Great British Energy

CALL FOR INVESTMENT CONCEPTS AND PIPELINE; COMMUNITY POWER

Contents

1. Introduction

Great British Energy (GBE) has established the Community Power Fund (CPF) to address a persistent investability gap in community and local energy. Many projects can deliver local ownership, community benefit, decarbonisation and social value, but struggle to access scalable capital because they are often sub-scale, fragmented, early-stage or exposed to revenue, policy and delivery risks that are difficult for institutional investors to underwrite project by project.

This Call for Investment Concepts and Pipeline (CICP) invites expressions of interest from energy finance intermediaries capable of delivering managed investment solutions that enable GBE, alongside like-minded investors, to invest in portfolios of local and community energy assets.

Proposals should explain how GBE's passive minority participation could help suitably qualified intermediaries develop scalable investment models for community and local energy. This should include how the proposed structure would aggregate smaller projects into investable portfolios; support professional management and appropriate risk sharing; provide or coordinate technical assistance where relevant; move the sector beyond bespoke project-by-project funding; unlock near-term pipeline; recycle community capital; and mobilise long-term private investment, including by addressing barriers that would otherwise limit scale, pace or deployment.

The CPF is seeking proposals that could support the deployment of an initial investment envelope of up to £50 million across up to 10 successful proposals. The initial tranche is open to expressions of interest from the date of publication of this document until 11.55pm (London time) on 31 October 2026. Any recommendation to invest, and any subsequent investment commitment, will remain subject to the full approval process, including assessment against value for money, budgetary, Financial Transactions, and HM Treasury requirements.

GBE may extend or reopen the initial application window, including where it wishes to invite further expressions of interest. Any such extension or reopening will be published on the GBE website.

2. Overarching Objectives

The CPF's overarching objectives are to:

- Mobilise third-party capital and leverage existing offerings of enabling measures to accelerate deployment of local renewable energy projects;
- Develop a scalable and investable local energy market by creating a credible bridge between smaller projects and large-scale capital with commercial returns for GBE investment; and
- Increase local participation, ownership and community benefit.

3. Selection Criteria

GBE is looking for proposals that are most likely to achieve the overarching objectives of the CPF and that can demonstrate that they will satisfy the following selection criteria.

Respondents should address each selection criterion. Where information is unavailable or cannot be disclosed, the respondent should explain this clearly.

3.1. Managed investment structures

GBE will act as "passive investor" only. This means GBE is looking for managed investment structures in which the origination, structuring, execution and management of investments in an underlying portfolio of eligible assets is delegated to a suitably qualified intermediary on a discretionary basis. GBE is open to respondents proposing any fund, corporate, partnership, platform, contractual or other structure that satisfies this criterion provided it satisfies all other selection criteria.

Owing to GBE's status as a publicly owned body, the following restrictions apply to any investment structure:

- underlying investments must be in the UK;
- the managed structure should be established in the UK or EEA; and
- structures located in offshore financial centres will not be acceptable

3.2. Respondent capabilities

Respondents must demonstrate their ability to:

- manage capital on behalf of third-party investors and generate returns within a defined investment strategy;
- originate an eligible pipeline of investable projects within the target investment strategy below;
- manage risk and deploy capital prudently;
- manage refinancing, recycling, exits or redeployment where relevant, and report appropriately to GBE and other investors; and
- monitor and manage portfolio performance, including performance on key non-financial metrics key to GBE's strategy and objectives.

Respondents must demonstrate they possess:

- a strong and capable management team;
- all appropriate permissions, registrations, and authorisations required for the proposed activity; and
- appropriate governance, monitoring, reporting, and compliance arrangements.

Respondents may include fund managers, specialist lenders, asset managers, development finance platforms, aggregators, platforms and consortia with relevant capability. Where a consortium approach is proposed, the role of each party should be clearly explained, together with the legal and operational basis on which the consortium would deliver the solution.

Respondents have the opportunity to demonstrate their track record and submit relevant supporting evidence.

