility and show the start of the capital repayment process.

Financial model

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Generation MWh	-	850	2,547	5,086	8,254	12,205	17,137	23,294	30,982	40,586	52,583	67,572	86,301	85,955	85,611	85,269
CO2e saving tonnes	-	196	586	1,170	1,898	2,807	3,941	5,358	7,126	9,335	12,094	15,542	19,849	19,770	19,691	19,612
CAPITAL £000																
Capital invested in yr	1,200	1,858	2,694	3,248	3,905	4,899	6,150	7,724	9,705	12,201	15,346	19,311	-	-	-	-
Capital repaid in yr	-	-	-	-	-	-	-	-	-	-	-	-	(17,178)	(7,857)	(6,603)	(7,083)
Total equity	1,200	3,058	5,752	9,000	12,904	17,803	23,953	31,676	41,381	53,582	68,928	88,239	71,061	63,205	56,602	49,519
REVENUE £000																
Income	-	137	406	811	1,348	2,040	2,932	4,080	5,555	7,450	9,881	12,999	16,996	17,330	17,670	18,017
Operating costs	(10)	(31)	(65)	(109)	(164)	(236)	(328)	(447)	(601)	(798)	(1,052)	(1,379)	(1,413)	(1,449)	(1,485)	(1,522)
Risk adjustment	-	-	-	-	-	(441)	(634)	(882)	(1,201)	(1,610)	(2,135)	(2,809)	(3,673)	(3,745)	(3,818)	(3,894)
Operating surplus	(10)	106	341	702	1,183	1,363	1,970	2,751	3,754	5,042	6,693	8,811	11,910	12,136	12,367	12,602
Core costs	(92)	(135)	(193)	(265)	(313)	(323)	(364)	(409)	(460)	(518)	(582)	(655)	(737)	(737)	(737)	(737)
Depreciation	-	(30)	(92)	(182)	(290)	(420)	(583)	(788)	(1,046)	(1,369)	(1,776)	(2,288)	(2,931)	(2,931)	(2,931)	(2,931)
Member interest	-	-	(48)	(122)	(230)	(360)	(516)	(712)	(958)	(1,267)	(1,655)	(2,143)	(2,757)	(3,530)	(2,842)	(2,528)
Taxation	-	-	-	-	-	-	-	-	(71)	(366)	(553)	(801)	(1,491)	(1,392)	(1,656)	(1,826)
Surplus	(102)	(58)	9	134	350	260	507	841	1,219	1,522	2,127	2,924	3,993	3,546	4,200	4,579
CASHFLOW £000																
Surplus add depn	(102)	(28)	101	315	640	680	1,090	1,630	2,265	2,891	3,903	5,211	6,924	6,477	7,131	7,510
Invested / Repaid	1,200	1,858	2,694	3,248	3,905	4,899	6,150	7,724	9,705	12,201	15,346	19,311	(17,178)	(7,857)	(6,603)	(7,083)
Capital outlay	(900)	(1,858)	(2,694)	(3,248)	(3,905)	(4,899)	(6,150)	(7,724)	(9,705)	(12,201)	(15,346)	(19,311)	-	-	-	-
Cashflow in year	198	(28)	101	315	640	680	1,090	1,630	2,265	2,891	3,903	5,211	(10,254)	(1,379)	528	427
Cash	198	169	270	585	1,226	1,906	2,996	4,626	6,891	9,782	13,685	18,896	8,642	7,263	7,791	8,219

Risks

All financial investments carry risk – and community energy projects are no exception. If performance is below expectations on any or all of The Big Solar Co-op's sites and/or higher costs are incurred than projected, you may receive less interest than projected. If something goes wrong on a longer-term basis, then your capital may be at risk.

We have made every effort to minimise risks to our shareholders. This is a summary of key assumptions and risks, along with measures we have taken to minimise them across all our sites:

- ☀ **Solar resource.** Our projections are based on estimates using standard industry practice. Lower levels of solar insolation over time would affect performance. *In practice solar output does not vary greatly over time. We have made provision for panel efficiency reducing over time according to solar panel warranties.*
- ☀ **Site problems.** If any of our solar host sites change their usage, need extensive roof repairs, or go bust, our income will reduce. *We have made provision for all these risks in our finance model.*

- ☀ **Export electricity price.** If wholesale prices drop, income drops. *Electricity prices are currently at historic highs but we have used the long-term price average for financial modelling.*
- ☀ **Equipment Reliability.** Major outages for maintenance or replacement would reduce income. *The technology we have selected is at the top end of the market. We have factored in the costs of monitoring and preventative maintenance, insurance against loss of income and warranties where available.*
- ☀ **Operational costs.** Higher costs for service, admin, insurance and rates would reduce performance. *Where possible we have tied in 5-year service contracts. These costs are a relatively small part of the overall model.*
- ☀ **Development costs.** If our development costs fail to result in a pipeline of new projects then financial performance will suffer. *Our projections are based on conservative assumptions about what is achievable with our resource.*

Terms & Conditions: the Society

Incorporation

The Big Solar Co-operative Ltd ('the Society') is a co-operative society registered with the Financial Conduct Authority. The Society was incorporated on 13 January 2022. Its financial year-end is 31 March. The Society is governed according to a set of rules registered with the FCA and which can be downloaded from the FCA website <https://mutuals.fca.org.uk/Search/Society/31100>

Members

Any person over the age of 16 can become a Worker Member and/or Investor Member. In addition, any incorporated body (company, society or charity) can become an investor member. Worker members must buy one £1 share and sign a worker agreement. Investors become Investor Members when buying at least the minimum investor shareholding of £100 by submitting an application for shares. If you wish to become a worker member, please contact the Society (see contact details on last page of this document)

The Board

The Society has a founding board comprising: Chris Rigby, Noel Lambert and Jon Hallé. Board elections are held at each AGM and all Investor Members and Worker Members are eligible and encouraged to stand for election to the board.

