

# inspiratia's top 10 renewables deals of 2019

**The renewable energy sector achieved a number of firsts during 2019 – something that is reflected in inspiratia's top 10 renewables deals of the year**

The list features several landmark transactions that either herald new dawns for certain markets or build further on past success. Corporate PPAs also rose to consistently hit the headlines over the course of the year and countless such examples only just missed the cut. In particular, it was too hard to choose between the dozens of such deals in Spain – perhaps the hottest global market of the year – but taken together these represent an enormous tectonic shift in the European market.

That said, there continued to be activity in government-backed areas. Offshore wind remains a huge draw, with financings recorded in the UK, France, Taiwan, and elsewhere, while the US market – featured in this rundown – really kicked into gear over the past 12 months.

M&A activity continues to drive onwards as some investors seek to deploy capital in some less risky operational ventures. Foresight's takeover of the advisory mandate for JLEN could be held as one such example. Meanwhile, at the riskier end of the spectrum, EDF Renewables' purchase of Pivot Power resulted in an innovative business plan successfully finding a major investor.

This is just a small portion of the many deals that got away in 2019 – the top 10, chosen by inspiratia, are ranked chronologically below. As in previous years (2018, 2017, 2016), the criteria for the rundown wasn't necessarily size. Instead, inspiratia looked for significant market developments, financing innovation and impact on future pipeline.

## ■ Al Maktoum phase four – UAE (March)

Dubai's mammoth 2.8GW Mohammed bin Rashid Al Maktoum Solar Park capped another key milestone this year with the closing of the construction financing for its fourth stage. The 950MW portion of the project, developed by ACWA Power, Shanghai Electric and China's Silk Road Fund, drew debt contributions from 13 lenders from across the globe, although with a strong Chinese flavour. The circa US\$4.2 billion project is reckoned to be the largest single-site solar financing to date and will result in a hybrid PV-CSP site, with

the 250MW PV portion featuring a record low US\$24 per MWh tariff. The construction of the phase, which is now underway will make a huge contribution to Dubai's goals of 75% renewables by 2050.

## ■ Interserve administration and energy-from-waste exit – UK (March)

Not all notable deals can be successes and the sad demise of Interserve as a waste-to-energy player is certainly not one. The contracting specialist entered administration in March following the rejection of a management deleveraging plan. The company had experienced a number of write downs on its UK plants over the past couple of years and its exit from EfW saw it hand over the keys to a third plant in July, with Glennmont taking over ownership. The problems the company experienced with design, construction and technology illustrate the sometimes-complex nature of the sector, while also highlighting the precarious nature of the UK construction sector following the collapse of Carillion. Interserve's newly split out construction arm will now bid for restoration under experienced turnaround specialist Nick Pollard, formerly of Cory Riverside Energy.

## ■ Dunkirk offshore wind farm – France (June)

The award of the 600MW Dunkirk offshore wind farm to EDF, innogy and Enbridge in June marked a new era for what has been a stop-start development of the sector in France. The winning consortium bid in with a price of €44 per MWh which caught some in the market by surprise. "People did not expect EDF to win and I think even the French government was positively shocked by where the pricing came in," a source commented to inspiratia at the time. Similarly eyebrow-raising was the selection of EDF for its fourth project in its home country, which drew criticisms as to how open the market really is, with initial expectations that this auction round could be more international in result. Nevertheless, the country will now look to construct multiple GW of offshore capacity over the coming years.

## ■ Foresight takes over JLEN advisory mandate – UK (June)

The move by Foresight to take on the advisory mantle for John Laing Environmental Assets Group (JLEN) marked a sizeable step up in assets under

management for the London-based fund manager – by 26% and up to a total of £4 billion, specifically. While that was a great leap for Foresight, it has largely maintained JLEN’s recent focus on anaerobic digestion acquisitions, although the first foray under its ownership was into two new sectors: run-of-river hydro and battery storage. Perhaps the most notable aspect to the change in advisors was the final exit of John Laing from its listed fund management activities, having also sold the John Laing Infrastructure Fund to Dalmore Capital and Equitix in 2018.

