



Recieve Your Renewable Solutions, that pay for themselves !

Receive your renewable solution via a 5 to 10 year **Operating **R**ental **A**greement for Solar PV, LED Lighting, Hydro Power, Storage, Wind, Combined Heat & Power, Anaerobic Digestion, Infrared Heating, Biomass Boiler or Waste to Energy Plants**

Receive all the benefits and let the system PAY FOR ITSELF

An **Operating Rental Agreement (O.R.A)** allows you to install your renewable project with no upfront costs. The total financial benefits from an installation i.e. energy savings and government financial incentives received by you are then used to make monthly repayments (dependant on technology financial benefits). The repayments are paid in arrears and are customised to meet your total financial benefits over a period of 8 +/- years, this period is variable so that it can meet the financial performance of your system. What's more this is all secured against the Energy Savings and financial government scheme incentives.

Your company will reduce its carbon foot print, save money and receive a large financial benefit at absolutely no additional operating cost to what you are currently spending.

Your Benefits:-

- Huge reductions in your energy costs
- Guaranteed Government financial incentives
- Carbon Reductions
- Additional Corporate Integrity by going green
- Once repaid you own the asset
- No upfront costs
- Savings and Earnings from the system pays for itself
- Raise additional funds if required
- 20% of your repayments are tax deductible (Operating Lease)



<i>Comparison against other methods</i>	Purchase with Cash or Finance	Free Installation on a Power Purchase Agreement (PPA)	PVCommercial Operating Rental Agreement (ORA)
Free Daytime Electricity	YES	NO, you will be charged approx. 6 pence per Kwh used	YES
Receive the Feed In Tariff	YES	NO	YES
Receive Export Payments	YES	NO	YES
Upfront Payment	YES	NO	NO
20/25 years Roof Top Lease	NO	YES	NO
Cash flow positive from day one	NO	YES	YES
Add new Technologies at a later date	YES	NO	YES

No Upfront Outlay

The biggest advantage of financing assets is that there is no need for you to pay upfront as the cost can be spread over specific time period of around 8 +/- years. This can significantly help maintain cash flow, and is wholly based on the earnings and savings from the installed technology.

Cash Flow

As our finance solution allows the cost to be spread over time, you can pay for the asset with the income it generates, therefore, **paying for itself** whilst minimising the drain on working capital. Poor cash flow is one of the main causes of small business failures, and Asset Finance can help to keep it under better control.

Fixed Cost Funding

Payments are agreed up front and fixed for the life of the agreement (variable rate funding options are also available), making cash flow management more predictable.

Preserve Existing Credit Lines

By ensuring a big cash outlay is not required, our finance agreements preserve your other credit lines, such as bank overdrafts, additional bank loans ETC. This allows you to keep other lines of funding open, this type of funding also allows you to **claim tax back on all Operating Rental Agreement payments made.**

Obsolescence

If you anticipate replacing the fixed asset frequently, Asset Finance can allow you to work around obsolescence by allowing you to easily upgrade and add to your existing equipment throughout your agreement, ensuring your business continues to have access to the most up-to-date technology.

Purchasing power

Financing assets can increase purchasing power by allowing you access to better assets (e.g. A more efficient / faster / more accurate product) that may be too expensive to buy outright.

The cost of an Operating Rental Agreement

Unlike when you pay cash, a minimum of 20% tax relief (depending on your individual business tax rate) is available on every payment - **reducing your costs further.**

Renewable System Cost	£350,000.00	Term	8 Year Fixed Term Plan
Monthly Payments	£5,267.50	Number of Months	95
Total Cost	£505,680.00	Less Tax Relief	£101,136.00
Net Cost	£404,544.00	(Assuming 20% tax relief and depreciation policy in line with rental term)	

No Limits!

We have funded projects from as little as £10,000 (Solar PV) up to £96,000,000 (Waste to Energy Site).

The Operating Rental Agreement can be used for funding large scale joint venture operations for renewable projects.

The Process

- Step 1:** **Solar PV** - Send us your annual electric usage and rate per KW/h along with a site image showing your roofs. **Biomass/CHP** annual heating usage and rate per KW/h, type of current heating system. For any other type of renewable project send us the costs and savings over 10 to 20 years.
- Step 2:** We will issue a proposal for the required technologies outlining the financial returns and ORA repayment schedule (using generic rates). A cash and free offer will be included. This will include a DNO permission form (for solar) giving us permission to gain a quote from the DNO for connecting to the electricity grid, please note this can take up to 6 weeks and is controlled by the DNO and not us).
- Step 3:** Once you are ready to proceed, we will require your company accounts and last 3 bank statements (Not required for PLC or FTSE companies) we will then submit your company for approval and the current interest rate will then be applied and the ORA document issued for signing. Agreement is then signed.
- Step 4:** Funds are released to us in stages; we then proceed with delivery, Installation, registration and providing a fully working system.

