

AWARD

Solar Finance Leadership | CoPower

NOMINEE

Johnathan Frank | CoPower

Summary:

Set out a brief synopsis of the initiative (i.e. project, technology, service). This summary may be used during the event promotion.

CoPower is an investment startup on a mission to close the climate finance gap. Through Green Bonds, we connect clean energy projects in need of financing with individual investors seeking profit and purpose. In doing so, CoPower opens up an important new source of capital for distributed solar and other clean energy projects: the investment portfolios of everyday Canadians.

Since issuing our first Green Bond, purchased by 38 investors in February 2016, our investor base has swelled to more than 500 Canadians from coast-to-coast. With their support, we've raised and deployed nearly \$25 million for distributed clean energy projects--nearly \$4 million of which has financed Ontario solar projects. We're excited to be building a movement of Green Bond investors dedicated to supporting the growth of Canada's clean energy industries.

Using proceeds raised by Green Bonds, CoPower's Projects Team focuses on financing distributed efficiency and generation projects like rooftop and ground-mount solar PV, LED retrofits and geoexchange installations with capital expenditure costs between \$500,000 to \$20,000,000. Loans are pooled and added to the diversified portfolio backing the bonds--an approach that allows individuals to invest in energy infrastructure at an appropriate level of risk and at an accessible minimum.

Description:

Please provide as much detail as you can to describe the initiative. Simply provide a description of the project, technology, service, etc. being considered. Do not address here how it was done or what it achieved.

CoPower's 6-year, 5% and 4-year, 4% Green Bonds are simple financial products enabling Canadian investors of all sizes to invest their savings in support of distributed clean energy infrastructure. The Green Bonds are backed by a portfolio of senior, secured loans to clean energy and energy efficiency projects across Canada that generate both steady yields and measurable climate benefits.

To make its bonds suitable for individuals, CoPower prioritizes project investments that involve proven technologies with appropriate warranties and insurance that are engineered, built and operated by experienced teams, and revenues from the sale of clean energy or energy savings are contracted with creditworthy counterparties.

CoPower has provided financing of \$3,856,528 to three portfolios containing six solar PV rooftop and ground-mount projects in Ontario, and is currently performing due diligence or final investment screening on a further \$35M of solar financing expected to be deployed by March 2019. CoPower has also financed over \$20M in other renewable energy and energy efficiency projects, pointing to the scale our model can achieve. In total, the almost \$25 million deployed to date has financed over 850 individual clean energy and energy efficiency projects in BC, Alberta, Ontario and Quebec.

1. Innovative Approach:

25/100 points

Please describe which kind of innovation and creative approach that was used to achieve outstanding results. In what way has the initiative pushed the envelope of current norms, traditional results and standard approaches?

CoPower's innovation lies in connecting distributed clean energy projects that typically struggle to access financing with individual investors seeking profit with purpose.

Distributed projects generate competitive returns but are difficult for individual investors to source, evaluate and manage, and most non-accredited investors have not had access to these opportunities previously. Making use of recent changes to securities regulations, CoPower Green Bonds open access to clean energy project investing to retail investors opening up a critical new source of financing for project developers.

At the same time, major lenders like banks and pension funds generally finance only large projects or portfolios over \$20 million. This lack of available financing combined with prohibitively high up-front development costs means otherwise viable distributed solar projects are often stalled or abandoned. This is where we believe Green Bond financing can have the biggest impact.

CoPower applies best practices from large-scale project finance to small-scale projects while working closely with developers to find custom solutions. For example, we offer a short-term facility to be used as a bridge while a developer finishes building their solar portfolio. That portfolio can then be refinanced once fully operational, freeing up capital to build subsequent projects.

2. Economic Benefit:

25/100 points

Highlight the benefits, with a sense of financial benefit, cost savings, emission reductions or other directly attributable benefits of the initiative. Did this initiative deliver or exceed anticipated value, results and returns? If you include confidential and commercially sensitive information, it will be treated as such. Please ensure you note the following - do not publicize.

