

Co-operative Society

Share Offer for
the Kirk Hill
Wind Farm



01. In a Nutshell

Kirk Hill - a wind farm owned by you

Own part of a new wind farm for your own source of clean, low cost, green electricity.

Why do this?

- ▶ Have a real climate impact - help a new wind farm be built.
- ▶ Up to 65% cheaper than rooftop solar.
- ▶ Fully portable – take it with you if you move.
- ▶ Save around £125 per year on your electricity bill.
- ▶ Reduce your carbon footprint by around 600kgCO₂/year.
- ▶ The environmental and climate benefits are usually the main reason.

How it works

- ▶ You buy shares in the cooperative that will own part of the Kirk Hill Wind Farm, to be built in South Ayrshire, Scotland.
- ▶ Ripple have completed negotiations to secure an Option to purchase the development rights of Kirk Hill Wind Farm.
- ▶ Once the share raise is completed, construction of the wind farm begins, expected to be summer 2022.
- ▶ The wind farm is expected to start generating electricity in late 2023. You will not start to generate savings until then.
- ▶ Your electricity supplier buys your share of the

wind farm's electricity and supplies it to your home or premises via the grid.

- ▶ You get savings applied to your bill equal to the wholesale value of the power generated minus the operating cost of the wind farm, multiplied by your share of the generation. The saving is applied to your electricity bill automatically.
- ▶ Whether you live in a flat or house, rent or own, you can now own your own source of clean, green electricity (see short video [here](#)).

How's this different to green tariffs?

- ▶ Unlike with most green tariffs, being part of Ripple's latest co-op means you're directly enabling more green power to be generated.
- ▶ If you are on a green tariff and the price of the electricity goes up, so do your bills.
- ▶ If the price of the electricity goes up, your savings will go up too, helping to stabilise your bills.

How do I get savings?

- ▶ Your electricity needs to come from a supplier that is partnered with the wind farm by the time it starts to generate power.
- ▶ Your supplier buys your share of the electricity from the wind farm.
- ▶ It pays the wind farm at its low and stable operating cost; the rest of the wholesale value is paid to you, the owner of the wind farm (see short video [here](#) and further explanation in [Section 5](#)).

The wind turbine shown on the front cover is at Ripple's first wind farm, not Kirk Hill where works will only start in summer 2022



How much does it cost?

- ▶ For a typical home the cost is around £1,714 (paid on application) - that buys enough of the wind farm to generate 100% of their electricity needs.
- ▶ This is a single, one off payment to buy your share of the wind farm.
- ▶ You don't need to meet 100% of your electricity needs from the wind farm, the minimum ownership is just £25. The maximum is 120% of your electricity needs.

What's the benefit of joining Ripple?

- ▶ By owning part of a wind farm you can benefit from savings on your electricity bill and know you're reducing your carbon footprint as well as directly increasing the UK's renewable energy capacity.
- ▶ Your bill savings are dependent upon the wholesale electricity price and the amount of electricity generated by the wind farm each year.
- ▶ The higher the wholesale market price for

electricity, the greater your savings and the shorter the payback period is. The lower the price, the lower your savings and the longer the payback period.

- ▶ We estimate the effective rate of return to be 4.9% over 25 years with a member paying £1,714 to buy their shares in the co-op receiving about £125 as savings on their electricity bills a year.
- ▶ The more electricity the wind farm generates, the greater your savings.

Other stuff to know

- ▶ This section 1 is just a summary – please read the whole of this offer document for full information and sources for the information provided
- ▶ Ripple works with multiple energy suppliers and all their tariffs¹, giving you real choice. Our intended supplier partners for Kirk Hill are Your Co-op Energy (powered by Octopus Energy), E.ON Next, So Energy and (for businesses) Unify Energy. Members that are already supplied by Octopus Energy, M&S Energy and London Power will be able to stay on their existing tariffs.

¹ Except the Octopus Tesla tariff.



You will be able to switch to smart, time of use tariffs as well as our partners' standard tariffs if you choose.

- ▶ To get savings applied to your bill you need to be supplied by one of our partner suppliers, but you don't need to switch immediately. You can delay switching till late 2023 when the wind farm is expected to start generating electricity.
- ▶ All savings generated by your share of the wind farm will be applied to your bill, even if the generation is more than your consumption.
- ▶ Your electricity isn't free. You still need to pay taxes and grid costs which make up an electricity bill, as well as your share of the wind farm's operating costs. We estimate ownership could reduce your electricity bill by around 25% over the wind farm's 25 year lifetime².
- ▶ The wind farm will be part-owned by a cooperative society which is owned by its members - you!
- ▶ Ripple Energy will provide management services to the society to ensure it and the wind farm are run efficiently.
- ▶ Your shares in the co-operative are withdrawable but not transferable, this means you cannot sell your shares directly to someone else.

² Assumes your share of the wind farm generates 100% equivalent of your electricity consumption.

02. Important Notice

This offer document has been prepared by Ripple Wind Coop 2 Ltd and its Directors, who are responsible for its contents. This offer document has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 (FSMA). It is exempt from the financial promotion restriction (in Section 21 of FSMA) on the grounds that withdrawable, non-transferable shares in a cooperative society are not a controlled investment for the purposes of FSMA. It is exempt from the requirement to be issued as a prospectus (under Section 85 of FSMA) on the grounds that non-transferable securities are outside the scope of Section 85.

Ripple Wind Coop 2 Ltd is not regulated by the Financial Conduct Authority and prospective investors will not have the benefit of the Financial Services Compensation Scheme and other protections afforded by FSMA or any of its rules and regulations.

Prospective investors should not construe the contents of this offer document as legal, tax or financial advice. All prospective investors should consult their own professional advisers as appropriate as to the legal, tax, financial or other matters relevant to the suitability of an investment in the shares.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons

into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of such jurisdictions.

You should not apply for the purchase of shares except on the basis of information set out in (a) this offer document and (b) all information provided on the offer at www.rippleenergy.com, including the Customer Agreement. **Before applying you are advised to read the whole of this offer document, including the Risk Factors set out in Section 13 and the information provided on the offer at www.rippleenergy.com, including the Customer Agreement.**

Applicants should understand that any share purchase they make is an acknowledgement of their support for the development of renewable energy and accordingly, a subscription for shares in Ripple Wind Coop 2 should be primarily regarded as an investment for social and environmental purposes rather than one which will produce a significant financial return.

Applicants should note that Ripple intends to launch further renewable energy cooperative share offers and later offers may be more suited to you. As a result you may wish to consider meeting your energy needs from multiple co-ops.



Technical and other words and phrases used in this offer document with a particular meaning are defined and explained in the Glossary and Key Facts, **Appendix 1**. No advice on investments is given in this document, or by the promoters in relation to it. If any person has any doubt about the appropriateness or suitability of the investment which is the subject of this offer document they should contact an appropriate authorised person for advice on investments.

General information sourced from third parties in this offer document has been accurately reproduced as far as the Directors are aware and are able to ascertain from information

published by that third party. No facts have been omitted which would render any such reproduced information inaccurate or misleading.

You should consider taking appropriate financial and other advice before making any investment decision.

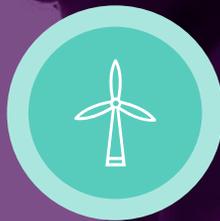
For general queries about this offer document, please contact help@RippleEnergy.com.

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Own part of a new wind farm and get clean, zero-carbon electricity supplied to your home via the grid by Ripple's supply partners.

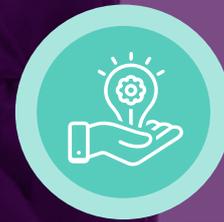
1

Buy part of wind farm.
Own as many shares in the Co-op as you need. Pay your share of the wind farm's construction cost.



2

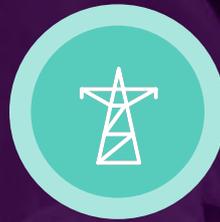
Your supplier buys your share of the wind farm's output at its low operating cost.



 **Ripple**

3

Power supplied via the grid - so it doesn't matter where you live or when and how much electricity you use.

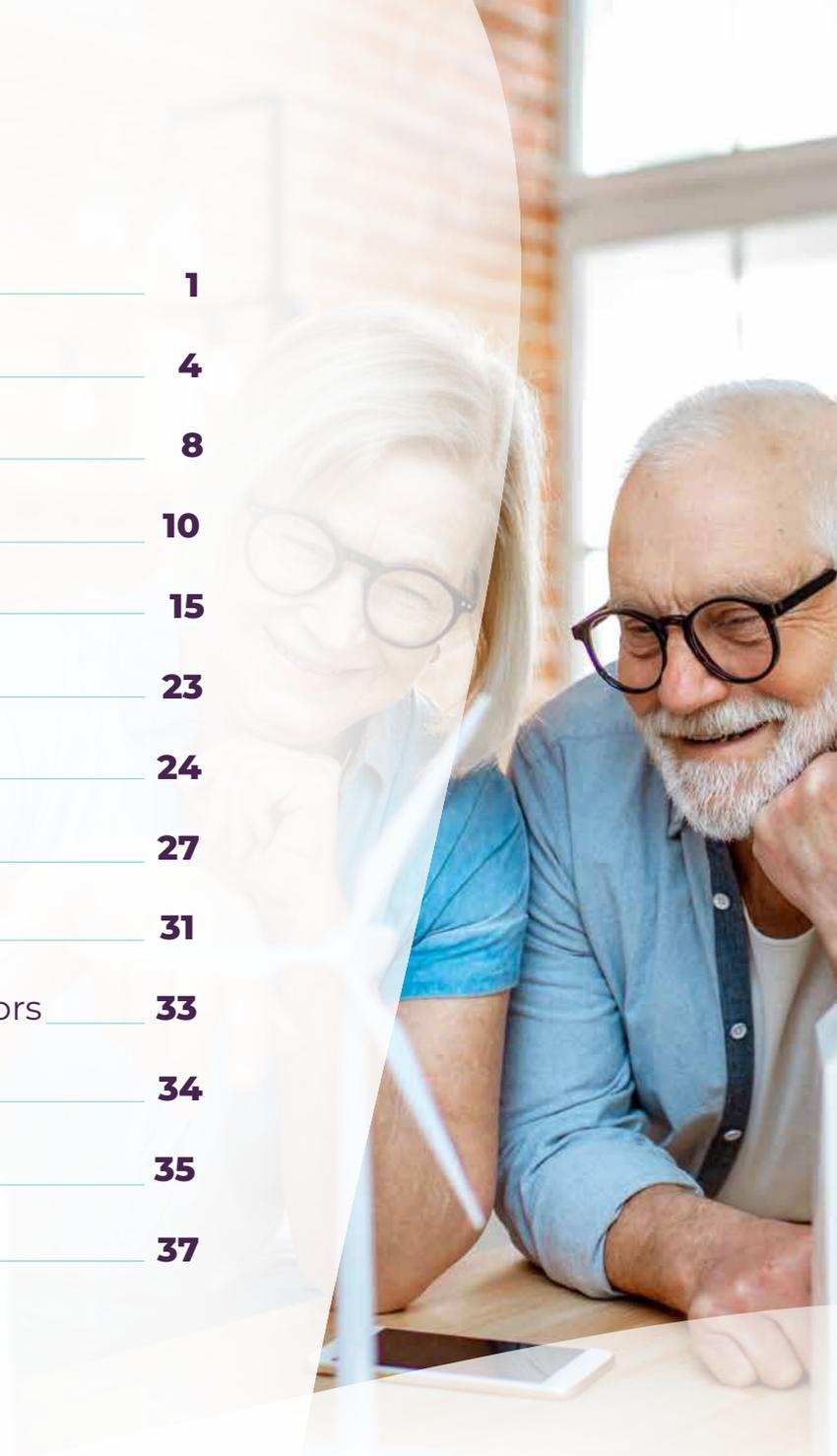


4

Savings passed on to your bill automatically.