3.3. Target investment strategy

GBE is looking to deploy its capital through managed structures that will invest in portfolios of renewable energy assets that:

- comprise behind-the-meter and/or front-of-meter energy projects;
- are deployed in any part of the UK;
- comprise projects that are community-owned and/or community-led; and
- have defined target communities or beneficiaries, with a clear sharing of local community benefits and broad participation.

Proposals must demonstrate a clear understanding of the investable market GBE is seeking to target, including:

- the target asset class, sector, and technology;
- target asset mix, aggregation approach, diversification, revenue model, deployment profile and risk management;
- provide clear evidence of a near-term pipeline capable of supporting deployment, including indicative projects, expected deployment schedule, estimated capital requirements and status of project development;
- the intended investees or asset-owning entities, key project counterparties, target communities or beneficiaries, and the nature of the benefits expected to be delivered;
- where proposals include shared ownership, split-asset, community equity or similar models, respondents should explain why the approach is credible, financeable and suitable for the relevant community or local counterparties;
- respondents should explain what they mean by community-owned and/or community-led in the context of their proposal, including the proposed governance arrangements, ownership or participation rights, community decision-making influence, benefit-sharing mechanisms, safeguards for community participants, and evidence of local engagement or support;
- the proposed financial instruments to be deployed into the underlying projects (i.e debt, equity, quasi-equity, revenue participation, guarantees, reserves, warehousing or other commercially coherent mechanisms);
- an explanation of why the chosen financial instruments are appropriate to the asset class, counterparties, risk profile, tenor, return expectations and route to private capital mobilisation;
- the route to aggregation and scale;
- approach to risk monitoring and risk management. This should cover the risks to the community, debt levels, downside risk, developer and senior investor support, governance and control rights, and whether simpler options, such as community benefit payments, could deliver the same outcomes more effectively or with less risk; and
- the practical barriers to investment that the proposed structure is designed to address.

3.4. GBE participation

The minimum GBE participation in a proposal is £5 million. The maximum participation in the first tranche application window is £30 million.

GBE's commitment must be match-funded by third-party capital in an aggregate amount greater than GBE's own commitment.

GBE will only consider proposals outside of these amounts on an exceptional basis.

Owing to GBE's status as a publicly owned body, a key criterion is that neither the managed structure nor the underlying portfolio consolidate to GBE's balance sheet. Accordingly, GBE can only participate as a minority investor and will commit no more than 49% of total capital commitment to any managed investment proposal. It will not seek any special rights that could result in GBE having control.

3.5. Value for money

Proposals will be assessed on the expected impact, value for money and additionality achieved through GBE's participation, relative to the level of GBE investment and risk assumed.

Respondents should provide a clear counterfactual explaining what would happen without GBE participation, why GBE's involvement is necessary or catalytic, and how the proposed structure would differ in scale, timing, risk allocation, investor mobilisation, community benefit or deployment outcomes. This should include whether GBE participation supports first close, improves fund economics, increases investor confidence, enables portfolio aggregation, reduces transaction costs, or unlocks co-investment that would not otherwise be available.

3.6. GBE return expectations

GBE requires any selected managed structure to invest on a commercial basis and expects overall to achieve a risk-adjusted rate of return that would attract private investors. Accordingly, GBE expects its participation to be matched-funded by private investors on a pari passu basis or on terms that are no more favourable than GBE.

GBE cannot provide first lost cover, guarantees or any similar risk absorbing capital without private investors providing the same risk absorbing capital on pari passu terms with GBE.

GBE may consider structures with asymmetric or deferred return arrangements where these are used to crowd-in private capital, provided that GBE's overall return remains consistent with its commercial return expectations (e.g. inclusion of an appropriate catch-up or rebalancing mechanism for GBE).

3.7. Fees and charges

Proposals must be transparent on fees, costs and incentives at all levels of the structure. This includes fees charged by the financial intermediary to GBE and match funders, and any fees charged directly to portfolio companies or underlying projects for technical, legal, financial or related services. Fees and incentives should be proportionate, transparent, commensurate with the value delivered, and structured to align the intermediary's incentives with those of investors.

