



Bristol Energy Cooperative

Community Share Offer No. 7

2020

Extended to 31 December 2020

This document sets out in detail your opportunity to become a member of Bristol Energy Cooperative and take part in raising £2 million for a portfolio of renewable energy projects.
www.bristolenergy.coop



You are invited to invest in, and become a member of, **Bristol Energy Cooperative (BEC)**, a not-for-profit, community-owned enterprise, increasing the low carbon energy supply in the Bristol region, and returning benefits to the community.

In this, our seventh share offer, we are raising £2 million to finance a portfolio of renewable energy projects in the Bristol region. These may include:

- a 300kWp micro hydro power station
- solar roof installations
- community microgrids

As well as providing investors with a projected 3.5% return on their investment, the schemes will:

- deliver subsidised green energy to the community;
- provide further funds to BEC's community benefit fund;
- contribute to Bristol's 2030 carbon neutrality target;

We invite you to:

- be part of an exciting ethical energy investment opportunity;
- support community organisations to Build Back Better;
- earn a projected **3.5%** return on your investment; and
- enable a range of community projects through the community fund that this programme will support.

¹kWp, or kilowatts-peak, is a measure of the power output of a solar PV panel, wind turbine, or hydro scheme at any given moment

Share offer open:	16 September – 31 December 2020
Amount sought:	£2 million
Minimum investment:	£100
Maximum investment:	£100,000
Interest accrues from:	1st September 2021
Date of first interest payment:	30th November 2022

Bristol Energy Cooperative is the trading name of Bristol Community Energy Limited, a registered society under the Co-operative and Community Benefit Societies Act 2014, registration number 31313R.

The information contained in this Share Offer has been prepared under the supervision of the directors of Bristol Energy Cooperative, who take responsibility for its contents. To the best of their knowledge, all information is accurate.

The Bristol Energy Cooperative share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations; this means you have no right of complaint to the Financial Ombudsman Service.

A Registered Society is registered with but not authorised by the Financial Conduct Authority and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

An investment in the shares offered in this Share Offer carries risks and you may lose the whole value of your investment.

Please consider it carefully in the context of this complete share offer document and related information and, if needed, seek independent advice.

Cover image: Bristol schools climate strike

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Bristol Energy Cooperative’s solar farm at Lawrence Weston

1 | CHAIR'S WELCOME

I'm delighted to introduce to you Bristol Energy Cooperative's seventh community share offer raising money to fund renewable energy installations.



Our co-op has been developing community-owned, green energy generation since 2011. In that time we've raised over £12 million, installed over 9MWp of solar and battery assets, and facilitated over £250,000 of community benefit payments.

I hope you will give this share offer serious consideration and make an early investment. Your support will help us develop community-owned projects that deliver significant, long-term, community benefit.

Peter Thompson

Chair, Bristol Energy Cooperative

With this latest share offer we enter a new era of subsidy-free projects. The Feed-in Tariff support scheme is no longer available to us, but the climate emergency makes the need for renewable energy ever more urgent. We're rising to the challenge, and developing a number of projects with a range of technologies.

As our projects will be unsubsidised for the foreseeable future, the projected annual interest rate return of 3.5% for this share offer is less than in previous Bristol Energy Cooperative offers.

As in previous share offers your investment is in withdrawable shares, valued at £1 each. You may invest between £100 and £100,000, and each investor receives one vote regardless of the amount invested.

By purchasing shares you will:

- participate in the ownership of local renewable energy resources.
- support the re-investment of surplus profits back into local communities.
- earn interest on your investment.
- help reduce the impact of climate change, strengthen local energy supplies and improve energy security.

2 | AN INTRODUCTION TO BRISTOL ENERGY COOPERATIVE

Bristol Energy Cooperative (BEC) was formed in 2011 by people from a number of community energy groups across the city.

It was registered as an Industrial and Provident Society for Community Benefit (otherwise known as a Community Benefit Society), but following the Co-operative and Community Benefit Societies Act 2014, is now officially a Registered Society.

BEC's main aims are:

- to enable meaningful cuts in carbon emissions, and reduce dependence on unsustainable sources of energy;
- to fund and implement renewable energy and energy efficiency measures, in collaboration with communities and businesses; and
- to work co-operatively with communities to make carbon reduction technologies available to all, regardless of financial resources, and support mutual action to respond to the challenges of climate change.

Having started small nine years ago, BEC now owns and operates the following assets, which provide enough electricity to power 3,000 average homes:

Solar farms:

