PFI

PROJECT FINANCE INTERNATIONAL

JULY 2 2025 ISSUE 796 www.pfie.com

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ISSN: 0967-5914

ROD MORRISON

Nuclear decades

Extraordinary decisions governments sometimes have to make! Do you build a new nuclear power station that could cost up to £40bn or a 4,000km power interconnector? Well, the eventual choice between the two was not binary and there were plenty of other factors within the UK energy mix. It is safe to say the chosen nuclear bet is a very long-term option.

Since when did construction get so expensive? The last nuclear power project in the UK was the 1.2GW Sizewell B scheme built in the early 1990s. There was plenty of gnashing of teeth when the £2bn scheme came in £200m over the budget via John Laing and GEC-Alsthom. Happy days!

Step forward a few decades and we now have the UK HS2 rail infrastructure project that is chewing up ludicrous sums of money, £100bn?, with no end in sight. As pertinently for UK plc, costs are ballooning at the 3.2GW Hinkley Point C nuclear power station project. UK plc is not on the hook for the extra costs – although its French neighbours are hoping for some relief – but UK plc is waiting and waiting for the promised power.

From £2bn for 1.2GW we have gone to £40bn and counting for 3.2GW. Not that the 3.6GW interconnector option Xlinks was cheap, £25bn plus.

Sizewell B is due offline in 2035. Various other operating UK nuclear power plants have even shorter projected lives. What is to replace them is a hot topic although the sense of urgency is more akin to the Zhou Enlai quote about the impact of the 1790s French revolution in the early 1970s to Kissinger . . . it's too soon to say."

Apparently, Zhou could actually have been talking about the Paris riots from 1968. Either way EDF will be hoping its impact on new nuclear UK power will be measured in decades not centuries.

Nuclear power is coming back into fashion across the globe, as the article from King & Spalding published in today's PFI showcases. The 5.6GW Barakah scheme in Abu Dhabi was fully brought online by the end of last year by Kepco and Korea Hydro & Nuclear Power – although at a yet to be disclosed final cost. That said the two are in dispute with each other over a mere US$1bn in cost overruns. The scheme was originally slated to cost US$20bn.

Plenty of other nuclear schemes around the globe are in the works. Two plants using the EPR technology developed by EDF have come online in China, although the Olkiuoto and Flamanville schemes in Finland and France respectively have had decade-long delays.

The non-binary choice between Sizewell C and Xlinks reveals the strengths and weaknesses of various long-term power options. Nuclear power provides very reliable baseload power. And as the extensions of existing nuclear plants in the UK shows, once up and running, the plants can run and run.

Power is generated domestically with no need to utilise foreign sources. That said as one Xlinks non-exec said: "perhaps someone could show me where the uranium mines are in the UK".

Bottom line – the timelines for nuclear are challenging. They need to be shortened, extra costs notwithstanding.

Interconnectors are coming into their own. The UK already has several with power coming from Ireland, Germany and Norway.

Across Europe schemes are shaping up. It is a quick hop across the Med from North Africa to southern Europe. The schemes can be put in place relatively quickly.

Xlinks was made a project of national significance by the previous government but perhaps at 4,000km it was simply too long.

The other fear about the scheme is enemy action on the cables.

In addition, it relied on building a lot of new power generation in the host country, Morocco, in order to be able to generate baseload power.

Xlinks attracted a good deal of financial support so it will be interesting to see where it goes next. Germany is one option. Iberia might be a better bet, particularly since April 28.

The interesting thing about Sizewell C and Xlinks is they both promise baseload power.

Interconnectors are usually two-way bets with power flowing both ways. So there is a straight comparison to be made between the two, even though the UK government's decision was not that binary.

Xlinks introduced the concept of directly supplying power from its own generation sources rather than acting as a link between two countries. That idea clearly has traction around the world.

Take a look at the proposed links into Singapore for instance. Simply building interconnectors and hoping power will flow where it is needed is not enough. What happens when both participants are short? The Spanish blackout was not stopped by the French interconnector.

You could build a nuclear power plant at the end of an interconnector, if you could wait. New generation is the key. Interconnectors can supply it.

BANKS & ADVISERS

ALVAREZ & MARSAL ADDS INFRA EXPERT

Advisory firm ALVAREZ & MARSAL has hired *Barry Gold* as a managing director in its private equity performance improvement group in New York.

Gold brings more than three decades of experience in infrastructure private equity investing, debt financing, and financial advisory, with assignments spanning power, energy, transport, and water infrastructure. He comes to the firm after more than three years with Marathon Capital Partners, where he served as senior managing partner.

Previously, he was head of infrastructure investment at ORIX USA; co-head of The Carlyle Group's infrastructure fund; co-head of Citigroup's structured and infrastructure finance group; chief development officer at Airport Group International; and head of Asian project finance at Lehman Brothers.

Gold has worked extensively across North America, Europe, and Asia, and has led financing for infrastructure assets, public-private partnerships, project financings, and advisory assignments totalling more than US$30bn of transaction value.

MS'S KISCH TO MUFG PF

Seth Kisch has started as a director of project finance at MUFG, based in New York.

He joins from Morgan Stanley, where he was executive director of project and infrastructure finance following a roughly 12-year turn at the bank.

He has also worked at Credit Suisse, Battery Ventures and Novantas, according to his LinkedIn.

SMBC TAPS RAMOS IN MEXICO

SMBC has hired *Santiago Ramos* as executive director in the structured finance solutions team at SMBC SOFOM in Mexico City. Prior to joining SMBC, he was an associate director with Astris Finance and Dexia in Mexico.

Ramos will lead and deliver structured finance solutions to both local and global clients. He has experience in advising and structuring project finance transactions worth more than US$10bn across Latin America, working on infrastructure, energy, social, transportation, and water projects. He will report to Juan Francisco Toro, CEO and managing director of SMBC SOFOM.

CLIFFORD CAPITAL HIRES LEE

CLIFFORD CAPITAL has hired *Lin-Xi Lee* as a director, focusing on natural resources. He reports to CEO Audra Low and to Sophea Seng, managing director and head of energy and utilities at the Singapore state-backed fund.

Lee previously worked at Natixis for about 3-1/2 years and was responsible for infrastructure and energy finance in Asia. Prior to that, he worked at Scotiabank, National Australia Bank and ANZ.

MIZUHO APPOINTS PF ASIA HEAD

Kentaro Sasamori has moved to Singapore to become head of project finance for Asia at MIZUHO BANK. Sasamori previously led the power team at the bank's global PF department in Tokyo.

He takes over from Kenichi Yamamoto who is now general manager and head of global project finance in Tokyo.

BANKS LEAVES EY

Infrastructure adviser *Bill Banks* is leaving EY after 22 years. Banks started at PwC in Scotland in the late 1980s, left to join RBS for four years then returned to PwC in Sydney in 1999 before moving to EY in 2003.

Banks has been Asia Pacific leader for infrastructure advisory for the last four years and global leader since 2003.

BBVA HIRES MUNDAY

BBVA has appointed *Seth Munday* as managing director for project finance in Asia.

Based in Hong Kong, he will play a role in expanding BBVA's business in the region, leading the development of project finance franchise within the team headed by Jose Ferris, head of BBVA CIB in Asia, the Spanish bank said in a statement.

Munday brings over 20 years of experience advising and structuring project financings across energy, utilities, digital and infrastructure sectors in Asia Pacific.

Prior to joining BBVA, he was executive director of structured finance at Santander, according to his LinkedIn profile.

Munday also held stints in Santander, SunEdison, Canadian Solar and ANZ.

NGUYEN BACK TO WESTPAC

Aaron Nguyen has rejoined WESTPAC in Melbourne as a director in the project finance team. He was with ICBC for five years as a director in the project and infrastructure finance team and before that worked at Westpac for five years as a senior associate.

CRAIG BACK TO LLOYDS

David Craig has rejoined LLOYDS as a director in the infrastructure and project finance team in London from advisory firm Centrus, where he worked for three years. He left Lloyds in 2016 to go to Australia to work for KPMG and Pacific Partnerships, then moved back to London in 2022.

KOMMUNALKREDIT ISSUES FIRST TIER 2

Infrastructure bank KOMMUNALKREDIT has completed its first public Tier 2 issue with a €150m bond attracting more than €540m of orders.

The September 2035 bond has a call date in June 2030 and a 5.50% coupon with a final spread of 335bp over mid-swaps.

The offer was 3.6x subscribed with orders from 56 institutional investors.

Since 2024 Kommunalkredit has placed more than €1.8bn of senior and covered bonds and in April raised €500m with a six-year senior corporate bond and €200m with a senior unsecured bond. The bank has a long-term BBB (stable) rating from S&P, a covered bond rating of AA– (stable) and a short-term rating of A-2.

DEVELOPERS

CHINESE WIND TURBINE PF ISSUES DISCUSSED

Watson Farley & Williams hosted a London discussion panel this month on the use of Chinese turbines, initially exploring the definition of a Chinese wind turbine. The panel discussed the technical and commercial differences with their Western counterparts, bankability and risk factors, geopolitical and regulatory considerations and concluding with a look to the future, including touching on floating technologies.

The key takeaways were:

- *Technical and commercial differences* – While Chinese turbines use similar drivetrain technology to their European counterparts, what tends to set them apart is their larger sizes. Larger turbines mean fewer support structures, fewer maintenance visits, shorter cabling and reduced land use – all helping drive a perception of cost-effectiveness. On the other hand, bigger, newer machines present more installation challenges compared to smaller, pre-existing ones, which will also have a better track record. Further, while the panel acknowledged that Chinese turbines are touted as significantly cheaper from an initial capex view than Western rivals, concerns were raised as to how that upfront cost saving will play out over the lifetime of the wind farm, particularly considering long-term operation and maintenance costs.
- *Bankability challenges* – The panel discussed challenges that lenders and insurers face concerning Chinese original equipment manufacturers. Concerns around warranty enforcement and whether Chinese OEMs will stand by their turbine supply agreements means lenders and insurers require clarity on who bears the risk when defects or failures occur. Another concern is certification: although many Chinese turbines are certified under IEC standards, some are certified by Chinese bodies such as CGC, which are not considered as bankable as European bodies. Consequently, some Chinese OEMs are recertifying their products with European bodies such as DNV and TUV to attempt to improve credibility and, ultimately, bankability.
- *Cybersecurity* – Cybersecurity aspects were discussed in depth. It was noted that because energy assets are susceptible to targeting by cybercriminals, a number of mitigation strategies are being put in place by Chinese OEMs, including replacing network hardware to European hardware and creating localised date centres and control systems in the host country. Despite this, it was noted the insurance industry remains highly cautious, making cyber coverage for Chinese turbines particularly difficult to underwrite.
- *Looking to the future* – While the panel acknowledged that the overall picture

regarding Chinese turbines in European markets has improved, and continues to improve, there remain significant hurdles. It was noted that the most foreseeable "in" to the European market for Chinese OEMs could be via the floating sector, a market that major Western OEMs appear reluctant to move into.

The panel was moderated by Augusta & Co director *Michael Rice* and included WFW senior associate *James Fryer*; Edmond de Rothschild MD and head of energy and infra *Shirley Chojnacki*; OWC innovation director *Tim Camp*; HSBC VP renewables and infra finance *Georgios Kalpias*; and GCube underwriting founder and CEO *Fraser McLachlan*.

Earlier in June, the US government raised security concerns with the UK government about the plan by Chinese manufacturer Mingyang to build a wind turbine factory in Scotland, according to the Financial Times.

