

SHROPSHIRE AND TELFORD COMMUNITY ENERGY

Twemlows
Solar Farm
Share Offer 2
amended Sept 25



Part of



STCE is a registered Community Benefit Society, Registration number 8829

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Hedge infill work at
Twemlows Nov 2024



CHAIR'S WELCOME

I'm delighted to introduce our second Twemlows share offer. Our aim is to raise the capital needed for the next step of securing this highly efficient 10MW solar farm and deliver increasing community benefits for many years to come.

Shropshire and Telford Community Energy (STCE) is looking to raise around £500,000 through this share offer, adding to the £294,000 we raised in 2023. We are offering a target interest rate of 6% per year on these shares and expect to be able to repay the share capital within 11 years. We have already paid out the first 6% interest to our initial investors but future payments are not guaranteed and all community share raises entail some risk, so please read this document carefully.

STCE purchased Twemlows, near Whitchurch, in Dec 2023 with some cheap long-term Senior finance and a relatively expensive short-term Junior loan. This share offer will enable us to strengthen our position as a local leader in Community Energy.

Our solar farm has been generating since 2016. It has 40,000 panels, providing enough power for the equivalent of 3,400 homes and saving over 4,000 tonnes of CO₂ per year. We are actively supporting a cleaner, greener, fairer future helping to accelerate the transition to net zero. The 2024 income enabled us to cover our costs, distribute £25k in Community Benefits and pay interest to our existing investor members.

We have also been working to improve biodiversity at the Twemlows site and on developing an innovative heat network and wind turbine project in Bishop's Castle.

We joined with four other similar societies across the UK to form Community Energy Together (CET) to facilitate the purchase of Twemlows. Together the CET groups own 36MW of solar, adding 20% to the community owned solar in England and Wales.

By investing in us, you will become a member of STCE, able to be directly involved in helping to shape the future of community energy in the area and, more widely.

I hope you'll give this share offer your serious consideration and make an early investment so that we can look forward to welcoming you as a member of STCE.

Robert Saunders,
Chair,
Shropshire and Telford
Community Energy

YOUR CHANCE TO INVEST IN A CLEANER, GREENER, FAIRER FUTURE

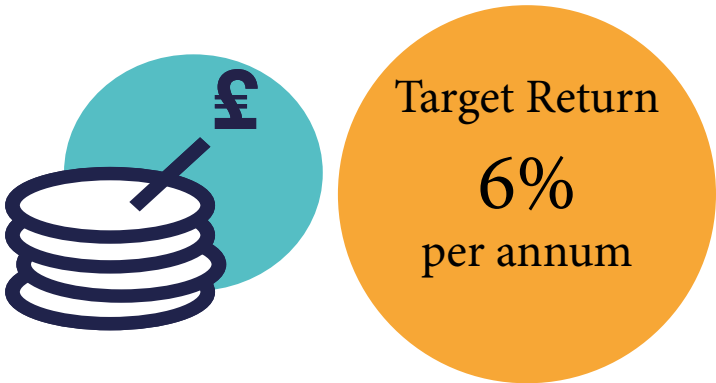
SHARE OFFER SUMMARY

Including Terms & Conditions.

STCE is aiming to raise extra share capital to carry out the next step of securing Twemlows Solar Farm.

This will enable us to pay off some of our Junior loan, strengthen our base and enable us to increase our Community Benefit Fund.

STCE has an Asset Lock so the value of our assets has to be retained for Community Benefit.



Target return
6% per year

Offer Open Date
26th May 2025

Offer Close Date
14th November 2025 amended from 19th Oct

Target Raise
circa £500,000
(minimum £300k, stretch target £700k)

Minimum Individual Investment
£250
(each share has a nominal £1 value)

Maximum Individual Investment
£100,000
(Including any sums invested in our first share offer)

Predicted Payments on a £1000 Investment											Totals
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Share Interest Paid Out	£60	£60	£60	£60	£60	£60	£45	£30	£15	£15	£465
Share Capital Repaid	£0	£0	£0	£0	£0	£250	£250	£250	£0	£250	£1,000



Summary of Benefits

Our financial model estimates that over 16 years the Twemlows Community Benefit Fund will generate around £3 Million. Some of this money will be earmarked for projects within 15 miles of the solar farm. The rest will be used to fund projects across Shropshire and Telford that reduce energy use, establish new renewable energy schemes or improve climate resilience or biodiversity.

Eligibility

Anyone aged 16 and over may apply for shares. Overseas investors must have a UK sterling bank account.

Co-operatives, Community Benefit Societies, companies and other incorporated associations may also apply for shares. An applicant who/which is not a UK resident is responsible for ensuring that this application complies with any laws or regulations applicable outside the UK to which they are subject.

No commission will be payable to introducers of potential investors.

Interest

STCE is targeting 6% interest per annum on retained capital. The first interest payment is expected Spring 2027. Interest payments cannot however be guaranteed.

Liquidity

Shares are not transferable and withdrawing share capital is subject to agreement by the STCE board. Shares cannot be withdrawn before Dec 2029 except in case of death or exceptional circumstances. Withdrawal requests will be dealt with on a first-come, first-served basis by the directors. It is expected that all share capital will be repaid in the period 2032 to 2036.

Membership of STCE

All shareholders will become a member of STCE on a one vote per shareholder basis. Non shareholders can also join STCE for a small fee. Members are encouraged to take an active part in the society.

Tax

For UK residents interest is paid gross and is potentially taxable. It is your responsibility to declare this to HMRC. For non-UK residents the interest is paid net and the society will pay the tax to HMRC.

STCE's Rules etc

Our rules, business plan and privacy policy are available at

www.stcenergy.org.uk/about-us

INTRODUCTION TO STCE



STCE started as a working group in February 2020 and registered as a Community Benefit Society (CBS) in March 2022. STCE was specifically set up to purchase Twemlows Solar Farm, but has always had ambitions to set up other local community energy schemes.