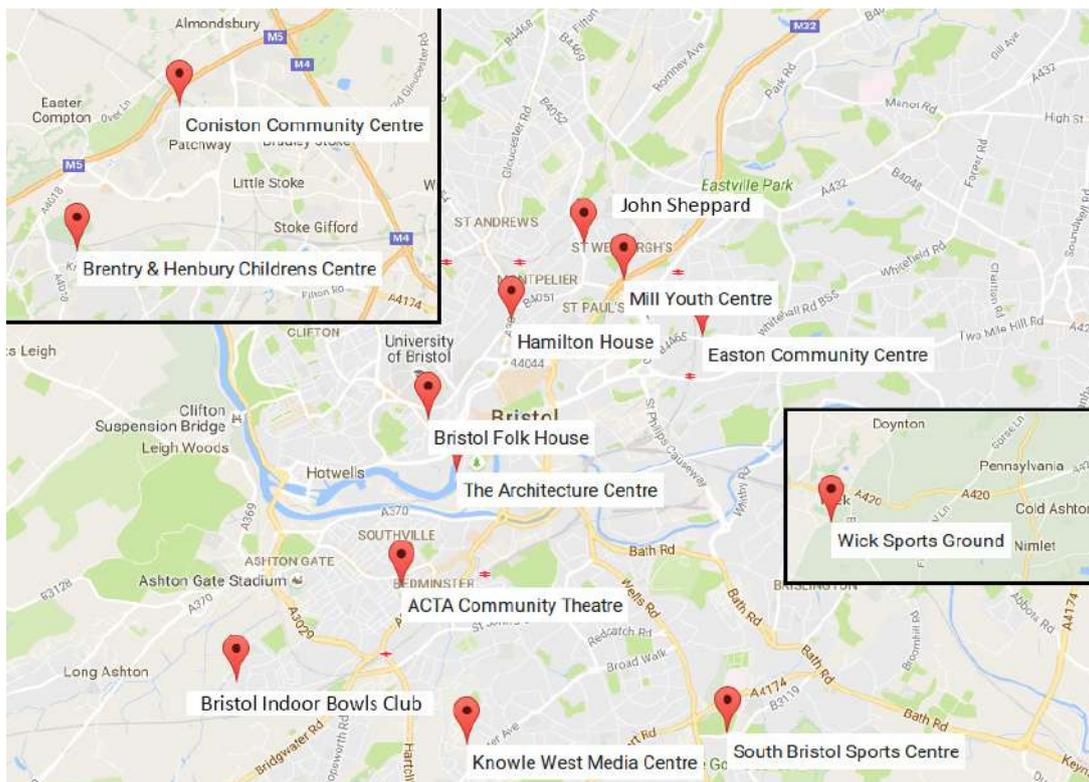
- Lawrence Weston, Bristol (4.2 MWp)
- Puriton, Somerset (4.6 MWp)

Rooftop solar installations:

- ACTA Theatre Company, Bedminster (22 kWp)
- Brentry and Henbury Children's Centre (13 kWp)
- Bristol Folk House (10 kWp)
- Bristol Indoor Bowls Club (152 kWp)
- Coniston Community Centre, Patchway (20 kWp)
- Easton Community Centre (41 kWp)
- Empire Fighting Chance (20 kWp)
- Hamilton House (20 kWp)
- John Sheppard (138 kWp)
- Knowle West Media Centre (25 kWp)
- South Bristol Sports Centre (50 kWp)
- The Architecture Centre (4 kWp)
- Wick Sports Ground (27 kWp)

Grid-servicing battery storage:

- Lovedon Fields (106kWp/169kWh)



BEC's solar rooftop sites

2 | AN INTRODUCTION TO BRISTOL ENERGY COOPERATIVE

Other BEC activities

1. Microgrid Foundry

Alongside other community energy organisations BEC is a major stakeholder in the Microgrid Foundry joint venture which is developing and financing microgrid installations in new housing schemes.

Microgrids combine excellent energy efficiency with on-site renewables, energy storage and smart technology enabling residents to get most of their energy from on-site generation, topping up from the grid when needed, and exporting any excess energy to it. No gas boilers are required on site. Initial investment has been made to progress the first two microgrid sites in Bristol and Dorset.

2. COAM (Community Owned Asset Management)

BEC is one of a number of community energy groups who recently came together to form COAM Ltd. COAM owns Bright Renewables, which provides asset management services for solar farms and other renewable energy assets.

3. Zero West

BEC is a founder member and developer of Zero West (zerowest.org), a collaboration to accelerate the Zero Carbon transition in the West of England region. It brings together the commercial sector, the community sector, and the four West of England local authorities

What makes BEC different from a typical commercial enterprise?

BEC's co-operative model democratises energy ownership. There is one-member-one-vote irrespective of shareholding, and a strong participatory ethos. BEC has 600 members, each of whom has an equal say in the strategic development of the co-op through general meetings, joining working groups and standing for election to the Board.

“I’m proud of what we’ve achieved so far and excited by the new projects.”
Zoe, BEC member



“You helped us connect with lots of people and share the important skills of planting, growing, pruning and harvesting. Thankyou!”
Sara, Incredible Edible

2 | AN INTRODUCTION TO BRISTOL ENERGY COOPERATIVE

BEC's constitution is in the form of Rules registered with and approved by the Financial Conduct Authority.

These can be viewed at www.bristolenergy.coop.

BEC's Rules forbid the sale of its assets to commercial organisations should BEC be wound up, and it is bound by them to act for the benefit of the community. BEC does this in a number of practical ways:

- Its solar installations help communities reduce their energy bills and use green energy, thereby cutting carbon emissions.
- It promotes the benefits of community energy and 100% renewable energy.
- It produces regular newsletters and provides volunteering opportunities.
- It hosts educational visits to its solar installations.
- BEC was an early promoter of the Zero Carbon Britain research by the Centre for Alternative

Technology. The research inspired BEC to help establish Zero West.

- BEC opposes fossil fuel development too. It played an active part in successful campaigns to stop planning applications for diesel peaking plants in the city. It then supported the alternative use of the sites for battery storage.
- BEC makes community benefit payments from its project revenues. So far it has facilitated over £250,000 of such payments. This has been done in a number of ways.
- BEC – together with fellow energy co-operative Low Carbon Gordano - runs the Megawatt Community Energy Fund. Members of both organisations have participated in choosing which applicants receive grant support and in 2019 the projects supported were:

Bedminster Energy Group – funding towards a community asset-mapping and engagement project.

