

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

Case study: CRF Hydro Power Limited

“ Moving to The Co-operative Bank means we now have a supportive and knowledgeable partner that understands our business. Working in partnership with a specialist has enabled us to grow, both organically and through acquisitions. ”

Roy Foster
Director,
CRF Hydro Power Limited

Customer: CRF Hydro Power Limited

Project: Hydro Energy Generation

A combination of financial support and expertise from The Co-operative Bank's Renewable Energy and Asset Finance Team has enabled CRF Hydro Power Limited to grow their business and fulfil their ambitions for further expansion and involvement in new projects.

CRF Hydro Power Limited has been involved in hydropower generation for over 25 years. The Scottish-based business is owned by a family who are passionate about sustainable energy and who have a wealth of experience, having built two of their existing hydro storage schemes over 10 years ago.

With ambitious growth plans, which included acquiring a majority share in another hydro project, CRF felt they had outgrown their former financial provider. "CRF Hydro Power Limited is a rapidly expanding power generation company and raising capital has been one of our biggest challenges," says Roy Foster, a Director at CRF. "We found that the banking system took a very risk averse view to hydro energy and particularly new-build hydro schemes." So in 2008, CRF decided to approach The Co-operative Bank.

An expert banking partner

"Going forward, we realised we needed to work in partnership with a bank that specialised in the renewables sector and we wanted the opportunity to build a strong, long-term relationship," says Roy. "We were looking for a combination of funding, sector expertise and support to help us realise our plans for the future. This is what we have found at The Co-operative Bank."

Initially, the bank agreed to increase their existing borrowings. Then in 2009, the bank provided further funding that enabled CRF to achieve a long-held goal – the acquisition of the majority shareholding in a 1.1MW hydro storage scheme near Gairloch, in Scotland. With ongoing support from the bank, CRF is progressing planning permission to upgrade the scheme to 1.7MW. In the first quarter of 2011, their three schemes have produced approximately 3,279MWh, which is around 25 per cent above the expected generation capacity.

Plans to share the benefits

The next stage of CRF's business plan is to progress another hydro scheme in a joint venture with a local charity. They are hoping the project will have a positive social, as well as environmental, impact on the local community.

Gill Berry, a member of the bank's Renewable Energy Team based at its head office in Manchester, is the Relationship Manager to CRF. "Working with CRF is an absolute pleasure. They are experienced hydro operators and the bank

has provided support to help grow their business over the last few years and will continue to do so," she says. "Many of CRF's core business values are similar to the bank's, which helped us to form the basis for having a good, long-lasting working relationship."

For Roy, the benefits are clear. "Moving to The Co-operative Bank means we now have a supportive and knowledgeable partner that understands our business. Working in partnership with a specialist has enabled us to grow, both organically and through acquisitions."



Water works: Almost 35 per cent of the UK's renewable energy is provided by hydropower.



Roy Foster, a Director at CRF Hydro Power Limited, assesses water levels at Garbhaig Hydro Scheme.

Speak to our Renewable Energy Team
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