



May 2010

Sector: Sustainable energy

The opportunity

This is an opportunity to invest in Stockport Hydro Ltd., to fund two community hydro schemes in Stockport.

Operation

The project comprises the installation and operation of a 54kW hydro electric scheme at Otterspool Weir and a 76Kw scheme at Stringer Weir, generating electricity for around 130 local households. Any extra income generated from sale of electricity will be put towards other environmental schemes in the Stockport area.

The project is subject to obtaining planning permission and an abstraction licence, both of which it is hoped will be granted by end May 2010. Construction will then commence in July and commissioning is expected November 2010.

Stockport Hydro is working in partnership with H2ope which is managing feasibility, on-site preparation and construction through to production of electricity. H2ope is a community interest company (CIC) providing specialist services to help develop and support community hydro schemes in the UK. It has successfully delivered two award-winning hydro schemes in the UK.

Constitution

Stockport Hydro Ltd is an Industrial and Provident Society for the Benefit of the Community, registered with the FSA in April 2010.

Investment need

Capital cost of the project	£1,300,000
Investment target	£750,000 by 9 th June 2010
Investment thresholds	Minimum £250, maximum £20,000
Yield	Expected IRR 3.9% over 10 years With EIS tax break 6.4% over 10 years
Term	Minimum 3 years from commencement of trading. Preferred term 10+ years
Confidence	Strong management team Good track record with 2 similar schemes successfully completed
Risk	Planning permission and licences to be obtained Risk of raising insufficient funds within timeframe Some interest rate exposure
Social impact	225 tonnes of carbon emissions saved per year 540,000 kWh of electricity generated per year Surplus income put towards other local environmental projects

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