

Crowdfunding for Renewable Energy Projects: European Survey Results (November Release)*

2nd Renewable Energy Crowdfunding Conference
London, 5 November 2015

*Please cite as *Bergmann, A.; Burton, B.; Maidonis, T.; Kohl, K.; Klaes, M. 2015. Crowdfunding for Renewable Energy Projects: European Survey Results (November Release), 2nd Renewable Energy Crowdfunding Conference, London: 5 Nov. 2015.*

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This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 646435. The sole responsibility for the content of this report lies with the authors. It does not necessarily reflect the opinion of the European Union. Neither INEA nor the European Commission are responsible for any use that may be made of the information contained therein.

Main Facts

- **Funding Programme:** Horizon 2020 – Societal Challenges – Secure, clean and efficient energy
- **Work Programme Topic:** LCE-04-2014: Market uptake of existing and emerging renewable electricity, heating and cooling technologies
- **Starting Date:** 01/02/2015
- **Closing Date:** 31/01/2018
- **Budget:** 1.893.002,50 €

Partners



Project objectives

Aim: Contribute to the acceleration of the renewable energy growth in Europe by unleashing the potential of crowdfunding for financing renewable energy projects.

Objectives:

- Deepen understanding of adoption of crowdfunding for financing renewable energy projects
- Analyse the challenges faced by the application of crowdfunding for renewable energy projects in Europe
- Develop and apply guidelines that support more effective practices
- Help improve the market and regulatory framework in Europe
- Promote the crowdfunding concept and its advantages among those who could contribute or raise funds

Stakeholder Survey

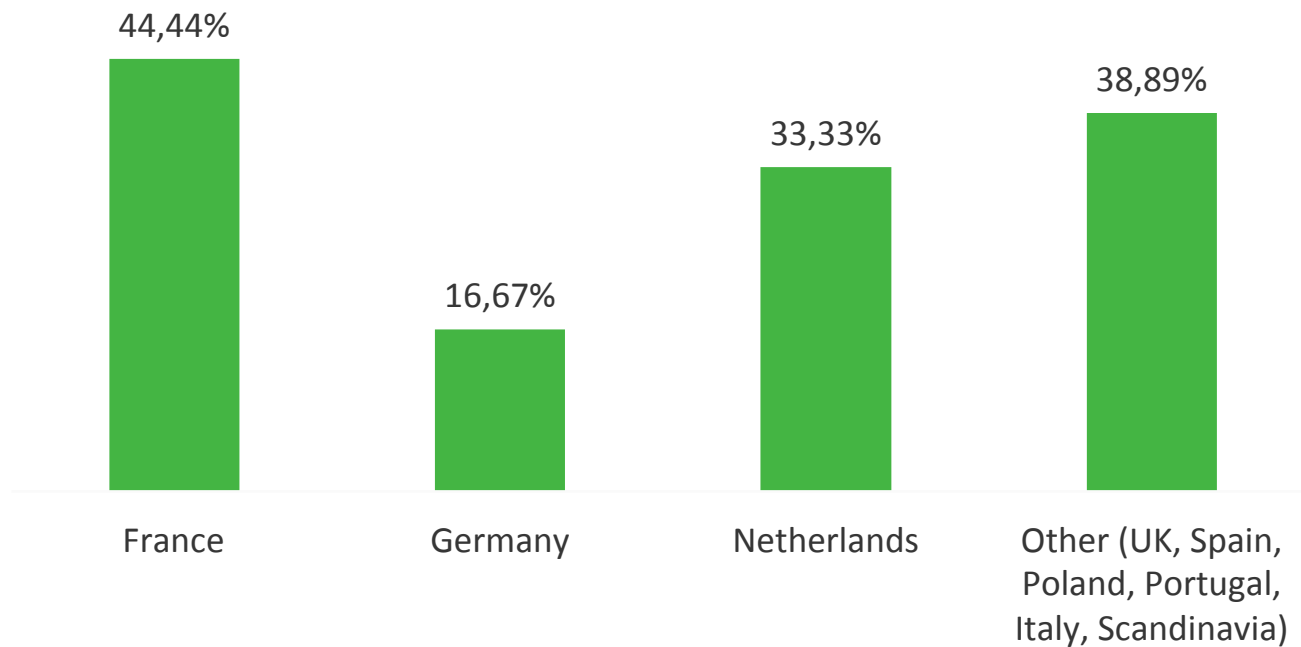
- 3 separately run survey streams and analysis:
 - Developers (WIP)
 - Platforms (ECN)
 - Perceptions of general public (University of Dundee)
- Focus on UK, Belgium, France, Netherlands, Germany, Austria (translation into 4 languages)
- Surveys opened 15 June (closing December)
 - November Release based on October data cut:
 - 113 developers, 21 platforms, 332 individuals
- **Health warning**: early release, pending further data gathering & analysis

Platform Survey

(November 2015 release, 22 platforms)