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03. Directors' Letter

We are delighted that you are interested in finding out more about joining the cooperative society which will part-own the Kirk Hill Wind Farm. This document sets out the information you need to make an informed decision about this innovative clean energy ownership opportunity.

Kirk Hill represents a new way to source clean energy

Until now if you wanted to own your own source of clean electricity, typically your only option was to install solar panels on your house. Rooftop solar can be great but it can also be expensive and isn't an option for people who live in flats or who rent. And if you move home you have to leave it behind. Kirk Hill represents a new way to act on climate change by bringing people together to build and own their own source of clean, renewable electricity.

Kirk Hill will be the second wind farm, and the biggest, in the UK to have one of its owners as a cooperative, which is owned by the people who will benefit from its clean, green electricity. This wind farm will benefit from the experiences gained at Ripple's single turbine pilot project, Graig Fatha, in south Wales. It aims to bring a new form of climate action into the mainstream.

What your investment will be used for:

Your investment in the co-op will be used to build the Kirk Hill Wind Farm. It is 18.8MW in total and is likely to be able to supply the equivalent of around 20,000 households.

The cost of building the wind farm includes buying the turbines, preparing and building the foundations, buying the permitted project from the developer and employing the construction team. Alongside your investment you will also pay Ripple Energy an arrangement fee of 7%+vat³ of the share cost, which will contribute to the set-up costs for the wind farm. This is taken into account in the upfront cost you will be quoted on Ripple's website before you agree to join - there are no additional hidden fees or charges.

Kirk Hill Benefits

As well as helping to generate renewable power from a large-scale wind farm, being a member of the co-op can also help save you money on your electricity bills for the life of the wind farm. By buying shares in the co-op you are allocated a proportionate share of the wind-farm's generated power, and hence the value of that power. The more shares you own, the more power is allocated to you.

The way we use energy is changing and we want Kirk Hill to support you in your low carbon journey. In addition, Kirk Hill will deliver benefits to the local community and reduce CO2 emissions by 12,800 tonnes⁴ per annum – over 600kg per average home.

We believe this innovative wind farm is truly of its time and will create benefits for you, the community and the environment. We hope you join us in this mission.

³ This is reduced to 6%+vat for members that pay for their shares in a single instalment.

⁴ Based on P50 generation estimate and grid carbon intensity of 212kg/MWh.



Kirk Hill wind farm can make green energy ownership affordable and accessible for thousands of people across the UK.

We hope you **join us in this mission.**

04. Offer Summary

The Co-Op

It's the co-op's mission to enable people to own shares in a renewable energy project that can reduce their carbon footprint and their electricity bills, and create local environmental and community benefits.

The wind farm will sell its power to electricity suppliers at its operating cost. The difference between the market electricity and the wind farm's operating cost is a saving. Ripple's supply partners pass on this saving to their customers who are members of the co-op.

The co-op members will have one vote each and a board will be elected by the members.

By buying shares you will become a member and shareholder of the co-op. The co-op will own shares in the wind farm (SPV).

The Offer

This document contains an invitation to invest in the withdrawable, non-transferable share capital of the co-op. We are seeking to raise up to £24,705k by 21 March 2022 to invest in an 18.8MW wind farm to be constructed in South Ayrshire. Co-investors will invest alongside the co-op to raise the total £32,500k to construct the wind farm and a debt facility may be used in

the event additional finance is required.

The financial information in this document (including projected returns to members) is calculated using the assumptions stated in [Appendix 4](#).

By owning shares in the co-op, members will receive savings on their electricity bills from Ripple's supply partners.⁵

According to Ripple's modelling, someone buying shares in the co-op equating to 914 watts would generate 2,900kWh each year. This is projected to create savings of about £180 in the first year of generation, and an average of £125 saving per annum over the wind farm's life⁶. It is projected that the payback period for investment will be 13 years.

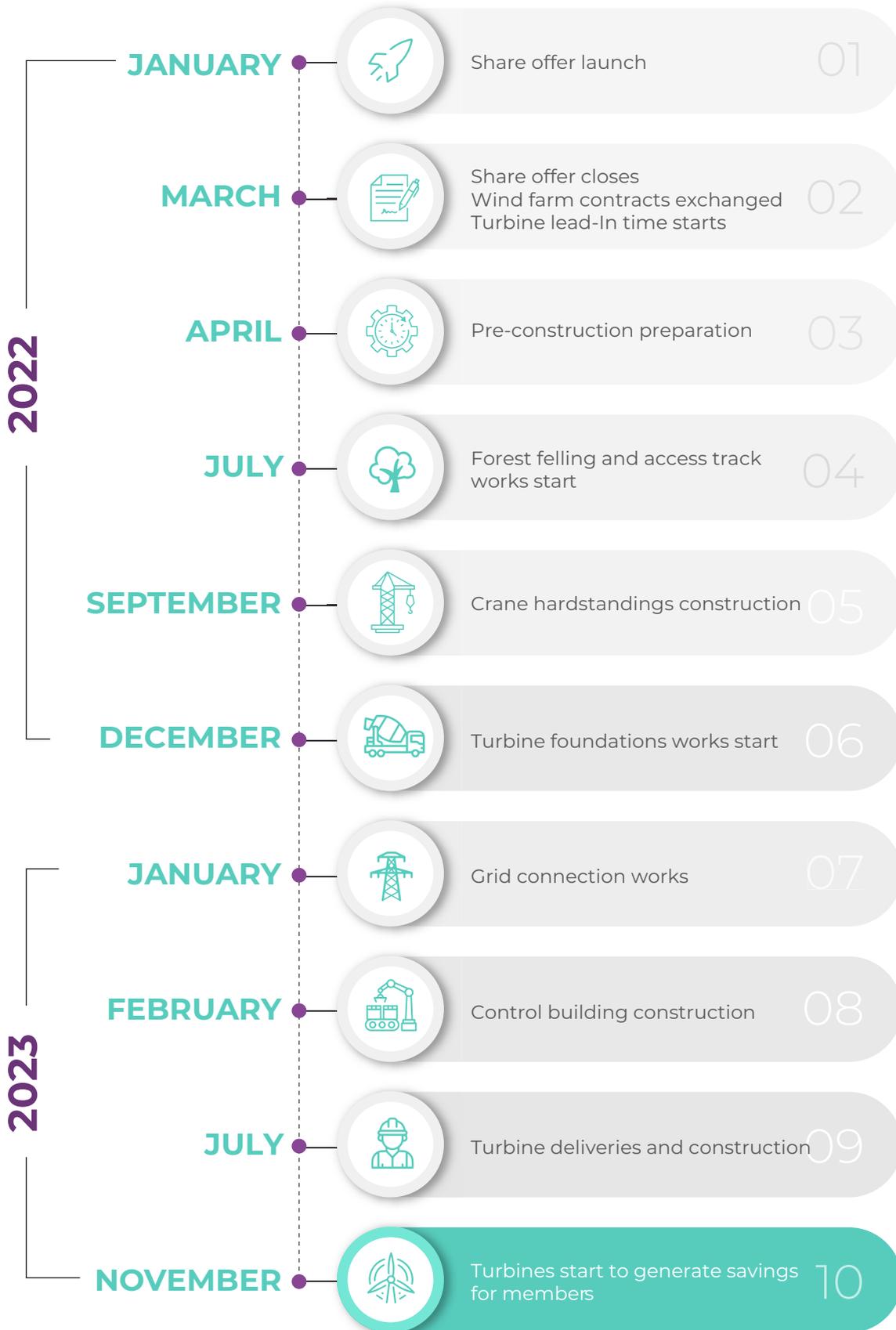
Please note that any savings will be highly dependent on the wholesale price of electricity and the wind farm's yields, which will depend on the wind, as we describe in more detail in [Section 13](#) on Risk Factors.

If we are unable to raise enough capital to proceed with constructing the wind farm, we will return all funds to applicants.

⁵ See [Section 6 "How it Works"](#) for further explanation
⁶ Based on P50 (see Glossary) and UK Government Central Scenario (see footnote 10) and [Section 12](#) for how the savings are calculated.



Indicative Project Programme⁷



⁷ This programme is indicative and subject to change.



Overview of the Financial Model⁸

System	
Capacity (MW)	18.8
Yield (kWh) (P50)	60,266,000
Total Purchase and Construction Cost (£)	32,500,000
Coop Target Share	70%
Coop Target Raise (£)	24,705,000
Max Ripple Total Coop Arrangement Fee (£)	1,914,000 ⁹
Carbon Savings	
CO2 kg/MWh (grid)	212 ¹⁰
Annual Tonnes of CO2 Saved	12,800
Total Tonnes of CO2 Saved (25 yrs)	320,000

⁸ See Key Facts and Glossary for an explanation of some of the terms used.

⁹ This forms part of the total target raise and is on the basis of all members paying in instalments and 7%+vat arrangement fee.

¹⁰ See [UK Gov Greenhouse Gas Conversion Factors](#). Note that projections of grid carbon intensity are reducing, particularly driven by net zero targets.

Annual CO2 Saving of Member with Share Based on 2,900kWh Demand (kg)	616
Operating Finances	
Average Wholesale Price ¹¹ received (p/kWh)	6.3p/kWh
Average Wind Farm Operating Cost (p/kWh)	2p/kWh
Expected Average Saving (in pence) Achieved by the Wind Farm per kWh	4.3p/kWh
Member's Projected Savings Example – assuming ownership of 2,900kWh	
Total Value of 2,900kWh (2,900kWh x 6.3p)	18,270p = £182.70
Value Allocated to Wind Farm to Cover Operating Costs (2,900kWh x 2p)	5,800p = £58.00
Saving applied to Member's Electricity Bill for the year (2,900 x 4.3p)	12,470p = £124.70

For information about power price volatility, please read **Section 13** on Risk Factors.

You are advised to read the **Important Notice at Section 2**.

The initial offer period is for 6 weeks. At the discretion of the Board, the offer may be extended.

Any complaints about this offer or about the shares should be sent to the Chairman of Ripple Wind Coop 2 Ltd, c/o Ripple Energy, 2 Beresford Terrace, Ay, KA7 2EG.

How to apply

The application process is online only and available at www.RippleEnergy.com

¹¹ The price presented here includes REGO value, GDUoS and other embedded benefits/costs, and supplier pass-through. Wholesale electricity prices are taken from Years 2024-2035, [UK Gov central scenario, Annex M](#), note currently wholesale prices are very high due to high gas prices. The price assumed for 2024 is the average of the prices being experienced in the new year of 2022 and the UK Gov forecasts. For years beyond 2035 the price has been assumed to be an average of the previous two years.



Ripple has enabled me to bring renewable energy to my home at a realistic price. Supporting my children's future to have clean, safe and reliable alternatives to energy, that not only is sustainable, but is kinder on our planet.

From Jeanette - Ripple Member

05. How it Works

By buying shares in the co-op, you are allocated your share of the power generated by the Kirk Hill wind farm, and hence the value of that power. The more shares you own, the more power is allocated to you.

Many people will decide to buy the amount of shares that would mean their share of the power generated roughly equates to 100% of the electricity they use each year. But you can own as little as £25 worth, or as much as would generate 120% of your annual electricity consumption.

To receive savings due to you from your share of the wind farm's power, you will need to be supplied by a supplier partnered with the wind farm. At the time of the share offer launch, such suppliers are:

- ▶ **Co-op Energy, which is powered by Octopus Energy;**
- ▶ **Octopus Energy and its associated brands if you are already supplied by them; and**
- ▶ **E.ON Next, So Energy and Unify Energy are anticipated to become supply partners.**

Please note, if you are an existing Octopus Energy customer you can remain on your current Octopus tariff, there is no need to switch.