Bristol Community Land Trust – funding towards the provision of ground-source heat pumps in a new build Community Learning and Enterprise Centre in Lockleaze, Bristol.

Clevedon Community Association – funding towards the cost of replacing the boiler at the community centre with an energy efficient model.

Congresbury Scouts and Guides – funding the purchase of a learning thermostat to replace the group's existing rotary thermostat and boiler programmer.

Crockerne Primary School – funding toward the installation of new LED light fittings and bulbs at the school.

Incredible Edible – funding for the planting of fruit trees at community garden sites across the region, to be planted as part of an increasing urban city wide orchard, with the aim of raising awareness of climate change and reducing fossil fuel consumption by increasing local food production.

Life Cycle UK – funding for additional workshop equipment and parts to increase the capacity of the Bristol Bike Back project, which provides accredited mechanical training for prisoners at HMP Bristol and sells refurbished bicycles to local people, encouraging the increased use of low carbon transport.

Lockleaze Community Orchard – funding a rain-water capture and storage system on a community orchard site in Lockleaze, with the aim of reducing fossil fuel consumption by reducing the distance food is transported.

Nailsea School – funding towards installing energy efficient LED ceiling panels that will help the school reduce fossil fuel consumption.

Sea Mills Community Initiatives – funding towards the cost of providing food-growing after-school club sessions, materials and equipment to set-up a permaculture-focused forage garden trail and hot composting at the community garden site that will serve the local community cafe, with the aim of raising awareness of ways to reduce the impact of climate change and helping reduce fossil fuel consumption.

2 | AN INTRODUCTION TO BRISTOL ENERGY COOPERATIVE

St Pauls Adventure Playground – funding towards the set-up of weekly environmental awareness sessions at the playground with a focus on improving air quality and increasing biodiversity in the local area.

The ReUsery – funding towards the cost of a pilot set of open-access sessions to teach and promote re-use skills, especially sew-ing and upcycling, with the aim of reducing energy demands and fostering a culture of self-help and re-use.

Ujima Radio – funding towards the production of a set of a monthly radio shows exclusively devoted to environmental issues as they impact on Black and Minority Ethnic populations, that aim to raise awareness of climate change, reduce fossil fuel consumption, and reduce fuel poverty.

Willsbridge Mill Community Refresh – funding towards the cost of a feasibility study for installing a mini hydro scheme at the mill, with the aim of raising awareness of ways to reduce the impact of climate change and reduce fossil fuel consumption.

BEC, in partnership with Bristol-based Centre for Sustainable Energy, promotes the Bristol Sustainable Energy Research Fund (www.bserf.org.uk). This provides small bursaries for research on sustainable energy and climate change in the West of England.

- BEC members vote at AGMs to provide financial support to organisations such as Solar Aid and Aid Box Community.
- BEC’s 4.2MW Bristol solar farm is in Lawrence Weston. It has a particularly close relationship with Ambition Lawrence Weston (ALW), a resident-driven organisation striving to make Lawrence Weston an even better place to live and work. When BEC was raising funds to build the solar farm in 2016 it took out a “blended loan” from Social and Sustainable Capital. As part of this loan arrangement ALW received a £155,000 grant from Power to Change.

ALW described this funding as transformational.

It enabled it to apply for and win additional funding for housing and a new community and health hub in the local area.

- BEC continues to contribute revenue from the solar farm to ALW each year. ALW has used these funds to run intern-led projects on fuel poverty, co-ordinating energy surveys for residents, and supporting them to switch energy supplier. It also employed an energy consultant to lead on a local community-owned wind project. This received widespread community support and led ALW to set up Ambition Community Energy (ACE) CIC. In August 2020 Bristol City Council granted ACE CIC planning permission for a single wind turbine in Avonmouth with a tip height of up to 150m. If constructed this will be the tallest onshore wind turbine in England.

“May I take this opportunity to give our thanks and appreciation to you, your board, and your shareholders for your financial contribution again this year. This funding and your support is changing the lives of many here in Lawrence Weston for the better”

Mark Pepper, Development Manager ALW



Members of Ambition Lawrence Weston help advertise Bristol Energy Cooperative’s 2015-16 fundraiser

3 | THE INVESTMENT OPPORTUNITY

The sudden ending of the Feed-in Tariff scheme hit the renewable energy sector hard. The community energy sector was particularly severely affected.

Now the renewable energy sector is beginning to recover, led by large organisations with deep pockets, who benefit from economies of scale and easy access to finance.

The community energy sector is also beginning to recover, though more slowly. Using its hard-won experience, it is innovating and collaborating. This share offer is evidence of that revival, and there is much more to come.

- This seventh BEC share offer target raise is £2 million. As with previous BEC share offers, you are investing in BEC itself rather than a particular project.
- Falling installation costs are allowing BEC to ramp up its development programme again, but without Feed-in Tariff subsidy the target rate of return for this share offer is of necessity limited to 3.5% per annum.
- Over the last 9 years BEC has developed strong relationships with community partners, the commercial sector, and local government. Thanks to these relationships, BEC's commitment to a zero-carbon West of England through Zero West, and the recent appointment of an additional project developer, BEC has a project pipeline which will require funding significantly in excess of this share offer target if all projects progress. This share offer may therefore be allowed to overshoot its target, and further similar share offers may be run in the near future.
- Annual interest setting for investment in Share Offer 7 will be a separate process from that of all previous BEC share offers which will continue to be managed

in the same manner as they have been from their inception, honouring commitments made to existing BEC investors.

Projects in this share offer

The following projects are likely to be supported by Share Offer 7.