Platforms: Overview

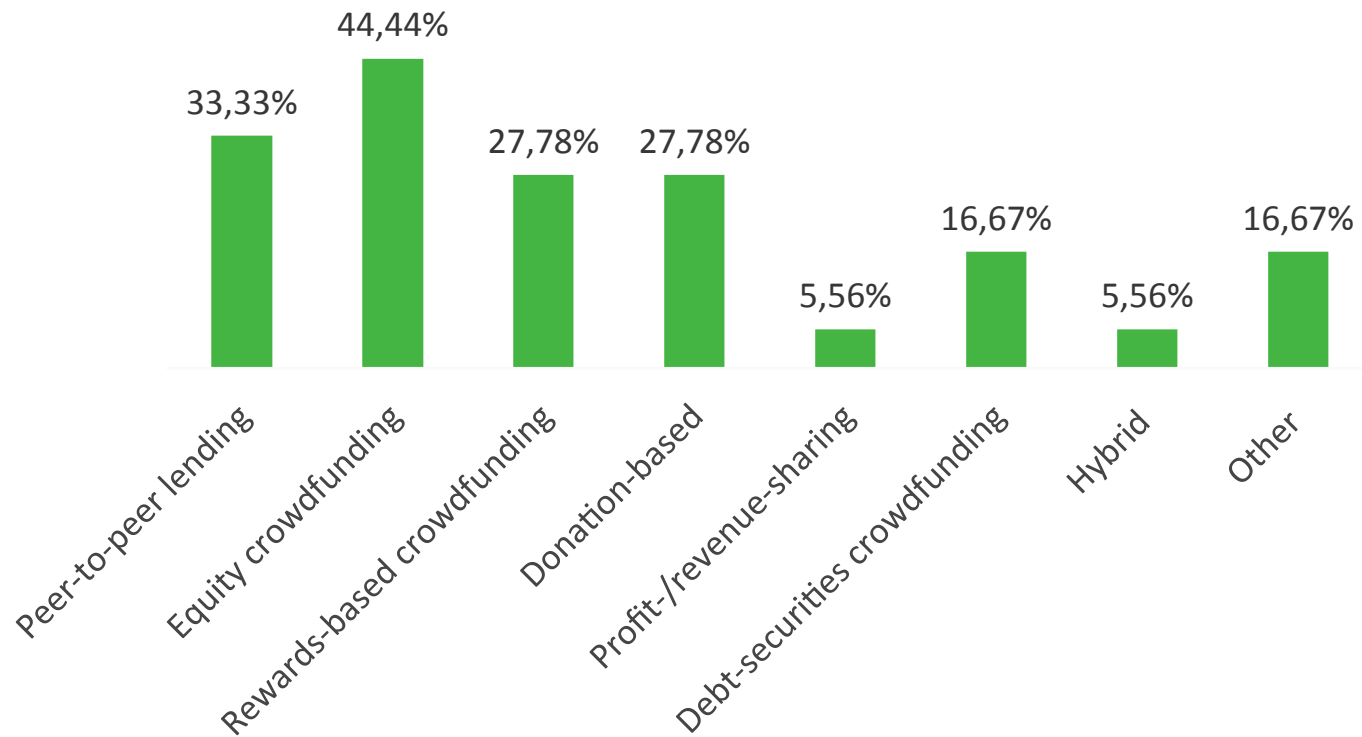
Geographic coverage/markets of the platform*