Mingyang is said to be preferred bidder to supply the Flotation/Vargronn Greenvolt, Cerulean Winds and Hexicon floating offshore schemes. Late last year, Scottish deputy first minister Kate Forbes told the FT there was room for both Mingyang and Vestas to open turbine manufacturing sites in Scotland. Published ministerial transparency documents revealed that UK minister for investment Poppy Gustafsson met Mingyang Smart Energy representatives on December 4. Since then the UK government is said to have become more cautious about Chinese investment following issues with steel company Jingye Group.

Green Giraffe's Bertrand Jacquet told the Seanergy conference in Paris that "half the banks in the offshore wind farm sector are open to supporting the use of Chinese turbines on projects and the other half might look at the idea in the future. It is a no-brainer". Chinese turbines "are 30% cheaper than their European counterparts when built in China and 15% cheaper if built in a European factory".

EDF COULD SELL ASSETS

EDF could sell assets following a review by new chief executive Bernard Fontana to meet the costs of France's new nuclear programme, the Financial Times report. Sources suggested service company Dalkia, Edison and renewable assets, with the exception of hydraulic power schemes, could be under consideration for sale.

EDF referred to statements by Fontana in parliamentary hearings in which he said sales could be made to "free up room to make investments". EDF is looking to build six nuclear reactors using technology upgraded from Hinkley Point C in the UK and Flamanville 3 in France. A funding mechanism needs to be agreed with the French government for the new reactors.

Previous CEO Luc Remont had clashed with the government over the deal. EDF has announced a £4.5bn funding with Apollo to help pay for construction costs on the delayed Hinkley scheme.

TERRAPOWER RAISES SMR FUNDS

Washington state-based small modular reactor developer **TERRAPOWER** has closed on a US$650m fundraising round. The round comprised both new investors, including NVentures, the venture capital arm of Nvidia, and existing investors, including TerraPower-founder Bill Gates and HD Hyundai. It supports the company's first natrium plant and its plans to rapidly deploy additional units in the US and abroad. UBS acted as the placement agent to TerraPower.

Earlier this year, TerraPower partnered with engineering firm KBR to establish a long-term collaboration for commercialisation and deployment of natrium reactors in North America, the UK and the European Union.

The parties aim to create a replicable contracting framework for rapid deployment of natrium reactors that reduces financial risk and ensures cost transparency.

TerraPower and KBR will work with utilities and offtakers to implement the framework for projects that will include nuclear and storage. TerraPower will lead efforts on engineering, research and development, supply chain and regulatory activities. KBR may provide engineering, procurement and construction management services including design, commissioning and financial leadership.The first natrium plant is being developed through the Department of Energy's advanced reactor demonstration programme. That project is expected to be online in 2030 and will be the first commercial, utility-scale advanced nuclear power plant in the US.

BORALEX TO RAISE C$5.9bn PF

Canadian renewables developer **BORALEX** said it will raise C$5.9bn (US$4.32bn) in project debt as part of its 2025–2030 growth strategy announced in an investor day presentation. The debt will include C$900m between 2029 and 2030 for projects generating results after 2030.

The company will raise C$900m in capital recycling and C$500m in new share issuance. Project spending will total C$6.8bn to 2030 and another C$1.2bn for projects generating results after 2030.

The company will explore strategic M&A opportunities in the UK and US to complement organic growth included in the strategy projections. It will increase the weighted-average remaining PPA durations to 21 years in 2030. Potential recyclings include the sale of its Canadian hydro assets. It is looking to increase its corporate debt and refinance its project debt.

EMEREN GOES PRIVATE

Solar project developer and owner **EMEREN GROUP** has inked a deal to go private after being bought out by British Virgin Islands-incorporated **SHURYA VITRA**.

The group will pay US$0.20 in cash per ordinary share and US$2 per America Depository Shares, which hold 10 regular shares. The deal represented a 12% premium on recent stock prices.

Emeren said investor Himanshu H. Shah, currently chairman of the board of directors, has committed to making an equity contribution to the buyer solely for the purpose of funding the merger consideration, together with related fees and expenses.

Close is expected in Q3, at which time Emeren Group will merge with an entity owned by Shurya Vitra and be delisted from the New York Stock Exchange.

Emeren owns and operates IPP assets comprising around 293MW of solar and 61MWh of storage, with projects under development in Europe, the US and China. Emeren was formerly called ReneSola.

JINKO AND METLEN JV FOR BESS

Energy storage company **JINKO ESS** and industrial group **METLEN** have signed a joint venture agreement to develop 3GWh of battery energy storage systems in Chile and European markets, cementing a strategic partnership that has developed a 1.6GWh pipeline in Chile.

Jinko ESS will supply its energy storage systems working with Metlen's renewables subsidiary, M Renewables.

In April, Glenfarne said it would buy Metlen's 588MW solar and 1.6GWh battery energy storage systems portfolio in Chile for US$815m. The deal is expected to close once all BESS assets in the portfolio are operational.

The 588MW solar portfolio was project financed by Metlen in January 2024 with a US$377m debt package and is signed to a 10-year power purchase agreement with Enel Chile.

Jinko ESS CEO Fangkai Zhou signed the 3GWh strategic agreement framework with Metlen executive director, M Renewables, Nikos Papapetrou.

RELIANCE POWER OFFERS INTERNATIONAL CCGTS

RELIANCE POWER is said to be bidding for gas-fired international independent power project tenders using two 750MW turbines in its procession in India according to local reports. It is said to have submitted bids for gas-based power projects in Kuwait, UAE and Malaysia as part of its selective global expansion strategy. Developers currently face a global shortage of gas turbines.

BW ESS HIRES FOR EXPANSION

Battery storage developer BW ESS has hired *Tiziano Caizzi* as its investment manager in Zurich and *Mark Hartman* as head of procurement in London. *Kilian Leykam* has joined in Germany as executive director, revenue.

Caizzi joins from Shell where he led the development of the EV charging network in Italy and before that worked at Enel and Terna. Hartman joins from Zenobe where he held a global procurement remit responsible for EV charging infrastructure and fleet electrification and the global battery on bus replacement programme and before that worked at CBRE. Leyham joined from Aquila Clean Energy where he was a director, energy storage commercial for five years and before that he was with Vattenfall for 11 years. He will be responsible for optimizing revenues of projects by integrating strategic offtake agreements, hedging strategies, and partnerships with route-to-market providers.

BW ESS CEO *Erik Stromso* recently said the company is moving fast to build projects and grid connection hold ups actually help developers such BW ESS that can move quickly. The firm is starting construction on the 1.4GWh Hams Hall project in Warwickshire and the 700MWh Berkswell scheme in the West Midlands on a merchant basis, both in the UK. It could put tolls in place later and then seek project finance as part of a capital recycling programme.

In May it secured a seven-year £62m mini-perm project financing from Westpac and UOB to back its operational 100MW/331MWh Bramley battery storage project in Hampshire. The scheme has a seven-year tolling agreement from Shell and a 15-year capacity agreement from National Grid ESO.

JOHN COCKERILL HYDROGEN RAISES €116m

Belgium's JOHN COCKERILL HYDROGEN has raised €116m in a private funding round to support expansion, building on a €230m capital raising last year.

Belgian sovereign wealth fund SFPIM, regional promotional institution Wallonie Entreprendre and energy technology companies SLB and Rely returned from the 2024 deal to back the latest issue.

Rely is a joint venture between John Cockerill and engineering firm Technip Energies.

A new investor, gas infrastructure business Fluxys, took part.

Fluxys' hydrogen subsidiary has been designated as the transport operator in Belgium for John Cockerill Hydrogen.

John Cockerill said proceeds cover nearly all the funding requirements for its hydrogen business.

Production of electrolysers has started at plants in France and Belgium, and the group is also working on delivering electrolysers in India via a partnership with renewable firm Greenko as well as production plants in China and the US.

In April, the group signed a memorandum of understanding with state telecoms and technology company Viettel to cooperate on green hydrogen production in Vietnam.

The company also constructs hydrogen fuelling stations and turnkey plants with production capacities of up to 100MW via the Rely joint venture.

FUNDS

FENGATE HIRES TRANSPORT MD

FENGATE ASSET MANAGEMENT has appointed *Darcy Wilson* as managing director, transportation, expanding its infrastructure senior team as it eyes US growth. He is based in Houston, Texas.

Wilson joins from infrastructure investment firm Duration Capital Partners where he was a founding member when it was spun out of Oaktree Capital Management. He previously led Oaktree's investments in Signature Aviation, OTG Management and STG Logistics.

Prior to Oaktree, Wilson worked at Highstar Capital and JP Morgan's investment bank in New York. He has significant transport investment experience, including sourcing, assessing and executing investments into operating businesses. He will lead the transportation strategy to bring aviation, road, rail, logistics and maritime expertise to clients across the US and Canada.

MACQUARIE RAISES US$8bn FOR INFRA FUND

Macquarie Asset Management has closed MACQUARIE INFRASTRUCTURE PARTNERS VI fund with more than US$8bn of commitments, including US$6.8bn of fund commitments and US$1.3bn of closed and funded co-investment in MIP VI portfolio companies.

The co-investment completed alongside MIP VI is expected to increase and builds on approximately US$8bn of closed co-investment across the previous three MIP vintages. Approximately half the MIP VI commitments came from North American investors, higher than any previous Macquarie Infrastructure Partners vintage.

More than 70% of the commitments are from investors that have previously invested with Macquarie Asset Management's real assets division. Investors include public and private pension plans, insurance companies, sovereign wealth funds and investment managers.

The fund focuses on investments across the transport, digital infrastructure, utilities and energy, and waste infrastructure sectors. MIP VI's investments include Diamond Infrastructure Solutions, SwyftFiber, TraPac Terminals, Montreal Metropolitan Airport and Coastal Waste & Recycling.

PETROV TO OMERS INFRA DEBT

Sara Petrov has joined OMERS in New York as managing director, debt capital markets.

Global head of infrastructure *Michael Hill* said the fund's teams "raise and refinance over US$4bn of debt across our portfolio companies and for new investments annually. The size and number of our debt facilities, the complexity and breadth of our businesses, and the increasing opportunity we see to create value through optimal capital structuring and differentiated lender relationships has emphasised the importance of this new role at OMERS Infrastructure".

Petrov joins from Bank of America where she was managing director, leverage finance.

POST OAK RAISES FUND

Houston-based private equity shop POST OAK ENERGY CAPITAL has closed the Post Oak Energy Partners V fund raising a total of US$764m. The group received capital commitments of US$600m and raised a co-investment vehicle from a combination of old and new investors.

Fund V will focus on the lower middle market segment of the North American upstream oil and gas industry. At present, Fund V has made commitments to five portfolio companies, with capital deployed across the Permian, Utica, and Haynesville basins.

Willkie Farr & Gallagher acted as legal counsel to Post Oak Energy Capital, and Capstone Partners, a Mizuho Company, was placement agent for the final close of Fund V.

"The Fund partners with experienced management teams to provide equity capital for growth, development, acquisitions, and recapitalisations," Post Oak said in a statement.

Since inception, the firm's funds have collectively invested in over 30 portfolio companies and raised approximately US$3bn in capital across managed funds and related vehicles.

BLACKROCK LOSES OZ CLEAN ENERGY HEAD

Asset management giant BLACKROCK has lost its one of its top dealmakers for the regional renewable energy sector, AFR reports. Sydney-based *Charlie Reid,* who headed investment by BlackRock Real Assets in the Asia Pacific, resigned last week. Reid has reportedly been hired by Hong Kong-headquartered alternative investment manager PAG, which manages US$55bn (A$84.7bn) globally.