It is also the intention that So Energy will partner with the wind farm, providing some continuity for the wind farm which was developed by ESB who recently combined their GB energy supply business with that of So Energy.

You do not need to switch to one of our

supply partners immediately. Doing so would potentially result in you being exposed to a significantly higher tariff than you are on due to the current unprecedentedly high electricity prices. You simply need to switch to one of our supply partners before the wind farm starts to generate power in late 2023 – Ripple will keep you updated on this and help you switch at the appropriate time.

Your supplier will purchase your share of the wind farm's output and supply it to your home via the grid. We cannot guarantee the electricity supplied to your home or premises is the exact same electricity generated by the wind farm. That is not physically possible. Your supplier buys your share of the metered electricity going into the grid, and supplies your property with electricity. This means you can use electricity whenever you want. If your share of the electricity from the wind farm in any month is greater than what you use, the surplus is supplied to other households, but the savings are still applied to your bill. You don't lose any savings.

Your supplier will pay the co-op for the electricity generated at the wind farm's operating cost. At about 2p/kWh this cost is lower than the wholesale market price for electricity which is projected to be about 6.3p/kWh¹¹ on average for the life of the wind farm. The difference between the price paid to the co-op and the expected wholesale price (which is what your power price would be based on if purchasing power in the normal way) represents a saving of about 4.3p/kWh. This saving for each kWh of electricity your share of the wind farm generates is applied to your electricity bill.

The wholesale price is agreed with our supply partners on an annual basis. This strikes a balance between ensuring the price against which your savings are calculated generally tracks the wholesale price, and giving you clarity over the level of savings for a decent amount of time rather than it changing daily.

This saving is how you benefit from your membership of the co-op. For legal and tax reasons, part of your savings is classed as return of share capital, and part is trading benefit.

Return of share capital

It is the intention that 5% of the shares issued in this offer will be withdrawn automatically in each year of the wind farm's operation. This means that your share capital will be gradually repaid. This ensures the value of share capital broadly reflects the actual value of the wind farm (which gradually reduces over its lifetime). The value of the share withdrawals will form part of your savings, they are not additional to the savings and will not be taxable¹². The return of share capital does not reduce the proportion of the wind farm you own or the amount of electricity you are allocated.

Trading benefit

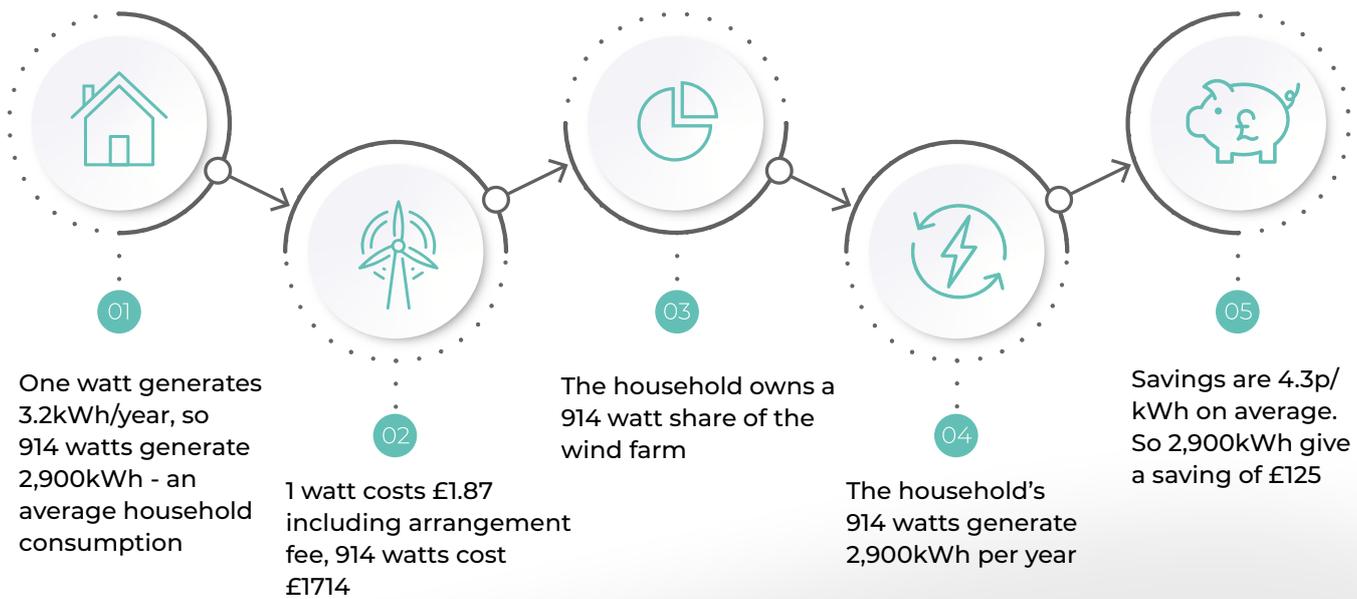
The remainder of the savings will be potentially taxable as your trading benefit as a member of the co-op¹². In the event the savings in any year are less than the value of the equivalent of 5% of the share capital, a larger proportion of shares will be withdrawn in following years (if the savings are sufficient) so that the 5% per annum cumulative position is achieved on an average basis. You will only see one single figure as your saving on your bill, but you can view the split of savings between return of share capital and trading benefit on your customer dashboard on Ripple's website and app for use in your annual tax statement.

Ripple is the co-op's managing agent. It takes care of everything from facilitating the purchase of shares, managing the contractual interfaces between the co-op, the co-investors and the wind farm's construction and operations and maintenance contractors, setting up arrangements with the energy supplier, and managing communications with co-op members.

¹² see also [Appendix 5 - Information on Tax](#)



How it Works



How much to own and how much do I pay?

You may decide how many Watts you want to own according to how much electricity you use each year, and how much of it you want to be met from your wind farm.

The generating capacity of the wind farm is measured in Watts. The Kirk Hill Wind Farm shall consist of 8 turbines, each with a 2.35MW capacity, 18.8MW total, or 18,800,000 Watts. The upfront cost, including the purchase and installation of the turbines, foundations, purchase of the consented project from the developer, and repayment of transaction costs is a total of £32,500k, which for 18,800,000 watts works out as £1.73 per watt. The co-op intends to own up to 70% of the wind farm (with the co-investors owning the remainder), hence its

contribution to the capital costs will be £22,791k, and its target raise with arrangement fees is £24,705k.

As part of the sign-up process, Ripple's calculator may help you determine your ownership requirement based on the energy yield estimates for the wind farm and your anticipated electricity demand. It is estimated that the wind farm will generate about 60,266,000kWh per annum: this is the 'P50' estimate, that means there is a 50% probability that the wind farm will generate more than that amount of power in an average year and 50% probability it will generate less. We cannot predict with certainty how much wind there will be or therefore how much income the co-op will generate, which is why we use probabilities

A worked example – if you want to purchase enough shares to cover your projected consumption

Kirk Hill Wind Farm is projected to generate 60,266,000 kWh per year¹³.

If your projected electricity consumption is 2,900kWh per year you would need to own 914 Watts of the 18.8MW wind farm for your share of its generation to cover your consumption.

Each watt costs £1.73 so 914 watts would cost £1,580.

Ripple's arrangement fee of 7%+vat is added to the share cost if you pay in 12 monthly instalments, so you pay £1,714, this reduces to £1,695 if you pay in a single instalment

There is a 50% probability that your share would generate more than 2,900kWh in a year and a 50% probability it would generate less than 2,900kWh.

If you only wanted to meet 50% of your electricity needs from the wind farm, you would need half, the equivalent of 457 watts, which would cost you £856.50



¹³ P50 estimate



What benefits do I get from my share ownership?

You do not get 'dividends' from your share ownership. The benefit of co-op membership is low cost, clean electricity. You will get savings on your bill as a result of being a member of the co-op and owning part of the wind farm.

There are two main costs of a wind farm, the construction cost (turbines, construction works, purchasing the project etc) and the operational costs (maintenance, insurance, land rent, business rates etc). Ripple charges an ongoing management fee (0.2p/kWh) for managing the operations and relationships between the co-op, its members and the wind farm's various contractors. It is paid by the wind farm and

forms part of the operating cost; you do not need to pay this separately.

The construction cost is the biggest cost item, which the co-op (and co-investors) pay upfront. The wind farm therefore only needs sufficient ongoing revenues to cover its operating costs each year. The operating costs include turbine maintenance costs, land rent, taxes and insurance, as well as Ripple's management fees.

Your share of the wind farm's generation will be sold to the electricity suppliers that partner with the wind farm – they pay the wind farm at its operating cost rather than the wholesale price for electricity.



(wholesale electricity price – wind farm operating cost) x your share of generation = your saving

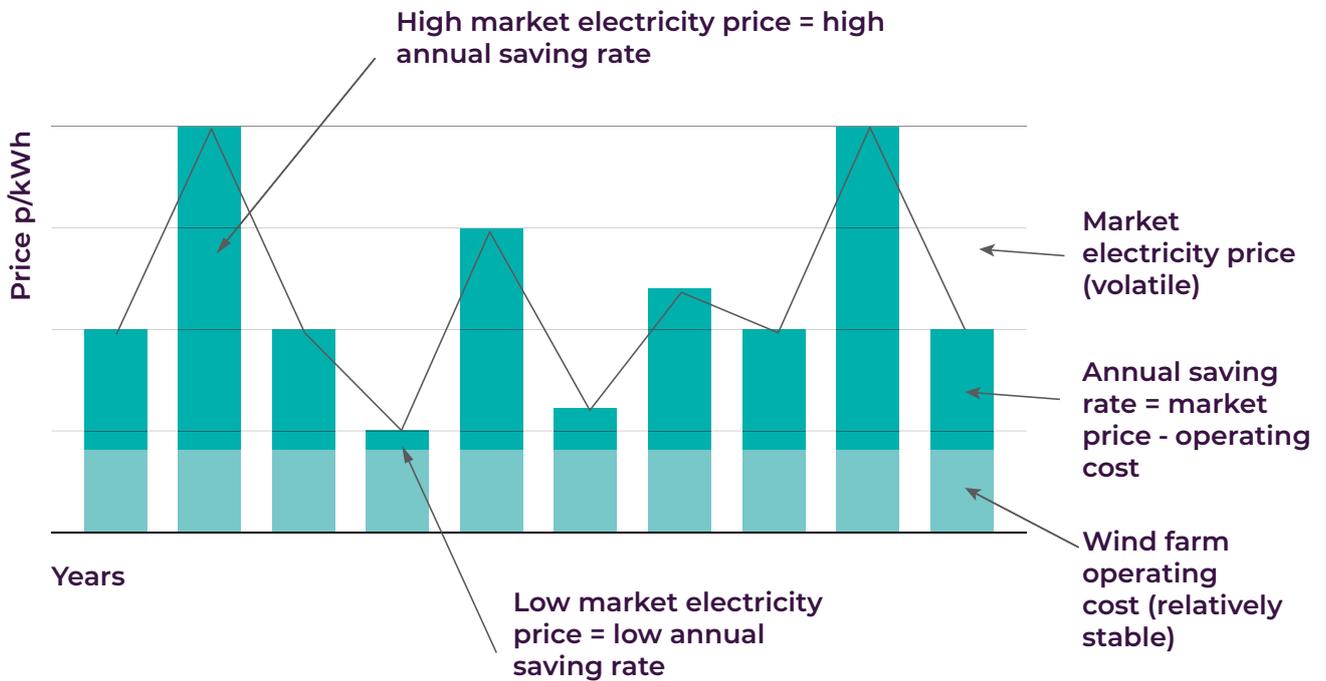


If your share generates 2,900kWh over a year and the operating cost is about 2p/kWh and the value of the power is 6.3p/kWh then:

$2,900 \times (6.3p - 2p) = \text{£}124.70 = \text{your saving.}$

Your savings are the difference between the wholesale price and the wind farm’s operating cost, multiplied by your share of the wind farm’s generated power. It is passed on to your bill according to how much electricity your share of the wind farm generates each month (see short video [here](#)).