*Valid responses: 18/21; multiple answers possible

Platforms: Overview

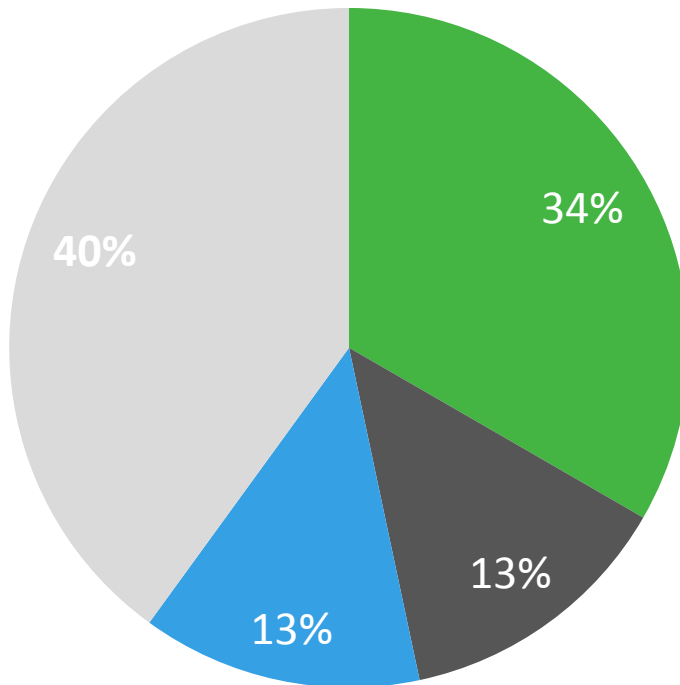
Crowdfunding model used by platform*



*Valid responses: 18/21; multiple answers possible

Platforms hosting RES Projects

Is your crowdfunding platform involved with RES projects?*

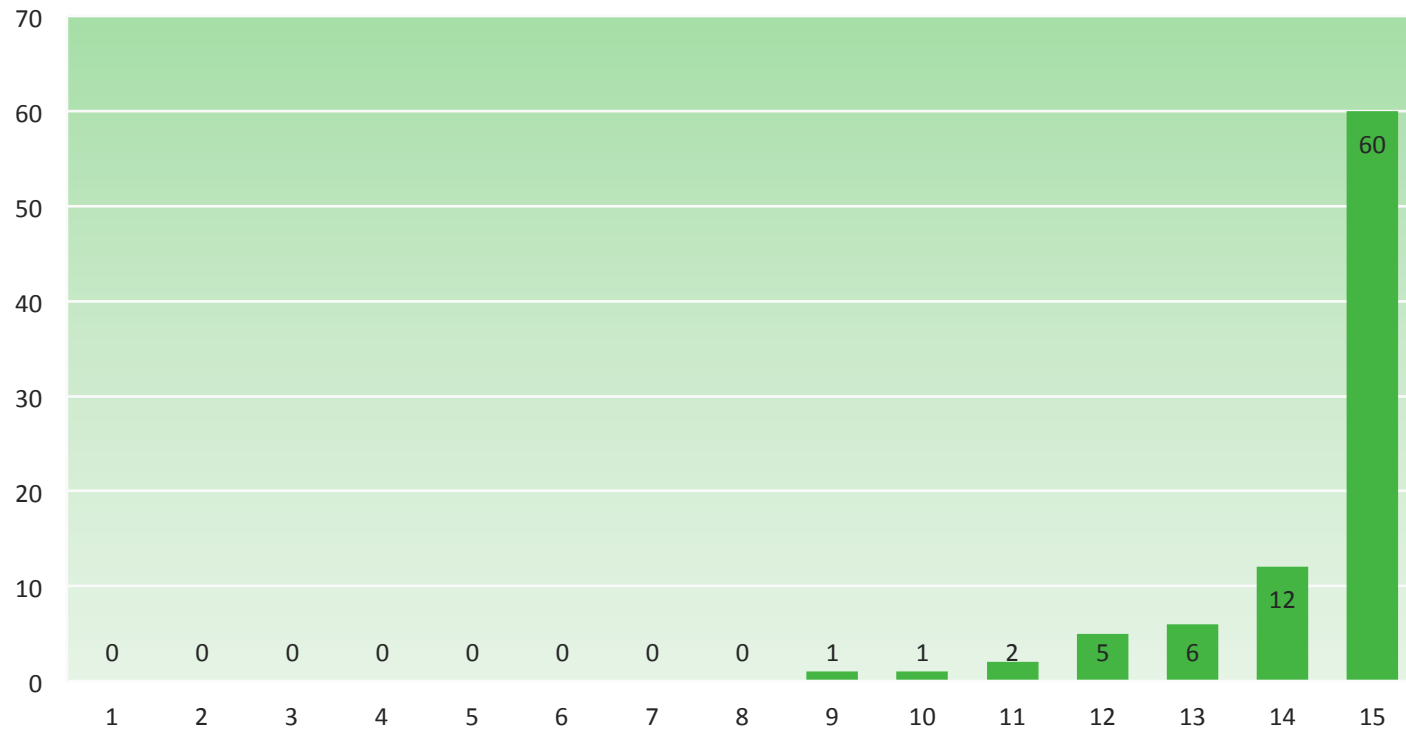


- The Platform has never hosted RES projects, but would host if it had the opportunity.
- The Platform has already hosted RES projects, but it is exceptional
- The Platform has regularly hosted RES projects

