

Powering Forward - growth and innovation

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Midcounties Co-operative

- Roots in Swindon Co-operative Society, est. 1853
- Sales £1.35 billion.
- 650,000 members
- Operate in Food retail, Energy supply, Travel, Healthcare, Funerals, Childcare and others
- 500+ trading sites
- Award-winning approach to sustainability.
 - Queens Award for Sustainable Development
 - exemplary ranking in Business in the Community's Corporate Responsibility Index
 - EU Renewable Energy Award Winner
 - Fair Tax Mark pioneer
- In 2016, £390K donated to 500+ good causes chosen by members across 20 Regional Communities



Fair Tax

Co-op Energy: origins and scale



- In 2011, Midcounties Co-operative launched Co-operative Energy to supply electricity and gas across England, Scotland and Wales. Now Co-op Energy.
- 400,000 customers Sales £300mn Staff 500
- Member customers continue to enjoy a share of profits
- In 2016, reinvigorated commitment to low-carbon supply
 - No coal in energy mix
 - End 2016, 45% of electricity from renewables, with REGOs linked directly to contracts
 - Aim 75% renewables by end 2018
 - Offer 100% renewable electricity tariff
- In 2017, launched Community Energy Strategy

Community Energy Strategy



- We aim to be the UK's leading supporter of locally-generated low-carbon energy
 - From outset, actively sought power from community generation initiatives through supporting market access via Power Purchase Agreements (PPAs)
 - Big opportunity given have 400,000 energy customers and deliver 1.8TWh electricity per annum
- We have drawn together our considerable progress into a new 'Community Energy Strategy'
- Strategy sets nine targets and will be reviewed annually
- Published Wednesday 8th March

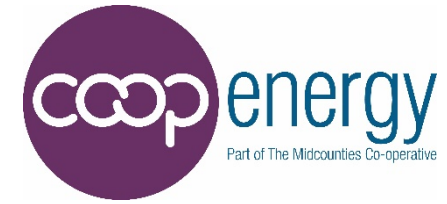


Community Energy Strategy, UK

- First ever Community Energy State of the Sector report
- Total of 222 community organisations are now operating solar, hydro or wind power schemes across England, Wales and Northern Ireland.
 - 30,000 members and over 1,700 volunteers
 - raised a total of £190 million worth of investment
- Collective generation capacity of 121 Megawatts (MW)
- Further 67MW in Scotland



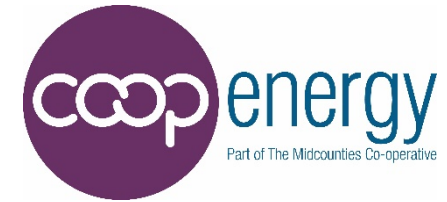
Community Energy Strategy: power purchase support



- **Highlight:** Number of Power Purchase Agreements with community energy groups now stands at 40, more than quadrupling the nine we had end 2014
- **TARGET:** Increase the number of community PPAs supported to 60 over the three years to end 2019 (was 32 end 2016)
- **TARGET:** Continue to develop simplified and longer PPA contract terms, with ensuing commercial benefits for community energy groups



Community Energy Strategy: local supply innovation



- **Highlight:** Co-op Energy supporting the roll-out of Smart Meters and trialling of innovative new ‘time of use’ and ‘local energy’ tariffs. Working with Energy Local, these enable customers to benefit from load shifting at off-peak times and when local, low-carbon generation is active.
- **TARGET:** help complete SWELL Solar-PV project in Oxfordshire and disseminate learnings
- **TARGET:** help roll-out Cyd Ynni hydro project in north Wales to one hundred households and share learnings



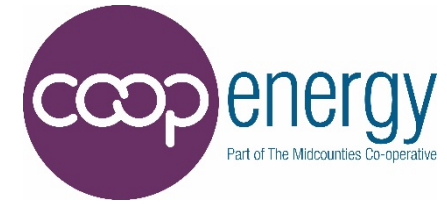
Community Energy Strategy: engaging customers & members



- **Highlight:** We offer a User Chooser facility that allows customers to control the energy mix of their electricity; and, in 2016, launched Co-operative Energy Saving - which sells energy efficient and low-carbon products and services.
- **TARGET:** Revamp User Chooser with expanded community energy offer
- **TARGET:** Roll-out Co-operative Energy Saving offer with expanded products & services.
- **TARGET:** Work with schools and communities local to Co-op Energy and pilot a template to disseminate learnings on community energy and related matters



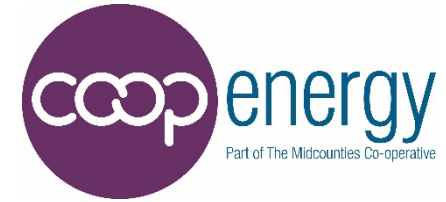
Community Energy Strategy: lobbying for good



- **Highlights:** We are the only UK energy supplier to play a full and active role in Community Energy England, the UK Community Energy Coalition and the European federation for renewable energy cooperatives (REScoop)
- **TARGET:** We will sponsor the UK's Community Energy Fortnight for fourth year in 2017 and deliver a fifth national Community Energy Conference.
- **TARGET:** We will continue to support and play an active role in Community Energy England, the UK Community Energy Coalition and REScoop



Community Energy Fortnight 2017



- Community Energy Fortnight moved to early summer. Already 55 events listed
- Marque opening Manchester University 24th June. Will include 1st analysis of scale of UK community energy
- Includes a “Week of Action”, with Climate Coalition
- Latest polling of UK public



Opportunities & Challenges



- **Energy Price Cap**
- **Smart Meter roll-out timescales**
- **Hostility to windfarms and solar farms from small, but influential group of public**
- **Smart, flexible energy system**
- **Grid constraints to renewables**
- **Brexit & Energy Union**
- **GE2017**