Your regular bill will be set based on the retail market price for electricity according to the tariff you are on, like any other customer. Ripple calculates the amount of saving due to you each month and ensures it is credited to your bill. You will also be able to see the saving in your Ripple customer dashboard as well as on your electricity bill. The following diagram illustrates how it works.



Note that the savings on your bills will be independent of your electricity demand. Whatever savings your share of the wind farm’s power generates will be applied to your electricity bill, regardless of whether you use lots of electricity or none. If the savings on your bill at any one time exceed the total cost of your bill your supplier may hold the excess savings as credit on your account. Savings could vary between suppliers due to differing views of future wholesale prices, Ripple will periodically inform members of the different supplier options available to them and the relative savings available with those suppliers.

If you choose a non green tariff with your chosen supplier, the REGOs (Renewable Energy Guarantees of Origin) attributed to your share of the power generated will be retired instead of passed to your supplier. This will avoid those REGOs being used to qualify someone else’s electricity as being green.

RIPPLE ENERGY’S ROLE

Ripple is the co-op’s managing agent. It will manage the construction and operation of the wind farm on behalf of the co-op and its members. It does not undertake the construction or operations and maintenance itself but manages experienced and trusted contractors to do so.

Ripple will also manage the platform that will show you how much of the wind farm you own, what savings you have received and what’s happening at the site and with the co-op.



How to apply

To apply for shares in the co-op follow the steps on Ripple's website www.rippleenergy.com. On the site you can use the calculator to get an idea of how many shares you would need to own to meet your electricity needs. You should decide how many shares you want based on your actual electricity use (found on your electricity bills) rather than the calculator.

Share Offer Timetable

The offer will be open for 6 weeks, or until all the shares are sold, or when the total sold at the end of the 6 weeks, the Board may decide at its discretion to extend the offer period.

When you join the co-op you will be provided with your customer agreement completed with your details. Your payment will be held in an account owned by the co-op. If the share offer is successful and enough capital is raised, you will be notified, and the co-op will use the capital to purchase the project and progress with construction. If the share raise is unsuccessful (even with the contributions from the co-investors as described in [Section 9](#)) and the co-op cannot proceed to construction then all funds will be returned to the members and

they will be deemed to have withdrawn their shares and cease to be members of the co-op. In that instance, Ripple would seek to launch an alternative share offer as soon as possible.

Q&A

Ripple's [FAQ webpage](#) has further information about the model and the wind farm.

YOUR ENERGY SUPPLIER

You will need to be supplied by one of Ripple's partner energy suppliers in order to get savings applied to your bill. It is anticipated that Your Coop Energy, EON Next, Octopus Energy and So Energy will be Ripple supply partners.

You will be able to switch between those suppliers and any others that become partners over the wind farm's life. Your share of the value of the power generated by the wind farm will be applied as savings on your electricity bills.

06. About Ripple

Ripple's mission:

Ripple's mission is to make green energy ownership affordable and accessible for everyone. It wants to help people take genuine, tangible action to create a clean energy future. Directly enabling a wind farm to be built, one that will generate green, zero carbon power for 25 years, has a big, long term impact on climate change.

Kirk Hill Wind Farm is a significant step for Ripple as it brings its innovative ownership model into the mainstream. Ripple's single turbine pilot project, Graig Fatha, in south Wales demonstrated the concept. With Kirk Hill Ripple is now making ownership available to far more homes and businesses across Great Britain.

Ripple believes its ownership model can make clean energy ownership affordable and accessible to everyone, everywhere. Individual energy consumers can now cooperatively own their own source of clean electricity, supplied to their homes and businesses via the grid.

The background to Ripple

Ripple was set up by Sarah Merrick in 2017. After working in the renewable energy sector since 2000 she wanted to give people the opportunity

to own their own source of renewable power. Large corporations have been able to own their own source of renewable energy for a number of years; she wanted household energy consumers to be able to do the same.

Ripple has grown from three people in 2019 to 20 people in 2022. Ripple is a privately owned, for profit company. It is largely funded to date through crowdfunding having secured almost £2.6m in investment on the Seedrs crowdfunding platform from almost 2,600 individual investors. This has enabled it to grow its team and prepare for the launch of the Kirk Hill Wind Farm share offer.

Awards

In 2021 alone, awards include:

- ▶ 'Startup of the Year' in the Wind Investment Awards.
- ▶ the greenest energy offering in the market by Ethical Consumer magazine.
- ▶ 'Innovative Coop of the Year' from Coops UK for the Graig Fatha co-op.
- ▶ 'Entrepreneur of the Year' for Ripple's CEO at the Business Green Leaders Awards.



07.The Wind Farm





The Kirk Hill Wind Farm will be located about 3.5km to the south east of Kirkoswald in South Ayrshire, Scotland. The land is currently used for rough grazing and commercial forestry.

The wind farm will be formed of 8 Enercon E92 turbines with a 92m rotor (each blade is 45m long) on a 69m steel tower. Each turbine will be 115m to tip and able to generate up to 2.35MW of electricity; 18.8MW in total. The 60,266MWh it is expected to generate would be enough to power over 20,000 homes¹⁴, and the co-op's 70% share could power about 14,400.

The project was developed by ESB Asset Development UK Ltd who are part of the Irish semi-state utility, ESB. The first planning application for the wind farm was made in 2014 and consented in 2017. A further application to increase the height of the turbines was made and approved in October 2020. Since then ESB and Ripple have been finalising legal documents, engaging with contractors and producing information to be used for discharging planning conditions. The co-op has completed negotiations to secure an Option to purchase the development rights of Kirk Hill Wind Farm from ESB following this

share offer.

The wind farm has been subject to a comprehensive environmental impact assessment process, both for the original application and height increase application. The decision notice for the original application is [here](#) and the decision notice for the height increase application is available [here](#). The decision-maker in each case considered impacts upon landscape, visual receptors, cultural heritage, local residents, ecology, birds, bats and hydrology, amongst other things and concluded that any detrimental effects of the wind farm would not outweigh its benefits. Planning conditions have been applied to the consent which will be adhered to so the effects of the wind farm will be in line with the assessment. One such measure that will be adopted is to curtail the wind turbines at low wind speeds when it is warm, ensuring bats can forage safely.

The original application used the Scottish Government's wind farm carbon assessment tool and found that the carbon emissions associated with the manufacture of the turbines and construction of the wind farm would

¹⁴ Assuming average 2,900kWh annual demand.



be offset by the carbon savings of the wind farm's generated power in about 8 months. The revised application kept the same layout that avoided areas of deepest peat, but would result in about 30% increased energy output.

The total wind farm cost of £32,500k includes the purchase price of the development rights, the cost of the turbines, the access tracks and crane hardstandings, the electrical works and grid connection and land costs. Construction and operational contingency sums have been included to ensure the co-op has enough funds from the outset to cover its share of any unexpected costs. Any unused contingency funds will be held by the co-op and used towards operational costs, enabling more savings to be passed to the members in the early years.

Once the share offer has successfully completed and the co-investors enter into the shareholders' agreement with the co-op, the relevant contracts will be exchanged and further pre-construction works will be done to get permits in place. Construction will be timed to start so works are completed in time for the turbine deliveries. The construction process will be managed by Locogen, a consultancy with a highly experienced wind farm delivery team. The civil works, consisting of constructing the

access tracks across the site, the hardstandings by the turbines for use of cranes, and the turbine foundations, will be undertaken by Knights Brown who have an excellent track record for wind farm construction and worked on Ripple's first co-op wind farm, Graig Fatha. The electrical works will be carried out by PSUK who have extensive experience in a wide range of electrical installation projects, and the connection to the grid network at Maybole will be the responsibility of Scottish Power Energy Networks.

Once the wind farm is constructed Enercon will be responsible for the turbines' operations and maintenance.

Ripple will manage all the contractual relationships the co-op has on behalf of the co-op throughout the wind farm's life, under the terms of the management agreement between Ripple and the co-op.

Members' electricity supply will be the responsibility of their chosen supplier.

In addition to passing savings to the co-op's members, the wind farm will provide a community benefit fund with a projected value of £94,000 per annum to support local actions to address fuel poverty and carry out environmental projects.¹⁵

¹⁵ Further information about the community benefit fund is on [page 30](#)

08. The Cooperative Society

Why a co-operative society?

Co-operatives enable people to do together what they can't do alone. That approach matches Ripple's mission perfectly, so a co-operative ownership structure is the logical choice for Kirk Hill.

Energy is all about scale. There are huge economies of scale, with large scale assets being able to produce electricity at a much lower unit cost than small scale ones. A co-operative enables you to split the cost of a large scale renewable energy asset with others, giving you access to collective economies of scale. This enables co-op members to, collectively, access green electricity more cheaply than would be possible alone.

Voting rights

Every member of the co-op gets one vote in all co-op votes, regardless of how many shares they own. This gives everyone a genuine say in all important decisions regarding the wind farm.

Elections

There will be an election for the Board at the co-op's first AGM. The founding Board members (the Directors of the co-op listed in this document) will offer to resign and a new Board will be elected. A majority of the Board positions are reserved for election by the members from within the membership, alongside up to two directors appointed by Ripple and up to a further two directors "co-opted" to the Board on the basis of specific skills required by the Board.

Use of proceeds

The share capital will be used to fund the SPV by way of shares and loans and thereby fund the construction of the wind farm (alongside the co-investors). Any remaining funds shall form operating contingency.

Withdrawing shares

All shares offered as part of this share offer (defined as "A Shares" in the Rules) are withdrawable, at the discretion of the Board.

A percentage of each member's shares will be withdrawn each year automatically, as part of savings on members' electricity bills. The Board expects to repay 5% of share capital each year in this way. Regardless of shares being withdrawn, members will still receive savings due to them on the basis of the wind farm watts they own through the life of the wind farm.

Should you wish to withdraw all of your shares, because you no longer wish to be part of the co-op, you need to contact Ripple giving at least 30 days' notice. Ripple will maintain a waiting list of members wishing to increase their share ownership. If the waiting list for shares is greater than the number you wish to withdraw, you will be able to withdraw your shares. The corresponding number of new shares will then be issued to those members wishing to increase their ownership.

If the waiting list for shares is lower than the number you wish to withdraw, you may not be able to withdraw your shares at that time. The Board will consider whether any additional sum required to repay your residual share value can be safely and fairly met from the co-op's reserves. If they cannot, the residual value of your shares will be calculated at that time and will be paid to you when the Board considers it is able to do so safely.

Payment for withdrawn shares will be calculated by reference to their residual value. The value life of the wind farm is five years less than the expected operating life, i.e 20 years. Each year of operation the Board expects to repay 5% of share capital to each shareholder. If that repayment is achieved the co-op will withdraw 5% of the shares (but you still own the same number of watts and hence still be due the same proportion of the wind farm's generated power). So, if you wish to withdraw your shares after 5 years, 25% of your share

capital should have been repaid by that point as part of the savings on your bills and so 25% of your shares will have been withdrawn by the co-op. The residual value would therefore be 75% of your initial share capital, meaning you would be eligible to receive 75% of your original investment if you chose to withdraw your remaining shares. The Ripple arrangement fee is not repayable in the event of share withdrawal.

No shares can be withdrawn until 24 months after the start of the wind farm's operating life (start is expected to be late 2023), except for those automatically withdrawn as part of savings on members' electricity bills.

It is not possible to request a partial withdrawal of shares.