Power to Change (PtC), the independent trust that strengthens communities through community business, helped us to become an established CBS. Since 2020 we have received a PtC grant through the Next Generation programme to help establish the society and carry out community energy feasibility studies.

Our Heat and Wind project in Bishop's Castle gained £100,000 of Community Energy Fund support in 2024. The wind turbine and a report on options for the scheme are both due soon, see <https://lightfootenterprises.org/heat-network/>

STCE has also distributed £66,000 in Community Benefit Fund grants. Having Twemlows in community ownership will enable us to distribute around £3 Million in community benefit over the next 16 years (2025-2040) including setting up new community energy schemes. If the lease and planning permission can be extended past 2041, further significant funds will become available.

We are also working to improve the biodiversity on the Twemlows site, which is next to the Butterfly Conservation site at Prees Heath and has 1.6km of hedgerow. We have replaced part of the hedge, removed many tree guards, put up bird and bat boxes and taken soil samples to inform further work. We also regularly litter pick around the site.

We have also been working with the Big Solar Co-op to get more rooftop solar installed locally. Big Solar has fitted three rooftop solar schemes in Shropshire to date, Copthorne Co-op (Shrewsbury), Hornsey Steel (Bucknell) and Kerry Ingredients (Tenbury Wells) with further sites in the pipeline. See www.bigsolar.coop





Dave, Fran & Howard receiving STCE's Highly Commended award in Progress in Expansion from Community Energy England, Sept 2024.

STCE Accounts

STCE's last audited accounts (year ending 31 December 2023) are available at <https://stcenergy.org.uk/about-us/>. The main income in that year was from the Next Generation grant as the purchase of Twemlows only took place right at the end of the year.

The audited 2024 accounts should be available by mid-June 2025.

The 2024 draft accounts show:

STCE group Income, (ie including the Twemlows CICs and the Taurus holding company) £1.53 Million

STCE group Expenses £486,432 (including rent, rates, management & maintenance etc)

STCE group Net Income £146,367

STCE group Total Assets £11.6 Million (including £2.3 Million of goodwill)

STCE group Net Assets £501,000 (up from £353,000 at 31.12.23)

As of 31 December 2024 STCE owed £3.6 Million on the Junior loan and £6.9 Million on the Senior loan and hold £294,000 of members equity.

STCE has around £1.5 Million in its bank accounts, most of which is tied up in CET shared maintenance and debt service reserve accounts which are a requirement of the Senior loan, plus £87,000 in a reserve account linked to the Twemlows lease.

TWEMLOWS SOLAR FARM

This share offer is to enable STCE to take the next step in securing the Twemlows Solar Farm.

Twemlows has a total capacity of 10MWp divided into two 5MWp arrays, each with its own Community Interest Company. The site is at Prees Heath, just south of Whitchurch, Shropshire.

The solar farm was built by German company ib vogt and completed in 2016. It is well engineered, and the panels are well spaced with little over shading so the output is higher than many similar arrays at just under 10GWh per annum, equivalent to the electricity demand of 3,400 typical houses. There have been very few technical issues in the first eight years of operation.

The site has Feed-in Tariff (FiT) registration, which provides a guaranteed base income, plus the FiT export rate or a Power Purchase Agreement for the export, whichever is the greater. These provided a total income in 2024 of £1.52 Million.

Figures from a detailed financial model, for the 16 years until the various permissions expire, is provided in The Financial Model section. More detail can be found in the [STCE business plan](#).

To date, the Twemlows Community Benefit Fund has been distributing at least £20,000 per year. Our business plan shows how that will continue for four or five years, then increase significantly once the Junior Loan has been repaid.

The site was formerly part of the Twemlows Stud Farm, and is mostly grade 3b agricultural land (moderate quality) on which a local farmer still grazes their sheep.

The asset management of the Twemlows Solar Farm is provided by a service contract with Bright Renewables of which STCE is a client member. The services include operational asset management; finance and accounting (income claiming, expenditure, taxation, quarterly management accounts, annual audit); and regulatory compliance (Health and Safety, HMRC, Ofgem, FCA, etc).

Howard & Mark with bird boxes made for STCE by Telford Men's Shed





Twemlows Solar Farm

TWEMLOWS 1 AND 2 SOLAR ARRAY TECHNICAL INFO

	Twemlows 1	Twemlows 2
Rated capacity	4.99MWp	4.99MWp
Export capacity	8160 kVA	
Commissioning date	October 2015	June 2016
Engineering, procurement and construction contractor	ib vogt Solar Limited	
O&M service provider	REPS	
Asset manager	Bright Renewables	

OUR TEAM

All STCE directors are unpaid volunteers when undertaking duties directly for STCE. Dave Green works for Sharenergy, which carries out some project work for STCE, in full compliance with STCE's conflict of interest policy.

OUR DIRECTORS

Robert Saunders, Chair

Robert has been an active environmental campaigner since 1979. He is vice-chair of Transition Telford; secretary of Wellington LA21; a founding member of Zero Carbon Shropshire; and a former member of the Marches LEP energy strategy group. He holds a Dip. HE in Environmental Science, and a BSc in Managerial and Administrative Studies. Robert formerly worked for Marches Energy Agency on energy efficiency and renewables projects, and for Neighbourhood Initiatives Foundation on community participation, as well as various businesses in purchasing.



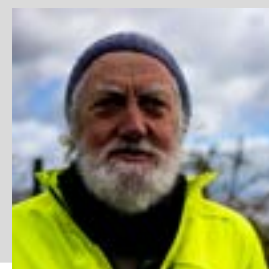
Fran Hunt

Fran worked for the Automobile Association for 10 years as an IT project leader. She has since worked as a project manager/co-ordinator at a number of environmental and charitable organisations, including the Small Woods Association, Shropshire Wildlife Trust, Marches Energy Agency and Sharenergy. Fran volunteers with many organisations in her spare time.



