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ACCOUNTING *for* ENERGY

# Accounting for Energy: Renewable energy audits that build bridges

Highly commended: Building sustainable financial products award

## What

Accounting for Energy has developed a brand new and highly specialised area of audit work with its renewable energy royalty audits. It identified a market need: supporting landowners who are commercially generating renewable energy to understand and maximise commercial returns.

In its audits, Accounting for Energy has demonstrated the value for landowners of treating renewable energy projects as a core revenue stream rather than a passive investment. Since 2015, the company has identified £1.4 million of savings for its clients. In one case, Accounting for Energy secured a seven-year back payment – equivalent to a year of rental income. By demonstrating the commercial potential of renewable energy projects, Accounting for Energy incentivises landowners to make conscious investments in renewable energy.

Although its royalty audits focus on generating increased energy returns for landowners, Accounting for Energy sees a critical role for energy companies, too. By bringing landowners and energy companies together in an informed, transparent dialogue, Accounting for Energy works to secure the future of renewable energy investments on sound commercial grounds.

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**‘With greater transparency in the renewable energy sector, we can help create a mutually beneficial marketplace. This, in turn, will help current and new projects run more smoothly, making things better for everyone.’**

**Travis Benn,**  
Co-founder, Accounting for Energy

## Why

Accounting for Energy believes that renewables are the future. The company was founded to realise the change-making potential of that core belief combined with its specialised knowledge of financial audit and the renewable energy sector. With the UK government's ambitious climate targets for 2050, the company also believes that more opportunities in the renewable energy sector will be created in the future.

Accounting for Energy wants to normalise renewable energy investment. It gives landowners – from individual farmers to large corporations – the knowledge, tools and confidence to make the most of the commercial potential of renewable energy. By doing so, Accounting for Energy hopes to inspire landowners to think further about how they can contribute to a sustainable future.



**‘Accounting for Energy identified and addressed a unique niche in the market – the information asymmetry between landowners and renewable energy companies.’**

Finance for the Future Awards judges

# How

Accounting for Energy encourages renewable energy investment with its new and innovative financial product. This is how the company developed its royalty audits:

- > The **distinctive experience** of the lead accountant – a background in audit together with experience of landowner leases in the renewable energy sector – gave Accounting for Energy a competitive advantage.
- > Accounting for Energy chose to **concentrate on one niche**. As such, the company has specialist information in this complex area and can stay aware of rapidly changing market conditions.
- > The company uses **auditing techniques** to identify underpayments, including historical financial analysis and benchmarking performance against similar projects. With this data, historic and future underpayments can be corrected.
- > Accounting for Energy uses a **contingent fee structure**: it receives a percentage of the amount of money that the company saves for its clients.
- > Audit reports are designed to be **accessible and relevant** to the client. The reports show the outcomes of client projects and the site's impact on the local environment. This helps landowners to understand and make use of the report beyond the audit.
- > Accounting for Energy also offers a **free operational report** to any interested landowners. This aligns with its goal of shifting landowners' perception of the commercial role of renewable energy more broadly.
- > By mapping all renewable energy sites across the UK, the company has been able to compile a comprehensive **database of potential clients**. Over the next five years, it aims to reach out to all landowners to offer its audit services.
- > To broaden its reach and profitability, Accounting for Energy is looking beyond a manual audit approach towards an **automated system** for assessing energy payments. The software will be able to monitor real-time performance, and Accounting for Energy expect that the data generated could create more opportunities for the company.
- > Accounting for Energy uses a collaborative approach and aims to **bring landowners and energy companies together**. It advocates the benefits to energy companies of transparency and landowners who are informed. For landowners, with a stronger understanding of energy and sustainability issues they feel more confident to continue dialogue with energy companies. The result is that contracts are renewed or extended, increasing renewable energy production.

[www.accountingforenergy.co.uk](http://www.accountingforenergy.co.uk)

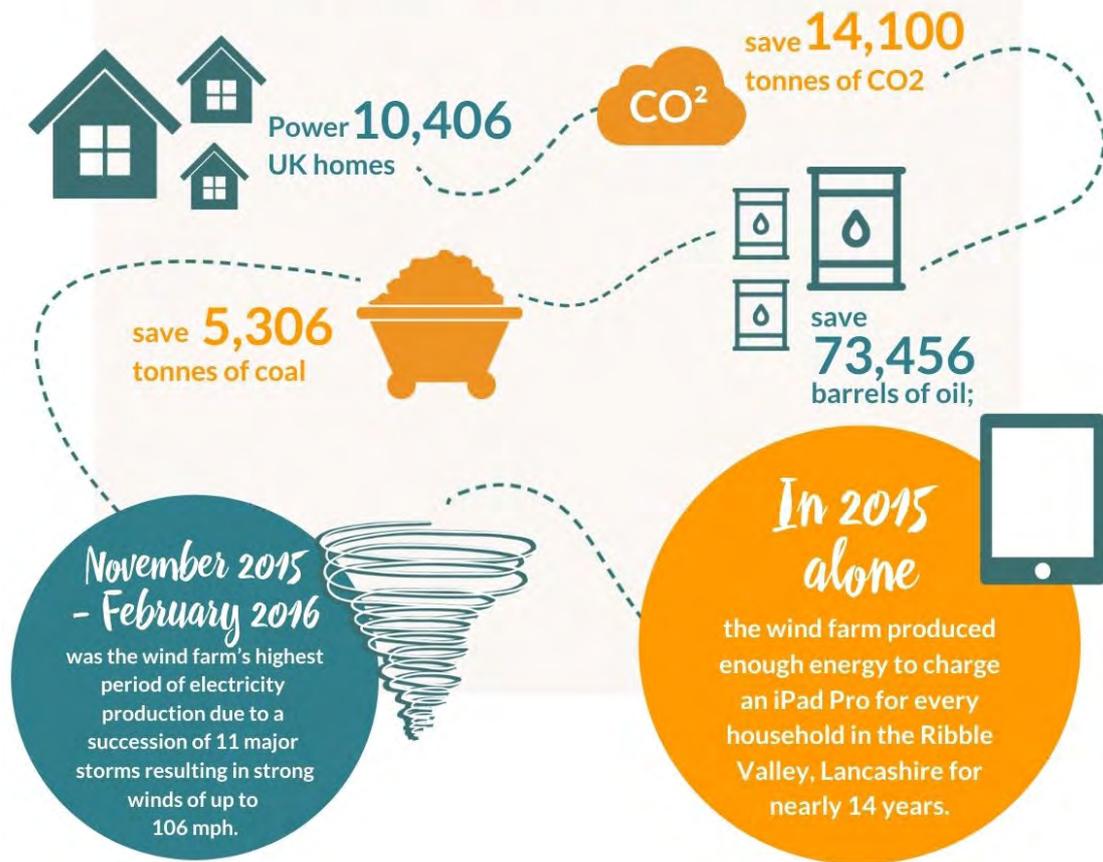


## DISCLAIMER

This case study presents **Accounting for Energy** entry for the Finance for the Future Awards 2019. The case study only includes information that was part of the organisation's 2019 entry. Some of this information may now be out of date. For a current view of the organisation's work, please visit their website at the link given above.

## Key Findings:

Accounting for Energy's comprehensive review identified that Dewlay Cheese's wind farm has produced enough electricity to:



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