



Sub-50kW Solar Investment

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5th July 2011

Overview



- There is a market within the South Hams for profitable renewable energy generation via sub-50kw Solar PV installations on existing agricultural buildings.
- There is an opportunity for TRESOC and its members to benefit from these schemes and start to generate income and member returns this year or in 2012.
- These schemes can be financed by members, loan finance or a combination of both.
- This presentation will show what a scheme could look like under different financing scenario's.

What could a sub-50kW scheme in the South Hams look like?



- Location: Existing Agricultural Building
- Size: 49.95 kW of Solar PV
- Useful Life: 25 years

- Annual Output per kW: 1,000 kW/hours (South West average)
- Total Annual Output: 49,950 kW/hours
- FiT Tariff: £0.36 per kW/hour (to rise annually with inflation)
- Potential Income: £18,000 in year 1

- Installed Cost: £180,000
- Operating Costs: 20% of income per year

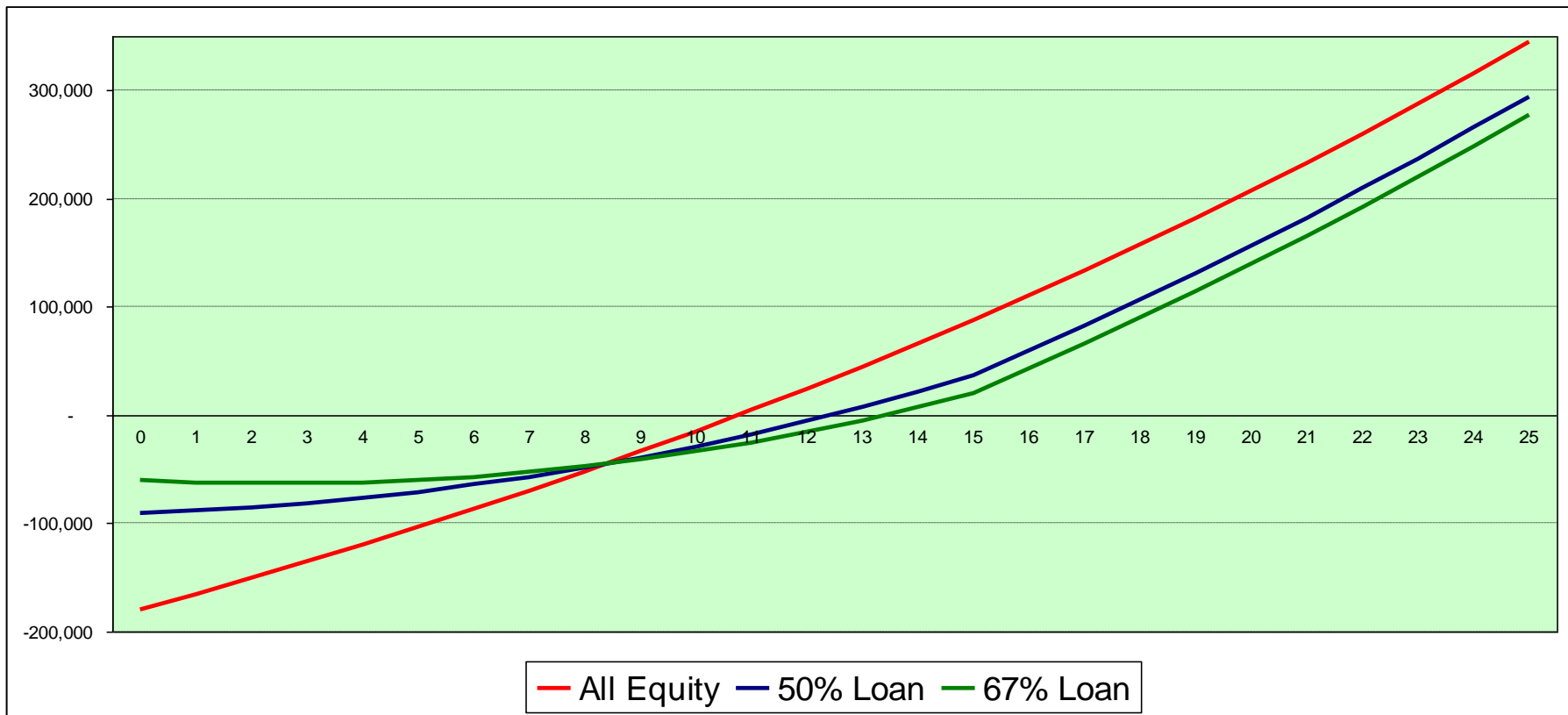
- Cost of Loan Finance: 7% p.a.
- Loan Term: 15 years

Example: Year 1

	Scenario 1	Scenario 2	Scenario 3
<i>The £180,000 installation cost is funded:</i>	100% members (£180,000)	50% members (£90,000) 50% loan (£90,000)	33% members (£60,000) 67% loan (£120,000)
Annual Gross Income	£18,000	£18,000	£18,000
Operating Costs	£ 3,600	£ 3,600	£ 3,600
Loan Repayments and Interest	Nil	£12,300	£16,400
Net Income (available for potential distribution to members)	£14,400	£ 2,100	Nil Loss of £2,000
Potential Yr 1 Return (Net Income as a % of member investment)	8.0%	2.3%	Nil

Example: Over 25 year useful life

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Annual return on Investment (IRR)	9.1%	9.9%	10.4%



Thoughts & Questions



- There is profitable opportunity for sub-50kw Solar PV installations on existing agricultural buildings.
- The requirement for TRESOC to take loan finance to enter this market will depend upon:
 - The appetite from members to invest in Solar PV.
 - The financial objectives of those members who invest.
- Questions?