Reid rose to the position of head of renewables infrastructure in 2018. He was responsible for sourcing, executing and managing transactions in the regional renewable energy sector, where BlackRock has committed to investing a billion dollars.

Prior to becoming head of renewables infrastructure, Reid was based in London for seven years, where he served as portfolio manager for BlackRock Renewable Power's investment team. He launched BlackRock's Renewable Income platform, which currently manages more than US$9bn (A$14bn) of investments in European clean energy assets.

SEQI INFRA FUND REPORTS

SEQUOIA ECONOMIC INFRASTRUCTURE INCOME FUND has reported its annual results to March showing net assets fell to £1.439bn from £1.524bn over the year and the discount to NAV rose to 15.4% from 13.5%.

SEQI stated: "Our portfolio underperformed the liquid credit markets this year, with leveraged loans and high-yield bonds generating total returns of 7.5% and 7.8%, respectively. We believe this largely reflects the rapid collapse in lending rates in those markets, which has boosted the value of older loans and bonds written in the past, since they are at old and higher lending rates, even while new loans in those markets became less attractive. For example, the average BB– rated leveraged loan interest rate on new loans fell from SOFR plus 2.99% to SOFR plus 2.66% over the course of the financial year; meanwhile the price of the average leveraged loan decreased from 99.6% to 99.3% over the same period."

SEQI extended £328m of new loans in the year, including some commitments entered into but not fully drawn by year-end. The new loans were largely financed by the natural recycling of maturing loans, but SEQI used its revolving credit facility with year-end leverage of £56.9m. The portion of non-performing loans in the portfolio dropped to 1% of NAV from 5.4% last year.

Fund focus is on private debt although the percentage of private debt declined 6.1 percentage points during the year to 90.8%. The fund manager said this was "partly due to the refinancing of an OCU Group private loan to a public term loan B, with the fund's participation for £45m settling during November 2024. OCU Group is a leading UK infrastructure engineering services provider. The fund invested an additional £41m in the secondary market on bonds with Navigator Holdings, specialist shipping, Techem, German smart metering, and TSM II LuxCo 21, Dutch utility services".

BAGNALL TO TAKE DORE PRIVATE

BAGNALL ENERGY, the renewables arm of investment management firm Downing, is taking DOWNING RENEWABLES & INFRASTRUCTURE TRUST private in a deal valuing the trust at £174.55m.

Bagnall, which already holds a 25.4% stake, will acquire shares at 102.6016p, a 23.6% premium to Thursday's 83p close and a 21.6% premium to the one-month VWAP before the deal.

Pricing also represents a near 7.5% discount to ex-dividend NAV of 110.8727p as of March 31.

Bagnall has received support from shareholders representing 16.8% of DORE's capital and 22.5% of votes.

The acquisition will be financed with cash and Bagnall's revolving credit facility.

Bagnall raised £21.9m in May through unsecured floating-rate bonds to T Choithram & Sons and The Greencliffe Foundation. The bonds have a maturity of 18 months with a coupon of 2.75% over Sonia should par value be less than or equal to £15,000 and 3% over Sonia if par value exceeds £15,000.

Bagnall said DORE's renewable assets are a compelling long-term investment to enhance portfolio diversification, however, the trust has traded at what it describes as a "significant and persistent" discount to NAV, preventing it from issuing capital and scaling up.

DORE initiated share buybacks in 2023 amounting to £12m of stock in an attempt to narrow the discount.

The trust's portfolio covers hydropower, grid services and wind and solar assets representing 159MW of capacity and forecast annual generation of around 324GWh.

Solar and hydroelectric form the largest share of the portfolio, accounting for 43% and 49%, respectively.

Around 49% of assets are in Sweden with 42% in the UK and a small presence in Iceland with hydroelectric facilities.

The trust was listed in 2020 after raising £122.5m in an IPO at a fixed price of 100p per share.

Shares surged following the takeover announcement, up 22.3% at 101.5p after 11am in London on Friday.

INPP IN NEW REVOLVER

Listed fund INPP has replaced its corporate debt facility with a new deal on the same margins. ING has replaced SMBC in the lender group alongside NAB, NatWest and Barclays. The deal includes £250m of committed capital and an accordion of up to £100m. The deal from 2021 had a margin of 165bp over Euribor while sterling drawings paid 170bp over Sonia. Commitment fees ranged between 50bp and 90bp depending on the level of utilisation.

INPP has sold its remaining senior debt position in its Priority School Building Aggregator Programme and 13 of its Building School for the Future Investments for £49m, largely minority stake investments. The aggregator deals on five batches were put in place in 2015 via senior debt from EIB and Aviva, with INPP providing mezzanine finance. However, in its latest accounts INPP said it has 92.5% in just one batch, the Midlands. The company agreed to sell its minority equity interests in seven BSFI assets for £8m.

OCTOPUS LAUNCHES AFRICA FUND

UK utility OCTOPUS ENERGY has launched its first Africa fund aimed at investing US$250m over the next three years.

The Octopus Energy Power Africa Fund launched with US$60m to invest in renewable infrastructure and grid upgrades in sub-Saharan Africa.

Octopus is supported by South Africa-based Pembani Remgro Infrastructure

Managers, which invests in businesses across Africa through two funds.

The plans build on Octopus's recent announcement of a strategic partnership with solar charged battery rental business MOPO.

In November, Octopus also said it had submitted plans in Sierra Leone to build a wind farm on Sherbro Island to power 2,000 homes.

Octopus Energy's power generation arm has a portfolio of £6.8bn of assets under management spanning 20 countries with 3.9GW capacity from a total 4.4GW from renewable projects.

GOVERNMENTS

IO AND METROLINX NAME PERMANENT CEOS

Angela Clayton has accepted a permanent appointment as **INFRASTRUCTURE ONTARIO**'s chief executive officer, effective July 1. She succeeds *Michael Lindsay,* who has served as CEO since 2020. Lindsay will become president and chief executive officer of **METROLINX**, the Ontario government agency that manages roads and public transportation in the Greater Toronto and Hamilton Area. Lindsay has served as Metrolinx's interim president and CEO since December, and his permanent role was to take effect from July 1.

Clayton has been with IO for more than four years and has served in an interim president and CEO role since December. Prior to her time at IO, she was with Plenary Americas for more than five years. She was with IO prior to that, working in various roles for more than seven years.

NSW LAUNCHES US$657m GREEN BANK

The NSW **ENERGY SECURITY CORPORATION** has officially opened for business with a A$1bn (US$657m) seed funding.

This marks the launch of a government-backed green bank in NSW, Australia that will provide financial backing for the state's transition away from coal towards clean power.

The NSW government has appointed as chair *Cameron O'Reilly*, who led the electricity supply and reliability check-up in 2023. ESC is a government-backed investor established by the state government, responsible for co-investment with the private sector in reliable and secure energy systems for NSW. Investment is expected to include big batteries, network infrastructure and scalable community energy resources.

ESC CEO *Paul Peters* said the green bank would supply flexible capital to accelerate infrastructure development and the creation of a modern, resilient energy system in NSW.

LAWYERS

AKERMAN HIRES FOR PUBLIC FINANCE AND ENERGY

AKERMAN has made two additions to its corporate finance group – *Jonathan Ballan* as a partner and chair of its New York public finance practice and *Chris Zentz* from Steptoe as a partner in Washington DC.

Ballan was at Harris Beach where he spent more than two years. Prior to that he spent time at Cozen O'Connor and Dentons. He has extensive experience in municipal and infrastructure finance and has worked on projects including *LaGuardia Airport's Terminal B, the Goldman Sachs world headquarters, MTA facilities, and the Atlantic Yards arena. He has served as bond counsel, underwriter's counsel, and developer's counsel for transportation, housing, not-for-profits, education, and sports facilities.*

Ballan's hiring is part of Akerman's expansion in certain markets and practice areas and his expertise will bolster the firm's ability to serve clients in complex financial transactions and public-private partnerships.

Zentz represents energy industry clients in regulatory and project development and finance matters. He has acted on behalf of utilities, independent power producers, and renewable energy developers in a wide array of transactional matters and regulatory proceedings before federal regulators, including the Federal Energy Regulatory Commission.

Akerman's national energy capabilities have grown in the past year. The group opened its Charlotte office and the added experienced project finance partner Josh DeBottis and energy tax partner John McCaffrey to its ranks. Most recently, partner Art Howson, an attorney in renewable energy project finance and development, and several associate attorneys, joined the team.

WILLKIE ADDS ENERGY AND INFRA CO-CHAIR

WILLKIE FARR & GALLAGHER has added *Blake Winburne* as a partner in the corporate and financial services department and co-chair of the energy and infrastructure practice, based in Houston, Texas.

Winburne joins from Orrick, Herrington & Sutcliffe where he was a partner and global head of energy and infrastructure. He worked for the firm for more than nine years and previously worked at McDermott Will & Emery for more than six years.

Winburne is a transactional attorney who advises on mergers, acquisitions, dispositions, investments and joint ventures, as well as the development, structuring and financing of large-scale infrastructure projects in the US and internationally. He handles transactions involving electric power generation and transmission, oil and gas, alternative fuel transport and storage and data centres and digital infrastructure.

DENTONS DAVIS BROWN ADDS ENERGY LITIGATOR

DENTONS DAVIS BROWN has hired *Kristy Rogers* as a shareholder in the litigation division. Rogers' practice focuses on guiding energy sector clients through trial and appellate litigation and state and local permitting processes, including those required to develop and construct large-scale renewable energy projects. She is based in Des Moines, Iowa.

Rogers joins from the Des Moines office of law firm Fredrikson & Byron where she spent more than seven years, advocating for clients before state and federal trials and appellate courts, the Iowa Utilities Commission and local government boards.

Dentons Davis Brown is expanding its energy practice. The team supports transactional negotiations and due diligence, permitting and ratemaking, and represents clients in litigation in state and federal trial and appellate courts. Dentons Davis Brown has three offices in Iowa and is part of global law firm Dentons.

LAWRENCE BACK TO V&E

Caitlin Lawrence has returned to law firm **VINSON & ELKINS** as a partner in the firm's finance practice in Houston. She has previously spent nine years at the firm, after two years at **BAKER BOTTS** where she was a partner also in Houston.

Lawrence has experience in commercial lending, direct lending, and other leveraged and project finance transactions, including back-leverage and tax equity financings, reserve-based and asset-based facilities, acquisition financings, development and project financing, mezzanine facilities, direct lending, restructurings, and other structured financings.

She also has energy financing experience, including renewable and traditional energy matters involving residential, commercial, and industrial solar, utility and transmission infrastructure, oil and gas exploration and production, midstream systems and terminals, oilfield services, distribution, storage, transportation, manufacturing, and retail.

Lawrence is one of more than 30 former Vinson & Elkins lawyers who have returned to the firm over the past five years, following stints inhouse, in government service, or at other firms.

SIMPSON THACHER HIRES FROM L&W

SIMPSON THACHER & BARTLETT has hired *Bryce Kaufman* as a partner in the banking and credit practice in Houston, Texas, where he will focus on energy and infrastructure.

Kaufman joins after more than 11 years at Latham & Watkins. He advises arrangers, lenders and borrowers across commercial lending and financing transactions, including private debt and syndicated financings, working on upstream, midstream and downstream financing.

SKADDEN ADDS HOUSTON ENERGY PARTNERS

SKADDEN has hired *Mingda Zhao* and *Emery Choi* as partners in its corporate practice in Houston. They join from White & Case and bring a combined 30 years of experience.

