

The **co-operative** bank
good with money

Case study: Balnamoon Renewables Ltd

“ It was a real pleasure working with The Co-operative Bank. They displayed professionalism in the face of every challenge. They knew what they were doing and worked hard to provide unfailing support. There were many hurdles to cross, but there was never ever a cross word, only good humour and perseverance. ”

Michael Johnston,
Farmer,
Balnamoon Renewables Ltd

Customer: Balnamoon Renewables Ltd

Project: Wind turbine

The Co-operative Bank is committed to providing finance that helps to deliver renewables and energy efficiency projects and combat climate change. One of our recent projects involved funding a wind turbine in Aberdeenshire.

Once landowners Michael and Paulina Johnston had made the decision to install a wind turbine they needed a financial partner to help them take the project forward. Armed with their detailed feasibility study of the proposed site they contacted The Co-operative Bank's Renewable Energy and Asset Finance Team at the beginning of 2008. The Johnstons estimated they would need approximately £1 million to cover the cost of purchasing the turbine, its installation and connection, as well as being able to pay for other infrastructure required at the site.

The actual costs of the project totalled £1.057 million, and the bank agreed a loan of almost £985,000. The Johnstons provided an equity injection of £130,000 which was used to get the project up and running and contributed towards the early stages of the development. They decided to purchase a single 800kW ENERCON E-48 turbine, which is now located in Balnamoon, Moray, in Aberdeenshire.

The bank was confident with the Johnston's choice to use an ENERCON turbine, having had experience of the German suppliers on previous projects. The E-48 wind turbine is in the company's medium-class power range and is the most profitable system within its class. With a maximum rated power of 800kW it was the ideal choice for their farm.

The site access track and the foundations for the turbine were completed on schedule, allowing sufficient time for the assembly of the major components, all of which were in place within two days of delivery. Plus, the turbine was delivered and installed ahead of schedule. The site went operational in spring 2009, just over a year after the Johnston's had initially contacted the bank. They're now selling energy produced via a Power Purchase Agreement with Scottish and Southern Energy and all the electricity being generated is sold directly to the National Grid.

Blown away by speed and expertise

The green form of energy will result in huge carbon savings per year over the turbine's expected 25 year lifespan. John Puddephatt, Corporate Adviser within the bank's Renewable Energy and Asset Finance Team, worked on structuring the finance package for the deal. He said, "North East Scotland is becoming an important area for wind energy development with many more landowners following the Johnston's lead.

"We did experience some problems but by working closely with the Johnstons we were able to overcome them. Projects like these demonstrate the bank's commitment to tackling climate change and tie in with our Ethical Policy."



The Balnamoon turbine at Moray in Aberdeenshire.

Speak to our Renewable Energy and Asset Finance Team
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