*Valid responses: 15 / 21

Platforms: Distribution of RES projects

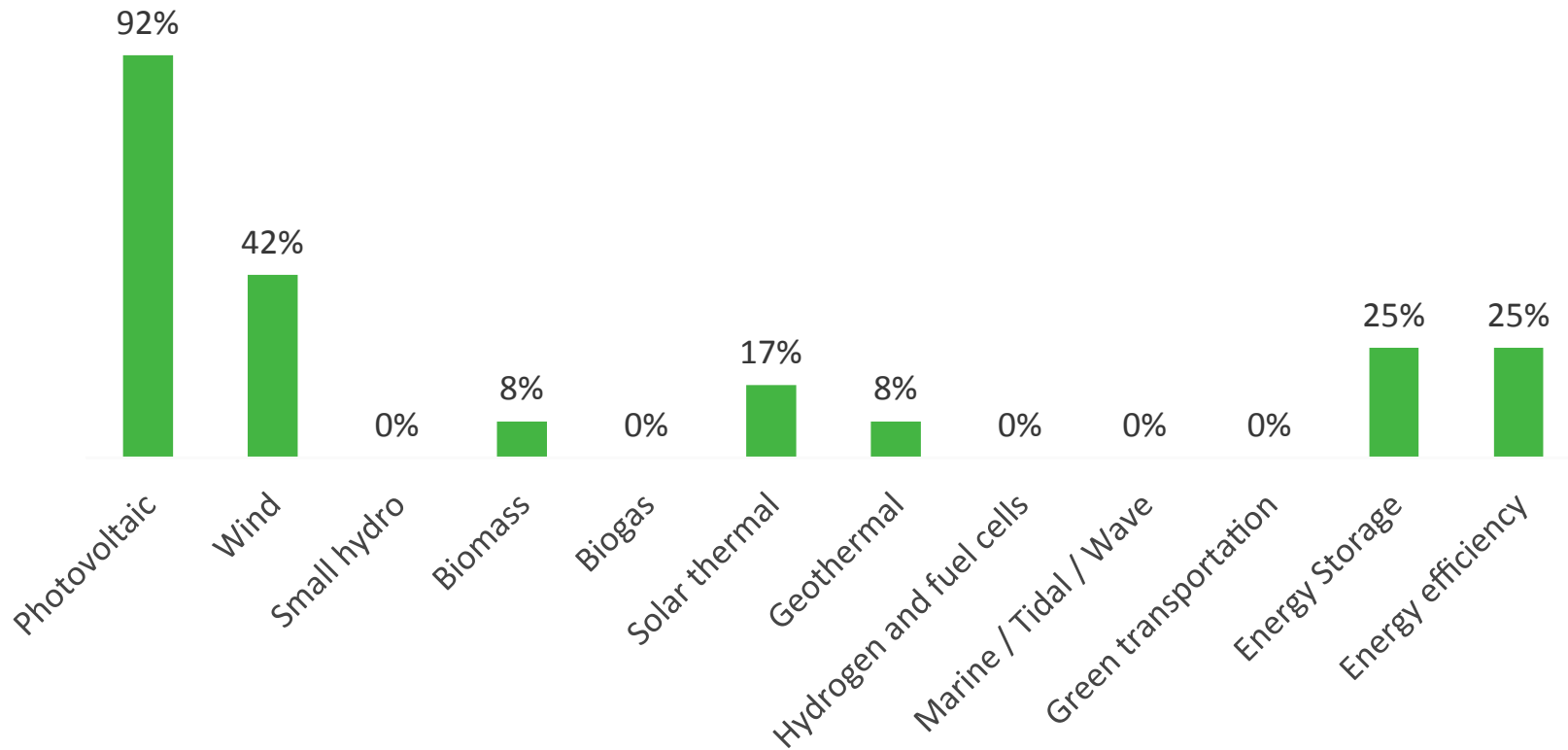
Number of RES projects per platform*



* Valid responses: 15 / 21

RES technologies

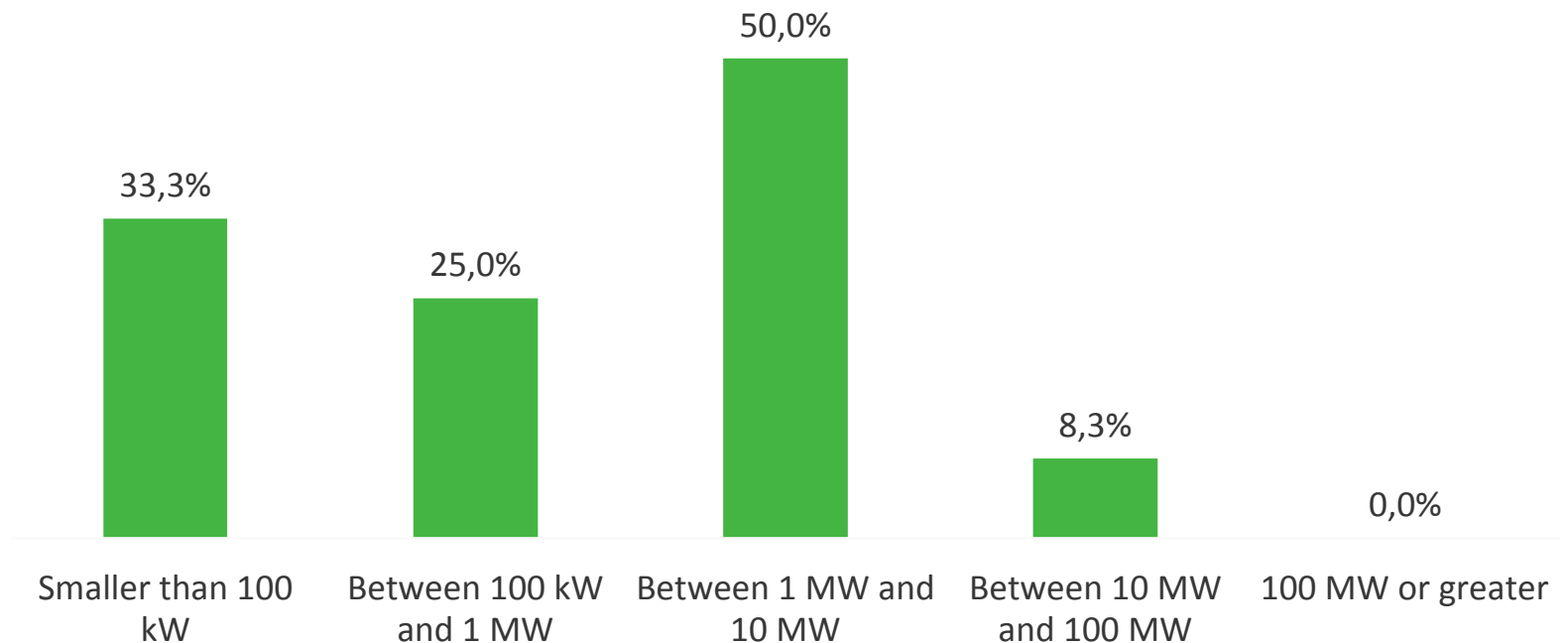
Applied technologies in RES projects*



*Valid responses: 12 / 21; multiple answers possible

Platforms: RES project size

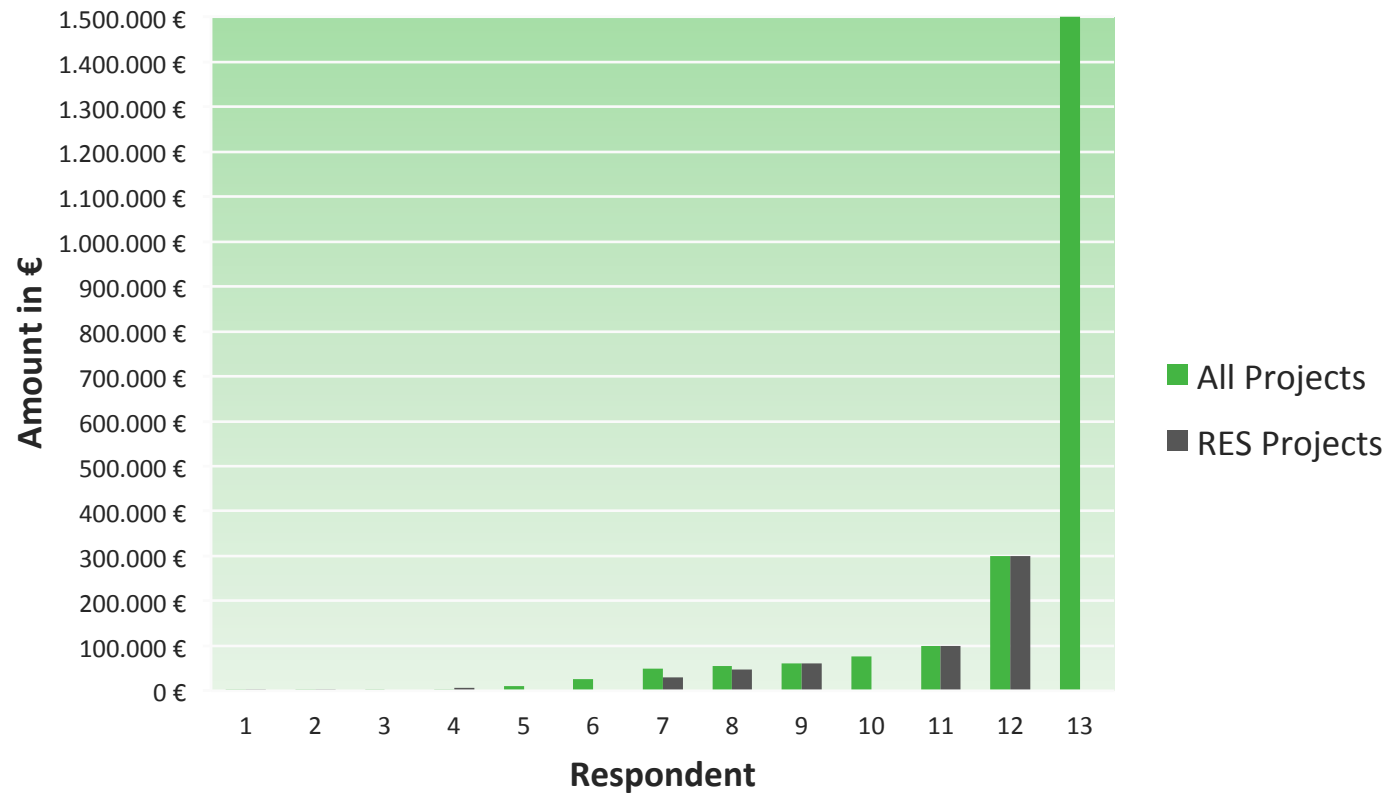
What was the average size range of the RES project(s) in your platform?*