The partners will advise US and international energy and infrastructure clients, as well as private equity funds and their portfolio companies, on mergers and acquisitions, joint ventures, private equity investments and other energy transactions. They have extensive experience in acquisitions and divestitures and joint ventures — including drilling, acquisition and yield vehicles — across the oil and gas and power industries.

Both have played pivotal roles in significant recent transactions, advising clients such as CNOOC, Continental Resources, Devon Energy, Occidental Petroleum and Sixth Street.

MULTILATERALS

BIG TARGET FOR PIDG FUNDING

Sovereign-backed PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP is on course to mobilise as much as US$25bn into sustainable infrastructure in emerging markets by 2030, reports IFR.

Last year was PIDG's most active year for crowding in private capital since its establishment in 2002 by the Netherlands, Switzerland, Sweden and the UK to address market failures in sub-Saharan Africa and South and South-East Asia. During the year, the vehicle mobilised US$5.5bn via 25 projects, according to chief sustainable impact officer Marco Serena.

This "puts us on track" for the target, Serena said. Despite a challenging backdrop in emerging markets, PIDG's EM investment and mobilisation are increasing year on year, he said.

"For investors interested in emerging markets and sustainability, we haven't seen a wavering on commitments. We've seen a focus on working with partners on all the markets who can deploy fast.

"The understanding that infrastructure investment must be focused on climate resilience is something which is not going to go away. The insurers understand this. The project developers understand this. The investors understand this," he said.

Local guarantors

Serena welcomed recent moves towards "a more coordinated approach to moving capital towards emerging markets", citing the new UK taskforce on emerging markets and developing economies.

While PIDG is considering how to increase "extremely low" EM allocations by developed market pension funds, one growing focus has been on mobilising domestic pension funds in its markets. That push has involved what Serena calls "mini-GuarantCos" – local currency debt guarantors that can help mobilise domestic capital into new instruments such as green bonds and develop domestic capital markets.

GuarantCo is PIDG's debt guarantee firm – one of its two main arms with its Emerging Africa & Asia Infrastructure Fund.

The pair enables it to work across the capital structures of firms including Acorn Holdings in Kenya, a provider of affordable, green student accommodation that PIDG has supported with equity, debt and guarantees.

With EAAIF having expanded into Asia, they are now collaborating on several transactions, according to Chinmay Naralkar, deputy chief executive at GuarantCo.

PIDG and the African Development Bank agreed in May to work across the continent on what they described as "derisking and credit enhancement solutions to tap into Africa's vast pool of domestic capital", estimated at more than US$2trn.

That followed the Lagos listing in April of PIDG-backed Infracredit Nigeria, the country's only domestic guarantor. In its six years of operation it has facilitated increasingly long bond tenors and unguaranteed borrowing, Serena said. "It allows investors to become familiar with the asset class."

PIDG has also supported local guarantors in East Africa and Pakistan. "If international investors are hesitant, that will unlock domestic institutions to create portfolios that ultimately will be investible for others if at the moment [international] risk appetite is lacking," he said.

Catalytic capital

Serena said it is considering establishing further vehicles in Vietnam, where its credit

NOT PEOPLE & MARKETS

Ticklish problems

Obviously the main project story of late comes from the Riverside waste-to-energy expansion scheme on the River Thames. Civils and buildings subcontractor PJ Carey (contractors) had expected £4.9m profits on a £39m contract from 2023, but it has emerged the contract has swung into a £4m loss.

A legal tribunal heard the Riverside scheme was "complex both operationally and commercially and was unfortunately beset by difficulties from an early stage. It was a re-measurable project needing more work and oversight from the commercial team as the costs had to be reassessed during the contract. It is not apparently usual, but it does require a high degree of commercial oversight and a "tight grip on the project finance".

How do we know this? Well, the legal tribunal was actually an employment tribunal. Company boss Jason Carey told two senior staff members of the contract team that they were not keeping a tight grip on anything and sacked them the day he was presented with the cost updates.

"What else have you two been doing for the last 12 months. Tickling each other's b.......? enquired Mr Carey. The term "what the f..." apparently came up in the "conversation".

Carey said at the tribunal he may well have said those thing as he was a tad upset by the slide presentation of the increase in costs. One can indeed just imagine the scene. There is still some dispute about precisely what was said but this is a family magazine.

Anyway, the tribunal found in favour of the two ex-employees but they were not awarded compensation.

enhancement activity has been through GuarantCo, and working in other countries.

"It is a key part of the strategy to do more of these. It's also a very good use of catalytic capital. You use a smaller part to unlock larger amounts of local financing."

Recent initiatives include an agreement with Credit Guarantee Corporation of Cambodia.

Other initiatives being developed include its first nature investments and a possible fund to repackage some of its guarantees for external investors.

While PIDG is operating against a backdrop of reduced aid spending by rich countries, Serena said it "continues to enjoy the trust of our owners" – expanded by Australia in 2013 and Canada in 2024. He attributed this to having worked with private sector partners from launch, unlike other development finance institutions.

"The key thing is to use the catalytic capital that is becoming more and more scarce in a way that is private sector-oriented, in terms of the commercial viability of the investment, as well as being able to attract the private sector in the future," Serena said.

BANCO DO BRASIL DOES MIGA DEAL

BANCO DO BRASIL and the MULTILATERAL INVESTMENT GUARANTEE AGENCY (MIGA), which houses the World Bank Guarantee Platform, have agreed to a trade finance guarantee programme of up to US$700m to, in part, support sustainable projects in Brazil.

MIGA will provide up to US$700m in coverage over a three-year period for eligible trade-related loans of up to one year. The initial disbursement of US$350m will be made immediately, with BBVA and HSBC acting as lead arrangers.

MIGA provides significant credit enhancement through its 95% coverage of the guaranteed loans, allowing Banco do Brasil to expand its foreign currency credit lines and diversify its source of funding in the market.

The funds raised will be allocated to financing trade finance operations, sustainable production, and renewable energy projects, including the acquisition of equipment and inputs such as biofuels, solar, wind, and biomass energy systems with a focus on the agricultural sector.

"We are expanding access to credit for MSMEs and enabling trade and clean energy projects, which are essential for inclusive growth and the country's energy transition," said Francisco Lassalvia, vice-president of wholesale business at Banco do Brasil.

Headquartered in Brasilia, Banco do Brasil is a mixed-capital company controlled by the Brazilian government providing retail, corporate, and investment banking, as well as asset management and insurance.

BNDES AND JICA INK DEAL

Development bank BNDES and the JAPAN INTERNATIONAL COOPERATION AGENCY have signed a R$1.1bn (US$199m) loan deal for investments in the healthcare sector and in micro, small and medium-sized companies in Brazil.

JICA's financing will help BNDES support investments in the health sector, aimed at aiding the recovery following Covid-19. The deal also offers new sources of international financing to BNDES, promoting the diversification of its sources and strengthening its capacity to finance sectors that are fundamental to development, the bank said in a statement.

IDB INVEST AND CARIBBEAN DEVELOPMENT BANK JV

IDB INVEST and the CARIBBEAN DEVELOPMENT BANK have signed a strategic partnership to support private sector development in the Caribbean.

This collaboration will focus on expanding financing for trade and placing private sector-led growth at the forefront of a shared agenda. They will also work on joint originations and co-financing of private sector projects across the region.

The highlight of the deal is the launch of CDB's Trade Finance Guarantee Program, under which it will enter into a risk participation agreement with IDB Invest that will enable the sharing of risk associated with loans and other obligations.

The CDB is a multilateral development bank with regional mandate established in 1970 for the purpose of contributing to the harmonious economic growth and development of its 19 Caribbean member nations.

CDB's membership includes four regional, non-borrowing members (Brazil, Colombia, Mexico, and Venezuela) and five non-regional, non-borrowing members (Canada, China, Germany, Italy and the UK).

The CDB is rated Aa1 Stable by Moody's, AA+ Stable by S&P and AA+ Stable by Fitch Ratings.

FRONT STORY CANADA - PPP

Mega bond prepped for hospital P3

A massive teaching hospital in Ontario is preparing a P3 bond/loan financing.

The project is at the center of a larger plan under Premier Doug Ford's hospitals vision.

BY ALISON HEALEY

Trillium M Project Co General Partnership, a joint venture between EllisDon and PCL Constructors Canada, is preparing to issue more than C$1.4bn (US$1bn) in bonds to finance the C$14bn Trillium Health Partners Mississauga site redevelopment, a public-private partnership. The procuring entities are Trillium Health Partners (THP), a hospital network based in Ontario, and Infrastructure Ontario. Financial close is expected in mid-July.

The relatively small bond offering compared to total project size falls in line with the requirement that the project company fund the first 18% of the project costs to achieve the initial capital investment amount. Thereafter, the contracting authority will fund 92% of the monthly costs. The substantial completion payment will act as a takeout payment for the short-term capital and will be sized to ensure that the remaining private capital (long-term debt and equity) represents no less than 20% of the total capital costs of the project, according to DBRS. THP will fund availability-based payments during operation and around 80% of capital costs during construction, estimated at more than C$6.8bn.

Capital expenditures during construction will be funded by a mixture of monthly progressive payments totalling more than C$6.2bn, a C$545.2m substantial completion payment, bonds proceeds, a senior credit facility, and equity. A senior credit facility of approximately C$658m will be put in place at financial close to partially cover capital expenditures after the proceeds of the bonds are depleted and will be fully repaid from the completion payment.

The facility will mature at the earlier of two business days after substantial completion or 18 months after the initial scheduled substantial completion date. An equity contribution of C$206.7m is expected. Interest on the senior debt is estimated at C$687.4m, upfront fees are estimated at C$17m, and commitment fees are estimated at C$12m. Funding will also come from harmonised sales tax, a consumption tax that combines the federal goods and services tax with a participating province's provincial sales tax. HST refunds will provide C$228.7m and HST collected by the project company will add C$884.4m.

The bonds will comprise a C$349.2m Series A amortising tranche and a C$1.1bn Series B amortising tranche. DBRS assigned the bonds provisional credit ratings of A (low) with stable trends. The medium-term Series A bonds and the long-term Series B bonds will be issued at financial close with fixed interest rates. The proceeds will be used first to cover the capital outlays. There will be no principal repayments on the bonds during construction.

The private partner will design, build, finance and maintain the new Peter Gilgan Mississauga Hospital in Mississauga, Ontario, until April 27 2063. The project is being delivered with the progressive development PPP model. During the development phase, project sponsors advanced project design, communicated with local authorities about site plan approval and building permits, and engaged in negotiations with multiple price and schedule submissions, according to DBRS. This is considered a "major strength" for the project, the ratings agency said, compared with other hospital projects delivered using the traditional PPP model.

The project agreement includes a provision for tariff change in law, allowing either party to seek compensation for any increase or decrease in costs of imported goods, equipment or materials. It also includes a price-adjustment mechanism that allows the project company to pass on unexpectedly high inflation on costs of labour and materials to THP through annual adjustments to progressive payments. There is a six-month debt service reserve account and a dividend lockup test at a DSCR of 1.13x. DBRS projects a minimum DSCR of 1.2x and an average DSCR of about 1.31x.

The hospital will be the largest teaching hospital in Canada at 2.8m square feet, 950 beds and 23 operating rooms. Construction phase will last around 94 months from financial close. In May Mississauga City Council approved a US$390m contribution to the hospital redevelopment that will be made by 2033. The funds for Mississauga's contribution will be provided through the implementation of an annual hospital levy of up to 1% per year, and the issuance of a debenture to cover any remaining shortfalls between the approved contribution amount and the balance of the levy collected as of January 1 2033.