Dave Green, Treasurer and CET representative

Dave has worked in community energy, energy advice, assessment and training since 2005. He was Energy Officer for the award-winning Household Energy Service in Bishop's Castle from 2005-10 and a director of Shrewsbury Hydro from 2015-17. Dave currently works for Sharenergy, on a range of community energy projects across the UK.



Howard Betts, Secretary

Howard is a retired chemical engineer who has worked in technical and sales management with Ever Ready and set up, with colleagues, a new battery company in Telford when Ever Ready closed. That company is still thriving under its current owners. For 15 years he has been leading Little Wenlock Village Hall on its green journey to becoming completely zero carbon in 2024.



Mark Latham

Mark is an ecologist with over 15 years of practical experience working for academic institutions, private ecological consultancies, statutory nature conservation organisations and local government.

Mark is Ecology Manager at Ecotricity a leading UK renewable energy generator and supplier. Mark's work seeks to embed Biodiversity Net Gain and Nature Based Solutions into renewable energy development projects. During his career Mark has worked on the ecological elements of onshore wind, micro-hydro, offshore tidal and solar farm developments, including some of the largest schemes in the UK and Europe.



Neil Pulker

Neil joined the STCE board in 2024. He has lived in Shropshire for 25 years, having worked for a premium car manufacturer in varying roles, focused primarily on business development. On retirement Neil joined a Walsall Charity as a Trustee, focusing on helping the long-term unemployed return to employment. Currently, Neil is a Trustee of a small Charity, in Oswestry, assisting the disadvantaged of Shropshire, as well as a Parish Councillor.



One third of the directors will all stand down at each AGM but can stand again alongside any other members.

COMMUNITY ENERGY TOGETHER

As mentioned, Twemlows is now part of a portfolio of seven UK solar farms co-ordinated by Community Energy Together. Each solar farm has been purchased by a local Community Benefit Society. Five societies are involved as some have bought more than one solar farm.

All five member societies of Community Energy Together (CET) held share offers in 2023 but only two, STCE and Yealm, are holding second share offers in 2025 for their existing projects. The other three are smaller and have lower loans so do not need a share offer at this stage for their solar farms. Kent are however launching a share offer soon for a different project.

CET is the umbrella organisation set up to manage the debt arrangements while the shared debt finance remains in place, for another 11 years.

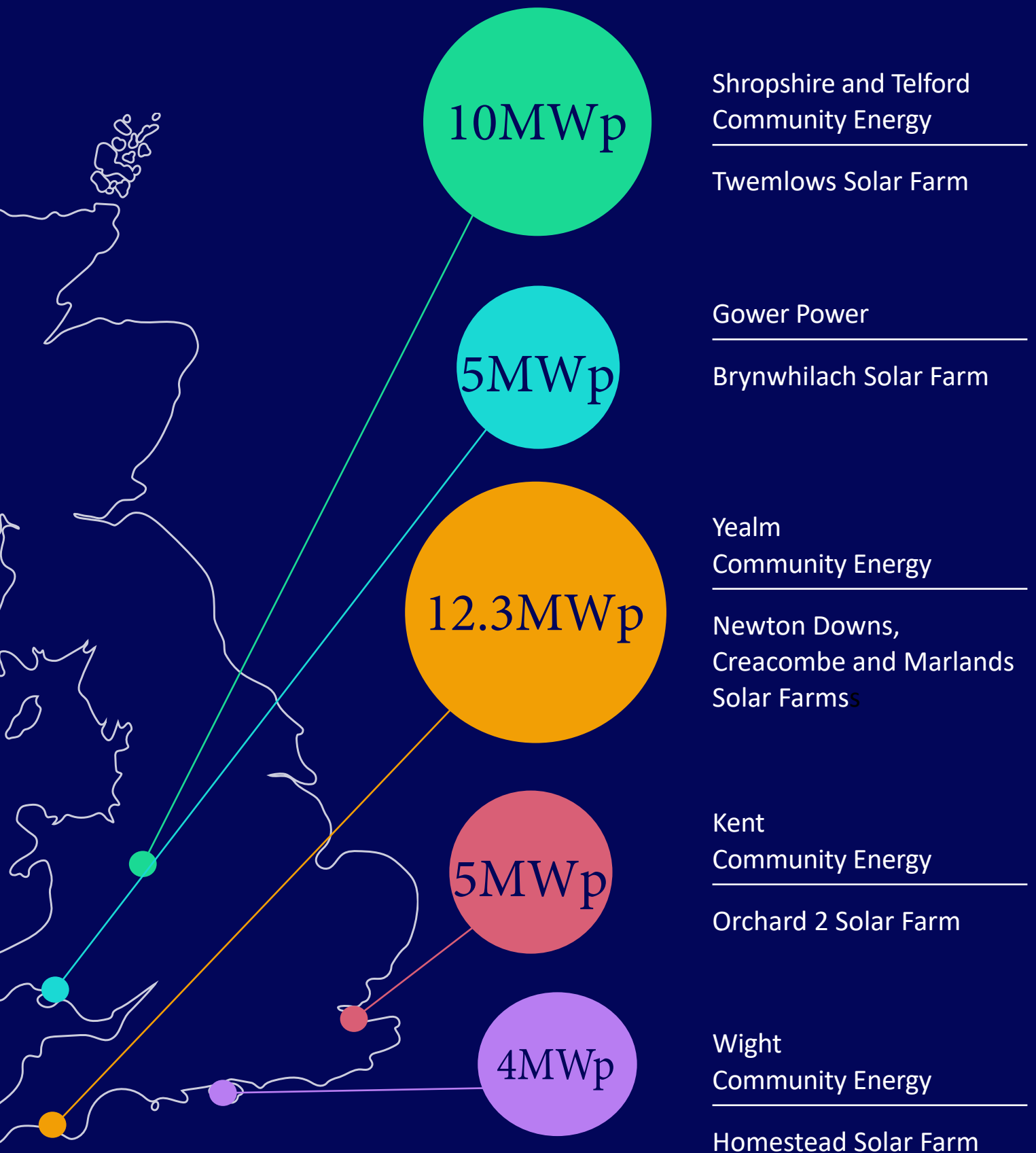
The shared debt arrangements of CET will enable each solar farm to generate enhanced levels of Community Benefit Funds for many years to come, compared with a standalone community solar farm, while also sharing risk as a group. The Senior debt finance provided by aberdeen through CET has a relatively low interest rate linked to inflation, providing a hedge against changing revenues since most of the asset revenues are also linked to inflation. In the unlikely event there is a problem with one asset, that society will be supported by the other societies in the group.