*Valid responses: 12 / 21

Platforms: Financial project scale

Average amount (in €) raised per project



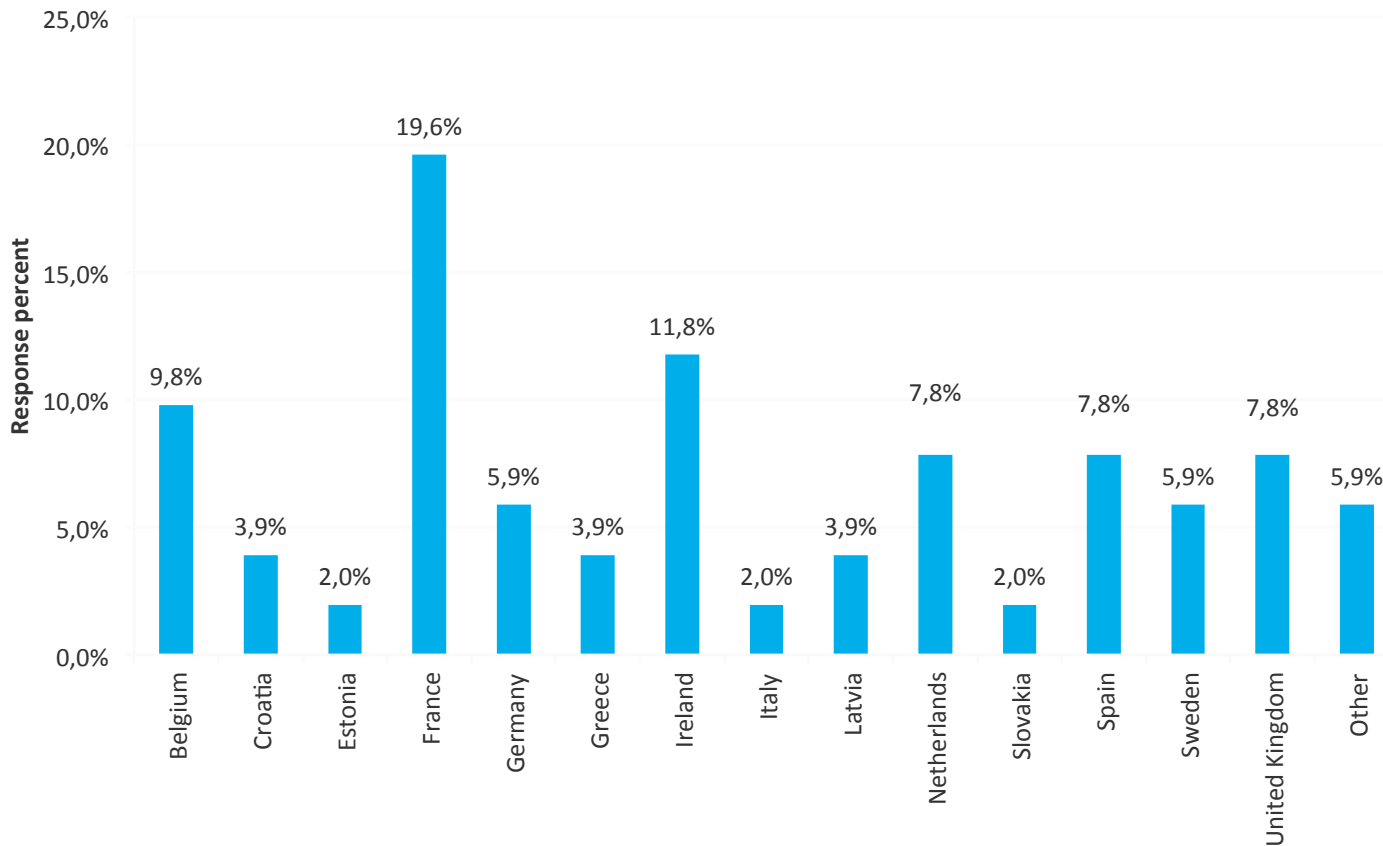
*Valid responses: 13 / 21

RES Project Developer Survey

(November 2015 release, 113 developers)