All withdrawal requests are subject to a withdrawal fee of £50

Shares are non-transferable

Shares in the co-op are non-transferable, except upon death. You are not able to directly sell or otherwise transfer your shares to someone else, even someone you live with. If you wish to withdraw your shares, an equal number of new shares issued by the co-op will be made available to people on the waiting list. If you move home then you can still keep your shares.

What if you die?

Shares are only transferable in the event that you die whilst a member. You can assign someone to inherit your shares upon your death. Your shares will then transfer to that person, should they wish to accept them, upon your death. Please keep the contact details

for the named contact up to date on your customer dashboard and make them aware of your wishes.

Level of involvement

The co-op is a democratic society, run for its members by its members. We want you to be as involved as you like. We will make it as easy as possible for you to participate, for example, all member meetings, including the Annual General Meeting will be held virtually via the internet. You will be able to join via your computer or by phone. This means everyone can participate, regardless of where in the country they live. It will also avoid the cost and emissions of people having to travel to meetings.

If you don't wish to participate there is no requirement to do so.

Co-op Rules

The co-op rules can be accessed [here](#). Those rules set out how the society will conduct itself, and include the details of member meetings, director elections, and other formal matters.

Customer Agreement

When joining you will be required to agree to

the terms of the Customer Agreement. The Customer Agreement sets out in detail the terms of your ownership of shares in the society, the payments due to you and from you, and how Ripple will manage that relationship. You will be able to review the Customer Agreement during the sign up process on Ripple's website.

The Customer Agreement, along with the co-op's rules and this offer document together constitute the terms and conditions of the offer.

The key terms of the Customer Agreement include:

- ▶ How you become a member of the co-op by applying to purchase shares through this offer, including the requirement to pay the cost of the shares and ripple's arrangement fee, together expressed as the joining fee;
- ▶ How your savings are calculated, including via a withdrawal of your share capital;
- ▶ How can apply for additional shares, also expressed in watts;
- ▶ In what circumstances and how the board might ask you to contribute more share capital to the co-op;
- ▶ In what circumstances the agreement might be terminated and your membership of the co-op ceases;



- ▶ The minimum term of the agreement; and
- ▶ The right for individual members to change their mind up to 14 days after joining.

Ripple Management Agreement

The key terms of the Management Agreement are:

- ▶ A description of the services provided by Ripple to the co-op and the company owning the wind farm (the “SPV”), such as construction management, managing the operations of the wind farm, liaising with energy suppliers and communicating with members on behalf of the co-op;
- ▶ A description of the fees paid for those services;
- ▶ The circumstances under which the Board can terminate the agreement, including if Ripple breaches the terms of the agreement.

Applicants may contact the Board or Ripple if they would like any further information on the Management Agreement.

Community Benefit Fund

We expect the Wind Farm will generate enough profit to create a community benefit fund, which will be distributed for community benefit. We project that value will be £94,000 per annum. The Board will work with the local community to determine the best approach to manage the community benefit fund. We will seek to work with existing organisations so as not to replicate management structures. The intention is to focus the fund on fuel poverty actions or environmental projects, but the Board will be cognizant of other local needs when deciding with the local community exactly how the fund is to be used.

09. The Co-Investors

Ripple's aim is to give consumers access to larger scale wind farms and solar parks, enabling consumers to benefit from the economies of scale such projects achieve. However, raising enough funds to purchase and build such projects solely from a cooperative share offer would be challenging. It has therefore always been Ripple's intention that it would enable its cooperative societies to invest in larger projects alongside other corporate investors. This approach has been successfully used at Ripple's pilot project.

Bruntwood is a property firm based in Manchester which also owns a boutique energy supplier, Unify Energy. Bruntwood has long been looking for a way to enable its properties to be more tangibly low carbon and intends to invest in Kirk Hill alongside the co-op as its first step into large scale asset ownership.

The Kirk Hill Wind Farm assets (being construction contracts, property agreements, grid offer, physical assets, power purchase agreements with suppliers etc) will be held in a company known as a 'special purpose vehicle' (SPV). Together, the co-op and Bruntwood intend to own 100% of the SPV as SPV shareholders. Bruntwood intends to own about 30% of the SPV and the co-op will seek to raise enough capital to own 70%. Each SPV shareholder will be allocated its share of the wind farm's power according to its share of the SPV.

There may be opportunity for another party to co-invest equity capital to the SPV (reducing the co-op's target percentage share in the wind farm) to allow the construction programme to progress as scheduled.





If the co-op directors are of the view that another co-investor's involvement in the wind farm would materially change the proposition for co-op members, then members will be notified and given the opportunity to withdraw their shares and receive their share capital and arrangement fee back.

The co-op and co-investor(s) will enter into a shareholders' agreement at the same time as the co-op buys the wind farm assets, and so all risks and responsibilities will be apportioned according to share from the outset. The co-op is being advised on the legal documentation and

process by a highly respected commercial law firm.

The SPV shareholders' shares will rank equally with each other and each shareholder is required to contribute to the SPV their share of the capital at the same time and the same £/MWh generated from their share of the power, regardless of their trading arrangements.

Ripple will manage the SPV and the co-op under the terms of the Management Agreement.

10. The Team The Co-op Directors



Fiona Milligan (Chair)

Fiona brings her communications and public affairs experience from a variety of public and private sectors and most recently, a decade in the renewable energy business, principally onshore wind development. She now runs her own consultancy and has a broad range of clients from small developers to multinational joint ventures.



David Banks

David brings solid experience in financial services to the society, built up from over a decade in corporate finance and risk management roles in banking and insurance. He currently works in prudential risk at a UK-based bank and is studying towards the Chartered Banker Institute's Green Finance Certificate™, the world's first benchmark qualification for green finance professionals. David is also the chair of the Board of Ripple's pilot co-operative.



Mark Holding

Mark brings two decades of member governance and strategic management experience in not-for-profits to his role on the board. He currently leads a Directorate of 100+ staff at the National Education Union. An enthusiast for Just Transition, last year Mark studied for an MSc Sustainable Cities at King's College London and currently sits on the Board of Ripple's Graig Fatha Special Purpose Vehicle company.

DECLARATION

Ripple Wind Coop 2 Ltd and its Directors are responsible for the information given in this offer document. Ripple Wind Coop 2 Ltd and each of its Directors hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in this offer document is to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its meaning.

11. The Team **Ripple Directors**



Sarah Merrick

Is the CEO and Founder of Ripple, driving the company forwards and benefitting from her 20 years of experience in the wind industry.



Will Dodd

Is the Chief Financial Officer for Ripple, ensuring the co-op's accounts are in good order and statutory reporting carried out properly.



Miklos Parrag

Is the Chief Technology Officer of Ripple and is responsible for the design and management of the platform and its integration with electricity suppliers.



Simon Peltenburg

Is Ripple's Chief Projects Officer and has been managing the co-op's due diligence on Kirk Hill and will be responsible for its progress through construction and operations.

12. The Shares & Returns

Issuer		Ripple Wind Project 2 Ltd																																					
Target amount to be raised	£24,705,000 including arrangement fee ¹⁶																																						
Status	Withdrawable and non-transferable																																						
Eligibility	To be eligible for shares in the society, the member must be a named GB electricity bill payer. We cannot accept members who are on pre-payment meters at this time. Note that only one person per address can become a member of the society. SME businesses are also eligible to join.																																						
Return on Investment	<p>The savings that members receive on their electricity bills will depend on the performance of the wind farm and the wholesale price of electricity. The table below illustrates the equivalent potential return over 25 years (being the expected operational life of the wind turbines) in different energy yield scenarios (higher yields result in more savings, and hence higher return on investment):</p> <table border="1"> <thead> <tr> <th colspan="2"></th> <th colspan="2">25 Year Return</th> </tr> <tr> <th colspan="2">Energy Yield</th> <th>P90</th> <th>P50</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Electricity price Forecast¹¹</td> <td>High</td> <td>5.1%</td> <td>6.6%</td> </tr> <tr> <td>Central</td> <td>3.5%</td> <td>4.9%</td> </tr> <tr> <td>Low</td> <td>1.6%</td> <td>3.0%</td> </tr> </tbody> </table> <p>Note that the wind farm may last longer than 25 years (for which a variation to the planning permission would be needed).</p> <p>The following table shows the expected point at which savings could be expected to exceed the price paid for shares under different energy yield and wholesale electricity price forecast scenarios.</p> <table border="1"> <thead> <tr> <th colspan="2"></th> <th colspan="2">Breakeven Year</th> </tr> <tr> <th colspan="2">Energy Yield</th> <th>P90</th> <th>P50</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Electricity price Forecast¹¹</td> <td>High</td> <td>12</td> <td>10</td> </tr> <tr> <td>Central</td> <td>15</td> <td>13</td> </tr> <tr> <td>Low</td> <td>19</td> <td>16</td> </tr> </tbody> </table>					25 Year Return		Energy Yield		P90	P50	Electricity price Forecast ¹¹	High	5.1%	6.6%	Central	3.5%	4.9%	Low	1.6%	3.0%			Breakeven Year		Energy Yield		P90	P50	Electricity price Forecast ¹¹	High	12	10	Central	15	13	Low	19	16
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	Low	19	16																																				

¹⁶ Assumes 7%+vat arrangement fee for 12 monthly instalments, which is used in all illustrations in this Section

<p>Return on Investment</p>	<p>A typical home buying shares at a total cost of £1,714 on the basis that they want their share of the wind farm to generate about 2,900kWh per annum would receive the following average annual potential savings for the (25 year) life of the project:</p> <table border="1" data-bbox="531 376 1334 663"> <thead> <tr> <th colspan="2"></th> <th colspan="2">Average Annual Saving (£)</th> </tr> <tr> <th colspan="2">Energy Yield</th> <th>P90</th> <th>P50</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Electricity price Forecast¹¹</td> <td>High</td> <td>141</td> <td>146</td> </tr> <tr> <td>Central</td> <td>120</td> <td>125</td> </tr> <tr> <td>Low</td> <td>96</td> <td>101</td> </tr> </tbody> </table> <p>Potential members can see indicative savings for different levels of ownership on https://rippleenergy.com/. Savings are entirely proportional to scale of ownership.</p>			Average Annual Saving (£)		Energy Yield		P90	P50	Electricity price Forecast ¹¹	High	141	146	Central	120	125	Low	96	101
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Electricity price Forecast ¹¹	High	141	146																
	Central	120	125																
	Low	96	101																
<p>Withdrawal</p>	<p>Members are free to apply to withdraw their shares in the society but return of share capital is at the discretion of the society Board. Members' shares will also be withdrawn by the Board as part of the savings paid to members.</p>																		
<p>Voting rights</p>	<p>One vote per member.</p>																		

Target for the offer

The Target amount to be raised by the offer is £24,705,000, this is the maximum amount that the offer can raise.

How are your savings applied to your bill?

Your bill savings comprise two elements: (a) repayment of share capital and (b) trading benefit. You will however only see a single saving figure applied to your electricity bill, with further detail provided by Ripple. The Board will aim to repay your share capital over 20 years as 5% of your share capital each year.

Any part of your savings that is not return of share capital is your benefit of being a member of, or effectively 'trading' with, the co-op.

The repayment of share capital and the trading benefit will fluctuate each year. In years when the wholesale electricity price is high and/or output from the wind farm high, the benefit of being a member of the co-op will increase. In years when the wholesale price is lower and/or output from the wind farm is lower, the benefit of being part of the co-operative will be lower as well.

See **Appendix 4** about the various factors affecting the financial proposition.

From a tax perspective the trading benefit (but not the repayment of share capital) is treated as interest. It will count towards your annual interest allowance, which means you may need to declare it as part of your tax return. Ripple will provide a breakdown of your savings on your customer dashboard indicating the level of trading benefit each year.