3.8. Tax-advantaged structures

Tax-advantaged structures such as EIS or VCT are not expected to be eligible investment structures for GBE participation. Match funding from tax-advantaged sources of private capital is not automatically excluded, but it may not count toward any match-funding assessment unless GBE determines otherwise.

3.9. Other public support and subsidy

GBE's participation in any managed investment structure must be on a commercial basis. Use of grants, technical assistance, or other public support may be acceptable, but proposals must explain clearly how such support is used, how subsidy control considerations are addressed, and how the overall structure remains commercially grounded and compliant with UK Subsidy Control legislation.

3.10. Responsible business policies

Respondents must operate in accordance with robust responsible business policies, including human rights, forced labour, modern slavery, anti-bribery and corruption, ESG, health and safety, fair working and supply chain transparency.

Successful respondents will be expected to comply with GBE's Responsible Business Conduct Policy and Code of Conduct. Respondents should confirm willingness to collaborate with GBE on supply chain assurance and provide regular updates and evidence of compliance.

Respondents must demonstrate they have experience of translating responsible business standards of investors such as GBE into investment agreements with underlying portfolio projects and investees. This includes having demonstrable processes for due diligence and selection of projects, suppliers and contractors, and methods for identifying and addressing risks in downstream supply chains (e.g. forced labour, environmental impact, quality assurance and traceability).

GBE expects successful respondents to have experience of monitoring and enforcing ethical and responsible business standards in the portfolio, and to have in place arrangements for identifying, managing and escalating actual or potential conflicts of interest.

3.11. Reporting

Respondents must have capabilities and processes to provide GBE with regular reporting of both financial and non-financial performance, including where relevant community benefit distribution, bill savings or local economic benefit, regional reach, beneficiary participation, additionality, market development, jobs and skills, supply chain performance, carbon or energy generation outcomes, and progress against deployment milestones.

Respondents should explain how they would manage the portfolio on behalf of investors, including their approach to monitoring financial and non-financial performance, refinancing, follow-on investments, exits, secondary sales, restructurings, and the identification, escalation and management of underperforming investments.

4. GBE's Selection Process

Important Note: There can be no certainty that the initial tranche of the CPF will be supplemented by further tranches. GBE cannot invest in every proposal received. The staged application process is designed to enable GBE to select proposals that are most likely to promote the objectives of the CPF and that will satisfy the selection criteria. GBE may request clarification, additional information or meetings at any stage. GBE reserves the right at any stage to reject, or decline to progress, any proposal which does not, or which in GBE's opinion, based on the information provided, is not likely to meet the objectives of the CPF or satisfy the selection criteria.

Stage 1 – Expression of Interest (EOI)

Expressions of interest (EOIs) must be submitted between the date of publication of this document until 11:55pm (London time) on 31 October 2026 by emailing communitypower@gbe.gov.uk with the following information:

- Organisation name & type
- Registered address
- Principle shareholders / owners

- Confirmation you have read the entire CICP and understand the terms and conditions

EOIs will only be accepted if submitted to communitypower@gbe.gov.uk.

Stage 2 – Initial Assessment

EOIs must comply with the instructions, requirements and restrictions set out in the CICP.

GBE may decline to review or progress EOIs that are incomplete, out of scope, submitted outside the application window, or do not provide sufficient information.

GBE will assess EOIs and share application templates with eligible applicants.

GBE will assess applications against the objectives and selection criteria set out in this CICP. GBE may request clarification or additional information to support the Initial Assessment where required.

Stage 2 – Pitch Meeting

GBE may invite selected applicants whose EOIs successfully pass the Initial Assessment to participate in a Pitch Meeting, supported by presentation materials.

The Pitch Meeting forms part of the overall assessment process and provides an opportunity for applicants to elaborate on their proposal, track record, delivery capability, investment strategy, governance arrangements, and pipeline.

Stage 3 – Due Diligence

Only proposals that GBE considers likely to meet GBE's objectives and selection criteria will progress to Due Diligence.

