

COMMUNITY ENERGY FUND



GLOSSARY

RPI – ‘Retail Price Index’ is a measure of inflation, published by the Office of National Statistics, that measures the change in the cost of a representative sample of retail goods and services. The Feed-in-Tariff (FIT) is adjusted annually by RPI.

CPI – ‘Consumer Price Index’ – a measure that looks at changes in the price of a range of goods and services. CPI is one of the most frequently used statistics for identifying periods of inflation or deflation.

Feed-in-Tariff (FIT) – is a Central Government policy mechanism designed to accelerate investment in renewable energy technologies. It achieves this by offering long-term contracts with payments for the electricity generated.

IRR – Internal Rate of Return - is a method of calculating the rate of return of potential investments, also referred to as Annual Equivalent Return. Its calculation takes into account the amount and timing of payments.

Over capitalisation - is a situation where an organisation has more capital than it catered for or needs. Therefore its assets are worth less than the shares issued and the organisation finds itself with unutilised capital held in cash.

Capex – Capital Expenditure - are funds used by an organisation to acquire, build, and upgrade assets such as buildings, equipment or intellectual property.