Borrowing

If there is a shortfall in the capital raised between this share offer and the co-investors providing equity capital to the SPV, the SPV

may take on debt to allow the construction programme to progress as scheduled. The terms of that debt are not yet known, but it is likely that in the low price forecast or P90 yield scenarios, returns to co-op members would be lower than the returns set out in this offer document. If the co-op directors are of the view that taking on this debt would materially change the proposition for co-op members, then members will be notified and given the opportunity to withdraw their shares and receive their share capital and arrangement fee back.



13. Risk Factors

All investment and commercial activities carry risk, and investors should take appropriate advice and make their own risk assessment whilst bearing in mind the social and environmental objectives of this investment opportunity.

If you are in any doubt about the contents of this document or the action you should take, you are strongly recommended to consult a professional adviser authorised by the Financial Conduct Authority to advise on investment in unlisted debt, shares and other securities.

The Directors believe the following risks to be the most significant for potential shareholders. However, the following risks do not necessarily comprise all those associated with an investment in the shares and are not intended to be presented in any assumed order or priority.

General investment risks

A. Capital Risk: Investment in smaller, new and unquoted businesses is likely to involve a higher degree of risk than investment in larger, established companies and those traded on a stock exchange. Investing in shares is not the same as investing money in a bank account as your capital is at risk and you could lose up to, but no more than, your entire investment.

B. Savings: an investment in shares of this type is speculative and involves a degree

of risk. The co-op's ability to deliver savings to members is dependent on the success of its business model which is largely determined by the wholesale value of electricity it generates.

C. Unsecured: the shares are an unsecured investment and in the event of the co-op's insolvency will rank behind all other creditors. It is possible that the SPV may need to take on secured debt in order to finance the scheduled programme of works. In that case, in the event of the SPV's financial failure, the secured lender would rank ahead of the co-op regarding claims over the wind farm assets. In turn, in the event of the co-op's financial failure, you may not be repaid in full or at all should the proceeds from a sale of the co-op's share of the wind farm assets fail to cover its other liabilities.

D. Liquidity: the shares are non-transferable will not be traded on a recognised exchange. You should consider your ownership to be an illiquid asset.

E. Share withdrawal: Shares can be withdrawn by members terminating their Customer Agreement by giving notice to Ripple or as otherwise described in the Customer Agreement and subject to the discretion of the directors. If no one wishes to buy a corresponding number of shares, or the co-op lacks sufficient cash, the value of the shares you wish to withdraw may not be paid until such time as the Board decides it is reasonable to do so. No shares may be

withdrawn before the 2 year anniversary of the start of the wind farm's generation (expected to be from late 2023), except for those automatically withdrawn as part of savings on members' electricity bills. This could mean up to 4 years between the point of applying and being able to apply to withdraw shares.

In the event of the co-op's insolvency, members who have been repaid their share capital less than one year before its winding up begins may be required to contribute to repaying any liabilities which cannot be covered by the current members, in accordance with the statutory position under section 124 of the CCBSA 2014.

F. Future projects: other renewable energy cooperative share offers will be launched by Ripple that may be more attractive to you. You may wish to consider buying shares in multiple projects to meet your energy needs.

G. Long-term commitment: Applicants should note that it may not be possible to recoup the value of shares and so should regard shares as a long-term commitment which may span the operational life of the wind farm (25 years).

H. The Shares are not covered by the Financial Services Compensation Scheme (FSCS) – this means there is no right to compensation from FSCS.

I. Past performance is not necessarily a guide to future performance: Events in the past, or experience derived from these, or indeed present facts, beliefs or circumstances, or assumptions derived from any of these, do not predetermine the future.

J. Financial and performance projections: Hopes, aims, anticipations, targets, projections (including the financial projections in this offer), plans or intentions contained in this document are no more than that and should not be construed as forecasts.

K. Tax: the trading benefit portion of savings on your electricity bills will be taxable should your allowances for that tax year be exceeded. The cooperative society may inform HMRC of the total savings you have received in any one tax year.

Risks Associated with the Wind Farm

L. Mechanical failure: the wind farm will be insured for damage, breakdown and loss of income in line with standard industry practice. Breakdowns and parts failures will be covered by the turbine manufacturer's service agreement. However, there may be interruptions to the generation of electricity from the turbines once built, caused by damage to or mechanical/electrical failure of equipment or other factors, which would affect the amount of savings due to members.

M. Turbine performance: the co-op's assumptions around electricity generation levels each year are based on independent third party wind assessment, created using onsite wind data collected over two years. They use calculations using methodologies commonly used by the industry for wind farms of this scale. However, long-term changes to or inherent variability in weather patterns and/or equipment underperformance may result in lower levels of electricity generation and therefore income.

N. Wind Farm Contracts: the turbine supply and servicing contracts have been agreed but not finalised or entered into at the time of this share offer launch. If the Board believes that any final terms materially affect the offer being made to potential shareholders, they will inform all those who have invested in the offer and potential applicants via Ripple's website.

The civil works contract will only be finalised once bore holes have been drilled on site to determine ground conditions and further design has been completed. Knights Brown have provided an indicative maximum cost of the works which has informed the costings of the share offer.

The grid connection offer is in the process of being updated to reflect the current programme and industry standards. The expected price of the grid connection works has been reflected here.

O. Planning Conditions: a number of planning conditions need to be discharged prior to works commencing on site; some will require consultation and timing of their discharge will depend on external parties such as the local authority and consultees.



P. Electricity prices: The savings that may be achieved from ownership of the wind farm are highly dependent on the wholesale electricity price. Higher wholesale electricity prices mean higher savings, lower wholesale electricity prices mean lower savings.

Projected wholesale power prices are compared with the wind farm operating costs in **Appendix 4**. In the unlikely event the wholesale value of the power generated is less than the operating cost of the wind farm, then appropriate action will need to be taken by the Board. Such action may include seeking to reduce the operating costs or seeking additional investment from the members in order to meet the necessary shortfall. Additional investment would not be mandatory, but those who do not participate may see an adjustment in the percentage of shares they own in the co-op.

Q. Grid Charges: there are a number of changes being proposed by grid operators and Ofgem that are likely to affect the revenue and operating costs of the wind farm. However, it is not known what those changes will be, nor the quantum, so the financial modelling presented here is on the current basis but excluding potential income from BSUoS which is known to be stopping.

R. Grid Route: land agreements to enable the grid connection to be constructed are still to be concluded. The co-op board will not commit the co-op to any significant payments until there is a high level of certainty that these will be secured.



S. Grid Export: the ability of the wind farm to export to the grid may be constrained at times when transformers on the network are out of service due to **maintenance or unplanned outages. This has been factored into the projected economics for the wind farm presented here.**

T. Range of Suppliers: it is anticipated that household members will be able to choose to be supplied either by E.ON Next, Your Co-op Energy (powered by Octopus Energy), or So Energy and get their savings applied to their bill. In addition, existing Octopus Energy, M&S Energy and London Power customers can become members and get their savings applied to their bill. It is anticipated that business members of the co-op will be able to be supplied by E.ON Next and Unify Energy. Additional supply partners may be brought on over time but this cannot be guaranteed. It is possible that suppliers will terminate their partnerships with Ripple (or cease operating), in which case members would need to switch to a different partner supplier.

U. Project Finance: if debt is used to help finance the project, members' savings may be

reduced significantly until such time that debt is paid off in full.

V. Exchange Rate: following the close of the share offer, a 'forward' will be purchased to secure the £GBP cost of the €Euros that are needed to pay for the turbines. Although conservative assumptions and contingency amounts have been applied to the financial modelling, in the event of a significant change in exchange rates before the forward is bought, the effective capital cost could increase.

W. Co-investors: as shareholders of the wind farm SPV, or lenders to the SPV, the co-investors may have differing views from the co-op on decisions affecting the wind farm and how finance is handled. The shareholders' agreement and power purchase agreements reduce the potential for such events to have a material bearing on the wind farm and savings to members of the co-op. The co-op is being advised by a highly respected commercial law firm on the terms of the legal agreements and the process for acquiring the wind farm.

Appendix 1 Key Facts & Glossary

Applicant: an applicant for shares.

Application: the application process for shares in the co-op is online at www.RippleEnergy.com.

BSUoS: Balancing Services Use of System charges

Co-investors: : Bruntwood and potentially other parties that invest alongside the co-op in the SPV.

Co-op: Ripple Wind Coop 2 Ltd – a cooperative society registered with the Financial Conduct Authority (number 4829)

Directors: the directors of the Ripple Wind Coop 2 Ltd cooperative society, collectively referred to as 'the **Board**'.

Eligibility: to be eligible for shares in the society, the member must be an electricity bill payer in Great Britain. We cannot accept members who are on pre-payment meters at this time. Note that only one person per address can become a member of the co-op. SME businesses can also apply to be members of the co-op.

Interest/Trading benefit: as the wind farm will be generating electricity for members' use via the grid, there won't be interest on investment in the typical sense. Members will receive their share of the wind farm's generated value as savings on their electricity bills. Ripple will produce an annual statement for members to show the split between return of capital and trading benefit (considered as interest for tax purposes)

Kirk Hill: is the location of the proposed wind farm which shall be about 3.5km to the south east of Kirkoswald in South Ayrshire, near the postcode KA19 8HR.

kWh: Killowatt hour – a volume of power generated. 1kWh is 1/1000th of 1MWh

Minimum investment per applicant: £25

Maximum investment per applicant: members will be limited to a maximum number of shares that entitle the member to generation of the wind farm that is equivalent to about 120% of the member's electricity demand. This maximum applies in aggregate across all Ripple managed wind farms. Members wishing to own more shares than would be expected to generate more than 8,400kWh per annum (equivalent to 120% of an electricity demand of 7,000 kWh), may be requested to provide evidence to Ripple in the form of an electricity bill or other agreed document. Members can invest a maximum of £100,000 in the co-op.

MW Megawatt, equalling 1 million watts of power.

MWh Megawatt hour – a volume of power generated. 1MWh would be generated in one hour by 1MW operating at full capacity.

Offer: : the offer of shares in Ripple Wind Coop 2 Ltd contained in this offer document

Offer Period: the period during which the offer will remain open (including any extension) as set out in the offer timetable on [page 11](#).

P50, P90. As the energy production of a wind turbine is variable according to the weather, the energy yield estimates are given as probabilities. P50 is the estimate for which there is a 50% probability that the wind farm will generate more electricity than the P50 estimate on average, and the P90 a 90% probability of being exceeded. The P values for Kirk Hill are P50: 60,266 MWh; P90: 53,800 MWh.

Payback Period: means the period at the end of which the cumulative savings applied to your bills will be equivalent or greater than the cost of your shares in the co-op.

Projections: the financial projections as set out in [Section 12 - The Shares & Returns](#)

Purpose: the money raised from selling shares in the society will be used to buy the project rights for the Kirk Hill Wind Farm and pay for its construction. Shareholders will then have proportionate volumes of the turbines' electricity allocated to them and they will receive savings on their electricity bills due to the electricity the wind farm has generated.

Residual value of shares: the amount you will be repaid when requesting to withdraw all of your shares. The residual value of members' shares when they withdraw will be less than what they paid, to account for the capital sums already repaid during their time as a shareholder.

SPV: the special purpose vehicle that owns the assets of the wind farm and will be owned by the co-op and co-investors. The SPV is Kirk Hill Wind Farm Limited, company number 09172034.

Target: the target amount to be raised by the offer, being £24,705,000. The target is also the maximum amount that the offer can raise. If the offer does not raise the target within 6 weeks of opening, the Directors may decide to extend the offer period or allow a co-investor to own a larger proportion of the wind farm. If the co-op and its co-investors are unable to collectively raise the total capital requirement, the offer will end and the co-op will return all application funds.

