



July 2014, London

UK's largest energy company teams up with social enterprises to build a £60m pipeline of solar energy projects to benefit local communities

The solar division of British Gas, Generation Community and Social Finance announce their partnership today to build a pipeline of solar energy projects worth up to £60m to benefit local communities.

For the first time a commercial energy partner, British Gas Solar, is working with a community benefit society, Gen Community, to offer solar panels for local government sites such as schools and town halls across the country.

The partnership will seek out energy projects where the financial benefits of solar energy from the government's feed in tariffs are re-invested back into the local community.

It is estimated that the solar panels will save up to 40% of the electricity bills for potentially 8,000 rooftop sites. Revenue from the feed in tariffs will flow back into the community to support local social enterprises and educational services targeting fuel poverty.

Social Finance will raise up to £60m of institutional loan capital to finance the pipeline. Alongside this, members of the community will be able to invest in the solar projects by purchasing shares and will receive a fair financial return, in addition to social and environmental benefits.

Gen Community will oversee the projects, liaising with local authorities and engaging with community organisations. British Gas Solar will be the contractor for the installation of the projects ensuring excellent quality assurance on deployment and will continue to operate and maintain the systems. Social Finance is the lead arranger of the 20 year inflation linked, amortising, asset-backed Social Solar Bond.

"This is an exciting chance to deliver renewable energy both professionally and to a commercial standard, whilst keeping community ownership and values at the core of the project. We hope that local authorities and housing associations come forward to take advantage of this new partnership", said James Mansfield, Director of Gen Community.

Mike Chessum, Head of Energy Construction Services at British Gas, said:" Our partnership with Gen Community signals a breakthrough in the delivery of

community energy across the UK. We are proud to be the first commercial energy partner working alongside social enterprises that will provide new ways of delivering power to communities.”

Richard Speak, Head of Sustainable Communities at Social Finance, said: “Community energy deals can act as catalyst for mainstream investment markets to align financial returns with tangible social impact. These deals help alleviate fuel poverty for our poorest households and bring the financial benefits back in to the communities.”

Nick Hurd, Minister for Civil Society, said: “It’s great news that the grant from our Investment and Contract Readiness Fund helped Generation Community to grow and develop such innovative projects. The partnership with British Gas is a significant endorsement of the role that social enterprise can play in delivering services alongside benefitting communities. We hope that this will be the first of many similar partnerships.”

This announcement comes as the Department for Energy and Climate Change (DECC) looks to promote its community energy strategy, encouraging commercial developers to work with community energy groups.

ENDS

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www.gen-community.co.uk/laha/ webpage for project partnership

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Notes to Editors:

- Social solar bonds will accelerate installations of solar panels on the roofs of schools and council buildings across the country, bringing social, environmental and financial benefit. Local authority contracts are expected to be between £5 and £10 million (a minimum of 5 Megawatts) and will not require local authorities to make any capital outlays.
- Organisations can take advantage of a free consultation on the potential for solar PV on their rooftops by contacting Gen Community.
- Earlier this year, Gen Community was awarded the Cabinet Office Investment Readiness and Contract Fund grant, which funded work with Social Finance, a social investment intermediary to develop the first project. The partnership with British Gas Solar is an extension of this project.
- Gen Community was introduced to British Gas Solar through Ignite Social Enterprise LP, an impact investment fund backed by Centrica.
- Despite the legislative changes, the UK solar industry has been growing steadily, with 77MWp installed in 2010, 1GWp by 2011 and 2.2 GWp by the end of 2013. The Department for Energy and Climate Change (DECC) has considerably increased the ambition for UK solar, with a target 22GWp install target by 2020 and the inclusion, for the first time, of PV as a core renewable energy technology.
- The Feed-in-Tariff for UK Solar PV was introduced in April 2010. , The scheme is designed to make small scale renewable energy generation economically attractive and stimulate market demand. The FIT is a UK statutory legal instrument that places an obligation on electricity supply companies to pay a guaranteed, long term subsidy to the owners of small renewable energy generating assets.

About Generation Community - <http://www.gen-community.co.uk>

Gen Community installed over 200kWp of solar photovoltaic (PV) on fuel poor homes in Newport, South Wales, funded through a community share offer.

The Newport project received the 2014 Community Energy Award by the Renewable Energy Association .In total, Gen Community have raised over £1 million in community share offers.

Gen Community's aim is for the low-carbon economy to be developed by maximising social benefit through mutual ownership of energy generation, public engagement and retained community benefit.

The legal form adopted by Gen Community is a Community Benefit Society The Society is registered with the FCA (Financial Conduct Authority) - number 31214 R.

About Social Finance - www.socialfinance.org.uk

Social Finance is a not for profit organisation that partners with government, the social sector and the financial community to find better ways of tackling social problems in the UK.

Earlier this year, Social Finance raised a £10 million loan note for Empower Community to provide access to free daytime solar energy for social housing in Sunderland. Founded in 2007, Social Finance has raised over £20m in social investment and is the originator of the Social Impact Bond model.

About British Gas Solar – www.britishgas.co.uk

British Gas Solar, part of British Gas, provides bespoke solar PV and thermal panel installations and financing packages for homes and businesses across the UK. Established in 1994, British Gas Solar's team of experts has installed thousands of solar panels and worked with hundreds of homes and businesses to help them save money and reduce their carbon footprint.

The company is invested in developing a market leading range of solar energy solutions, enabling customers to benefit from our energy expertise, world leading engineering capabilities, health & safety, and quality assurances.

British Gas is the UK's leading energy supplier, and serves around 11 million homes in Britain – nearly half the country's homes – as well as providing energy to around half a million UK businesses. British Gas provides value for money, dedicated customer service, innovative energy solutions and the highest quality Home Services expertise in the country. Find out more at www.britishgas.co.uk.

About Ignite – www.ignitesocialenterprise.com

Ignite is the UK's first impact investment fund with a focus on energy. Ignite believes that energy entrepreneurs have a vital role to play in building a better society and the fund was established to support them achieve their potential.

Ignite invests people and money into emerging and mature organisations that have a clear vision of how they benefit society. By focussing on energy, Ignite is driving innovation at every point of the energy chain – from sourcing and generation through to supply, service and saving energy. And by investing in social enterprises Ignite is making a positive impact on employment, income, housing and local communities.

With Backing from Centrica, Ignite is providing funding of £10 million over the next ten years, and will make investments of between £50k and £2m