The purpose of Due Diligence is to verify information provided by applicants and assess whether the proposal can reasonably be expected to achieve the objectives of the CPF and satisfy the selection criteria.

This may include review of information memoranda and supporting materials, data room access, site visits, reference checks on key individuals and teams, verification of track record, review of ESG and ethical business commitments, legal and regulatory diligence, and detailed review of governance, reporting, and commercial arrangements.

Stage 4 – GBE Approvals and Documentation

Successful completion of Due Diligence does not imply approval. Any proposal progressing beyond Due Diligence will remain subject to GBE's internal investment and approvals processes, followed by negotiation of binding documentation if GBE decides to proceed. GBE reserves the right not to proceed at any stage.

Feedback and Dialogue

GBE may provide feedback on the proposal at each stage of the process.

5. Enquiries

Any enquiries in relation to this CICP may be directed to communitypower@gbe.gov.uk. GBE may issue supplementary guidance, clarification notes, or additional submission instructions over time. The existence of a contact point does not oblige GBE to respond to every enquiry or to provide equivalent information to all parties at the same time.

Respondents are encouraged to engage with GBE before submission where clarification is required regarding the objectives, criteria or process.

6. Terms and Conditions

The initial tranche of the CPF will remain open in accordance with the terms set out in this CICP. GBE retains full discretion over the opening, closing, reopening, timing, and capital allocated to this and any additional tranches.

GBE issues this CICP in its capacity as investor. It is not a financial promotion.

GBE is not authorised to undertake regulated activity and will not be able to proceed with any proposal that would require GBE itself to obtain regulatory permission or authorisation.

Respondents must disclose any actual, potential or perceived conflicts of interest which may affect their participation in this process or their ability to manage a selected investment structure in accordance with GBE's objectives.

No representation, express or implied, is made by GBE as to the completeness or accuracy of any facts or opinions contained in this CICP. Respondents should seek their own independent legal, financial, tax, accounting, and regulatory advice.

Any information provided by or on behalf of GBE in connection with this process must be treated as confidential and used only for the purpose of preparing and participating in this process, unless GBE agrees otherwise in writing or the information is already public.

This CICP does not constitute an offer, a commitment, or a solicitation for investment. Any GBE investment in a proposal will be subject to internal approvals, Ministerial and HM Treasury requirements where applicable, legal and regulatory analysis, value for money analysis, subsidy control compliance, satisfactory due diligence, and agreement of final commercial and legal terms.

This CICP is an investor-led market engagement and selection process. It is not intended to constitute, and should not be treated as, a procurement process or invitation to tender for the award of a public contract.

GBE reserves the right to amend, withdraw, or discontinue this CICP, to request additional information, to decline to engage further with any party, to decide not to proceed with any proposal, or to select one or multiple proposals.

No respondent will have any exclusivity unless expressly agreed in writing by GBE. Respondents should not rely on any statement, indication, feedback or discussion as creating any commitment by GBE unless and until binding legal documentation is entered into.

Respondents should note that information received by GBE or shared by GBE with any of its advisers as part of this selection process, including personal information, may be published or disclosed in accordance with the access to information regimes. These are primarily the Freedom of Information

Act 2000 and data protection regulations and legislation. If respondents consider that any information should be treated as confidential and/or commercially sensitive, it would be helpful if respondents could set out why they consider this to be the case in each instance. Automatic confidentiality disclaimers generated by IT systems will not, in themselves, be regarded as binding. If GBE receives a request for disclosure of information, full account will be taken of any explanation, but no assurance can be given that confidentiality will be maintained in all circumstances. Decisions on disclosure remain the responsibility of GBE or the recipient of such request for disclosure and the Information Commissioner and courts. Respondents must ensure that any personal data submitted as part of a proposal is provided lawfully and on a basis that permits GBE and its advisers to process that data for the purposes of this selection process.

By submitting a proposal, respondents accept the terms and conditions set out in this Section 6. Except for this Section 6, which is intended to be legally binding, this CICP is not a legally binding document and should be treated as indicative only.