CET is owned collectively by the five asset owning societies, with each society providing one CET director. As community partners, we are committed to working together in good faith for the good of our communities through CET. We are also committed to complying with the shared loan obligations while servicing the cross-collaterally raised debt, working as a group to ensure we reach our collective targets.

A large part of the Junior Loan will be repaid over the next four years from income generated by the seven solar farms. Any outstanding amount will need to be refinanced in Jan 2029. This share offer is contributing to the re-financing. Further funds could be raised through a replacement loan, by issuing bonds, or from further share issues. The five groups are committed to assist each other with the clearing of any outstanding Junior debt.



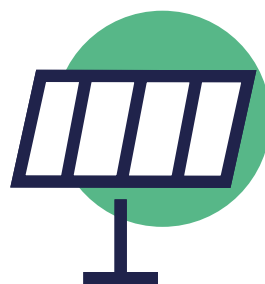
THE CET SOLAR FARMS
36.3MWp = TOTAL CAPACITY



All CET assets are managed by Bright Renewables, the UK's first fully community owned asset management company. It manages the UK's largest proportion of community owned renewable assets, with more than 83 MWp of generation across 42 projects.

Bright Renewables' industry position gives it the advantage of scale when arranging and negotiating portfolio-level and individual contracts to optimise the value of all the CET assets they manage. Contracts include lease and planning extensions, Power Purchase Agreements, operational efficiencies and new renewable project initiatives. Each CET society is a member of Bright Renewables.

Further information about the structure of our wider group can be found in our [business plan](#).



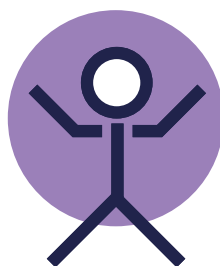
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Solar farms in England and Wales



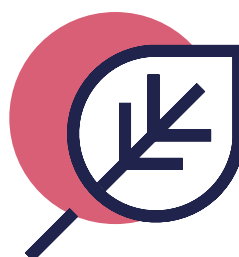
12,750

Equivalent homes supplied with clean electricity



£14 Million

Total Community Benefit Funds



317,000

Tonnes of carbon dioxide saved over their lifetimes

CET ADDRESSES THE FOLLOWING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:



OUR PARTNERS IN CET

SOCIETY	SOLAR FARMS ACQUIRED	DESCRIPTION
Yealm Community Energy (YCE)	Newton Downs, 4.9MWp, Creacombe 4.4MWp, Marlands 2.9MWp, all in South Devon	YCE is a Community Benefit Society in Devon, established in July 2015.
Kent Community Energy (KCE)	Orchard 2, 5MWp, near Sittingbourne	KCE is a Community Benefit Society in Kent, established in 2016.
Wight Community Energy (WCE)	Homestead, 3.9MWp, near Newport, Isle of Wight	WCE is a Community Benefit Society on the Isle of Wight, established in 2015. WCE has managed the Homestead site since 2016 and has raised over £1m in share capital.
Gower Power	Brynwhilach 4.99MWp, Llangyfelach, near Swansea	Gower Power in Swansea was originally set up as a Company Ltd by Guarantee in 2013, converting to a Community Benefit Society in 2023.

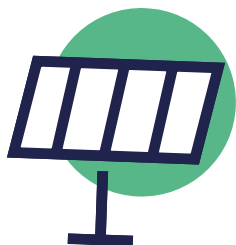


OUR IMPACT

Carbon Savings

Twemlows Solar Farm generates around 10GWh of electricity every year. At current carbon factors that gives a saving of over 4,000 tonnes of carbon dioxide (CO₂) per year, or 70,000 tonnes over the projected 18-year life from our purchase in 2023.

(this is allowing 400g of CO₂e/kWh which comes from displacing gas fired generation)



70,000

Tonnes of carbon
dioxide saved over the
lifetime of the solar
farm

Our Community Benefit Fund,

totalling around £3 Million over the next 16 years, this will enable further significant carbon impact, as much of it will be directed to energy efficiency and renewable energy projects, but also towards significant social impact helping local organisations save money and provide better facilities. The overall community benefit for the seven solar farms is estimated at around £14 Million, plus another £350,000 already distributed over the last five years.

In the last three years STCE has split the Twemlows Community Benefit Fund in two.

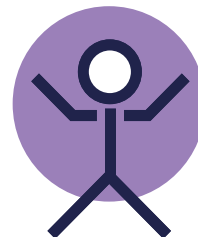
Local projects within the Whitchurch area are supported by the Twemlows 1 fund, run for STCE by Community Resource with up to £2k per application.

The Twemlows 2 fund is for carbon saving and climate resilience projects across Shropshire & Telford with up to £6k per application.



3,400

Equivalent
homes supplied



£3 Million

Community Benefit
Fund over the lifetime of
the solar farm

Since our first share offer, we have continued to support community projects across Shropshire. These include:

Rushbury Village Hall:
transformed from “nice but cold” into “nice and cosy” through insulation, rooftop PV and a heat pump. We led the funding of this two-year project. They also benefit from exporting power to the grid. A win, win!