4KW Solar PV example purchased via O.R.A.

The below shows the 'Combined Savings/Earnings' from a 4KW solar PV system based in London, this £ value is then deducted from the 'ORA repayments' value, leaving either a negative or positive number in the 'Client Top Up' column, a negative number is further savings for that year as the ORA repayment is lower than 'Combined Savings/Earnings' a positive number means you will have to add funds to make the 'ORA Repayment value'.

Cash Price £5,000 +VAT System Performance		6 Years			8 Years			10 Years		
Combined Savings/ Earnings	System Balance	O.R.A. Repayments	Client Top Up	Client Top Up with tax reclaim	O.R.A Repayments	Client Top Up	Client Top Up with tax reclaim	O.R.A Repayments	Client Top Up	Client Top Up with tax reclaim
£687.36	-£4,312.64	£1,102.20	£414.84	£289.49	£903.00	£215.64	£132.94	£786.60	£99.24	£42.74
£710.46	-£3,602.18	£1,102.20	£391.74	£266.40	£903.00	£192.54	£109.85	£786.60	£76.14	£19.65
£734.36	-£2,867.82	£1,102.20	£367.84	£242.50	£903.00	£168.64	£85.95	£786.60	£52.24	-£4.25
£759.09	-£2,108.73	£1,102.20	£343.11	£217.76	£903.00	£143.91	£61.21	£786.60	£27.51	-£28.99
£784.69	-£1,324.04	£1,102.20	£317.51	£192.16	£903.00	£118.31	£35.61	£786.60	£1.91	-£54.59
£811.19	-£512.84	£1,102.20	£291.01	£165.66	£903.00	£91.81	£9.11	£786.60	-£24.59	-£81.09
£838.63	£325.78	£6,613.20	£2,126.04	£1,373.98	£903.00	£64.37	-£18.32	£786.60	-£52.03	-£108.52
£867.02	£1,192.81				£903.00	£35.98	-£46.72	£786.60	-£80.42	-£136.92
£896.42	£2,089.23				£7,224.00	£1,031.19	£369.64	£786.60	-£109.82	-£166.32
£926.86	£3,016.08							£786.60	-£140.26	-£196.75
£958.37	£3,974.45							£7,866.00	-£150.08	-£715.04
£990.99	£4,965.44	Before and After Income Tax and Reliefs								
£1,024.77	£5,990.21	Total ORA	£6,613.20	£5,861.14	£7,224.00		£6,562.45	£7,866.00		£7,301.05
£1,059.75	£7,049.95	Monthly Payments	£91.85	£81.40	£75.25		£68.36	£65.55		£60.84
£1,095.97	£8,145.92	Annual ORA Interest	5.377%	2.870%	5.560%		3.906%	5.732%		4.602%
£1,133.48	£9,279.40	Net Benefits	£12,602.65	£10,408.97	£11,991.85		£10,048.80	£11,349.85		£9,674.85
£1,172.32	£10,451.72	ROI (as a multiplier)	1.9	2.3	1.7		1.9	1.4		1.6
£1,212.55	£11,664.27	ROI (as av. annual %)	9.5%	11.4%	8.3%		9.6%	7.2%		8.2%
£1,254.21	£12,918.48	Please note After Income Tax and Reliefs above are guidelines, you must seek out your own tax advice								
£1,297.37	£14,215.85									
£19,215.85										

Note: Solar PV, generates you more savings and earnings from summer months over winter months, this may mean you will have add to the funds during winter months from the higher generating summer months or even from your pocket if installed at the start of winter. The above figures are across the year. If this concerns you we can raise the system cost to cover your first 1 to 3 months of repayments.

Note: Rates will vary on a case by case basis, to obtain your rate, submit company accounts and your last 3 company bank statements

199KW Biomass Boiler Example

Whilst biomass boiler systems are expensive the RHI (renewable heat incentive) is the financial incentive for installation. They may be viewed as an investment and the RHI provides the pay back of the capital investment, plus you gain lower fuel bills and lower your carbon emissions. Below are some examples of what you may receive as an RHI payment for the installation of biomass boilers.

Boiler Size (kW)		199
Metered usage of Property -Tariff 1 (kWh)		282,510
Total (kWh)		282,510
RHI Rate (p /kWh) -Tier 1		5.18
Biomass Fuel Type	Wood Pellet	3 Pence / kWh
Biomass Fuel Inflation		3%
Cost of Project		£99,995.00 + VAT