The hospital has faced criticism from the Office of the Auditor General in Ontario. In a November 2024 report the AG estimated the hospital's cost at C$16bn and said that number is C$4bn over budget.

"The Trillium Mississauga Hospital project received Stage 2 construction approval in May 2017 under a classic P3 DBFM delivery model", the report said. "At that time, the hospital was designed to be 15 storeys and approximately 1,296,000 square feet. Since then, the size and scope of the hospital have increased to 22 storeys and approximately 2,866,000 square feet. Over this same period, the Treasury Board-approved budget has increased by 204%.

The scope changes include the addition of more hospital bed capacity, acquisition of a property, demolition of an existing clinical administrative building, refinements made as a result of the pandemic, and the inclusion of child and mental health services. Along with the scope changes to the hospital, the estimated project costs also increased due to a significant increase in the market rates for construction costs".

The AG also criticised the procurement process, noting the project had only a single bidder at the RFP stage for a development partner, so there was no competition to win the contract.

"Since IO has limited leverage when working with a single party during the development phase, there is a risk that the price offered by the development partner is not competitive compared to other delivery models that receive multiple bids under a standard procurement process. Therefore, it is difficult for the progressive P3 model's pricing risks to be mitigated", the report concluded.

Over the next 10 years, Ontario is investing nearly C$60bn on major health infrastructure as part of Premier Doug Ford's plan to start construction on more than 50 major hospital projects across the province, which will deliver approximately 3,000 new hospital beds. Provincial policy requires hospitals to spend 10% of construction costs and 100% of funding for new equipment, furniture and fixtures as part of a local share contribution plan.

Infrastructure Ontario has added seven new public-private partnerships to the pipeline as its latest market update, including two new healthcare facilities. The projects include the Ontario Provincial Police Academy, Ontario Police College, Runnymede Healthcare Centre Post-Traumatic Stress Injury + Centre of Excellence Toronto and Caledon, Hamilton Light Rail Transit – Stops, Rail and Systems, New Halton region courthouse, and the Lansdowne children's treatment centre redevelopment project. IO is leading the procurement and delivery of 28 projects in pre and active procurement stages. The projects have a total estimated design and construction value of over C$30bn (US$21.9bn).

ARGENTINA

TENARIS PREPS WIND

Steel manufacturer TENARIS has started construction on the 94.5MW La Rinconada wind farm in Buenos Aires, the Techint-owned company's second in Argentina. The project will require US$214m and will power Tenaris's facility in Campana.

The company recently brought online the 103MW Buena Ventura wind farm in Buenos Aires, which is powering its operations. Tenaris is a global supplier of tubes and related services for the energy industry, primarily the oil and gas sector. Tenaris had a net cash position of US$4bn as of March 31.

BRAZIL

ELETRONORTE EYES TRANSMISSION DEBENTURES

State-run utility ELETROBRAS, through subsidiary Eletronorte, will issue R$2bn (US$362m) in debentures backing improvements to its electricity transmission networks and projects in the north.

The debenture sale will come across three series and is part of a rush of companies issuing before some of the tax incentives associated with the bond-like instruments are removed at the end of the year.

The Series 1 and Series 2 debentures will be worth a maximum combined R$1bn, with a seven-year tenor. Pricing on Series 1 will be a maximum 13% and pricing on Series 2 will be a maximum of IPCA plus 7%. The R$1bn Series 3 note will have a 10-year term and a maximum pricing of IPCA plus 7.05%.

Eletrobras will act as guarantor and primary obligor on the offering. The deal is expected to be done by mid-July.

ISA READIES TRANSMISSION DEBENTURES

ISA ENERGIA BRASIL is looking to sell R$580m (US$105.2m) in debentures backing works on the Lot 7 and Lot 9 series of transmission projects in Minas Gerais, Rio de Janeiro, and Sao Paulo.

Overall project costs are R$2.3bn. Banco Bradesco and Itau BBA will lead the deal, which will have two series and mature in 2035.

The funds will help finance works on the 318km Governador Valadares 6 – Leopoldina 2 500kV line, the 191km Leopoldina 2 – Terminal Rio 500kV line and its connection to a new yard, and the Agua Vermelha – Transformacao 500/138kV line.

ISA Energia Brasil is an affiliate of ISA, the largest transmission owner in Latin America. Fitch is rating the deal AAA(bra).

The sale will likely be part of a rush to market for similar types of deals before the tax incentives of the debentures are pared back at year-end.

MAIDEN OFFSHORE WIND LICENCE AWARDED

Environmental regulator Ibama was to issue to SENAI RN with a preliminary licence on Tuesday for a 24.5MW offshore wind farm off the coast of Rio Grande do Norte, Brazil's first such licence.

Senai RN is installing an 8.5MW and 16MW turbine at the pilot site. The output will be sold to the Porto-Ilha artificial island and port in Rio Grande do Norte, used for exporting salt.

Earlier this year, President Luiz Inacio Lula da Silva signed into law the country's offshore wind bill, which establishes the way the country's industry will develop.

Last year, the World Bank, in association with DNV Group, produced a study suggesting Brazil's offshore wind energy potential exceeds 1,200GW. The figure includes 480GW from fixed foundations and 748GW from floating projects.

The report suggested a base case of 16GW of offshore wind by 2050, which would represent some 3% of Brazil's generation.

CGN SOLAR ONLINE

Chinese company CGN BRAZIL ENERGY has brought online its 165MW Lagoinha Solar Complex in Ceara. Project costs were R$650m (US$119m).

For CGN Brasil, the local branch of CGN Brasil International Holdings, the project represents its first greenfield scheme in the country.

Lagoinha has 337,000 solar panels that will generate 370GWh per year. CGNBE has also committed to developing wind farms in the country in a memorandum of understanding with the state of Ceara.

OIL AUCTION ATTRACTS BIG NAMES

Brazil has auctioned 34 offshore oil and gas blocks including in the Foz do Amazonas basin, with winners including a public-private consortia involving PETROBRAS and EXXONMOBIL.

The Petrobras/Exxon team secured 10 blocks in total, with the Brazilian firm acquiring five blocks as operator and US company the other five as operator.

A consortium featuring US company CHEVRON and China's CNPC acquired nine blocks. SHELL, EQUINOR, KAROON, and DILLIANZ also took blocks in the Santos and Pelotas basins. Brazil will get R$989m (US$181m) in signing bonuses.

The Foz do Amazonas basin is near the emergent oil fields in Guyana and is touted to be a major producer moving forward. There has been both environmental and indigenous groups' backlash to exploration in the area, which lies at the mouth of the Amazon River.

Petrobras recently said it was nearing breakthroughs on permitting at the site, while the government welcomed the investment expected to come from foreign companies.

"The interest from the US companies, Chevron and Exxon, which already operate in Guyana, demonstrates that our potential is gigantic," Brazil's Mines and Energy Minister Alexandre Silveira said in a statement.

Silveira said he was sure Ibama (Brazilian Institute of Environment and Renewable Natural Resources) would speed up the licensing process after the auction, which came as indigenous and non-profit groups such as the Arayara Institute protested outside of the venue, according to Reuters.

GERDAU LANDS GREEN PF

Steel producer GERDAU has closed a R$566m (US$103.25m) green project financing backing construction of a pipeline and a waste pipeline in Ouro Preto, Minas Gerais, and a recycling centre for processing scrap metal in Pindamonhangaba, Sao Paulo.

State-run development bank BNDES is the lender to the deal, with the financing coming from the group's New Climate Fund and its Finem credit line.

Works include construction of a 13km pipeline between the Miguel Burnier Mine in Ouro Preto and its steel production unit in Ouro Branco as well as a 10km long tailings pipeline.

Gerdau will also build a recycling plant for processing scrap metal at the company's specialty steel production unit in Pindamonhangaba.

Gerdau is one of the largest scrap recyclers in the Americas and purchases approximately 10m tonnes of scrap per year directly from industries, cooperatives and collectors in the countries where it operates.

ECORODOVIAS WINS HIGHWAY

Local company ECORODOVIAS has won the concession for the 478km BR-101 highway connecting Espirito Santo to Bahia. The group, which has been the concessionaire of the roadway since 2013 via Ecovias 101, will invest R$10bn (US$1.82bn) to upgrade the link.

In the first three years of the new contract, R$1.82bn will be spent to duplicate 84km of road, add 9.45km of marginal roads, 19 new turnarounds, 6km of cycle paths, 4 footbridges, two stop and rest points for truck drivers and start construction on the Ibiracu and Fundao bypasses.

Of the overall amount, R$3.31bn will be invested in highway operations and user services, such as tow trucks and ambulances. The BR-101 runs from the access junction to the city of Mucuri in southern Bahia to Mimoso do Sul in Espirito Santo, on the border with Rio de Janeiro.

The signing of the amendment extending the concession is scheduled for the next few months. From then on, the investment cycle will begin within 30 days.

The main investments will be in 172.8km of duplications, including in segments of the northern section; 41.1km of additional lanes; 33.6km of marginal roads; bypasses of Ibiraçu (4.2km) and Fundao (11.4km); 40 pedestrian walkways; 75 new bus stops; 34 wildlife crossings; and other works.

As of the signing of the contract amendment, motorcyclists will be exempt from tolls at all toll plazas and other users will receive a 5% discount on the toll fee for payments made with a tag in automatic lanes.

SAO PAULO METRO DELAYS LINE 19 BIDS

Sao Paulo Metro has postponed bidding for the construction of the R$19.5bn (US$3.52bn) Line 19-Celeste metro project.

Publication of the notices for Lot 1, Lot 2 and Lot 3 will now be published on July 22, July 23 and July 24, respectively. The process was expected to begin this month but interested bidders had requested a postponement to prepare proposals.

The 17.6km Line 19-Celeste link will have 15 stations connecting the Anhangabau area in the centre of Sao Paulo to Bosque Maia in Guarulhos, passing through the northern part of the city.

Lot 1 will run from the centre of Sao Paulo to Vila Maria station, Lot 2 will run from Vila Maria station to Jardim Julieta station and Lot 3 will run from Jardim Julieta station to VS 18 in Bosque Maia in Guarulhos.

The stations in Guarulhos will be Bosque Maia, Guarulhos-Center, Vila Augusta, Dutra and Itapegica. In Sao Paulo, the stations will be Jardim Julieta, Vila Sabrina, Cerejeiras, Santo Eduardo, Vila Maria, Catumbi, Silva Teles, Cerealista, Sao Bento and Anhangabau.

Expropriations are already underway and the scheme has been declared of public utility by the state government. The Secretariat of Investment Partnerships is also involved in the expropriations and structuring of the project.

Works are slated to begin in 2026 and take 75 months, with commercial operation in 2032.

CANADA

CIB LOANS TO MULTIPLE PROJECTS

The Canada Infrastructure Bank revealed three new loans in recent weeks, lending C$50m (US$36.4m) to Vancouver-based clean energy supplier CREATIVE ENERGY, finalising a C$50m (US$36.4m) loan to fund commercial property retrofits for DREAM INDUSTRIAL REAL ESTATE INVESTMENT TRUST, and committing C$66.7m (US$48.6m) in loans to MALAHAT NATION and COWICHAN TRIBES for water treatment and to facilitate on-reserve housing and economic development.

Creative Energy will use loan proceeds to support the decarbonisation of buildings through connection to district energy systems. The partnership with CIB will enable Creative Energy's clients in British Columbia and Ontario to reduce more than 90% of their emissions through options such as switching from natural gas heating to efficient electricity-based district energy systems.