Festival Drayton Centre:
rooftop PV powering the community centre, saving on its energy bills.



Howard Betts with Rushbury Village Hall Trustees

Little Wenlock Village Hall:
now completely zero carbon, after replacement of their Calor gas cooker with an electric induction cooker. This was the final step on a carbon reduction journey which began in 2008. They are now a recognised flagship model for energy efficient community buildings.



Longnor Village Hall

Ditton Priors community hall,
the URC in Shrewsbury
& Longnor village hall:
have all improved their energy
efficiency.

Wellington Orbit :
has been allocated funds towards its refurbishment of the upper floors, including much improved insulation and air source heat pump.

It is important to note that, as a society, STCE can only pay a reasonable interest to its investor members. If surpluses are made, they cannot go to the members but have to be used for community benefit.

Other Projects supported include:

Whitchurch Blackberry Fair, which turns the whole town into a stage every October

Lee Brockhurst Village Hall – energy efficiency work

Whitchurch Community Orchard – replacing fruit trees and new hives

STCE report on the Community Benefit Grants we award through our website and facebook page with a report to each AGM.

The next Twemlows 2 grant tranche is expected in October 2025.

STCE have been working on the innovative Bishop's Castle Heat & Wind project since 2021 with Lightfoot, Sharenergy and Carbon Alternatives.

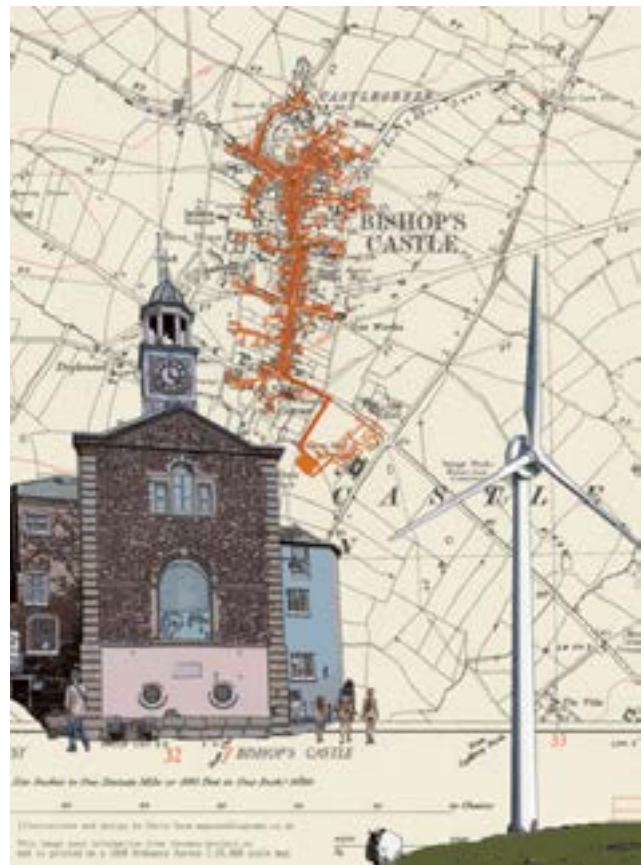
The scheme aims to replace oil boilers with community air source heat pumps driven by electricity from a wind turbine. This would give significant carbon reductions, improvements in air quality and protection from future price shocks.

Funding has been obtained through the Government's Community Energy Fund and Power to Change's Next Generation Grant.

The planning decision for a 900kW wind turbine is expected very soon.

Work continues on the feasibility of the heat network.

For more details of the project see www.lightfoot.org/heat-network



Poster for the Bishop's Castle Heat & Wind project

GRANTS AND UPSKILLING

Supported by:



power to
change



COMMUNITY
FUND

STCE has benefited from the Next Generation programme, which is funded by Power to Change and delivered by the Centre for Sustainable Energy. The programme has helped to equip the directors with the knowledge, advice, training and skills for effective management of the society.

The programme has also helped us develop innovative long-term projects that deliver against local needs and priorities. For example, to enhance the impact of the solar farm through biodiversity master planning and natural capital assessments, and looking at adding battery energy storage and other new net zero community opportunities.

Since 2020, Power to Change has provided STCE with substantial grants, which were used to:

Help set up STCE

Prepare the first share offer and marketing

Carry out feasibility scoping work on other potential community energy schemes in Shropshire and Telford

Carry out initial work on the Bishop's Castle heat and wind project, including a wind constraints study, a landscape and visual impact assessment and a heat network feasibility study

Carry out research into the scale of renewable energy needed in the area to meet targets set by the Local Enterprise Partnership

Manage the Community Benefit Fund

The development work so far has been led by Sharenergy, with input from Locogen, Carbon Alternatives, Amalgam Landscape and the Energy Workshop.

The renewable targets research work was done by Marches Energy Agency.



THE FINANCIAL MODEL/ PROJECTION

Twemlows has Feed-in Tariff (FiT) registration, which provides a guaranteed RPI-linked income for each kWh we generate, yielding £787,725 in 2024.

We could also claim FiT export payments, but at the moment we can earn more through a Power Purchase Agreement (PPA), which brought in an additional £703,395 in 2024, giving a total 2024 income of £1.52 Million.

CASHFLOW PROJECTIONS (£1,000s)	YEAR 1 2025	YEARS 2-6 (2026-30)	YEARS 7-11 (2031-2035)	YEARS 12-16 (2036-2040)
Total revenues	£1.9 million	£9 million	£9.6 million	£5.1 million
Total operating expenses	£450,000	£2.4 million	£2.7 million	£2.9 million
Earnings Before Interest Tax & Depreciation	£1.55million	£6.6 million	£7 million	£2.2 million
Senior debt (interest and capital)	£816,000	£4.3 million	£3.9 million	£1.3 million
Junior debt (interest and capital) <i>assuming loan extended or replaced past 2029 at same conditions as current loan</i>	£1.5 million	£2.4 million	£900,000	0
Members interest	£17,460	£208,200	£166,200	£11,640
Members capital repayments	0	0	£600,000	£194,000
Community Benefit Fund	£21,000	£112,000	£924,000	£2 million

Financial Details Full details are available in the STCE [business plan](#).