Terms and Conditions The terms and conditions of the offer contained in and constituted by this offer document, the Customer Agreement and the co-op's Rules.

Shares: the shares issued by Ripple Wind Coop 2 Ltd ("the co-op").

Share Value: Nominal value of £0.01 per share

Withdrawable: The term used to describe how shares are "withdrawn" by a member, as a means of getting back their share capital. Shares can be withdrawn by members no earlier than 24 months after the wind farm starts to operate, and all withdrawals are subject to the Board's discretion and the co-op's rules.

Voting rights: one vote per member, regardless of the number of shares they own.

Timetable: as set out on page.

How to apply: the application process is online only and available at www.RippleEnergy.com

Appendix 2 Wind Energy in the UK

The UK's wind energy sector has grown from less than 0.3% of the UK's electricity supply in 2000 to 21% in 2021. There are currently more than 8,700 onshore wind turbines and over 2,200 offshore wind turbines in operation across the UK¹⁷.

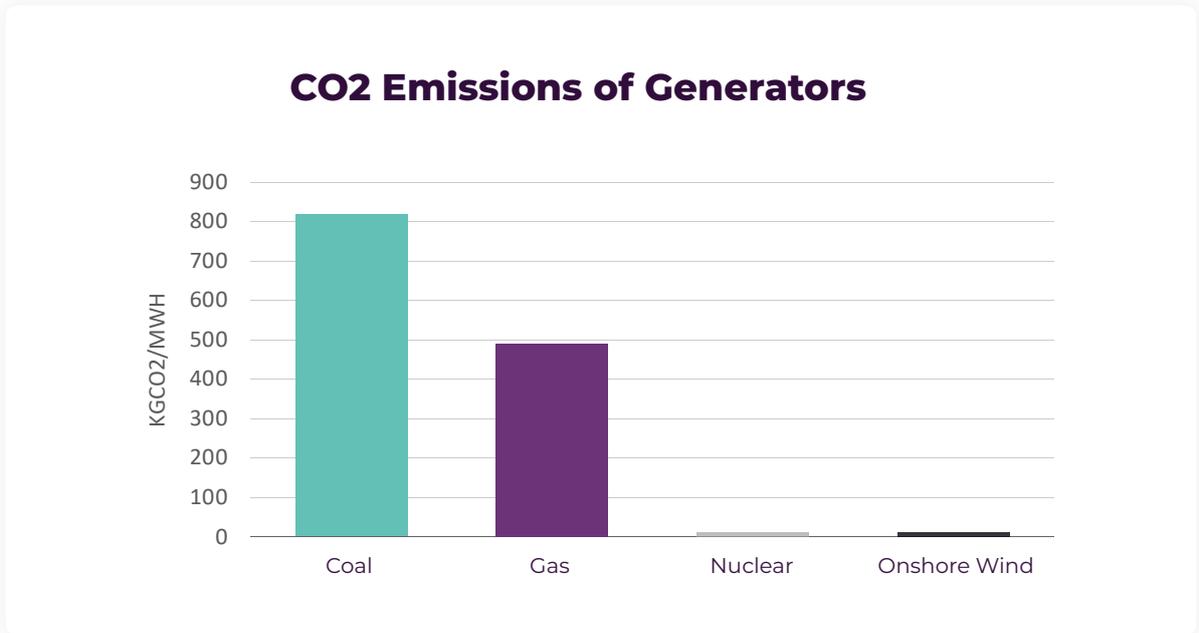
Source: UK Digest of Energy Statistics, 2021



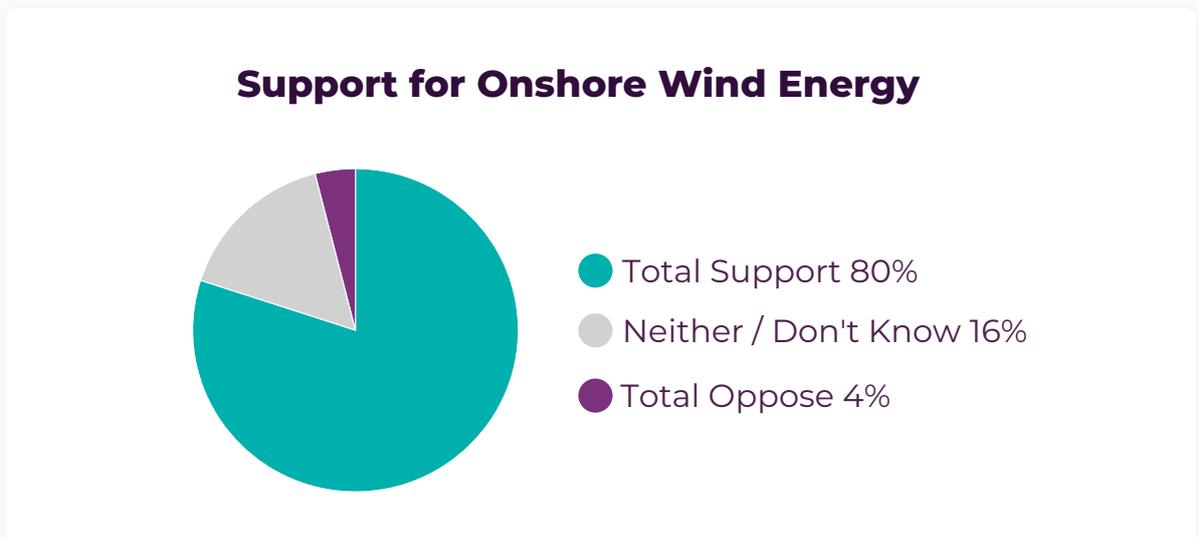
The variability of wind is illustrated in [Appendix 4](#) and its effects on financial returns is in [Section 12](#). The UK needs to reach net zero emissions by 2050. To achieve that, the UK's electricity supply needs to be largely decarbonised by 2030¹⁸. A huge growth in clean, renewable energy is needed over the next decade.

Wind farms do not produce any CO2 when they generate electricity. There are some CO2 emissions associated with the manufacture of the turbines, their installation and operations and maintenance activities. However, on a full lifecycle basis, onshore wind is the source of electricity with the lowest CO2 emissions at 11kgCO2/MWh. This compares to 12kgCO2/MWh for nuclear, 820kgCO2/MWh for coal and around 490kgCO2/MWh for gas¹⁹.

¹⁷ Source: RenewableUK UK Wind Energy Database, correct at 28/12/21
¹⁸ UK Gov Announcement on Net Zero Strategy, [Oct 2021](#)
¹⁹ IPCC Working Group 3 [Annex 3](#).



Onshore wind is also one of the most popular forms of generation with 80% of the British public in favour of it. 85% of British people are concerned about climate change²⁰.



The shift to wind and solar power unlocks new ownership structures. It's not possible for someone to own a bit of a coal, gas or nuclear power station to supply their electricity. It is possible, however, for someone to own a share in a co-op which owns and runs a wind farm or solar park and to benefit from reduced electricity bills as a result. This is what Ripple enables with Kirk Hill Wind Farm.

²⁰ [BEIS Public Attitudes Tracker – Autumn 2021](#)

Appendix 3

General Information on Ripple Wind Project 2 Ltd

Structure

Ripple Wind Coop 2 Ltd was formed and registered with the Financial Conduct Authority as a Cooperative Society (number 4829) on 22 September 2021 with registered office at c/o Ripple Energy Limited, 2 Beresford Terrace, Ayr, KA7 2EG.

A Cooperative Society is a legal form which conducts business for the benefit of its members. It has shares that can be purchased by the public, who by purchasing shares become members of the society.

The Directors of the society are appointed by the members at the annual general meeting, subject to the Rules of the co-op. Administration and management of the co-op is the responsibility of its Directors. Only Members have the right to vote at members' meetings and appoint the Directors.

Management

The co-op will have no employees and the business is not dependent on key individual employees. Day to day operations will be managed by Ripple Energy under the supervision of the Board. The Board bear ultimate responsibility to the Members for the management and administration of the co-op, acting on reports and advice from Ripple Energy and from third-party contractors.

Disclosure Statement

The Directors of the co-op have not, for at least the past five years, received any convictions (for any fraudulent offence or otherwise), or been involved in any bankruptcies, receiverships or liquidations, or received any public reprimand or sanction by a statutory or regulatory authority or designated professional body, or been disqualified from any function by any court.

Conflicts of Interests Statement

None of the Directors are connected to employees or directors of Ripple Energy

The Directors are not aware of any other actual or potential conflicts of interest.

Remuneration Statement

Each Director is entitled to be reimbursed up to £500 per annum (RPI linked) to cover reasonable expenses incurred in the service of acting as a Director.

The Directors are acting as Directors because they are committed to the success of the co-op's business, its ability to directly benefit the surrounding community and to make a difference by their own actions to the environment.

Directors do not benefit from pension schemes or share option schemes and, except for the

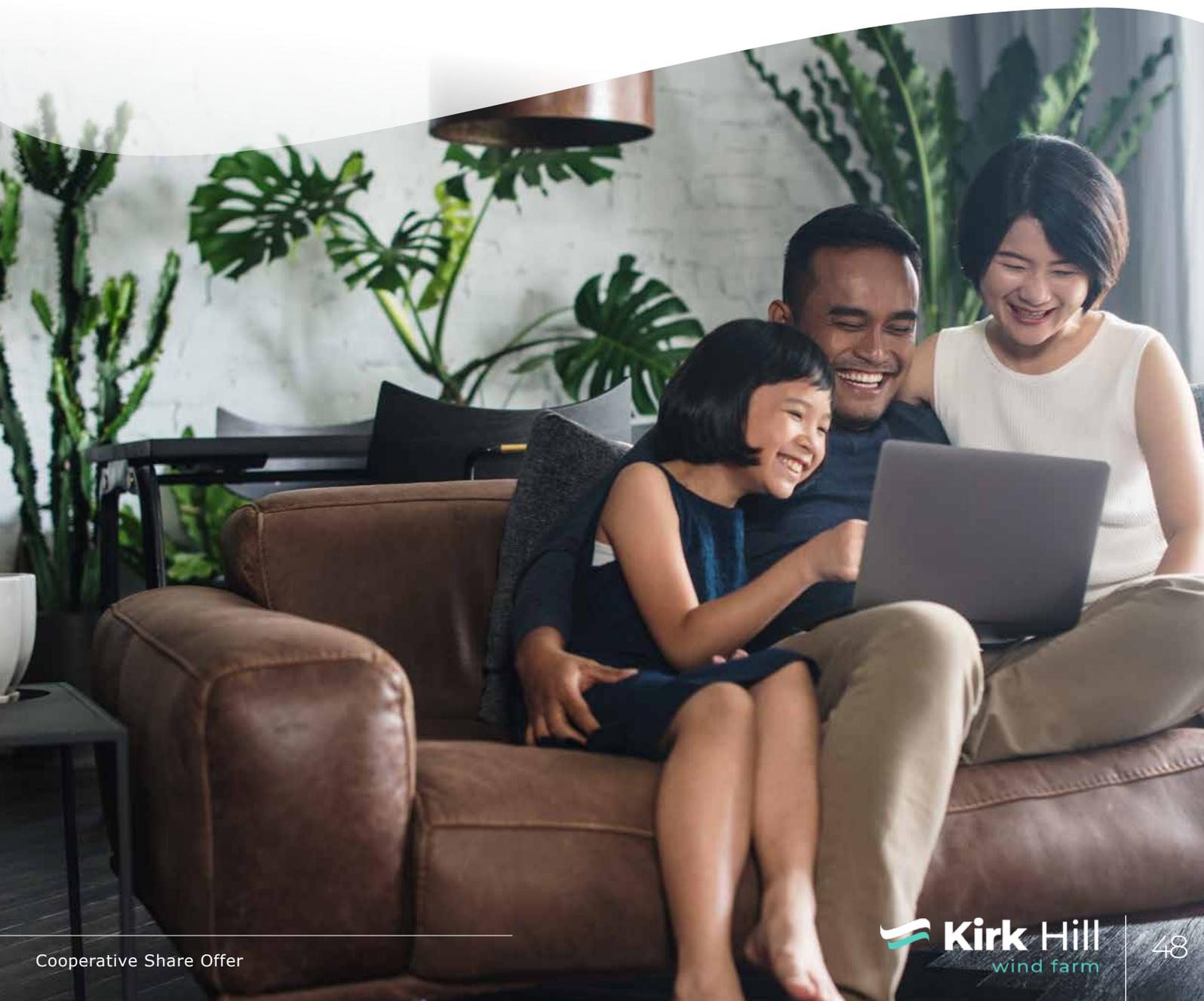
reimbursement of properly incurred expenses there are no benefits for Directors.