The first building retrofit project under the partnership will be at Thompson Rivers University, upgrading 12 buildings and providing heating capacity to one new building on its Kamloops, British Columbia campus. The campus will transition from decentralised natural gas heating to a high-efficiency electrified heat source using a centralised air-source and water-source heat pump strategy. The technology will reduce emissions from the heating systems in the connected building by 95%, supporting the university's 2030 zero-carbon goal.

The CIB's agreement enables Creative Energy to advance and implement additional retrofit projects in the near term and incentivise building owners to upgrade their assets. The investment is part of the CIB's building retrofits initiative which has committed more than US$1.2bn towards financing sustainable building upgrades.

CIB's loan to Dream will finance energy efficiency savings and emissions reductions at 34 warehouses in Alberta, Ontario and Quebec. It will support upgrades to mid and large-bay warehouses used for urban logistics, light industrial and distribution. Building upgrades will include mechanical and electrical systems, renewable energy generation, heating, ventilation and air conditioning systems, fuel switching, energy management technology, building envelope and electric vehicle charging.

Malahat Nation will receive a C$57.8m loan to help fund replacement of a 28-year-old water treatment plant that is at capacity and build a new wastewater treatment plant to replace failing septic beds. A C$8.9m loan from the CIB to a Khowutzun Development Corporation will support enabling infrastructure for the Rivers Edge development. KDC, which is wholly owned by Cowichan Tribes, developed the project that includes two rental buildings, commercial space, an outdoor kitchen, children's play area and community gardens.

ZENOBE PARTNERS ON C$4bn BRAMPTON BUSES

ZENOBE has partnered with the city of Brampton, Ontario to lead a group of UK and Canada-based partners including TD Securities and original equipment manufacturers on a C$4bn plan to electrify the Brampton Transit bus fleet.

AMERICAS GENERAL CORPORATE FUNDING ACTIVITY JUNE 16 TO JULY 2 2025

Security type	Issuer/Borrower	Amount (m)	Maturity	Issue price	Pricing	Bank
Energy, gas and water distribution						
Term Loan B	Astoria Energy	US$900	23/06/32	100.000	Term SOFR +275.000 bps	Barclays Bank/Morgan Stanley Group
Rev Cred Fac	Freepoint Commodities	US$920	19/06/26	100.000	na	MUFG Bank/IXIS CIB/Cooperatieve Rabobank/Societe Generale/Wells Fargo Bank
Rev Cred Fac	Freepoint Commodities	US$1,380	19/06/28	100.000	na	MUFG Bank/IXIS CIB/Cooperatieve Rabobank/Societe Generale/Wells Fargo Bank
Rev Cred Fac	PG&E	US$650	22/06/28	100.000	Term SOFR +260.000 bp	JPMorgan Chase Bank/BankAmerica/Barclays/Citibank/Mizuho Bank/Wells Fargo
Rev Cred Fac	Pacific Gas & Energy	US$5,400	21/06/30	100.000	Term SOFR +150.000 bps	Citibank/BankAmerica/Barclays/JPMorgan Chase Bank/Mizuho Bank/Wells Fargo Bank
Senior Notes	Cheniere Energy Partners	US$1,000	30/04/35	99.731	5.550	Morgan Stanley Intl/RBC CM/CIBC World Markets/HSBC Secs/Santander US CM/Wells Fargo Secs/BBVA Secs/BofA/Citigroup Global Markets/DBS Bank/Goldman Sachs/ICBC Standard Bank/ING Financial Markets/IMI - Intesa Sanpaolo/JP Morgan/Loop CM/Mizuho Secs/MUFG Secs Americas/Natixis Sec Americas/Scotia Capital /SG Americas Secs/SMBC Nikko Sec America/Standard Chartered Bank/Truist Secs/Credit Agricole CIB
Infrastructure Firms						
Rev Cred Fac	Perry Homes	US$800	18/06/28	100.000	na	US Bank National Association/Fifth Third Bank/PNC Bank/Regions Bank/Truist Financial/Wells Fargo Bank
Rev Cred Fac	Weekley Homes	US$550	10/11/28	100.000	Term SOFR +200.000 bps	Truist Financial/BankAmerica
Rev Cred Fac	Aecon Group	C$600	25/06/29	100.000	na	Toronto-Dominion Bank/Canadian Imperial Bk Commerce
Rev Cred Fac	Aecon Utilities Group	C$400	25/06/29	100.000	na	Toronto-Dominion Bank/Canadian Imperial Bk Commerce
Rev Cred Fac	Highway 1462	US$343.69	20/06/28	100.000	na	Truist Financial/Bank of Montreal
Mining						
Rev Cred Fac	Torex Gold Resources	US$350	25/06/29	100.000	na	Bank of Montreal/Scotiabank
Ord/Common Shs.	Perpetua Resources	US$100	–	13.200	–	–
Ord/Common Shs.	Aya Gold & Silver	C$125	–	13.350	–	Desjardins Securities
Ord/Common Shs.	Arizona Sonoran Copper	C$45	–	2.000	–	Scotia Capital Inc
Units	Defiance Silver	C$13	–	0.250	–	Red Cloud Securities Inc
Flow Through Sh	Goldshore Resources	C$12.5	–	0.440	–	Stifel Nicolaus Canada Inc
Ord/Common Shs.	Goldshore Resources	C$12.5	–	0.310	–	Stifel Nicolaus Canada Inc
Flow Through Sh	Goldshore Resources	C$10	–	0.380	–	Stifel Nicolaus Canada Inc
Units	Generation Mining	C$10	–	0.370	–	Stifel Nicolaus Canada Inc
Ord/Common Shs.	IsoEnergy	C$50	–	10.000	–	Stifel Nicolaus Canada/Canaccord Genuity
Ord/Common Shs.	Fireweed Metals	C$5.62	–	1.800	–	–
Units	Canada Nickel	C$11	–	0.850	–	Red Cloud Secs/Scotia Capital Inc
Flow Through Sh	Dolly Varden Silver	C$10.01	–	5.750	–	–
Flow Through Sh	Dolly Varden Silver	C$7.5	–	6.650	–	Research Capital Corp
Ord/Common Shs.	Dolly Varden Silver	C$11.25	–	4.600	–	Research Capital Corp
Ord/Common Shs.	RUA Gold Inc	C$7.35	–	0.700	–	Cormark Securities Inc
Sr Unsecurd Nts	Champion Iron Canada	US$500	15/07/32	100.000	7.875	RBC CM/BMO CM/Scotia Capital /SG Americas Secs/BofA/Desjardins Secs/Goldman Sachs/National Bank of Canada Fin'l
Ord/Common Shs.	Vizsla Silver	US$100	–	3.000	–	Canaccord Genuity
Petrochemicals; Petroleum Refining						
Term Loan B	Hilltop Energy Ctr	US$440	17/06/32	100.000	Term SOFR +325.000 bp	Santander Bank
Rev Cred Fac	Arsenal Resources Dvlp	US$60	10/06/28	100.000	Term SOFR +350.000 bp	Citibank/BOK Financial/Capital One Finl/Fifth Third Bank/First Citizens Bank/MUFG Bank/US Bank National Association
Rev Cred Fac	Ring Energy	US$1,000	18/06/29	100.000	Term SOFR +325.000 bp	BankAmerica/Citibank/Citizens Bank/Key Bank/Mizuho Bank/Truist Financial/US Bank National Association
Rev Cred Fac	Tundra Oil & Gas	C$650	30/06/27	100.000	na	Canadian Imperial Bk Commerce
Rev Cred Fac	Baytex Energy	US$800	26/06/29	100.000	na	Scotiabank/Canadian Imperial Bk Commerce/The Royal Bank of Canada
Rev Cred Fac	Gibson Energy ULC	C$1,000	20/06/30	100.000	na	The Royal Bank of Canada/Bank of Montreal
Rev Cred Fac	Grit Oil & Gas II	US$400	20/06/28	100.000	na	Bank of Oklahoma
Rev Cred Fac	Black Swan Oil & Gas II	US$65	26/06/29	100.000	na	JPMorgan Chase Bank/Bank of Oklahoma
Rev Cred Fac	Ncp Csv Holdings	C$100	12/12/26	100.000	na	National Bank of Canada Fin'l/ATB Financial/Bank of Montreal/The Royal Bank of Canada
Sr Unsecurd Nts	Crescent Energy Finance	US$600	15/01/34	100.000	8.375	BofA/JP Morgan/Mizuho Secs/KKR CM/Wells Fargo Secs/Capital One Finl/CIBC World Markets/Fifth Third Secs/RBC CM/Truist Secs/Regions Bank/KeyBanc CM
Senior Notes	Pluspetrol	US$200	30/05/32	99.998	8.500	BofA/Citigroup Global Markets/JP Morgan/Santander US Capital Markets
Sr Unsecurd Nts	Delek Logistics Partners	US$700	30/07/33	100.000	7.375	MUFG Securities Americas/Wells Fargo Secs/Barclays Capital Group/Fifth Third Secs/Mizuho Securities USA Inc

Source: LSEG

The initiative will mark the first phase of a 10-year electrification framework and will bring C$1bn in foreign investment into Canada. The partnership intends to bring 1,000 electric buses to the roads and replace the city's existing diesel vehicles. It will initially support existing routes and ridership numbers of more than 40m passengers annually, with the first phase of the project's infrastructure expected to go live in early 2027.

Brampton will procure electric buses from Canadian suppliers, with planning and design, software, supply chain relationships and capital markets advice provided by Zenobe. London-based fleet electrification company Zenobe is backed by KKR and Infracapital.

In 2022 Canada Infrastructure Bank and Brampton reached financial close on a C$400m (US$293.4m) investment to enable the city to procure up to 450 zero-emission buses through to 2027.

PARTNER NAMED FOR BRIDGE TWINNING P3

Infrastructure Ontario and Ontario's Ministry of Transportation have selected **SKYWAY BRIDGING PARTNERS** as the development partner for the QEW Garden City Skyway bridge twinning project in Niagara, Ontario. The team is led by Flatiron Dragados Canada, Construction Demathieu & Bard and Green Infrastructure Partners, with Arcadis Professional Services and GHD performing design work.

The project involves construction of a 2.2km twin bridge to the north of the existing bridge, connecting St Catharines and Niagara-on-the-Lake. It has an estimated cost of C$1bn–$2bn. Skyway Bridging Partners has signed a development phase agreement with IO and MTO under a progressive design-build model. During the development phase the partners will work together to advance the design, risk, cost and schedule for the project. The development phase is expected to take approximately 19 months. When it is complete IO and MTO will have the option to enter a contract for the construction of the new bridge with Skyway Bridging Partners.

ONTARIO PLACE PROCUREMENT LAUNCHED

INFRASTRUCTURE ONTARIO has issued a request for qualifications on the public realm of the Ontario Place project and a request for proposals on the accompanying parking garage. The projects do not include P3 financing but are key to the success and advancement of the Ontario science centre which remains in procurement and will use a design, build, finance and maintain model. The science centre has an estimated cost of C$500m–$1bn (US$365.2m–$731.7m).

The Ontario Place redevelopment will include more than 50 acres of public trails, expanded green space, playgrounds, beaches, event spaces and an updated marina. Responses to the RFQ are due by August 27 and an RFP is expected in autumn.

The cost is estimated at C$200m–$499m, according to IO's June market update. It will be delivered under a construction management at risk model in which the construction manager provides pre-construction services as an adviser and takes on the role of the general contractor during construction, with a guaranteed maximum price.

The parking garage will have up to 3,500 places and is expected to cost less than C$400m. It will be done using a design-build model. Responses to the RFP are due by July 24.

The Ontario science centre will be built at Ontario Place and is being done under a separate procurement. In February, IO invited three teams to respond to a request for proposals.

