

# Financing of Renewable Energy

Meitheal na Gaoithe

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Steve Moore / Matthew Clayton

**Triodos Bank**

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# Triodos Group

- Europe's leading 'social bank' - established 1980
- €3 billion of funds under management
- Operating in The Netherlands, UK, Belgium, Spain and Germany
- 130,000 customers; 12,000 shareholders
- UK:
  - 22,000 personal customers
  - 3,000 business customers
  - lending £190,000,000

# Connecting savers with borrowers

- Renewable Energy
  - Social Enterprise
  - Organic Farming
  - Social Housing
  - Fair Trade
  - Spiritual Groups
  - Environment
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# Triodos Bank

## How does it work?

We have a community of savers who want their money to make a positive difference...

...and we *only* lend to projects that benefit people and the environment



# Response to the Financial Crisis

- Triodos Bank is a fully independent bank and a pioneer of sustainable and transparent banking
- Triodos Bank's solvency is very strong, with a regulatory capital ratio of 15.1%, well above the required minimum of 8%.
- Triodos Bank's liquidity position is very healthy, as only 65% of its funding is invested in loans, with the balance kept available for liquidity
- Since its foundation in 1980, Triodos Bank has consistently invested directly in projects and businesses, while establishing a close relation with the people and understanding their underlying activities

# Renewable Energy

- Financing renewable energy since 1986
- Wind and hydro mainstay of UK market
- Focus on 100kW to 15MW projects
- Lending to 35 projects in UK & Eire  
... and over 200 across the group
- Includes solar pv, solar thermal and biomass
- Tidal energy – latest investment sector

# Wind Energy

- Attractive sector:
  - Mature technology; strong energy market
  - UK & Eire have best wind resource
  - liked by our depositors
- Wind energy has great potential, and projects need to be funded

# Types of Finance

- Project finance requires certainty
  - construction risk
  - technology risk
  - wind yield & offtake arrangements
- Alternatives
  - Mezzanine debt
  - Combine with other assets
- Equity
- Joint Venture

# Borrowing

- Flexibility should be the priority if you have a good site and a reasonable amount of equity.
  - If you don't have a good level of equity you may need to maximise debt levels. To do so, minimise uncertainty.
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## What we can do for you

- Strong relationships with all key suppliers
- Introductions
- Review agreements for project risk & pricing
- Minimise cost
  - In-house processes & experience within renewables team
  - Legals – lawyer can work for both
  - Pragmatic approach
- Bespoke & flexible finance packages
- Wider community involvement

## Recent Projects

- Cashflow support for Eigg Electrification
- 2 x 2MW wind turbines at Michelin, Dundee
- 15 x 850kW wind turbines, Caithness
- 6 x 800kW wind turbines, Lincolnshire
- Single 2MW wind turbine, Reading
- 570kW hydro scheme, Lanarkshire
- 290kW hydro scheme, also Lanarkshire

## Current Projects

- 2.55MW project Aberdeenshire
- 2MW project Orkney
- 2 x 900kW projects Orkney
- 4.6MW Ross-Shire, Scotland
- 2MW project Nottinghamshire
- 4.35MW project Wicklow
- 4.5MW project Sligo



# Marine Energy

- Marine Current Turbines



# Why speak to Triodos Bank?

Exclusive focus on social and environmental sectors

Expertise in renewable energy – one third of UK lending

Specific focus on smaller projects

Unique experience and understanding of the needs of the sector

Dedicated team, personal connection & 22 years experience

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Steve Moore  
Relationship Manager, Renewable Energy  
0117 980 9767  
[steve.moore@triodos.co.uk](mailto:steve.moore@triodos.co.uk)

Triodos Bank NV  
Brunel House, 11 The Promenade, Clifton, Bristol BS8 3NN

Triodos Bank NV (incorporated under the laws of the Netherlands with limited liability, registered in England and Wales BR3012). Authorised by the Dutch Central Bank (DNB) and regulated by the Financial Services Authority (FSA) for the conduct of UK business.

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# Triodos Renewables

- Established in 1995
- PLC with 4000 shareholders
- Commitment to develop and operate sensitively sited sustainable energy projects
- Capital allocation, risk profile
  - 80% Generating assets, 20% Developments and Investments
- Plan to increase our operating capacity

## Operating projects

**Beochlich,  
Argyll, West Scotland**  
Hydro-electric project  
generating green  
electricity to meet  
the needs of about  
1,200 homes

**Haverigg II,  
Cumbria**  
Wind farm generates  
enough green electricity  
for over 1,500 homes

**Caton Moor,  
Northern Lancashire**  
Wind farm generates  
enough green electricity  
for 10,000 homes

**Sigurd,  
Orkney Islands**  
Wind turbine  
generating enough  
green electricity for  
1,100 homes

**Ness Point,  
Suffolk**  
One of the UK's largest  
onshore wind turbines  
generating enough  
green electricity for  
over 1,750 homes



# Investments



## **CONNECTIVE ENERGY**

A joint venture between Triodos Renewables, Doosan Babcock and the Carbon Trust.

Connective Energy plans to become a leading supplier of low carbon heat solutions by using waste heat to displace primary electricity generation sources

37% of Connective Energy Limited



## **MARINE CURRENT TURBINES**

An innovative tidal technology company. The investment has helped finance what is considered to be the world's first large –scale commercial tidal turbine, SeaGen in Northern Ireland's Strangord Lough in Spring 2008.

2% of Marine Current Turbines Limited

## Investment appetite

- Providing equity for renewable and sustainable energy projects
  - Between 2 and 30 MW
- Projects in the post planning phase
  - consider co-development of portfolios of projects in preplanning phase
- Prefer majority ownership

## Contacts

- Matthew Clayton
- Triodos Renewables
- [Matthew.clayton@triodos.co.uk](mailto:Matthew.clayton@triodos.co.uk)
- +44 117 9809582