

# London Energy Partnership

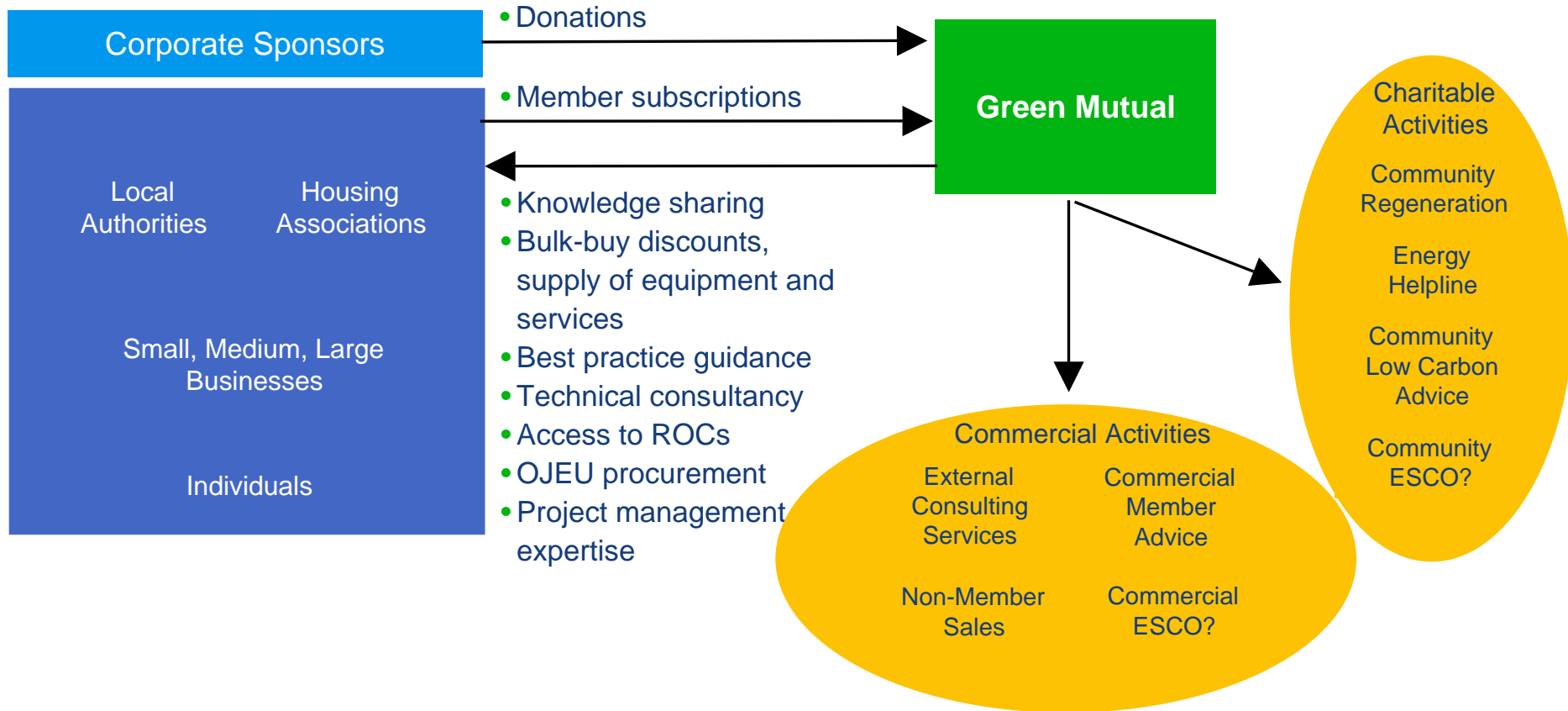
## Investing in London's Low Carbon Future

London Energy Partnership Forum, Workshop 5

22 March 2007

# Green Mutual

Suited to community ownership, the Green Mutual would bring low carbon initiatives to residential, commercial and public applications across London