Developers: Geographical coverage

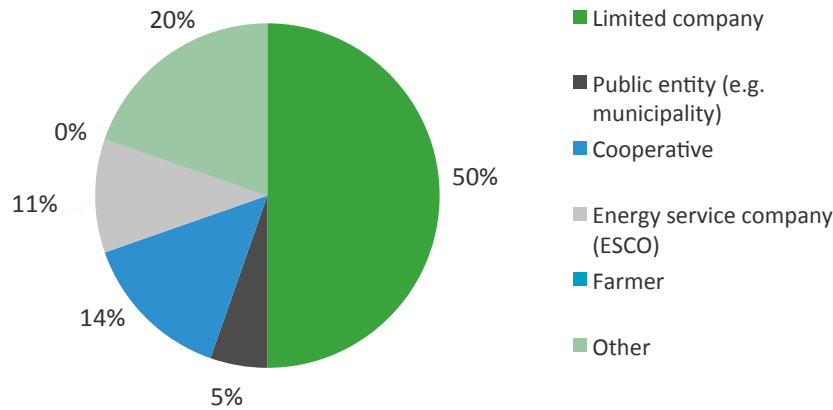
Which country will be considered when answering questions in this section?



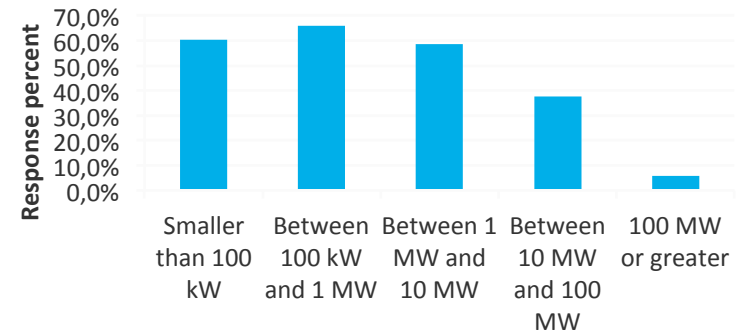
Others:
Malawai
Switzerland

Developers: Profile

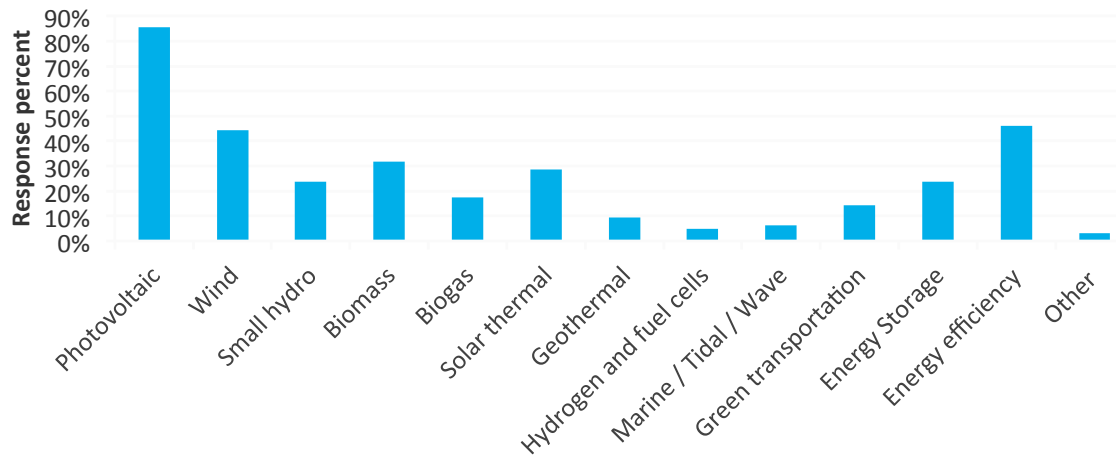
What is your company structure?



What is the size range of your RES projects?



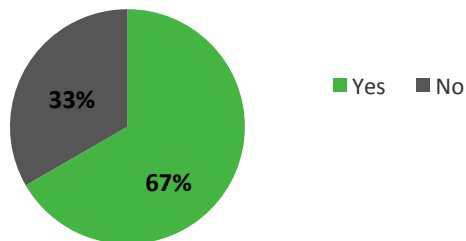
What is the technology focus of your company's RES projects?



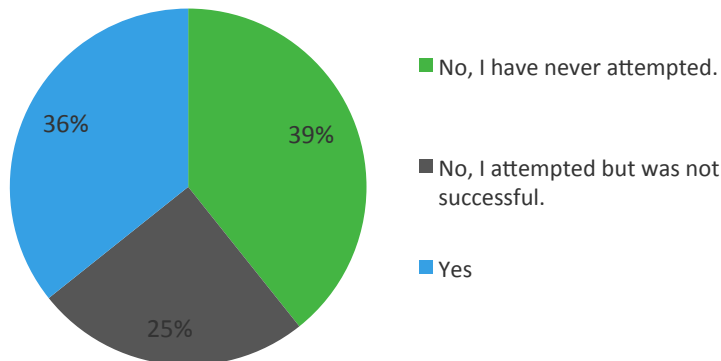
Other
 Smart Grids
 Clean Coal
 Gas
 Supplier of Silicon Feedstock

Developers: Financing experience

Have you ever used a bank loan for financing your RES project(s)?



Have you ever received support from local / national / regional / European programs for financing a RES project?