They are: DiscoverON Partners, comprising Fengate Capital Management and Pomerleau Capital as leads with Cumulus Architects and Daoust Lestage Lizotte Stecker on design, Pomerlau as construction lead, Honeywell for facilities management, and National Bank as financial adviser; EllisDon Infrastructure, led by EllisDon Capital with Belvedere Architecture and BDP Quadrange Architects on design and units of EllisDon leading construction and facilities management and as financial adviser; and Ontario Science Partners, led by John Laing, Sacyr and Amico Major projects, with Hariri & D Pontarini, Snohetta Architecture and Landscape Architecture on design, Sacyr and Amico leading construction, Johnson Controls on facilities management and no financial adviser.

The project comprises 200,000ft² of new space and approximately 80,000ft² of renovations. The private partner will receive performance-based service payments over a 30-year term.

Major PF planned for transmission

CHILE Power

The **CONEXION ENERGIA** consortium behind the Kimal–Lo Aguirre HDVC transmission link is in the market looking for a long-term project finance deal backing the scheme, with close potentially coming this year. The sponsor group includes Transelec, ISA, and CSG. Overall project costs are expected to be US$1.48bn.

The team has submitted the final design to environmental regulator SEA for approvals. The consortium has already agreed US$480m in financing through three green loans backing the first phase of the project from major shareholders Transelec and ISA as well as through HSBC. Law firm Barros & Errazuriz and Santander also worked on the financing agreements.

The consortium submitted the best offer for the construction and operation of the Kimal–Lo Aguirre project, for annual remuneration of U$116.3m in 2021 dollars.

The 1,342km line will run from the Kimal substation in renewables-rich Antofagasta to Lo Aguirre in the Metropolitan region including the capital Santiago. It will be able to transport 3GW of renewable capacity.

The project alone will account for a 26% growth in renewables transmission from the north to the southern lode centres.

The project includes construction of two converter stations using Siemens technology, which will support the connection of renewable energy to the demand centres. The project will also include upgrading work at existing substations.

Nic Stone

CHILE

ZELESTRA FINANCES AURORA SOLAR

EQT-backed Spanish renewables developer **ZELESTRA** has closed a US$282m green project finance package backing the 220MW/1GWh Aurora solar and storage project in Tarapaca. Natixis and BNP Paribas were lenders to the deal, and BCI provided a VAT facility.

Sungrow will provide its PowerTitan 2.0 liquid-cooled battery energy storage system and MV power conversion unit for the 1GWh BESS portion. Zelestra's in-house EPC division is managing delivery of the project.

Zelestra signed a power purchase agreement earlier this year with local energy company Abastible for output from the under-construction scheme.

When complete, Aurora will generate approximately 600GWh of renewable electricity per year, equivalent to the annual consumption of 200,000 households.

Zelestra chief executive Leo Moreno said: "Aurora is a landmark transaction for Zelestra and reinforces the financial community's confidence.

"This is a very ambitious project that includes one the largest battery storage projects in Latin America. With construction already underway, we are now focused on delivering the project on time and on budget."

IDB BACKS DCS

The Inter-American Development Bank has approved a US$250m loan package that will part-finance expanding Chile's digital infrastructure.

The financing, with a 20-year repayment term, a 5.5-year grace period and pricing over SOFR, aims to improve competitiveness and encourage sustainable growth in a variety of sectors.

The funds will help the county's National Data Centers Plan, which aims to develop a digital transformation strategy at state level. The deal complements and builds on a US$100m financing in 2021 from the IDB that backed a similar policy.

The financing will also be used to benefit sustainability by working to increase recycling of industrial and construction waste and introduce policies to make the mining sector more circular.

HIGHWAY CONCESSION OPENS UP

Concession agency DGC has launched preliminary tenders for the potentially US$600m Ruta L-30-M highway concession in Maule. The DGC opened a US$2.8m tender for preliminary studies on the route, which will connect San Javier and Constitucion.

Works include widening of 83km and improving interconnectivity with other routes. A full tender is expected to emerge before the end of the current administration in March 2026. A similar tender in 2023 was declared void when no bids were submitted.

COLOMBIA

ENEL COLOMBIA SIGNS LOAN REFI

ENEL COLOMBIA has signed a Ps159bn (US$39.1m) non-recourse loan deal to prepay an existing financial obligation.

Itau BBA provided the financing, which will have a four-year term. The agreement includes standard default events for this type of financing, which could trigger the acceleration of the loan.

Enel Colombia is active in project finance and most recently signed a US$300m-equivalent peso term loan from the EIB and guaranteed by Italian export credit agency SACE.

Proceeds will fund its 486MW Guayepo I and II solar projects and expansion of its Bogota distribution business, which serves more than 3.7m customers. The local currency loan uses a synthetic product that neutralises the exchange rate risks.

ISAGEN SIGNS SACE-BACKED PROJECTS LOAN

Local renewables developer ISAGEN has signed a €140m loan backing the development of renewable energy projects across Colombia. BNP Paribas structured and provided the funds, which will be guaranteed by Italy's Sace.

The deal "aims to support Isagen's growth objectives and create new business opportunities for Italian companies in the country especially in hydroelectric, solar, and wind energy", according to Sace.

Isagen is Colombia's third-largest renewable power generation company and owns and operates a more than 3GW portfolio comprising 15 hydroelectric plants, 10 solar farms and two wind farms.

"This transaction with BNP Paribas CIB and SACE is a strategic step towards diversifying our funding sources, strengthening our financial resilience, and increasing our flexibility to navigate evolving economic conditions," said Arturo Mejía, CFO of Isagen.

MEGA ROAD PPP TENDER DUE

Colombia will publish the final bidding documents on July 14 for the Ps8trn (US$1.94bn) Estanquillo-Popayan highway public-private partnership, one of the largest PPPs in the country's history.

The 20-year concession includes 1.5-years for pre-construction and 4.5-years for construction. The works include 14 tunnels, 116 bridges, 12 pedestrian bridges and five intersections across the roughly 100km roadway.

The project was first launched last year, with the expectation documents would be available in H1. The highway connects Valle del Cauca, Cauca, Narino, and Putumayo with Ecuador.

The finance ministry recently came out in support of the scheme. A concession contract is expected to be signed by the end of the 2025.

ECUADOR

CELEC LAUNCHES TRANSMISSION CALL

State power company CELEC has launched a call for a company to deliver a US$79m package of transmission projects that will serve the provinces of El Oro, Esmeraldas, Guayas and Los Rios and support demand from the shrimp industry.

The projects include the expansion of the 138kV Esmeraldas substation, the 138/69kV Puerto Inca transmission system, the 230/138kV San Idelfonso substation, and the 230/69kV Palestina Colimes transmission system. Offers are due by August 28.

The works must be carried out in 750 days. Ecuador landed a loan from the Development Bank of Latin America and the Caribbean (CAF) to finance the works.

COX IN MAJOR RENEWABLES WIN

Spanish IPP COX ENERGIA will invest US$700m in Ecuador after it won new concessions for renewable energy infrastructure.

Cox will deliver eight solar photovoltaic projects with total capacity of more than 600MW in the provinces of Loja, Pichincha, and Chimborazo. The work also includes construction of a transmission line.

Work is expected to begin in 2025 with commercial operations coming across two phases between 2026 and 2027.

Ecuador's presidential spokesperson Carolina Jaramillo said when announcing the deal that the country expects US$1bn in foreign direct investment in renewable energies through 2026, following a recent US$400m deal with Power China.

The projects would be Cox's first in Ecuador which it recently identified as a potential place for expansion. The company is active in Mexico, Colombia, Chile, the Dominican Republic, and Chile.

MEXICO

FIEMEX FUNDS POWER PLANT M&A

FIDEICOMISO DE INVERSION EN ENERGIA MEXICO, Fiemex, has raised Ps4.5bn (US$237m) as part of the Mexican government's purchase

Riverstone closes solar refis

■ **MEXICO** Renewables

RIVERSTONE has closed a US$190m refinancing of the project debt backing four utility-scale solar projects across Mexico.

BBVA, MUFG, and SMBC provided loans and credit facilities for the refi, which were extended to each of the four projects' special purpose vehicles. White & Case advised lenders.

The credit facilities include a working capital facility and letters of credit to backstop the projects' debt service reserve accounts and to deliver performance security under the power purchase agreements, environmental permits and market participant agreements.

The solar projects include the 38MW Aguascalientes in Aguascalientes, the 106MW Andalucia in Coahuila, the 25MW San Ignacio in Yucatan and the 130MW Viborillas in Jalisco.

These transactions mark the first major international energy project refinancings to close in Mexico in several years.

"They represent landmarks in the renewed momentum of international investor appetite for the Mexican energy sector, following a prolonged period of market uncertainty and volatility," said White & Case partner Carlos Viana.

Each project is owned by a project-specific SPV controlled by a Mexican development trust certificates fund managed by Riverstone, and is contracted with CFE under long-term auction PPAs for the sale of electricity and clean energy certificates.

"With the enactment of secondary legislation in the electricity sector, the government's ambitious plans for power infrastructure and the maturation of numerous auction-based PPA financings, we expect to see a clear uptick in sector activity in Mexico," said White & Case partner Juan Ruenes, who co-led the firm's deal team. "These factors all point to a strong pipeline of similar transactions on the horizon."

Nic Stone

of an 8.6GW portfolio of power plants from Iberdrola for US$6.2bn.

Fiemex, owned by the government's Mexico Infrastructure Partners, sold 43.6m energy and infrastructure investment trust certificates (CBFE) at Ps103.20. Fiemex will trade on the Mexican stock exchange as a Fibra E, an investment vehicle that specialises in energy and infrastructure assets and benefits from a special tax regime.

"The primary purpose of the trust is to invest in shares and/or equity interests representing the capital stock of eligible companies," reads the company's official BMV statement. "The trust will initially invest in eligible companies, which own electric power generation projects that carry out activities in accordance with the terms of the Electricity Industry Law."

Some 64.59% of the CBFEs will be held by government-run Fonadin, with pension funds, or Afores, holding 33.67%. The remaining 1.63% will be disbursed to MIP if it meets certain milestones. Fiemex will retain ownership and operational and managerial control over the operating companies securing the senior debt backing the projects.

Fiemex's transformation into a Fibra E trust does not impact its credit quality, according to Fitch, which rates the entity BBB– with a stable outlook. "Fitch expects the Fibra E transformation to positively impact the project's financial profile," it said in its ratings report. "Once transformed, the opcos will not be subject to income tax payment, and their distributions to the trust will not be subject to income tax withholding."

The Mexican government's acquisition of the 13-project portfolio agreed in mid-2023 was initially financed through the issuance of certificados de capital de desarrollo for US$2.4bn also acquired largely by Fonadin and US$3.9bn in debt, including US$1.9bn from Barclays, BBVA, Santander and SMBC via a bridge loan.

The same banks led a bond issue to refinance the bridge loan, which was priced at 7.25%, 37.5bp inside of launch, at par. BNP Paribas and Scotiabank were passive bookrunners. Ratings were Baa3/BBB/BBB–. Demand was four times at US$6.16bn. Fiemex also sold a US$1.49bn 16.4-year 144A/Reg S bond backing the refinancing some of the original debt as a pathway to ownership.

"The Iberdrola transaction reflected a public policy goal to enable the government to control most of Mexico's total generation. Using the Fiemex transaction as a model and track record, the new scheme could attract new bigger and more complex investment projects by aligning participants' interests and sharing risks," said Moody's in a report.