# Green Mutual

## Key Benefits

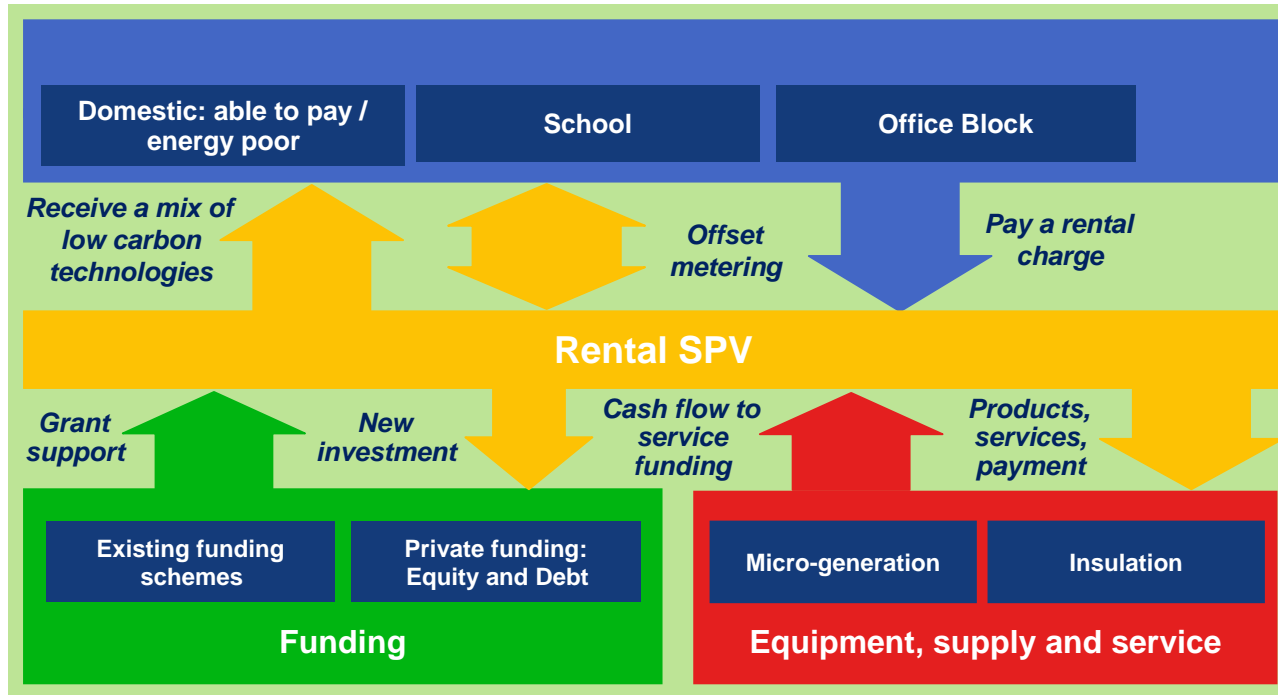
- Equal votes within the Mutual allows every member to participate
- Ability for members to combine buying power, past experiences and expertise
- Technical guidance from specification to installation (helpline for individuals) – including optimised carbon saving solutions
- Membership fees and sponsorship can fund the admin of the Green Mutual
- Significant interest from product suppliers – 6 out of 6 asked were keen to be involved

## IT WORKS!

- Bio Regional and the WWF have launched the UK-wide One Planet Products (OPP) service – a buying portal for sustainable building products and services
- Key benefit perceived by OPP members is knowledge sharing

**Do you participate in or know of a similar buying scheme?**

# Rental ESCO



A rental scheme provides a one stop shop, including:

- Energy audits, grant applications, installations and after sales
- Users sign a long term rental agreement for the products received and ongoing service

This may be an ESCO, supplying gas & electricity or other energy services

Utilities are well placed to deal with technical issues (net metering, 2-way flow, ROCs/LECs etc), and provides a long term link to energy users

ESCO also benefits from energy charges and access to capital allowances

# Rental ESCO Considerations

## Benefits

Lowers capital barriers to users, achieves HA/LA climate change and fuel poverty objectives, assists utilities meeting Energy Efficiency Commitment (EEC) targets

## Key issues to consider

Security over assets, responsibilities of tenants and ESCO participants – credit risk therefore an important consideration

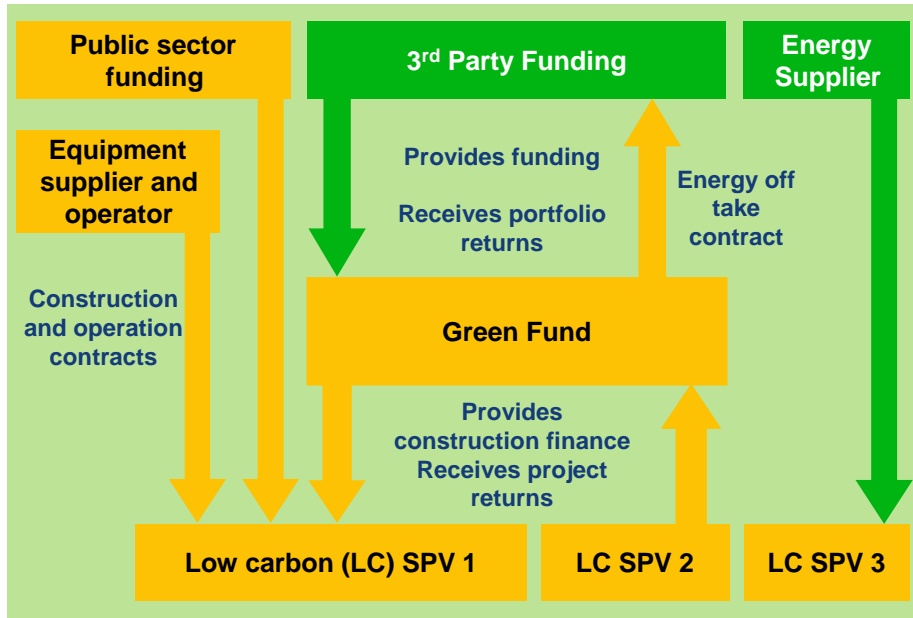
Exposure to energy prices, technology risk, contract completion risks

Government procurement rules and financial controls

Utilities concerned that project will be scaled back to save time/money - more complex solutions may mean longer lead times.

**Are you interested in establishing an ESCO structure?**

# Green Fund



- Captive vehicle for equity and debt providers to fund carbon reduction projects
- May combine public and private capital, similar in nature to the Regional Venture Capital Funds, (eg Merseyside Investment Fund, The Capital Fund)
- Focus on funding fully developed low carbon power projects
- Cash flows of operational projects may be bundled and securitised to generate a financial gain

Sources of funding include:

- Private sector – Private equity funds, AIM, trade players, project finance banks, lease providers
- Public sector support – EIB, DTI, LDA

**Over £350m projects identified to date.  
Would you invest? Are you seeking investment?**

# Disclaimer

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# Financing a Sustainable Future

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