CoPower's primary economic contribution is driving new sources of private capital toward the underserved segments of Canada's solar and clean energy industries. Our solar financings alone amount to \$3,856,528 for 6 distributed projects that generate 1,690 MWh of clean electricity and help to avoid 67 tonnes of CO2 emissions annually. Over the next year we expect to multiply this impact. CoPower is in due diligence or final investment screening on a further \$35M of solar financing for projects in BC, Alberta, Saskatchewan and Ontario.

As governments move away from FIT-like programs, it may become more difficult for developers to access institutional loans where government-backed contracts and utility-scale projects are preferred. Both new sources of private capital and creative financial solutions to enable net metering will become increasingly important. With our team of experts, fintech platform and fast-growing community of investors, CoPower is well-positioned to provide meet the financing needs of Canada's evolving solar industry.

Finally, by offering attractive fixed returns of 4% or 5% annually, CoPower's bonds demonstrate to investors that distributed clean energy is both a reliable and rewarding investment opportunity. To date, we have distributed more than \$500,000 in interest to bondholders.

3. Engagement:

25/100 points

In what way(s) did the nominee undergo meaningful stakeholder/customer engagement and how has it been incorporated into the design and execution of the initiative? Highlight the manner in which the initiative was communicated to promote the importance and benefits of solar energy while achieving business and stakeholder/client objectives. Demonstrate how the proponent listened to its audience and acted on the advice.

Beyond financially enabling projects, our most significant contribution may be how we've worked to deepen our understanding of the challenges facing distributed solar and other clean energy developers and adapt our approach accordingly.

For example, our 2017 bond offering placed too-strict limits on loan terms, restricting our ability to efficiently finance distributed solar. We have since revised our model allowing for longer duration loans. As a result, our solar financings have increased ten-fold with a similar increase expected in 2019. We have also partnered with an institutional investor to be able to deploy fully-amortizing 18-year debt for projects or portfolios between \$10-50 million, another relatively underserved part of the market.

Secondly, we're using our public platform to build a movement of knowledgeable clean energy investors. Bondholders receive personalized quarterly impact performance reports designed to reinforce the importance of their role in fighting climate change, and to normalize positive impact and the support of Canada's solar industry as legitimate investment goals. More broadly, we use our public communications to educate

the public about clean energy technologies, the range of investment options available to them, and most importantly the idea that individuals can participate and profit from the low carbon transition.

4. Corporate and Sustainable Responsibility:

25/100 points

Describe the environmentally conscientious approach during the design and execution of the initiative. Give concrete examples of how your initiative has benefited the environment (ex: saved X amount of CO2 emissions, reduced X amount of GHG, etc.) Explain the ways and manners by which this initiative was undertaken with the intent of demonstrating true corporate responsibility.

To-date, CoPower has provided nearly \$25 million in financing to 13 portfolios containing more than 850 individual solar, energy efficiency, LED retrofit, and geoexchange heating and cooling projects across four Canadian provinces. Together, these projects have already helped avoid 6,258 tonnes of CO2e. Of these, our solar financings have played an important role, generating 1,690 MWh of clean electricity each year.

Sustainability is at the heart of CoPower's model. We only finance projects that demonstrate meaningful emissions reductions; we carefully consider other environmental and social factors e.g. community participation; and we prioritize projects that use innovative businesses models e.g. energy-as-a-service. More importantly, our approach is based on an understanding of where we can have the greatest impact for the climate and make the biggest difference to the market: empowering investors to participate more fully in the low carbon transition and empowering developers to grow their businesses.

CoPower is also a proud, Certified B-Corporation and recently made the 2018 B-Corp "Best for the World" list. We achieved this honour by implementing excellent sustainability, governance and employment practices and we remain committed to the B-Corp mission of using business as a force for good.

PHOTOS



COPOWER

Put the planet in your portfolio



