

Community Energy Fund



Glossary

Capex	Capital Expenditure - are funds used by an organisation to acquire, upgrade, and maintain physical assets such as property, buildings, or equipment.
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. Its calculation does not involve external factors, such as inflation or the cost of capital.
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 earnings are insufficient to pay interest to shareholders.
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.