Year	RHI £	Fossil Fuel Cost £	Biomass Cost £	Net Fuel Saving £	Annual Gain £	Net Cash flow Non disc'd £	Discounted Cash flow 1% £	Net Disc Cash flow
1	14,634	12,713	8,475	4,238	18,872	- 81,123	18,685	- 81,310
2	15,073	13,603	8,730	4,873	19,946	- 61,177	19,553	- 61,757
3	15,525	14,555	8,991	5,564	21,089	- 40,088	20,469	- 41,288
4	15,991	15,574	9,261	6,313	22,304	- 17,784	21,433	- 19,855
5	16,471	16,664	9,539	7,125	23,596	5,811	22,451	2,596
6	16,965	17,831	9,825	8,005	24,970	30,782	23,523	26,119
7	17,474	19,079	10,120	8,959	26,433	57,214	24,654	50,773
8	17,998	20,414	10,424	9,991	27,989	85,203	25,847	76,620
9	18,538	21,843	10,736	11,107	29,645	114,848	27,106	103,725
10	19,094	23,372	11,058	12,314	31,408	146,256	28,433	132,159
11	19,667	25,008	11,390	13,618	33,285	179,541	29,834	161,993
12	20,257	26,759	11,732	15,027	35,284	214,825	31,313	193,306
13	20,865	28,632	12,084	16,548	37,413	252,238	32,873	226,179
14	21,491	30,636	12,446	18,190	39,681	291,918	34,521	260,700
15	22,135	32,781	12,820	19,961	42,096	334,014	36,260	296,959
16	22,799	35,075	13,204	21,871	44,671	378,685	38,096	335,055
17	23,483	37,531	13,600	23,930	47,414	426,099	40,035	375,090
18	24,188	40,158	14,008	26,149	50,337	476,436	42,083	417,173
19	24,913	42,969	14,429	28,540	53,454	529,890	44,246	461,419
20	25,661	45,977	14,861	31,115	56,776	586,666	46,531	507,949
Total	393,222	521,174	227,734	293,439	686,661			

ORA Standalone Calculator

	Cash Value			£99,995.00
	5 Years	6 Years	8 Years	10 Years
Yearly Repayments	Yearly Repayments	Yearly Repayments	Yearly Repayments	Yearly Repayments
£25,282.74	£22,042.90	£18,059.10	£15,731.21	
£25,282.74	£22,042.90	£18,059.10	£15,731.21	
£25,282.74	£22,042.90	£18,059.10	£15,731.21	
£25,282.74	£22,042.90	£18,059.10	£15,731.21	
£25,282.74	£22,042.90	£18,059.10	£15,731.21	
£126,413.68	£22,042.90	£18,059.10	£15,731.21	
	£132,257.39	£18,059.10	£15,731.21	
		£18,059.10	£15,731.21	
		£144,472.78	£15,731.21	
			£15,731.21	
			£157,312.13	
Total ORA	£126,413.68	£132,257.39	£144,472.78	£157,312.13
Monthly Payments	£2,106.89	£1,836.91	£1,504.92	£1,310.93
After Tax Reliefs made available for business profits other than FIT and ET income (Below)				
Total ORA	£106,039.44	£111,781.89	£151,192.44	£136,409.63
Monthly Payments	£1,767.32	£1,552.53	£1,399.93	£1,136.75

As you can see the Biomass has an annual gain of £18,685.00 (year 1, previous page) so the most suitable Operating Rental Agreement Term is 8 years (above table)

Note: Rates will vary on a case by case basis, to obtain your rate, submit company accounts and your last 3 company bank statements.

Summary

The Operating Rental Agreement will provide you with hundreds of thousands of pounds of profit over 20 years with no upfront costs whilst reducing your carbon emissions.

Frequently Asked Questions

Are there any additional charges for an Operating Rental Agreement?

No, however for solar PV you are responsible for the upkeep of the system. Biomass/CHP includes a maintenance package.

If need be can I raise additional funds based on the security of the Feed-In Tariff and or RHI?

YES, you would simply make a request for approval.

Will I have to make any payments before I receive the Feed-In Tariff or RHI?

This depends on your project, we try to make it so that you don't but will advise on a case by case basis. In certain cases it may be that you will have to cover some repayments before you receive the tariff, but we will advise on such matters.

What is the interest rate I will be paying?

Each case is different. The only way we can tell you is by making an application; low risk companies will receive lower rates than higher risk ones, general cases vary from 4.3% to 9%.

Do we have to provide security for the investment?

NO, the agreement is approved based on the security of the Feed-In Tariff and or Renewable Heat Incentive and your ability to prove via accounts and bank statements that you can operate accordingly.

How long does the process take?

As soon as we receive your company accounts and bank statements we will have an answer to you within 3 to 5 days. Once you sign an agreement we can start to install within 2 to 4 weeks.

Who is responsible for the maintenance?

You, an option to be provided with a separate Ongoing Maintenance Service Contract for the duration of the operating rental agreement is available, this can be extended to the life of the project at your request.

Are there any other options if the ORA won't work for us?

Yes, we can also offer cash, finance (5 to 7 years) and a free to install option on a power purchase agreement.

What value projects are acceptable?

From £10,000 to unlimited

If I have further concerns and questions who do I speak to?

In the first instance email Bianca Janossy at assessments@beehiveenergy.co.uk