Bristol Community Hydro Scheme

The largest scheme featured in this share offer is BEC's run of the river hydro scheme at Netham Weir, about a mile away from Bristol Temple Meads railway station.

Micro hydro is an increasingly popular technology across the UK and internationally. It uses the natural force of the water falling across the weir to spin a turbine and generate electricity, without the need for building a large reservoir.

BEC has been developing this site for a number of years, and it now has Planning consent from Bristol City Council and the necessary Environment Agency licences. The project will use tried and trusted twin Archimedes screw turbine technology with a combined 300kW output, enough to power 250 typical homes. The scheme will run night and day throughout the year, with peak output in winter. Its total cost is around £2.4 million.

The scheme is not eligible for the Feed-In Tariff scheme, so BEC has sought additional sources of funding for the project. It has crowd-funded £30,000 (of donations) from over 400 supporters to progress the pre-construction phase of the scheme and is seeking in-kind support from a number of businesses.



Netham site

3 | THE INVESTMENT OPPORTUNITY

Quotes from Crowdfunders

“Such an inspired idea! Can’t wait to see this become a reality”

“My grandson lives near Netham Lock. It’s his future I’m investing in”

“Great scheme - much needed - good luck!!”

BEC has also applied to the European Regional Development Fund (ERDF) for a £1.15 million grant for the scheme. Without this grant the scheme is unlikely to be viable. In April 2020 BEC received first-stage approval for the grant and has been working since then towards full approval. ERDF will make the final decision in December 2020. The decision is not affected by Brexit. The grant is however dependent on BEC match-funding the money, and funds from this share offer would provide this.

The second largest part of the share offer is to provide £0.65 million bridge-funding for the construction of the hydro scheme. Should the EU grant be awarded, it will be paid in instalments in arrears as construction progresses. There is therefore a need to pay these construction costs and VAT in real-time from other sources before re-claiming them via the EU grant. The re-claimed funds can then be used to fund other BEC schemes that are currently in development.

In-house bridge funding of this kind would represent an important evolution of BEC’s financial capabilities and hopefully be a step towards maintaining a revolving project development fund for medium to large sized renewables projects.

90% of the funds from this share offer could therefore be used on the hydro scheme in the short-term. This would drop to 58% once the short-term construction bridge-funding has been repaid.

Roof-top solar

In March 2020 BEC completed the first subsidy-free rooftop solar PV installation in its portfolio – a 152kW array at Bristol Indoor Bowls Club. The financial model for the installation is viable because the building has a large roof, the Club is a high-volume electricity user and was willing to sign a long-term lease and Power Purchase

Agreement because of the cost and carbon savings the scheme will bring to the Club.

A second subsidy-free rooftop installation is scheduled for this share offer. BEC expects to develop additional schemes through its Zero West collaborations and because the reality of climate change is spurring ever more people and organisations into taking practical action. Funds from this share offer will be allocated to further rooftop schemes as available. These funds may include those that had earlier been used as bridge-funding for the hydro scheme and which have subsequently been replenished by the ERDF grant.



Bristol Indoor Bowls Club solar installation March 2020

Community microgrids – the Water Lilies project

BEC has worked with Bristol-based start-up Clean Energy Prospector (CEPRO) for a number of years. CEPRO manages metering and billing for BEC’s rooftop solar sites. CEPRO also designed the installation of BEC’s 106kWp/169kWh grid-servicing Tesla battery at a site near Winchester. The two companies had been looking for ways to integrate renewable energy and battery technology into residential housing, and in 2019 established the Microgrid Foundry to do this. Chelwood Community Energy (CCE) is a third partner in the company.

Microgrids combine excellent energy efficiency with on-site renewables, energy storage and smart technology. Residents get most of their energy from on-site generation, topping up from the grid when needed, and exporting any excess energy to it. No fossil fuel is used on site.

3 | THE INVESTMENT OPPORTUNITY



Water Lilies battery installation

The technology is available now, but the big housebuilders are reluctant to adopt this model because it's novel and requires a change of mindset. The Microgrid Foundry aims to demonstrate the benefits and catalyse the national rollout of domestic microgrids.

Two Microgrid Foundry sites are now under construction. One features in this share offer – the Water Lilies site in Bristol.

Location: Kings Weston Reservoir, Bristol. Near to Blaise Castle Estate and Kings Weston House.

Developer: Bright Green Futures in partnership with Marshall and Kendon Architects.

Layout: 21 houses, 12 flats and a community hub.

Timetable: Construction began May 2020. Completes 2021.

Energy infrastructure:

- A-rated for both energy efficiency and environmental impact.
- 117kWp Solar PV on site.
- Air source heat pumps for space heating and hot water.
- 444kWh battery.
- 340kVA microgrid.

The battery is due for installation in January 2021 and will be used for grid-balancing services as well as providing microgrid electricity storage for the site. BEC will be funding the £204,000 battery element from this share offer. Revenue will be generated from the microgrid through on-site electricity sales and the grid balancing services.

How funds will be allocated

Around 90% of funds from this share offer are ear-marked for the Bristol Community Hydro Scheme scheme initially. Once the funds have been raised, it is our intention to proceed with:

- The Bristol Community Hydro Scheme depending on successful receipt of the EU grant funding.
- The battery for the Water Lilies microgrid scheme.
- One or more rooftop PV schemes.
- As funds are released from the hydro bridge funding arrangement they will be used on other projects in the BEC pipeline.