These figures assume we raise £500k from this share offer, obtain a 8.5p/kWh Power Purchase Agreement from April 2026, 2.25% annual general inflation but only 1.5% electricity price inflation.

Total revenues over the next 16 years are around £25.8 Million. Operating costs, including rent and maintenance, and admin for STCE and CET are estimated at £8.4 Million, Repayment of share capital, loans and interest totals £16.3 Million, allowing for current assets this leaves a surplus of £3 Million available for community benefit.

The FiT will be paid until May 2036. By this time, all the loans and share capital will have been repaid and the solar farm will continue to earn income from exporting electricity after this date. The lease and planning permission both run out early in 2041, but could be extended.

No Corporation Tax has been allowed for. This may be payable in later years but investments in new projects and donations made to charities are Corporation Tax exempt so tax liabilities should be small.

Two alternative scenarios have been modelled:

1, Output and PPA price are both increased by 5%. This results in a quicker payback of the Junior loans and share capital and a significantly higher CBF.

2, Output and PPA price are both reduced by 5%. This delays the payment of the Junior loan (or its replacement) and share capital until 2036 with the total CBF reduced to £1 Million.

LOANS

The CET community have a Senior loan from aberdeen with an outstanding balance of £21.8 Million as at 1st Jan 2025. Of this £6.9 Million was allocated to STCE.

The aberdeen loan is repaid collectively by the CET societies out of income, with fixed twice yearly repayments. The final repayment is due December 2036. This loan bears interest at a rate of 0.1% with interest and capital repayments indexed to RPI.

There is also a 'Junior loan' with Power to Change & Big Society Capital of £11.3 Million as at 1st Jan 2025 with an interest rate rising to 8.5%/a. Of this £3.6M was allocated to STCE. £1.5 Million of the STCE Junior loan (42%) should be paid off out of income generated by Twemlows by 31.12.28. Some re-financing by STCE/CET will however be required before March 2029. This share offer and Yealm's will assist towards that aim. Work is going on to find alternative finance for any remainder.

Balance Sheet

Fixed assets	2024	2025	2030	2035	2040
Property, plant & equipment b'fd	£7,557,000	£9,700,000	£6,668,750	£3,637,500	£606,250
& Goodwill from a/cs	£2,143,000				
Less depreciation	£0	£606,250	£606,250	£606,250	£606,250
Total carried forward	£9,700,000	£9,093,750	£6,062,500	£3,031,250	£0
Current assets					
Bank account	£708,559	£303,837	£153,897	£54,905	£120,000
DSRA & MRA	£672,743	£757,013	£868,193	£156,166	£0
Total	£1,468,622	£1,177,370	£1,154,610	£356,091	£278,520
Current liabilities					
Interest due to shareholders	£17,640	£17,640	£47,640	£11,640	£0
Total	£17,640	£17,640	£47,640	£11,640	£0
Long term liabilities					
Loan(s)	£10,515,413	£8,735,553	£4,258,099	£1,064,548	£0
Total	£10,515,413	£8,735,553	£4,258,099	£1,064,548	£0
Net current assets	£1,450,982	£1,159,730	£1,106,970	£344,451	£278,520
Net assets	£635,569	£1,517,927	£2,911,371	£2,311,153	£278,520
Represented by					
Share capital	£294,000	£794,000	£794,000	£194,000	£0
Reserves (cumulative) inc DSRA, MRA & Lease deposit	£341,569	£723,927	£2,117,371	£2,117,153	£278,520
Total	£635,569	£1,517,927	£2,911,371	£2,311,153	£278,520

The Debt Service Reserve Account (DSRA) is a requirement of the aberdeen loan, assuring that we can always make the twice yearly payments. This account is used to assist with the final loan repayment in 2036.

STCE also have £87,000 held in lease deposit accounts. These need to be topped up in line with inflation. These funds form part of the closing balance of £278,520 which can be distributed if not needed for de-commissioning costs.

RISKS

All investments carry some risks. This table indicates how STCE and CET have worked to minimise and deal with the risks involved with owning a solar farm.

OPERATIONAL AND TECHNICAL	
Risk	Mitigants
The underlying asset/s may not perform as expected. Past performance is not an indication of future performance. The solar installations may not generate the electricity as expected. There could be lower than anticipated technical performance due to a range of factors, for example: • Panel or inverter underperformance • Reduction in efficiency and/or degradation • Unanticipated seasonal variations	All the CET solar farms have been the subject of technical due diligence by Everoze Partners. They did not detect any significant issues that would cause concern compared with industry standards. The PV modules are still under warranty. The Twemlows inverters are post-warranty and maintained through the Operations & Maintenance (O&M) service. An operations and maintenance contract is in place to ensure any problems are picked up swiftly and dealt with. There is a maintenance reserve fund in place which provides enough cover to replace the inverters once over the project lifetime.
The National Grid ESO (Electricity System Operator) has the right to unilaterally restrict the export of power to the grid. The National Grid Electricity ESO balances the supply and demand of electricity at a national level. Power generated and sold by Twemlows is exported to the grid. The ESO may unilaterally restrict the export of power which would reduce the amount of energy sold, and hence revenues.	This would be highly unusual for a site of this nature. Sometimes new sites have a constraint arrangement whereby they can be asked to switch off in periods of low demand but this is not the case at Twemlows. The Feed In Tariff revenues (roughly 50% of Twemlows income) are based on generation not export, so if export was ever curtailed it would only affect the Power Purchase income.
The operations of the solar installation depend in part on other contractual parties. The solar installation operations may rely on the performance of operation and maintenance providers, asset managers and those parties supplying ancillary services. The contracted parties may from time to time suffer from circumstances, which may affect their ability to deliver the contracted services.	STCE have entered into agreements in relation to O&M services, asset management, and interconnections with transmission or distribution networks. STCE rely on the asset manager to maintain and manage major contractual parties. The asset management contract is with Bright Renewables, a specialist community renewables asset manager, owned by a number of community energy companies including STCE. To mitigate against any failures the O&M and asset management contracts include insurance coverage for professional indemnity, public liability and employers' liability.
Insurance policies may not cover the full extent or circumstances of revenue loss or cost to make good equipment. Extreme weather conditions may cause damage to power facilities or even total loss of power plants. Repeated theft or vandalism could incur losses above insured amounts.	Solar Power Operational All Risks Insurance has been taken out with Allianz. The policy includes material damage to the plant and machinery, plus business interruption, public and product liability. Property Terrorism Insurance has been taken out with Geo Speciality Ltd. covering the assets in the case of an act of terrorism or sabotage. The O&M and asset management contracts include insurance coverage for professional indemnity, public liability and employers' liability up to industry standard levels.

