



Brighton Energy Cooperative

 Brighton, England

Brighton Energy Co-op began in 2010, when 8 people invested the start-up capital to enable their first share launch in 2012. 120 people then joined the co-op and their first solar PV systems were built. In summary, the project enables people to put in a small amount of money to collectively build large scale renewable energy systems. The co-op now has up to 600 members and has raised over £3,000,000.

Any money raised from selling electricity flows back into the co-op is redistributed through interest to members, paying back capital and through their community fund.



Key contact

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Links

Website: <https://www.brightonenergy.org.uk/>
Facebook: <https://www.facebook.com/BrightonEnergyCoOp/>
Twitter: <https://twitter.com/brightonnrgcoop>
LinkedIn: <https://www.linkedin.com/company/brighton-energy-co-op/>



Interview Questions and Responses

Could we start with a brief description of Brighton Energy Cooperative?

Damian Tow co-founded Brighton Energy Cooperative nearly 13 years ago, having worked in programme management in the IT and telecoms sector for 15 years. The co-op was one of the first 10 community energy organisations within the UK. They realised they had to follow a legal entity to make shares and have followed a journey of discovery since. Over the last 13 years they have raised around £4.1 million, established 42 sites and generated 4 megawatts of solar PV.

How do you determine the key objectives for a solar PV project and what it needs to deliver?

The core aim of Brighton Energy Co-op relates to decarbonisation and the roll-out of as much community owned PV as possible. It is important that each project stands alone financially. Therefore, the Co-op have a financial model to shape key financial objectives, marking the profit and loss for each project to ensure profit from year one after all costs are paid and capital/interest has been paid to investors.

Despite being a not-for-profit organisation, they still have to make a surplus which can then be reinvested in new projects, maintenance or benefits for the wider community (such as educational projects).

How does the cooperative model allow you to decide specific objectives for community owned energy projects?

The cooperative model is about ownership and benefit. The Brighton Energy Cooperative operates as a business and has to make a financial profit, as Brighton Energy Ltd. Output is split into the environmental, social and financial output, which are the core objectives of community owned energy projects.

As a community benefit society, the Brighton Energy Cooperative has to benefit the community overall (through access to cheaper electricity at the sites, for example). They have 750 members (largely from Sussex or Brighton), who invest roughly £5000 on average.



Funded through the Just Transition Fund and the Carbon Tax Fund

How do you decide upon a specific solar PV project idea?

It is based around finding sites which are willing to go ahead, as the many potential sites typically narrow down to around 4-5 installations every year. The Co-op identifies sites on maps, talking to trade associations or uses social media channels to develop their business development pipeline. The Co-op then distills down potential target sites for installing PV and engages with key decision makers to make them aware of their offer, which is essentially leasing their roof for 25 years and offering them discounted green energy.

Once interested organisations are identified, the Co-op then go through a process of assessing suitability, through structural surveys and getting connection permission from the grid, before reaching the point of signing the lease. When this point has been reached, they begin raising the money.

Describe the process by which you achieve consensus around objectives and projects internally and amongst communities.

The Brighton Energy Co-op consists of 2 executive directors, 4 non-executive directors and 5 other staff. This internal team has weekly team meetings and monthly board meetings covering different stages of decision making. The AGM only covers existing activity and future plans. Therefore, reaching consensus rests on a small core team.

The Co-op has also undertaken community engagement with parish councils if there has been concern about the aesthetics of a solar project and consulted communities on potential EV charge point locations.

How do you approach planning and project management around selected ideas? How does the cooperative model benefit that?

Damian has a strong background in project management and has a robust project plan to get the project to the stage of raising money, followed by a more detailed project plan relating to installation. The Co-op also outsources installation, admin, accounting, electrical checks and maintenance. The cooperative model does not directly support project management, however it mobilises communities in developing projects.

Has the community managed to stay true to the original project vision?

The Co-op's vision of installing solar PV aligns closely with their objectives as a community benefit society. As a result, they have continued with solar PV projects and have completed one project with EV charge points, linked to PV. The simple vision of raising funding and installing PV to benefit the community still remains true.

How did you identify a funding need?

Brighton Energy Cooperative has undergone a number of stages of fund raising over the last 13 years. Damian estimated that in total they have done around 10 share offers. In the initial phases of taking the organisation from an idea, the three original directors worked unpaid for around 18 months but needed funding for external costs. They then raised money through a pioneer share offer, which is the earliest stage of a share offer where a member's investment is at most risk. Damian believed that using investment from members and doing their best to deliver solar projects has been a key motivating factor.

How have you managed the process of bidding for funding?

Brighton Energy Cooperative has benefitted from grants, but the vast majority of their funding is through community shares. They received funding through the Next Generation Fund for the testing of new community energy business models. This funding was complicated and a comprehensive application and interview stage which was managed internally, but the funding was paid up front.

Did you have a need for specialist expertise? If so how did you handle that and approach experts?

The majority of staff at the Co-op do elements of HR, technical activities, legal and marketing, but they procure experts if necessary. For example, the Co-op sourced health and safety consultants to improve processes.

What have been the hardest difficulties to overcome and how did you overcome them?

Enabling a host community to stick with their decision for a site has been challenging. The Co-Op has learnt to share decision making and assess risks internally to gain the combined knowledge of people who have worked across sectors.

What have been the biggest learnings from the delivery of your project?

The quality of installation is important and a lot of maintenance issues arise. Communities pursuing solar projects should budget for maintenance. In addition, legal issues have occurred when developing the leases. Typically, Brighton Energy Cooperative has not used a solicitor for negotiating leases, but Damian felt that setting a budget for a conveyancing solicitor could be useful for energy cooperatives.

What decisions, or elements of organisation have been the most important in project delivery?

The Brighton Energy Cooperative had to have a certain appetite for risk, and minimise financial, technical and operational risks when it came to new technology. The organisation was fast moving and seized new opportunities to see how they could grow and adopt new innovations. Damian felt that their entrepreneurial mindset and decision-making capabilities were important elements of their organisation.

What were the most important sources of advice and guidance for your group as you moved through the different phases of the project?

Brighton Energy Cooperative give advice more than they receive it now. However, they do seek advice from other community energy organisations. Damian believed that the geographical spread of community owned energy organisations reduced competition which enabled the sharing of ideas and solutions.

What advice would you give to communities looking to develop community owned energy projects?

The majority of fundraising by the Co-op has a 4% erosion of the benefit they offer due to high base rates, reducing the attraction from a financial perspective. As a result, the Co-op are now looking to offer a bond instead of community shares due to a shorter time frame with a higher interest rate.

As projects ran by the Brighton Energy Cooperative last 25 years, Damian believed that you have to be willing to do the project for the long run and recommended considering:

- Are you willing to run a business?
- How many years are you willing to run a business for?
- Are the start-up funds available?