Water Lilies housing development

4 | FINANCIAL INFORMATION

Due diligence

As with its previous schemes, BEC will undertake technical, financial and legal due diligence on all its proposed schemes to satisfy the due diligence requirements of grant providers, investors, and BEC itself. BEC has a strong track record of developing and completing financially viable projects.

Operation and maintenance

All of the installations (as with our current installations) will be fully insured for risks including loss of income should the systems be off-line for an extended period of time.

Operation and maintenance contracts for all installations are agreed with suitably qualified companies. BEC's financial models set aside funds to pay for replacement parts during the lifetime of the projects.

Key General BEC Project Assumptions

- Each project is financially modelled over its expected life or a significant defining characteristic such as the length of a lease, whichever is the shorter.
- Every individual project is modelled to payback its capital cost over this period.
- Currently all BEC projects in development are using a long-term flat inflation rate of 2.5% across the whole project period for both costs and energy sales or services revenue.
- For energy generating projects, generation figures are calculated using appropriate industry standard tools, supplemented where necessary with third party expert opinion. For newer and more innovative technologies such as grid servicing batteries and microgrids a range of expert opinion is factored into the financial modelling.
- Plant degradation and replacement costs are built into the financial modelling.
- All projects are insured for risks and loss of income.
- Financing costs are calculated individually for

each project to include all funding sources used in that particular project - share equity, bonds, bank debt, bridging finance, and the associated internal management costs for each.

Key Project Assumptions Specific to Share Offer 7

- No bonds, bank debt or external bridge finance is being considered for projects in the Share Offer 7 project pipeline.
- Bristol Community Hydro Scheme (BCHS) financial modelling includes a substantial grant funding element (which is not yet secured) and donated contributions (secured). Both are a BEC first.
- BCHS is modelled over 25 years because this is the minimum lease length, but the expectation would be to extend the lease and run the project over a much longer period.
- In the BCHS £8,000 of revenue a year will be held back into a major parts replacement Fund in anticipation of operating the project for longer than the modelled project period. (This is in addition to expected spare parts costs included in the Operation & Maintenance budget.)

Projected Income and Costs

Share Offer 7 is a portfolio investment in BEC's current project pipeline. The expectation is that the specific projects outlined in this prospectus will be the next to progress to completion but there is no certainty about which solar PV projects will complete first and no absolute guarantee about any project progressing to completion. It would therefore be misleading to present detailed financial predictions based on an assumption that all will progress as planned.

BEC's project development experience over the last 9 years gives confidence to the view that funds raised in this Share Offer can still be effectively deployed in the event of forced changes to the project pipeline outlined in this document.

4 | FINANCIAL INFORMATION

As the hydro project expects to receive the largest share of this raise, more detailed financial information and predictions for BCHS are set out below by way of an example.

Bristol Community Hydro Scheme

A 25-year operational project period is used for financial modelling purposes. In reality the scheme is likely to run

for 45 years plus which would give better overall project lifetime financial performance.

Predicted total project outputs over this 25-year period:

Generation: 24,475 MWh

CO₂ saved: 6,928 tCO₂e

Community Benefit payment: £184,694

Financial forecast

Bristol Community Hydro Scheme							
	Years					Project at 25 yrs	
	1-5	6-10	11-15	16-20	21-25		
Financing	BEC Shares	£1,150,000					
	BEC loan	£38,469					
	ERDF Grant	£1,155,596					
	Donations	£45,000					
Project Cost		£2,389,065					
Operating Cashflow	Energy Sales	584,065	660,816	747,652	845,900	957,058	3,795,491
	Direct Operating Costs	(247,720)	(275,016)	(305,899)	(340,840)	(380,373)	(1,549,847)
Net Operating CF		336,345	385,800	441,754	505,060	576,685	2,245,645
	Financing Interest	(244,375)	(230,445)	(188,573)	(121,890)	(48,703)	(833,986)
	Capital repayment	(38,469)	(170,995)	(266,534)	(340,793)	(371,678)	(1,188,469)
	Tax	-	-	-	-	(38,496)	(38,496)
Operating Surplus available for Community Benefit		53,501	(15,640)	(13,353)	42,377	117,809	184,694
Profit & Loss	EBITDA	576,464	625,919	681,873	745,179	816,805	3,446,241
	Financing Interest	(244,375)	(230,445)	(188,573)	(121,890)	(48,703)	(833,986)
	Depreciation	(477,813)	(477,813)	(477,813)	(477,813)	(477,813)	(2,389,065)
	Tax	-	-	-	-	(38,496)	(38,496)
Profit/ Loss		(145,724)	(82,339)	15,487	145,476	251,793	184,694

Notes:

- The figures above are based on full capital repayment from the project to BEC over the project life with repayments beginning in year 6. The figure in years 1-5 represents repayment of a temporary loan from BEC to the project. (This may not be needed if contingency is not used in construction).
- If small operating deficits do materialise in some years as modelled in the table above this will be managed by shifting some capital repayment to later in the project.
- The losses in the first 10 years are paper losses driven by depreciation.

4 | FINANCIAL INFORMATION

Payment of interest on shares

One of BEC's key objectives is the development of renewable energy resources for the benefit of the community. As a Community Benefit Society, BEC does not distribute profits to shareholders but pays interest to members on their shareholdings at a rate sufficient to obtain and retain the capital required to carry out the Society's objectives.

Interest on investment in Share Offer 7 will start accruing from **1st September 2021**. The projected interest rate will be 3.5% on share capital for each year it remains invested. The first interest payment will be a pro-rata payment to the end of BEC's financial year of **30th April 2022**. The interest rate paid will be agreed at BEC's AGM in **October 2022** and payment made a few weeks later.