Board composition

Our rules specify that the Board must comprise at least 3 directors, and that there must be more Worker Members on the board than Investor Members.

Directors' shares

Current Directors have indicated that they intend to take up 1600 shares from this offer.

Board Practices

Directors are unpaid and beyond reimbursement of expenses, there are no other benefits for Directors. Day-to-day operations are managed by the Society, under Board supervision.

Conflicts of Interest

Jon Hallé, Noël Lambert and Chris Rigby are employed by Sharenergy Co-operative, which provides services to the Society.

Administration

Sharenergy provides an on-going administration and management service for the Society for an annual fee which varies with the number of Investor Members, sites and kWp installed.

Distribution of surplus

All surplus will be re-invested in developing and building new solar generation. Interest will be paid on shares and on any loans or bond issued, but there is no intention to pay a dividend to members.

Audit

The Society is below the threshold for formal audit at the point of this share offer. Audits will be carried out in future once the threshold is reached or if members decide to disapply the exemption from audit.

Legal proceedings

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

Future developments

The Society is actively seeking opportunities to develop future solar projects.

Disclosure

None of the directors of the Society 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 reprimand or sanction by a statutory or regulatory authority or designated professional body, or been disqualified from any function by any court.

General information sourced from third parties in this Offer Document has been accurately reproduced. As far as the Directors are aware, no facts have been omitted which would render the information inaccurate or misleading.

Terms & Conditions: Shares

The Share Offer	1,200,000 Shares of £1 are offered at par and payable in full on acceptance of an application on the Terms and Conditions of this Offer Document.
Allocation	Shares will be allocated on a first come first served basis. No shares will be issued until the minimum raise total is achieved.
Minimum raise	The minimum raise is £600,000 and was reached in September 2022.
Interest rate	Interest will be paid on all shares held during a year. The target interest rate is 4% per annum from the second full elapsed year from share issuance, subject to the financial performance of the Society.
Taxation	Share interest payments are made gross of tax.
Interest payments	Interest will be calculated on an annual basis. Interest is paid annually after the AGM.
Capital repayments	The Society does not intend to make scheduled repayments of capital to shareholders until such time as it no longer requires new capital.
Redeeming shares	Shareholders may apply to withdraw all or part of their share holding. Withdrawal of shares is at the Board's

	discretion. The Board will seek additional share capital in order to permit such withdrawals where necessary.
Priority of bonds, debt and shares	Any interest payments relating to future loans or bonds will take priority over share interest and capital payments.
Trading	Shares are not transferable (except in the case of the death or disqualification of a member) and cannot be traded on any market.
Shareholder rights	Shareholders have a right to vote at AGMs or any other formal meeting. Investor Members are collectively limited to 25% of the total vote except where they are also Worker Members of the Society.
Provisions on death of shareholder	On death of a shareholder, their personal representative can apply for transfer of the share capital to a named beneficiary, or for withdrawal of the share capital. Return of capital on death of shareholders will be prioritised by the Board over any other return of capital.

Terms & Conditions: Application

Eligibility

The Offer is open to any person (at least 16 years old) or organisation meeting membership requirements as detailed in the Rules.

Application procedure

You can apply online at <https://apply.shareenergy.coop/big solar>

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 application once made cannot be withdrawn. The price of each share is £1. The minimum number is 100. The maximum holding per member across all share offers is £100,000.

The Offer timetable

The Offer will remain open until fully subscribed or until the Society decides to end it. None of the Society, its Directors or advisors will be responsible for loss of interest or any other benefit suffered by Applicants during the period the monies are held by the Society.

Procedures on application receipt

- Any cheques/bankers' drafts will be presented on receipt and may be rejected if they do not clear.
- 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 the end of the Offer.
- No interest is payable on submitted application monies which become returnable.
- Incomplete or inaccurate Application Forms may be accepted as if complete and accurate.
- Share certificates will be issued to successful applicants within one month after the end of the offer period.

Pricing, trading and dealing arrangements

Shares are offered at their par value of £1. The underlying asset value of each Share will remain at £1 and any share redemption will take place at par. Shares are not tradable or transferable.

Applying for Shares

Before completing an Application you should consider taking appropriate financial and other advice. In making an Application you are making an irrevocable offer to enter into a contract with the Society. Under Money Laundering Regulations, you may be required to produce satisfactory evidence of your identity and it is a condition of the Offer that you do so as requested. 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.

Contacting us

The share application form is online at <https://apply.shareenergy.coop/big solar>

For all enquiries contact Shareenergy on **01743 835242** or via info@big solar.coop

Our website can be found at www.big solar.coop

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