FINANCIAL

Risk	Mitigants
Financial expectations may not be realised. Project revenues may move up or down over time. The financial performance of the Borrower may vary over time. There may be unexpected revenue movements which may impact the ability of the Borrower to fully meet financial obligations.	The financial model has incorporated energy yields from technical advisors, government inflation measures, and market standard forward wholesale prices. However, financial expectations beyond these assumptions may not be met. The financial model uses industry standard forward pricing from AFRY, Baringa and Aurora. If a solar farm within the CET portfolio incurs an issue of such a magnitude that it has no free cash and is unable to meet its debt interest and principal repayments as they fall due, the other societies are expected to support that society with loans.
Junior Loan	BSC and PtC have provided a five-year loan through CET. Failure to refinance successfully within five years could impact the ability to pay any Community Benefit Fund and to pay members' interest. Most of the Junior loan will be repaid using income from the solar farms. This share offer with that of Yealm will provide additional finance. Other options are also being considered. It should be possible to arrange new finance at a lower interest rate than that of the Junior loan but our financial model does not assume this.
Wholesale power prices are determined by market movement and may move up or down over time.	The export price is only half of Twemlows income and the FiT Export price floor provides a minimum sale price for the power generated by the site. The FiT subsidy is RPI-linked and provides a secure source of revenue that is not subject to fluctuations in wholesale energy prices.
The costs of maintaining the solar installation equipment may move up or down over time. The solar installation contains equipment, which may need to be repaired, enhanced, or replaced over time. The cost of work or servicing may change from time to time	Twemlows holds inflation-linked operations and maintenance contracts where costs are clearly set out and defined. The financial model assumes an ad-hoc O&M expenditure budget is also available each year for additional component parts or labour needed to keep the asset operational.
Inflation may fluctuate over time.	The FiT Generation & Export Tariffs are contractually linked to RPI. Most of the management and operating costs will also fluctuate with inflation, either the CPI or RPI. The portfolio model utilises short-term inflation views published by the Office of Budget Responsibility from reviewing the UK government budget forecasts. These short-term rates are then tapered to a long-term target rate in the models.

Community Shares and Bonds (Capital at Risk)

Any capital invested in community share issues is at risk and all investors are advised to take financial advice and to spread their risks. The value of the shares can go down, but they cannot gain value. STCE will endeavour to pay the target 6% interest per year, but we cannot pay out more interest than we can afford. We will also aim to repay the share capital between 2032 & 2036 but this cannot be guaranteed. Investors are not protected by the Financial Services Compensation Scheme (as you would be with a savings account) and do not have recourse to the Financial Ombudsman Service. Please do not invest any money that you can't afford to lose.

POLICY

Risk	Mitigants
Loss of FiT accreditation by a licensee may result in that licensee being unable to fulfil its obligation to pay the FiT to the project owner.	Each FiT asset has a nominated FiT licensee. Where a FiT licensee is unable to fulfil its obligations under a scheme, these obligations are automatically passed to a new licensee under Ofgem's supplier (licensee) of last resort.
Changes to the FiT regime	While the FiT regime, overseen by Ofgem, is no longer available for new schemes, Twemlows has FiT registration until 2036. Loss of FiT income is considered to be very unlikely.
Changes in the political and legislative landscape may adversely affect the renewable energy sector. Unforeseen changes in regulation, political ambition and laws may impact the FiT scheme or taxation. Additional levies may be enacted, impacting the ability of the assets to generate revenues and/or profits.	Regulation, political will and laws change from time to time. During the period between commissioning and the present, Ofgem has undertaken the Targeting Charging Review. The review has reduced embedded benefits to zero. This has been factored into the financial model. The export price has been assumed to fall from 2026 as the current peak in electricity prices is expected to pass. It is unlikely though that export prices will return to the levels seen in 2021 and even if they do, we can fall back on the FiT export rate until 2036.

Notes to Risks

While there are risks with all community share investments this offer does have some significant advantages, as follows:

1. Twemlows is already operational with good data available on its performance.
2. As part of CET, if one of the solar farms were to experience difficulties, help is at hand.
3. The CET approach has allowed for co-ordinated fundraising and management of the projects.

All the solar farms are covered by insurance. However, there is the possibility that issues affecting any of the other solar farms could limit the ability of STCE to pay interest to its members, but only after the following step-by-step procedure is followed:

1. The society that owns the problem asset forgoes some of its additional Community Benefit Fund for that year.
2. That society's shareholders receive reduced or zero interest on their shares for that year.
3. Additional surpluses that would be otherwise available to the other societies are utilised.
4. The other societies have their extra Community Benefit Fund reduced.

Only if the above four mechanisms are not sufficient to cover the issue will the other societies' shareholders' interest payments be affected. The interest repayments on the loans are protected unless the above mechanisms are insufficient to cover the issue.