Directors serve in accordance with the Rules of the co-op. There are no service contracts for the Directors.

It is intended that some or all of the Directors will apply for Shares.

Major Shareholders

There are currently no major shareholders in the co-op and in the context of a cooperative society such a concept is of limited significance. There is a principle of one vote per member whatever a Member's holding. No individual, organisation or groups of individuals or organisations has control, given the one Member, one vote governing principle.



Appendix 4 Further Financial Information

Applicants should understand that any share purchase they make is an acknowledgement of their support for the development of renewable energy and accordingly, a subscription for shares in Ripple Wind Coop 2 should be primarily regarded as an investment for social and environmental purposes rather than one which will produce a significant financial return.

Capital Costs of the Wind Farm

The total project cost of £32,500,000 will pay for the: purchase of the project rights; turbines and installation; tracks, drainage works and crane hardstandings; electrical works; grid connection; land rights, taxes; repayment of project setup costs; and construction and operational contingency sums. The co-op will pay £22,791k as its 70% contribution to the total wind farm build cost.

An additional arrangement fee of 7%+vat will be paid to Ripple Energy for members' coop shares when the member pays in 12 monthly instalments. The arrangement fee will be reduced to 6%+vat when shares are bought in a single instalment.

Indicative Revenues

The proportion of the value of the wind farm's generated power that will be paid to the SPV will be set annually at a level deemed by Ripple sufficient to cover its operating costs. This is expected to equate to a rate of about 2p/kWh depending on forecast energy generation.

The remaining value of the generation will be paid to the co-op members as savings on their electricity bills according to the number of shares they own.

Indicative Savings

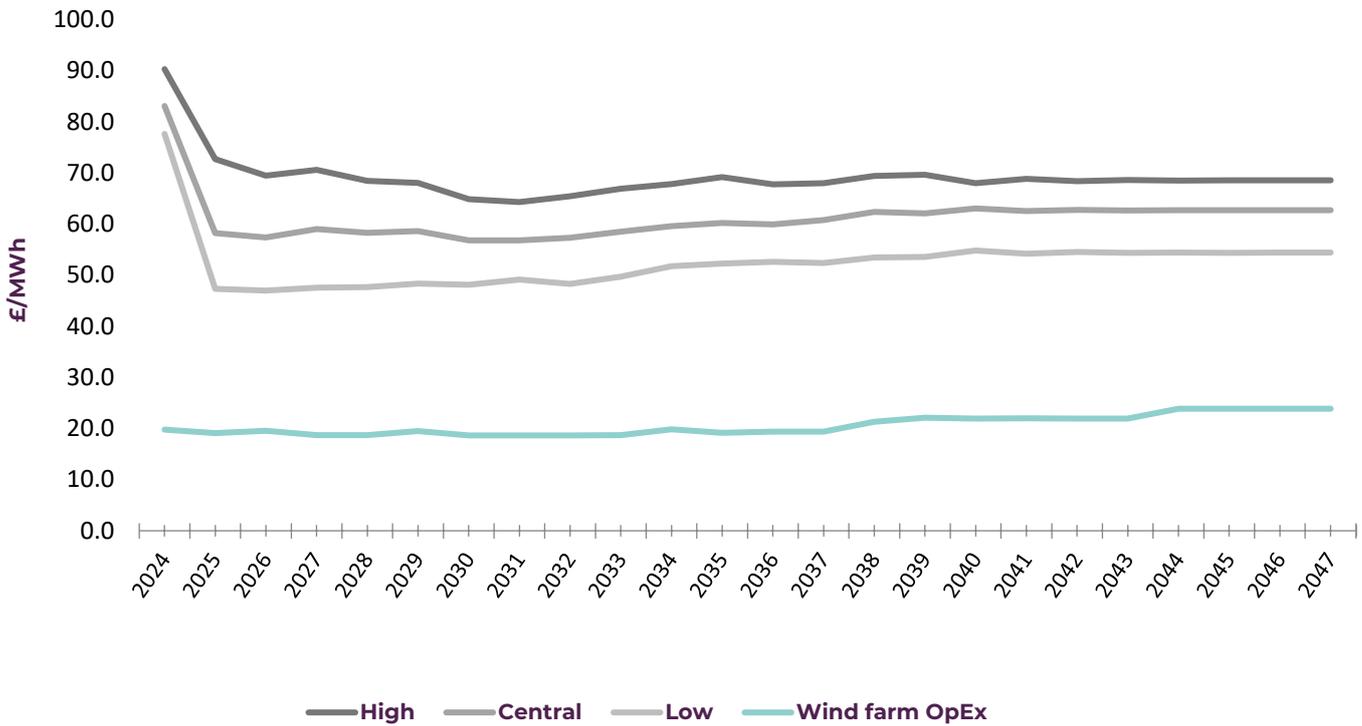
The savings will be determined by:

A. Wholesale electricity price: this will determine the value of the wind farm's generated power and will be reflected in the power purchase agreements with the supply partners. Wholesale prices are variable and uncertain: the forecasts presented in this document are based on the UK Government's projections as set out in the Updated Energy and Emissions Projections: 2019¹¹. High, Central and Low scenarios are presented and used in this document. Current wholesale prices are higher than the government's forecasts. This is primarily due to high gas prices.

B. Embedded Benefits and REGOs: the GB electricity market makes payments known as 'embedded benefits' to generators that are connected to the distribution system to take account of the fact the power is likely to travel a shorter distance to its point of consumption. The value of those embedded benefits is subject to change and only the value of BSUoS, AAHDC, Transmission Losses and Distribution Losses have been included in the modelling.

REGOs are allocated to renewable energy generators per MWh generated. Those REGOs

UK Electricity Price Forecast



are used by suppliers to prove the purchase of a corresponding volume of renewable electricity. REGOs have a market value but are not subsidies.

the average output will be below the P90 levels.

The estimated yields are:

P50: 60,266 MWh

P90: 53,800 MWh

C. Energy Yields: the amount of electricity generated by a wind turbine is dependent on the wind, which is variable. The yield predictions have been estimated using 2 years of data from a met mast that was installed at the site.

Energy output will vary from year to year and from month to month, based on seasonal variation in the wind climate and outages such as maintenance. Annual variation of +/- 10% is relatively common and may be greater in some years (e.g. in 2010 wind speeds were approximately 10% lower than long term averages, which is equivalent to a 20% reduction in energy). The following graph illustrates past annual variability in yields:

As there is measured data from the site, the P50 energy yield has been selected for the base case figures, this means there is an equal probability that the actual yield will be higher or lower than the figure given. There is a 10% probability that

D. Operating costs: the total operating costs (or ‘OpEx’) of the wind farm are estimated at about £1.2m per annum. This allows for the: operation and maintenance of the turbines; insurance, land rent, business rates, community benefits, maintenance of civil and electrical

works, and Ripple's costs for managing the society and wind farm. This works out at approximately 2p/kWh of generation and will be met from the value of the power generated as described in the indicative revenues section above.



The internal rates of return are set out for different scenarios in [Section 12](#). These assume a 0% cost of capital and are shown in real terms.

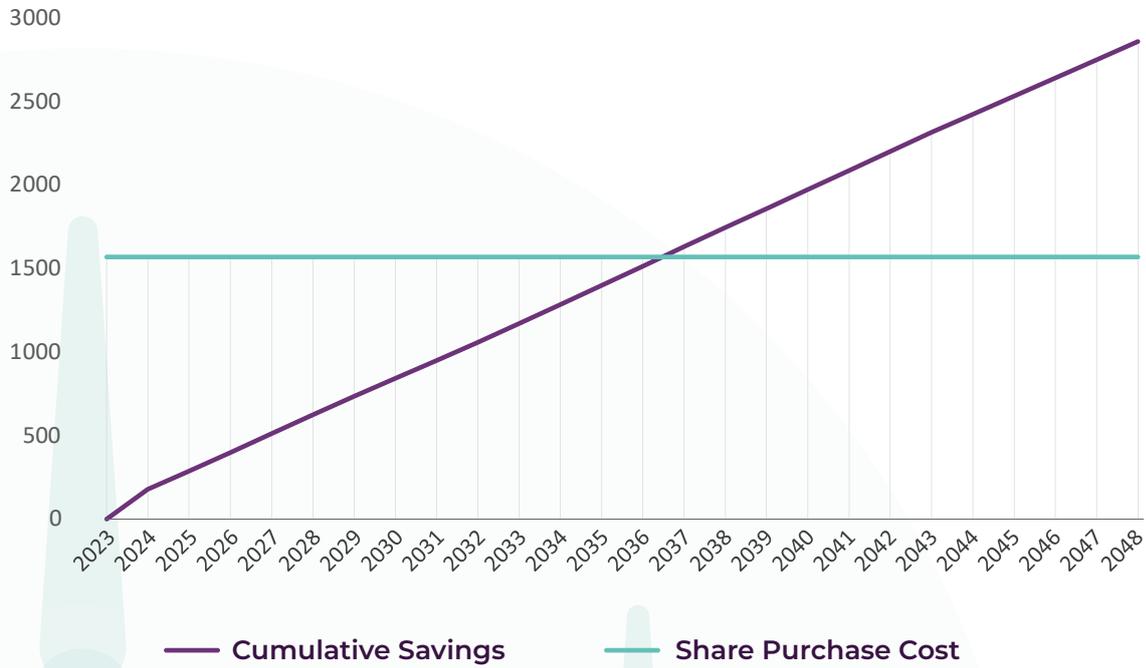
It is the intention that each year, 5% of the members' shares will be withdrawn automatically and capital repaid as part of the savings. This will be shown in the members' dashboard. Prior to Year 20 the shares will be adjusted for the remaining life of the wind farm so there are sufficient shares left.

Operational cash flow reserve

The co-op will aim to maintain a cash flow reserve. Its revenues are dependent on the level

of generation. The aim of the cash reserve is to enable costs to be paid in a low wind year. The operating costs will be adjusted each year to maintain a stable reserve entering the next year. If it is a very high wind year it would be expected that the reserve would increase above the required level. The operating cost the following year could be reduced, thereby reducing the reserve to the required level. In a low wind year the following year's operating cost would be increased to build the reserve back up.

Cumulative Savings v Share Purchase Cost



Savings due to members will be subject to United Kingdom tax, but the repayment of share capital

Appendix 5 Information on Tax

(intended to be 5% per annum) will not be taxable. Ripple will provide members with tax statements setting out the amount received by members as share withdrawal value (non-taxable), and the remaining savings (taxable trading benefit).

Current legislation provides taxpayers £1,000 as trading allowance which may be available to

members to reduce any potential tax liability. Since savings will be paid gross, it will be the individual responsibility of members to declare this income as interest on their tax returns if they are required to do so. Applicants should consider obtaining professional tax advice if they are unsure of their position.



**Join us and create
a cleaner, brighter
future. Together.**