BEC shares are designed as a long-term social investment but subject to funds being available at the time of the request, and approval from the Board, some or all of a member's investment may be withdrawn before the end of the project period with a minimum of 3 months' notice.

Please note that despite the measures taken to minimise the investment risk neither the rate of interest nor the return of the investment can be guaranteed. We outline a range of identified risks below, and you should consider these and our assumptions carefully before applying for shares.

You are investing in Bristol Energy Cooperative.

In the future we are likely to invest in a range of other renewable energy and energy efficiency measures that will provide an overall comparable return, and your investment will also be exposed to the risks associated with these additional projects, although increasing the breadth and size of our portfolio reduces exposure to the risks associated with any one project.

The detail of which projects are included in the overall portfolio may need to change from that outlined in this prospectus. Any such changes will be at the discretion of the Directors.

Community benefits

The community benefit payments from the schemes in this share offer will be administered through the existing Megawatt Community Energy Fund and other distribution mechanisms appropriate to individual projects.



BEC bearpit mural

5 | KEY RISK FACTORS AND HOW THEY ARE MANAGED

If you are considering buying shares in BEC, it is important you are aware of the risks. We have outlined the major risks below.

This may not be an exhaustive list or a complete explanation of all the risk factors involved and it is worth considering that BEC's future performance might be affected by changes in market or economic conditions and changes in legal, regulatory and tax requirements.

It is important to consider the risks carefully before you decide to invest. Make sure you can afford to be without the money you will pay for the shares. If you are in any doubt about the information in this document, you should consult an independent financial adviser authorised by the Financial Conduct Authority or get advice from a solicitor or accountant.

This investment should be considered as medium to long term. If your circumstances change, your shares may not be readily convertible into cash.

Should BEC get into financial difficulties, then:

- We may have to suspend your rights to withdraw your shares
- We may not be able to pay interest at the projected rate, or any interest at all
- We may have to write down the value of your shares
- You may lose all the money you have paid for your shares

Regulatory matters

BEC is a Registered Society and, in offering withdrawable shares, it is exempt from the requirement to be regulated under the Financial Services and Markets Act 2000 (FSMA) and subsidiary regulations. Accordingly, this offer document is not required to be approved as a share offering by the Financial Conduct Authority, nor has it been.

The shares are not specified investments for the purposes of section 22 of FSMA (which specifies which activities are regulated by the Act) pursuant to paragraph 76 of FSMA (Regulated Activities) Order 2001. Therefore, you do not have the level of protection that you might otherwise be offered by FSMA. The issue of withdrawable shares, which are not transferable, exempts this share offering from the requirements of an

approved share offering required by section 85(1) of FSMA. The money that you pay for your shares is not safeguarded by the Financial Services Compensation Scheme or dispute resolution scheme and investors have no right to complain to the Financial Ombudsman Service.

Principal risk factors

The following are judged to currently be the most pertinent risks related to projects associated with this share raise. This is not an exhaustive list.

1. BEC may be unable to raise enough capital to proceed with installations.

Mitigation: BEC could still proceed with some schemes and consider alternative funding sources, including further share raises, to fund outstanding projects. It is currently exploring the possibility of securing an underwriting facility for the offer with an institutional investor.

2. Capital costs of the installations could be higher than anticipated and operational costs may rise faster than anticipated.

Mitigation: BEC will as far as possible negotiate fixed-price contracts for installation and maintenance. Contingency is built into BEC's cost predictions.

3. Long term project revenue may be below predicted due to climate change e.g. river flows, solar irradiation; the technical performance of equipment; or adverse changes to energy market conditions.

Mitigation: Wherever possible installations will be performance warranted and innovative power purchase agreements sought to protect against the downsides of wholesale energy price fluctuations. There could however be limits to what mitigation strategies can achieve and in worst case scenarios investment returns could be affected.

4. There may be interruptions to the generation of electricity from the installations once built, caused by damage to or mechanic/electrical failure of equipment.

5 | KEY RISK FACTORS AND HOW THEY ARE MANAGED

Mitigation: Installations will be insured for damage, breakdown, and loss of income, though the usual 'Acts of God' exceptions apply.

5. Possible future projects in which BEC invests could affect its ability to pay interest.

Mitigation: BEC has delivered successful projects and generated its target return to members over the last eight years - annual accounts from previous years are available for inspection. The directors will ensure prudent on-going management practices are used to minimise risk. BEC will only make investments in future projects if they meet the required financial performance criteria.

6. The grant for Bristol Community Hydro Scheme does not materialise resulting in the project becoming financially unviable.

Mitigation: Funds raised in Share Offer 7 would be used to finance other BEC projects which could have the net result of delaying future anticipated BEC share raises and /or reducing the target of future raises. A further fall-back position would be to use some of the raised funds to replace more expensive BEC financing. The latter would not be a preferred option but would have a positive net effect on the BEC business.



"I invested in Bristol Energy Coop because I wanted to do something about global warming."

"I knew there was a good project going on locally, and I admired the people who were taking part in it."
Richard, investor

6 | PERSONS RESPONSIBLE, DIRECTORS AND ADMINISTRATION

Our team

We have been working together since 2011 and have a successful track record in the delivery of community renewable energy projects. This is our seventh share offer.

Our directors have worked in the financial, environmental, construction, energy, and IT industries, as well as the cooperative, social, education and company director sectors. Equally importantly, we were all attracted to the director role through an existing involvement with local energy groups or because

we wanted to help the development of community energy. We care about the local economy, the global environment and believe in the power of community to create alternative business solutions that effect real change.

