

From teenager to pensioner—the green energy crowdfunders

March 6 2017



Credit: WakWaka

Boosting the use of renewable energy has long been an ambition in Europe, but some efforts have powered down amid an ever-changing political landscape and dwindling finances. Now, crowdfunding is

pulling in a new generation of green investors

"I have always been interested in the environment. As a child, I thought 'what if the world runs out of petrol? Petrol won't be there forever.'" Librarian Erwin van Delden, 56, from Haarlem in The Netherlands, wanted to put his money where his heart is, in green energy.

He came across the Oneplanetcrowd platform, which has funded almost 160 projects since 2013, raising a total of 17.5 million euros. They range from solar panels for social housing to wood heating stations, which provide a sustainable alternative to gas.

"My main interests are in the sharing economy, recycling/upcycling and renewable energy," explained van Delden, a husband and father who works in Amsterdam. He has invested in several projects through the platform, including WakaWaka ('shine bright' in Swahili), a social enterprise providing solar-powered products, including lights and battery chargers, to people lacking access to electricity.

More than a million people in developing countries and crisis situations have received help. They include victims of the Ebola crisis in Sierra Leone and refugees from Syria. Earthquake victims in Nepal and those affected by Hurricane Matthew in Haiti have also benefited.

The project attracted more than a thousand investors and raised more than 210,000 euros. "Crowdfunding gives you the opportunity to get involved with companies you favour, with relatively small amounts of money," said van Delden.

Oneplanetcrowd and others in Europe raise money from individual investors to provide debt finance to renewable energy systems (RES) projects. Funding is offered through a mixture of loans and securities.

Research shows that crowd investors typically straddle across all age groups, ranging from 18-year-olds to individuals in their 90s. The majority are male and they invest anything from a few euros to hundreds of thousands.

For those like van Delden, it is all about being able to directly invest in a green project. For others, it is simply about making money, for their retirement, for example, or maybe a child's future.

"There are three main types of crowdfunding investors," explained Irene Maffini, 31, an independent consultant and PhD crowdfunding researcher at the Science Policy Research Unit, University of Sussex, in southern England.

"Platforms have attracted financial planners, investors that have planned for their financial future and just care about financial returns. Then there are progressive investors who are looking specifically for new opportunities to expand their portfolios. Making a positive impact is not their main objective, but they are more likely to go for a renewable energy project over a coal one," she continued. "Ethical investors are the third group. They have a financial interest but also want to make an environmental and social impact."

Wind power engineer Matteo Vitale, 30, from Copenhagen in Denmark, was attracted to the UK-based renewable energy platform Abundance, and has invested around 15,000 euros across several projects.

One of them is a solar farm in the English town of Swindon, developed by the local government authority as part of its efforts to achieve a low carbon economy by 2030.

Nearly 2.1 million euros has been raised by individual investors, including many Swindon residents, alongside 3.5 million euros of local

authority funding. "I wanted my money to be invested in something positive for my pocket, society and the environment. I know where my money is and what it will be used for. It is also a robust investment," said Vitale.

Gerard van Klaarbergen, 38, from Deventer in The Netherlands, has a background in finance and a keen interest in new trends. He joined the crowdfunding generation in 2014.

"I've crowdfunded through several platforms, loans, shares and convertibles," he said. "I invest between 250 and 1000 euros. It depends on the kind of project, if I believe in the team and I can see the potential. I do this not only for the financial element, but also because of the impact we can have on sustainable and social developments. It's what I call social interest. And it gives me a broader network among interesting people and founders."

Crowdfunding for [renewable energy](#) is still in its infancy. Further development work is needed, including the formation of EU-wide rules and regulations.

The European CrowdFundRES project is aiming to help, forming policy recommendations and identifying key drivers for growth. Tech-savvy young people with savings are expected to be one of those drivers, helping to unlock the industry's full potential.

"In the longer term, younger people will help develop crowdfunding platforms," said expert Maffini.

"Millennials don't really trust banks, they want to be in control of their savings and are used to 'think-tech' products, like online banking and crowdfunding. But it varies across Europe, depending on the technology and platforms available and the culture, whether people are actually

happy to spend online."

Provided by Youris.com

Citation: From teenager to pensioner—the green energy crowdfunders (2017, March 6) retrieved 27 April 2024 from

<https://phys.org/news/2017-03-teenager-pensionerthe-green-energy-crowdfunders.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.