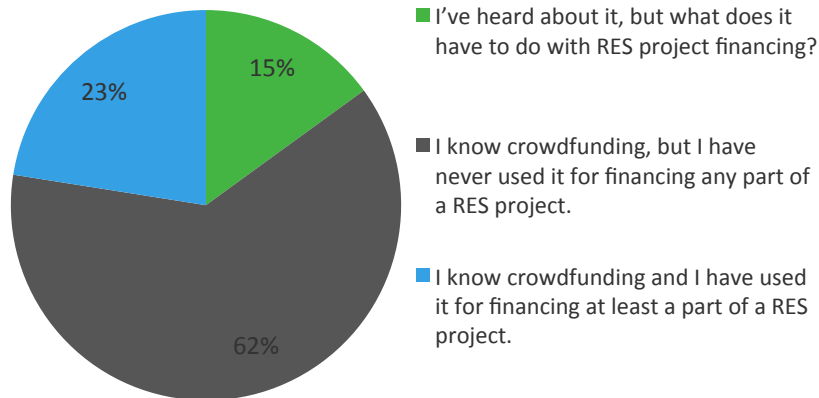


How important are the following obstacles to securing finance for a RES project in the specified country above?

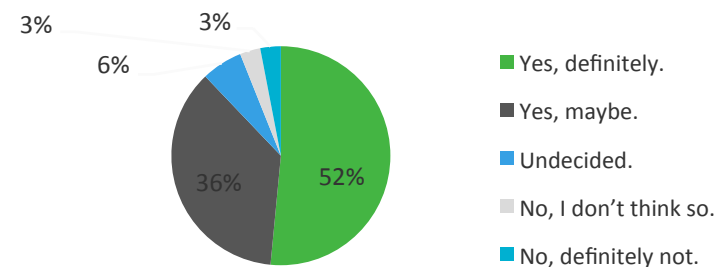
- Uncertainties over policy framework relating to incentives or support mechanisms
- Uncertainties over securing the necessary infrastructure including grid access
- Uncertainties over planning and consenting processes

Developers: Crowdfunding experience

How familiar are you with crowdfunding?

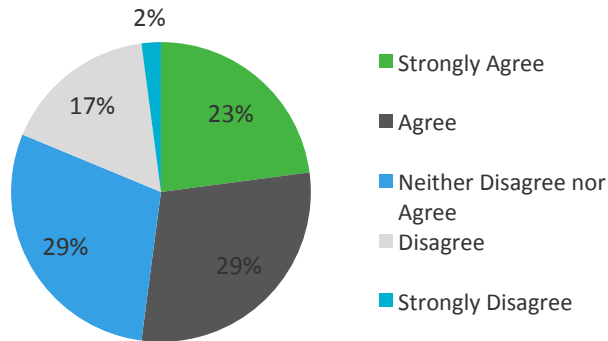


Would you consider using crowdfunding for financing your project (again) in the future?

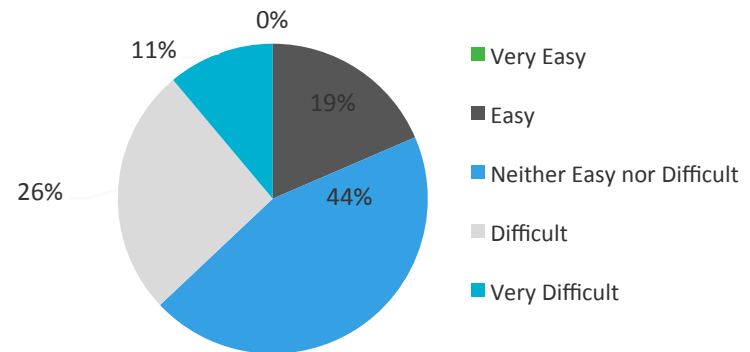


Finance x Crowdfunding

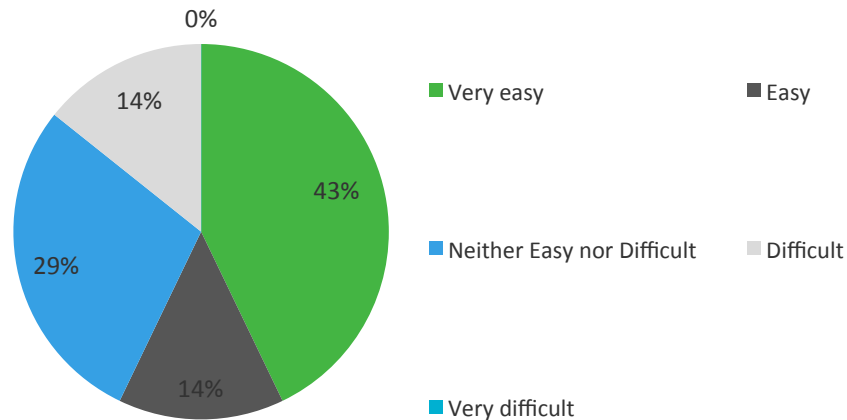
It is currently difficult to get back loans for RES projects:



How difficult did you find the process until your received support from national or European programmes for financing a RES project?



How difficult did you find the process of crowdfunding your RES project?



Survey of the general public

(November 2015 release, 332 respondents)

Public: RES CF Experience

- 68% familiar with crowdfunding *of which:*
- 51% had invested via crowdfunding *of which:*
- 52% had invested in RES via crowdfunding.