The directors



Bola Adebajo

Bola is an ACCA Qualified Chartered Accountant (FCCA), MIT Certified Artificial Intelligence Strategy Professional with an ongoing Doctorate Degree in Data Science.

An IT Consultant with over 20 years' Transformation / Process re-engineering, Mergers & Acquisition, Divestment & Project Management experience, partnering with business executives to shape enterprise-wide strategies and aligning Business & IT roadmaps to achieve corporate goals.

She has work experience spanning across 46 countries in Europe, Africa, Asia; LATAM, North America, ANZ and Middle East.

As a working mother, she is passionate about family & society values, green energy and environmentalism.



Kat Blacklaws

A passion for renewable energy and its social as well as environmental benefits led to Kat completing an MSc in Sustainability at Leeds University, focusing on the community

benefits of two wind power projects.

Kat has spent over 5 years working in research roles within energy and environmental consultancy, and also has a passion for waste prevention, volunteering with food-waste prevention charities and writing about the benefits of reusable menstrual products.

Kat joined Bristol Energy Cooperative following a career break spent travelling in Asia, which included completing yoga teacher training in India.



Andrew Lee

Andrew is a founder director. As an architectural technician, he brings his experience of construction, including knowledge of building regulations, to the BEC board.

Andrew works on both domestic and commercial schemes, and advises his architectural practice on the best ways of complying with the energy efficiency requirements when designing new dwellings as a qualified "SAP Assessor". In his current role, he takes projects from design right up to final completion.

Degree educated, Andrew is also a qualified computer programmer. When the Feed-In-Tariff was introduced, Andrew was keen to get involved with installing solar panels and joined the BEC board.

Andrew is also the Treasurer (and a Trustee) of Portishead Town Band, and previously the Chairman of the Bristol East & Kingswood Band.

6 | PERSONS RESPONSIBLE, DIRECTORS AND ADMINISTRATION



Andy O'Brien

Andy is a founder director of Bristol Energy Cooperative. He has 15 years' experience in IT and project management, including work for Triodos Bank and Bristol City Council.

For the past 9 years, in addition to being a BEC Board member, Andy has been the Coop lead for project development. During this time he has built considerable expertise in the financial, regulatory and legal aspects of the renewable and community energy sectors, as well as the management of a successful community energy business.

He is PRINCE2 trained, has a Post Graduate Certificate in Education, and a degree in modern languages. He previously taught for 10 years in the secondary and FE sectors, and overseas. He also founded Sustainable Westbury-on-Trym.



Simon Pyne

Simon runs a consultancy advising organisations on how to decarbonise, and brings 10 years' experience working on the identification and commercialisation of energy

projects across multiple technologies and industry sectors.

At home, he practices what he preaches and acts as an ambassador for Bristol Green Doors, promoting low carbon homes.

Simon holds a degree in Environmental Science.



Danielle Radice

Daniella is an environmental campaigner and politician. From 2013 to 2016 she was a Green Councillor for Bishopston Ward on Bristol City Council. She was also cabinet member

with responsibilities for Neighbourhoods.

Daniella has worked as an environmental advisor in both the waste and rail industries, more recently she has project managed the growth of the national street play movement and worked in the environment consultancy sector.



Chris Speller

Chris is a retired NHS Consultant and manager. He has a long-standing interest in sustainable architecture and energy use, and co-founded Sustainable Bishopston.

He joined the Board as a way of becoming practically involved with action on Climate Change. Since 2015 Chris has worked as a BEC employee in a management and project development role.



Peter Thompson

Peter brings a wealth of experience from high level appointments in the telecommunications sector to the role of chair of Bristol Energy Cooperative in order to ensure

good governance and set its strategic direction. He is currently a consultant in the telecommunications sector, and has been chief technical officer at Predictable Network Solutions since 2012.

With an academic background in Mathematics and Physics, including a first from University of Warwick and a Certificate of Advanced Study in Mathematics from University of Cambridge, Peter also successfully completed a qualification in sustainability from the Schumacher Centre.

His interest in renewables carries over to his personal life, and he has heavily insulated his loft and installed solar PV on his roof. But he sees community energy as bringing the significant change the environment needs.

7 | TERMS AND CONDITIONS

The share offer

This investment opportunity is open to individuals over the age of 16, corporate bodies or nominees of unincorporated associations. The purchase of shares automatically registers you as a member of BEC.

This is a medium to long-term investment. It is unlike investment in a for-profit enterprise where the investor typically seeks to both share in profits through dividends and make capital gains from an increase in the value of shares held which are freely marketable.

The investment is in withdrawable shares with a nominal value of £1. This value does not change.

The minimum investment is £100.

The maximum investment is £100,000 unless the investor is another Industrial and Provident Society. Existing members can make further investments provided their aggregate investment does not exceed this amount.

All members of BEC have one vote regardless of how many shares they hold.

Shares under this offer are not transferable to third parties except on the death of a shareholder.

We will keep members informed of developments through our website, emails (where you have given us permission), via newsletters, the Annual Report, the Annual General Meeting, and any general member meetings that may be deemed necessary or of interest to members.

Terms & Conditions for the Share Application

Offer timetable

The full offer period is from 16 September 2020 to 5pm on 31 December 2020 but will be closed early if fully subscribed or extended for a further period at the sole discretion of the directors.

Shares may be issued before the close of the offer to enable projects to progress efficiently.