### ■ **Tenergie – France (July)**

The independent French renewables operator Tenergie sealed a mammoth refinancing in July for its solar portfolio in its home market, marking what is the largest such deal ever closed in the country’s solar sector. The company secured new financing terms for 255MW worth of projects – more than half of its total holdings by capacity – in a process led by Crédit Agricole. BNP Paribas and Bpifrance also joined the financing team.

### ■ **Saint Nazaire offshore wind farm – France (September)**

The final conclusion of the financing of EDF and Enbridge’s 480MW Saint Nazaire wind farm in France marked the first time a utility-scale offshore facility was successfully financed in the country. The €2.3 billion (£2bn US\$2.6bn) transaction was not in itself a particularly out-of-the-ordinary one for European offshore wind in terms of how it was structured but its real significance lies in the frustrating years it brings to a close and what may come next. The project has gone through a fraught seven years since its initial tariff award, featuring appeals and legal battles, and this has sharpened minds within the country around how to not replicate this on future projects as future tender rounds are rolled out.

### ■ **Google – Multiple countries (September)**

Silicon Valley giant Google announced what it called the “Biggest corporate purchase of renewable energy in history” in September, backing 1.6GW of clean energy projects across the globe. With most of the portfolio supporting greenfield developments, projects in the US (750MW), Finland (255MW), Sweden (286MW), Denmark (160MW), and Belgium (92MW) benefit from the agreement. In a year when the signing of PPAs around the world were a daily occurrence, the deal particularly stood out for its far-reaching nature, as well as of course the headline total capacity. The Belgian portion of the transaction covers a part of the 270MW Norther offshore wind farm – the first occasion where Google has entered into a PPA with an offshore installation.

### ■ **Pivot Power – UK (November)**

In what proved to be a busy year for EDF, its UK renewables subsidiary moved to acquire the utility-scale battery storage developer Pivot Power in November. With EDF Renewables UK taking full ownership of the company and buying out initial backer Downing, the deal sealed a remarkable rise for Pivot Power from its first small forays into development in 2018 and only launching a serious fundraising round shortly after. However, the purchase hands EDF a pipeline of 40 battery development sites across England and Wales, with additional plans to attach EV charging hubs to each, granting the new owner an almost unique position within UK clean energy.

### ■ **Eneco sale – Netherlands (November)**

Japan’s Mitsubishi Corporation agreed the acquisition of Dutch utility Eneco, alongside partner Chuba Electric Power, in a €4.1 billion all-cash offer. The bidders fought off rival entries from oil major Shell and US private equity giant KKR. The competitive sales process followed disputes between management and the municipalities that were previously the shareholders in the utility over whether to go for an IPO instead. The controlled auction process, which drew interest from several other big hitters in the European energy market, contained special provisions to ensure Eneco’s green legacy, being one of the key instigators of the Dutch energy transition and fully renewable since 2011.

### ■ **US offshore wind – US (all year)**

Not so much a single deal but a collection of developments in the US offshore wind auctions that heralded the coming of age of the market in 2019. In June, Ørsted won out in the first New Jersey auction and will develop the 1.1GW Ocean Wind project. Then the Danish group and Eversource were given the nod in the parallel New York process in July for their joint 880MW Sunrise Wind scheme, alongside Equinor which also won with its 816MW Empire Wind development. In November, Shell and EDPR’s Mayflower Wind joint venture were awarded an 804MW project in Massachusetts, while Avangrid and Copenhagen Infrastructure Partners’ Vineyard Wind took the win in Connecticut’s solicitation process in December. All the awards will now allow the US offshore sector to bid to rapidly catch up with the European space, unlocking billions of dollars of investment over the coming years.