Scale of most recent RES Crowdfunding investment (€):

< 100	5
100 - 500	22
500 - 1000	12
1000 - 5000	17
5000 - 10000	3
10000 - 25000	2
25000 - 50000	1
>50000	0

Mid-point average = €2610.48

Public: Intentions

- Plan to invest in RES via crowdfunding in next 3 years:
Yes: 42% Maybe: 51% No: 7%
- Of those who have already invested via crowdfunding:
Yes: 61% Maybe: 33% No: 6%
- Of those who have already invested in RES via crowdfunding:
Yes: 80% Maybe: 14% No: 5%

i.e. familiarity linked with positive attitude

Decision factors

Factors taken into account in RES investment decisions:

- Transparency **156 respondents**
- Sustainability impact **122** “
- Investment model **121** “
- Expected rate of return **120** “
- Technology type **116** “
- Developer reputation **97** “
- Geographic location **82** “
- Time frame (duration) **79** “
- Info. in native language **64** “
- A project in development **40** “
- Existing operational project **33** “
- Cross-border investment **20** “

Decision factors

.....
But, amongst those likely to invest in RES in next three years:

- Transparency 80%
- **Sustainability impact** **32%**
- Investment model 56%
- Expected rate of return 65%
- Technology type 17%
- Developer reputation 23%
- Geographic location 34%
- Time frame (duration) 45%
- Info. in native language 55%
- **A project in development** **62%**
- Existing operational project 40%
- Cross-border investment 9%

Investment intentions impact on perceived role of factors:

- e.g. sustainability impact: propensity to invest reduces perceived importance;

- e.g. project in development: propensity to invest increases perceived importance

Crowdfunding as alternative to traditional finance

(Mean responses; 5 = Strongly Agree)

	Investments in RES	Investments in General	Diff.
TOTAL	4.40	4.15	0.25**
Familiar with CF: <i>yes (no)</i>	4.42 (4.15)	4.19 (3.54)	
Invested via CF: <i>yes (no)</i>	4.45 (4.36)	4.27 (4.08)	
Invested in RES via CF: <i>yes (no)</i>	4.55 (4.35)	4.27 (4.27)	
Planning to invest in RES: <i>yes (no)</i> <i>[maybe]</i>	4.66 (3.60) [4.26]	4.32 (3.70) [4.05]	
UK-based: <i>Yes (no)</i>	4.21 (4.42)	4.15 (4.16)	

Evidence confirms positive view of CF across Europe, but provides first indication that CF is seen as particularly appropriate for RES:

- (i) Overall difference in means is significant;
- (ii) Pattern consistent across virtually all sub-groups: result is independent of context

Benefits and potential of CF for RES

(Mean responses; 5 = Strongly Agree)

	All	Familiar with CF yes (no)	Invested via CF yes (no)	Invested in RES via CF yes (no)	Planning to invest in RES via CF yes (no) [maybe]
<i>Reduction in European public funding</i>	3.37	3.37 (3.38)	3.43 (3.23)	3.43 (3.49)	3.42 (3.00) [3.36]
<i>Decreases in European banks' lending</i>	3.64	3.63 (3.77)	3.76 (3.44)	3.90 (3.62)	3.78 (3.18) [3.57]
<i>Speed of access to funds</i>	4.04	4.04 (4.00)	3.95 (4.16)	4.02 (3.84)	4.18 (3.40) [4.04]

Benefits and potential of CF for RES

(Mean responses; 5 = Strongly Agree)

	All	Familiar with CF yes (no)	Invested via CF yes (no)	Invested in RES via CF yes (no)	Planning to invest in RES via CF yes (no) [maybe]
<i>Low cost relative to traditional banks</i>	3.83	3.87 (3.40)	3.82 (3.90)	3.86 (3.76)	4.05 (3.50) [3.71]
<i>Morals and ethics of CF's collaborative basis</i>	4.38	4.40 (4.23)	4.37 (4.42)	4.40 (4.35)	4.51 (4.18) [4.36]

Key benefits are related to moral/ethical issues and speed, suggesting hard and soft benefits are both important drivers.

However, disaggregation on the basis of planning/not planning to invest in RES via CF consistently drives the biggest differences in sub-group means, suggesting that those who intend to invest in such a way see a range of benefits.

Growth prospects

(Mean responses; 5 = Strongly Agree)

'CF will grow over next 5 years':

	Investments in RES	Investments in general	Diff.
TOTAL	4.30	4.09	0.21**
Familiar with CF: <i>yes (no)</i>	4.30 (4.36)	4.10 (4.00)	
Invested via CF: <i>yes (no)</i>	4.47 (4.09)	4.22 (3.90)	
Invested in RES via CF: <i>yes (no)</i>	4.60 (4.09)	4.26 (4.15)	
Planning to invest in RES: <i>yes (no)</i> <i>[maybe]</i>	4.59 (3.91) [4.13]	4.25 (4.00) [3.98]	
UK-based: <i>Yes (no)</i>	4.14 (4.33)	3.86 (4.11)	

Growth in use of CF for RES is seen as significantly more likely than growth in the CF sector as a whole

This is the case for virtually all sub-groups, irrespective of prior experience, familiarity or plans

Summary

- **Cause for optimism for RES CF:**

- i. Propensity to invest in RES via CF strongest amongst those with prior experience*
- ii. CF seen as more appropriate for RES than for investments in general, irrespective of prior familiarity/experience*
- iii. Growth in CF seen as more likely for RES than for investments in general*
- iv. Those who invest in RES via CF do so on the basis of a wide range of potential benefits*

TAKE THE SURVEY AND CONTRIBUTE TO ACCELERATE THE GROWTH OF RENEWABLE ENERGY IN EUROPE



Are you a european citizen interested in green energy?

Take the survey and shape a future with more green energy owned by more citizens.



SURVEY FOR CITIZENS



Are you involved in a crowdfunding platform?

Take the survey and help us facilitating the role of intermediaries.



SURVEY FOR PLATFORMS



Are you a RES project developer?

Take the survey and help getting a easier access to financing for projects.



SURVEY FOR DEVELOPERS

Based on the collected input we will:

- **Organize a workshop** in Brussels (around May 2016) where those who give feedback of good quality will be invited to participate
- **Develop and apply guidelines** for platforms and project developers
- **Develop policy recommendations** which will be discussed with European and national decision makers and regulators



Get involved:

Visit www.crowdfundres.eu and take the survey
(open to mid December 2015)

We can help:

We can get you in touch with a crowdfunding platform
matched to your profile and plans, to help launch and finance
your project:

Send “*support*” to info@crowdfundres.eu