It is considered that the advantages of the group setup of CET outweigh this risk of potential reduced income if one or more of the other societies have issues with their solar farms.

HOW TO INVEST

Applications for STCE Community Shares can be made through the Sharenergy platform by going to <http://apply.sharenergy.coop/stce2025>

or by filling in a form and sending to STCE, c/o Sharenergy, the Pump House, Coton Hill, Shrewsbury SY1 2DP (available through the same link or www.stcenergy.org.uk/invest).

The final decision to approve each application is at the discretion of the directors of STCE.

Sharenergy is a Shrewsbury-based co-op offering services to Community Energy groups across the UK. They already handle our register of existing shareholders and have provided services for feasibility work, financial modelling and in preparing this share offer.

If you have a query about how to apply for this offer, please visit www.sharenergy.coop.

or contact Sharenergy by email at admin@sharenergy.coop.

For general queries about this offer, please contact STCE at info@stcenergy.org.uk.



FAQs

Who can apply for shares?

The board may accept share offer applications from any individual aged 16 and over, any corporate body or nominee of an unincorporated body, firm or partnership, who supports the objects of the society. A corporate body that is a Member must appoint a representative who will be entitled to exercise all such rights and powers as the corporate body would exercise if it were an individual person.

What happens if/once my application is accepted?

Prior to any drawdown of funds, the board of directors will consider the allocation list for consideration for approval at its next meeting.

Money will be held by STCE until the shares are issued. After your shares are issued, you will be bound by the Rules (see www.stcenergy.org.uk/about-us).

Can I sell my shares?

Community shares are non-transferable and cannot be bought or sold on any listed marketplace, but shares can be sold back to the society. Notice has to be given of the intention to withdraw share capital and directors have the right to refuse such requests. Until December 2029 STCE will only accept withdrawal requests associated with death or other exceptional circumstance. After that we will endeavour to meet all withdrawal requests providing sufficient funds are available.

What happens if the offer fails to reach its target or overraises?

The target is an aspiration but all funds raised will be used to pay down our Junior loan.

When can I expect to receive my first interest payment?

Spring 2027.

Will I become a member of STCE?

All those who purchase shares through this offer or other similar offers will become members of STCE. Each member is entitled to one vote at the AGM and any extraordinary general meetings. All members may stand for election as a director of the society at an AGM. At the next AGM one third of the directors will stand down but can stand for re-election alongside any new shareholder members.

When your capital has been repaid you will be encouraged to stay on as a member of STCE.

Could STCE sell Twemlows?

As a CBS the value of our assets are locked for community benefit. If Twemlows were sold the money raised by the sale must be used for community benefit. A sale would also need the approval of the membership and of the senior lender, aberdeen, unless the senior loan has already been repaid.

New Share Offers

Any share offers for new community energy projects will require the approval of the membership. Future schemes could affect STCE's ability to repay the capital invested under this share offer.

APPENDIX 1: DEFINITIONS

Bright Renewables	Asset manager of which STCE is a co-owner member. Arranges contracts and payments including maintenance, rent and electricity sales.
BSC	Better Society Capital is a financial institution dedicated to social impact investment in the UK (previously Big Society Capital). Better Society Capital's mission is to improve the lives of people in the UK through social impact investing. See https://bettersocietycapital.com/
CBF	Community Benefit Fund. Our CBF is provided from the surplus of our solar farm to support local social and environmental projects.
CET	Community Energy Together, an alliance of five community partners with seven assets: Homestead, Brynwhilach, Twemlows, Orchard 2, Newton Downs, Creacombe and Marlands. CET is set up as a separate company responsible for loans, asset management, etc. Each of the member groups has one representative on the CET board.
CET Partners	The Five Community Energy groups are: Yealm Community Energy, Kent Community Energy, Wight Community Energy, Shropshire and Telford Community Energy and Gower Power.
CORE	Community Owned Renewable Energy, a trust set up to transfer solar farms to community ownership, now dissolved. Funded by Big Society Capital and Power to Change.
FE	Finance Earth, a specialist investment manager. FE was CORE partners' advisor and investment manager, providing a range of services including the financial model on which this share offer is based.
FIT	Feed-in Tariff, a revenue support mechanism under which generators of renewable energy receive payments funded by the government. Twemlows will receive FIT generation payments until May 2036 and can also use the FIT export payments if a higher PPA cannot be arranged.
Junior Loan	£11.7M Junior Loan, provided by PtC and BSC to CET Dec 2023 of which £3.65m was allocated to STCE.
MW	Megawatt, a unit for measuring electricity energy power output of a project and the equivalent of 1,000kW (kilowatts). MWp is the peak output. 1MWp is around 4,000 solar panels..
MWh	The amount of energy generated at a constant power of one Megawatt (MW) for one hour.
O&M	Operations and maintenance, contract currently with Recurrent Energy Power Services (REPS).
PPA	Power Purchase Agreement, the agreement between a supplier of electricity and a generator of electricity regarding the price that will be paid for the energy purchased.
PtC	Power to Change is an independent charitable trust that strengthens communities through community business. See https://www.powertochange.org.uk/
Senior Loan	£25.6M Senior loan provided by aberdeen to CET, in 2022 of which £8.1m was allocated to STCE, the final payment is due Dec 2036.
Shareenergy	Community energy co-operative who produced this share offer document, are managing this share raise and manage STCE's share register. See www.shareenergy.coop

Twemlows Litter
Pick Sept 2024



Your chance to invest in a
cleaner, greener, fairer future

Find out more:

www.stcenergy.org.uk

Community Energy Together

<https://communityenergytogether.co.uk/>

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Aerial shot of Twemlows page 9: James Khan, Skydive Tilstock

Head shots of STCE team: Verity Gray Photography

Wrekin and Ironbridge (cover and page 25): Alan Lees

Others by STCE directors.

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