Interest will begin to accrue on investments from 1st September 2021.

Targets and contingencies

The full share offer target is £2 million.

There is no minimum target threshold.

If the share offer is oversubscribed, BEC may use the funds on additional projects that are viable and meet the investment criteria.

Sale or withdrawal of shares

Shares in BEC cannot be sold to a third party or traded and there is no prospect of them ever being worth more than their nominal value of £1.

Although shares in BEC are withdrawable, this is at the discretion of the directors, and you may not be able to withdraw the full amount you purchased if BEC does not have sufficient funds available at the time you want to withdraw your shares. In some circumstances the directors may be compelled to write down the value of your shares. Should you then wish to withdraw your shares you will receive only their written down value.



8 | APPLICATION PROCESS

How to buy shares

Share applications will be handled by Ethex, a not-for-profit online platform that promotes and manages positive investing. All money received from investors is held in a separate account, meaning that it is separated from Ethex's own funds.

To buy shares and become a member of BEC you should apply online through the Ethex website www.ethex.org.uk/BEC2020 where our share offer is listed. It is a paperless process and is the most efficient mechanism for investing.

Share certificates will be made available online by Ethex at the close of the offer.

Your application

You cannot withdraw your application for shares after we receive your application. Any amounts to be invested are payable in full on application. The directors do not have to accept your application for shares. They may decide not to issue shares to you or may allocate you fewer shares than you applied for. They do not have to give any reasons for their decision.

Neither BEC nor any of its directors or agents can provide investment advice, tax advice or recommendations to investors.

Your payment

Online applications: Ethex will acknowledge receipt of your application and provide bank details for payment by bank transfer.

BEC will issue shares to you after your application has been considered. Your money will be returned to you within 28 days after you have invested if it decides not to issue shares to you. If BEC decides to issue fewer shares to you than you applied for, it will return the balance to you within 28 days. BEC will not pay you interest on any money it returns to you.

Your promise to the society

You promise that:

- You as an individual are at least 16 years of age
- You have the authority to make the application for investment
- If you are signing it for another person, you will provide BEC or Ethex with evidence of your authority to sign if they ask to see it. BEC will be unable to issue your shares until they see this evidence.
- You will give proof of your identity and address if BEC or Ethex asks for it. They may need to do this for anti-money laundering purposes. BEC may have to hold your shares until it sees this proof.

Dissolution

Your attention is drawn to rule 101 of the rules governing BEC, which requires members to give up any personal financial benefit from the conversion, transfer, dissolution or winding-up of the Society. On a dissolution or winding-up of the Society, any surplus assets (after payment of any liabilities) shall not be distributed to any members but will be transferred to some other non-profit body or bodies nominated by the members which is or are subject to the same degree of restriction on the distribution of surpluses and assets as the Society. On a conversion, amalgamation and or business transfer, the society or company into which the society converts, amalgamates, or transfers its business must have objects similar to those of the Society.

Miscellaneous

This Offer and any agreement entered into for the purchase and sale of shares in the Society is governed by the law of England and Wales. The courts of England and Wales have exclusive jurisdiction. You will be bound by the rules of BEC if we issue shares to you.

Banker

The Co-operative Bank
PO Box 250, Skelmersdale, Wigan WN8 6WT

9 | FURTHER INFORMATION

You can find a copy of our Society Rules at:

www.bristolenergy.coop

www.ethex.org.uk/BEC2020

Before completing the application form you should:

- Read this Share Offer Document.
- Pay special attention to the risk factors set out in this document.
- Consider taking financial or other advice in relation to the terms and conditions of this share offer.
- Read the rules of BEC at the web links above.

Additional information about BEC can be found at:

www.bristolenergy.coop

If you have any problems or if you need help about how to apply for shares in BEC, call Ethex on 01865 403 304 or email help@ethex.org.uk.

For questions relating to BEC and the investment opportunity call 07503 372 689 or email invest@bristolenergy.coop

Bristol Energy Cooperative
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Bristol
BS2 8PE

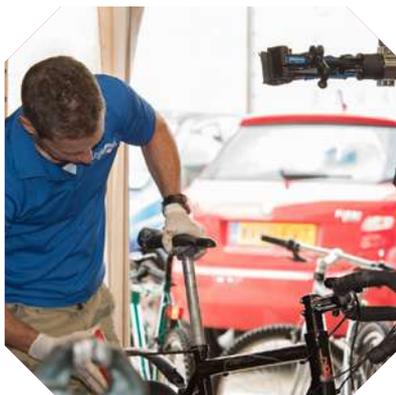


"I noticed an ad for the Bristol Energy Coop Share Offer. I just thought that this sort of thing is what attracted me to Bristol."

"So I got in touch & invested. This empowers a lot of people who can come together."
Alexandra, investor

"Your funding helped Bristol Bike Back refurbish 452 bikes last year, saving resources and providing an asset for local people. Thank you for making this possible!"

Huda, Life Cycle UK



Investing in renewables

Cutting carbon

Building community



BEC interview with Ujima Radio at Netham Weir

This share offering has been prepared by Bristol Energy Cooperative and its Directors, who are responsible for the contents. The Directors have taken all reasonable care to ensure that every statement of fact or opinion included in this share offering is true and not misleading.

This offer is unregulated and not covered by any form of compensation scheme. Please consider carefully the section on risk factors and membership before investing. Any decisions to invest should be based upon consideration of the entire share offering and, where considered necessary, having consulted an independent financial adviser authorised by the Financial Conduct Authority or a solicitor or accountant.