The portfolio comprises 12 combined-cycle plants and a wind farm in Nuevo Leon, Oaxaca, Tamaulipas, Durango, San Luis Potosi, Baja California and Sinaloa, with a useful life that averages 24 years.

PASA SIGNS REFI

Environmental services group **PROMOTORA AMBIENTAL** has signed a Ps2.3bn (US$121m) syndicated credit facility refinancing syndicated loan debt from late 2021.

Scotiabank, Banorte, BBVA, Banamex, Sabadell, and HSBC were the banks on the deal. The loan has a seven-year term and a 24-month grace period on principal repayments. The loan saw 52% of the quantum price at a fixed rate and 48% at a variable rate.

PASA is an environmental services company operating in waste management, private collection, residential collection, landfill operation, and waste recovery services.

MEXICO PACIFIC HOPES TO UNLOCK LNG PF

MEXICO PACIFIC has approached the US Department of Energy for a seven-year extension to the deadline for beginning exports of natural gas from its US$15bn Saguaro Energia liquefied natural gas export scheme in Sonora. In a filing, the company reiterated a request for an increase in approved export volumes.

Mexico Pacific has been struggling to pin down financing for the project, with lenders and equity investors reticent to support the financing until the various requests at the DOE are approved, according to the filing. "Without such an extension, the Saguaro Energia unit is unlikely to reach FID," the company said.

Under current export licences, the deadline to begin LNG exports is December 2025. The company is looking to push that out to December 2032.

Mexico Pacific also said that rising construction costs have slowed negotiations with potential EPC contractors Bechtel and Techint. The group also called out the tumult cause by the change of government in the US this year.

"The presidential transition in the United States in January 2025 contributed to uncertainty about the evolution of US-Mexico trade relations," Mexico Pacific said. "The result has been hesitation on the part of industry participants to make substantial long-term capital commitments."

Earlier this year, private equity firm and former majority shareholder in Mexico Pacific, Quantum Capital, sold its stake in the company to Mexico Pacific Holdings.

Late last year, Mexico Pacific tapped MUFG, Santander, and JP Morgan to arrange a project finance deal backing Saguaro. The company was hoping to hit final investment decision on the 30m tonne per annum scheme in 2025, which would include having the PF deal in place.

The first phase Saguaro Energia I will include three 5mtpa trains, while Saguaro Energia II will add another three 5mtpa trains for a total of 30mtpa.

Mexico Pacific has signed 20-year sales and purchase agreements with South Korea's Posco for 0.7m tonnes of LNG per year, a 2.2mtpa 20-year agreement with ConocoPhillips, a 1.1mtpa 20-year agreement with Shell, a 1.3mtpa 20-year deal with Woodside, a 1.2mtpa 20-year deal with ExxonMobil, and a 1mtpa 20-year deal with Zhejiang Energy.

Saguaro Energia I will source gas from Waha via the 253km Saguaro Connector pipeline on the US side of the border, which will then be shipped along the 802km Sierra Madre pipeline on the Mexican side.

GRUPO MEXICO TO SELL HIGHWAYS TO TRUSTS

GRUPO MEXICO will sell part of its highway division for Ps7.7bn (US$406.4m) to two local investment trusts, FIBRAeMX and FEXI.

The sale includes an 81.3% stake in Concesionaria de Infraestructura del Bajio (Cibsa), the company through which it holds the concession for the Salamanca–Leon Highway, a 99% stake in the Operadora de Infraestructura del Bajio (Oibsa), and Concesionaria Autopista Silao (CAS), owner of the Silao bypass.

Grupo Mexico said in a statement that Cibsa will assume control of Oibsa before the deal closes and will retain 19% in the newly formed Cibsa, with the buyers subscribing to new shares in the entity.

FEXI will lead the deal as the buyer of a 51% stake in the remaining equity not kept by Grupo Mexico, while FIBRAeMX will own the other 49% of that remaining 81%.

FEXI debuted on the stock market in 2021 and has a portfolio of 500km of highways in operation, while FIBRAeMX debuted in 2023 and has a portfolio of 1,130km. The are traded like equities and hold infrastructure assets.

The FIBRAeMX trust will launch a Ps6.5bn (US$343m) follow-on issuance of investment certificates or CBFEs backing its purchase.

FIBRAeMX will issue about 218m Series A CBFEs in the second public offering, taking the total number of outstanding CBFEs to nearly 674m. The group raised Ps6.64bn in its March 2023 debut sale.

The proceeds will be used to pay the acquisition price and to subscribe to new capital in Cibsa. Funds will also cover transaction-related expenses and could be used to repay existing or interim financing.

Cibsa's main asset is the Salamanca–Leon toll road in Guanajuato, a 78.5km A4-grade highway with an additional 3.1km connector to Puerto Interior, currently under construction.

On April 8 2024, the Ministry of Infrastructure, Communications, and Transport (SICT) extended the group's concession for 30 years, bringing its total term to 60 years, ending in 2071.

The extension also approved a phased toll rate increase of 5%, 5.5%, and 6% real over three consecutive years starting at the beginning of this year, improving the project's financial outlook. The road includes three toll plazas with an additional plaza under construction for the Puerto Interior connector.

The deal is expected to close in H2 2025, subject to regulatory approval. Grupo Mexico will use the proceeds to invest in new projects, said Francisco Zinser, general director of the company's infrastructure division

OMA SELLS AIRPORT BONDS

Local airport operator **GRUPO AEROPORTUARIO DEL CENTRO NORTE**, known as OMA, has sold Ps2.75bn (US$145.6m) in bonds that will in part finance investments under its 2021–2025 Master Development Program.

BBVA, HSBC, and Santander underwrote and led the deal, which came across two series. The first Ps820m three-year note priced at the TIIE rate plus 45bp, with principal paid at maturity. The second Ps1.93bn seven-year note priced at a fixed rate of 9.34%. Ratings were AAA(mex) by Fitch and AAA.mx by Moody's. Settlement will be on June 27.

Proceeds from the issuances will also be used to prepay Ps600m in short-term loans provided by HSBC, Santander, and Scotiabank and for general corporate purposes, including working capital. That loan matured May 2025 and priced at the TIIE 28 plus 60bp.

OMA operates a series of 13 airports across the country, including in Monterrey which it is currently expanding.

PERU

LUZ DEL SUR BUYS ACCIONA WIND

Local energy company **LUZ DEL SUR** has agreed to buy **ACCIONA ENERGIA**'s 135.7MW San Juan de Marcona wind farm in the Ica region for up to US$253m at an implied multiple of US$1.86m/MW.

The project has been operating since the end of 2023 and the debt-free sale should close by year-end. The scheme uses Nordex turbines. When it was announced in April 2022, the cost was estimated at US$180m. Luz del Sur is owned by China Three Gorges.

ORYGEN'S WAYRA SOLAR INTO CONSTRUCTION

Actis-backed IPP **ORYGEN** will begin construction in July on its 94.2MW solar addition to the Wayra renewable energy complex in Nasca. Wayra Solar is slated to enter commercial operation in Q4 2026.

The US$71.8m Wayra Solar scheme will include 130,000 bifacial panels and will be built alongside the 210MW Wayra wind farm, making the site the largest hybrid renewables project in Peru.

The wind portion of Wayra was financed, when it was still owned by Enel, by the Inter-American Development Bank with an US$85m 15-year project finance loan and a US$188.5m deal from the EIB, via development branch EIB Global, covered by Italian export credit agency SACE.

Orygen was launched by Actis in June 2024 shortly after its purchase of Enel assets in the country went through. The company has a 2.2GW portfolio of renewables and thermal projects and a 12GW development pipeline across wind, solar, hydro and natural gas.

MEGA ROAD PPP AWARD DUE

Private investment promotion agency ProInversion will award in July the US$1.58bn Section 4 of the Longitudinal de la Sierra highway public-private partnership. An award was expected in 2024 but there have been delays for some of the approvals of the concession contract.

ProInversion, the Ministry of Transport and Communications, the Ministry of Economy and Finance, OSITRAN, and the Comptroller General of the Republic have now approved the contracts.

There are eight qualified bidders: Sacyr Concesiones; Concesionaria Vial del Centro, a consortium of Ecuador's Hidalgo e Hidalgo and local firm

CASA; Obrascon Huarte Lain; China Communications Construction Company; Consorcio Carretera de los Andes, which includes Panama's Grodco Inversions and Ingenieria Estrella from Dominican Republic; Peruvian firm Operadora SurPeru; and the R&R consortium featuring Argentine family-owned firms Broggio and Rovella Carranza.

The mandate involves design, financing, construction, operation and maintenance of 965.2km of the highway. Major works include the construction of the 5.2km San Clemente Bypass; repair and improvement of 179.3km of the Huancayo-Izcuchaca and Izcuchaca-Mayocc roads; and maintenance of 780.7km of the Mayocc-Ayacucho-Andahuaylas-Puente Sahuinto and Ayacucho-Huaytara-Pisco roads.

The works will benefit Junin, Huancavelica, Ica, Ayacucho and Apurimac. Longitudinal de la Sierra is a key highway in the country, with a Sacyr-led consortium recently landing a US$330m bond deal to part-finance Section 2.

HEVES HOSPITAL PPP AWARD DUE

An award is expected in July for the US$290m public-private partnership for the New Emergency Hospital at Villa El Salvador (HEVES). Six groups have prequalified for bidding, the most ever for a hospital PPP in Peru.

Bidders include Promotora y Desarrolladora Mexicana de Infraestructura, Concesionaria de Proyectos de Infraestructura Sucursal Peru, Ortiz Construcciones y Proyectos, IBT Health, Iberica de Mantenimiento and Equans Services Peru.

Private investment promotion agency ProInversion will run the auction before a 16-year concession is awarded. The hospital will benefit 780,000 people in the south of the capital Lima.

The bidders demonstrated experience in the Bata Gris services, which include the operation of general hospital services: security, cleaning, laundry and comprehensive surveillance, in addition to the maintenance and refurbishment of the building, facilities, electromechanical equipment, and provision and replacement of clinical and non-clinical equipment.

UNITED STATES

LATEST SENATE BILL STUNS RENEWABLES INDUSTRY

The latest Senate version of the Donald Trump administration's mega tax and spending bill "stunned the power industry" over the weekend, The Wall Street Journal reported, as it introduced a tax on wind and solar projects for which construction started after June 16.

The tax would apply to wind and solar projects completed after 2027 if they use a certain percentage of components from China. In addition, wind and solar projects would qualify for tax credits only if placed in service by the end of 2027. The earlier version of the bill allowed projects to qualify based on the start date of construction and many in the industry prepared by safe harbouring equipment for future developments.

The new tax would push up the costs of wind and solar projects by 10%–20% in addition to cost increases from losing the credits, Politico reported, citing research from Rhodium Group.

"Combined with the likely onerous administrative reporting burden this provision puts in place, these cost increases will lead to even lower wind and solar installations," Rhodium said.

Shares in Vestas closed down nearly 8% in Copenhagen on Monday as the Senate continued to debate the bill. Sydbank analyst Jacob Pedersen was quoted by Reuters as saying he expects "a very high proportion" of projects that have not been started before the law is passed or that have not finished by the end of 2027 "may have to be shelved".

"I think the sector as a whole has never faced this kind of an ambush when it comes to policy uncertainty," said Sandhya Ganapathy, chief executive of EDP Renewables North America, the WSJ reported.

Ray Long, CEO of the American Council on Renewable Energy, also spoke out against the changes. "To be clear, the Senate language effectively takes both wind and solar electric supply off the table, at a time when there is US$300bn of investments underway, and this generation is among the only source of electricity that will help to reduce costs and keep the lights on through the early 2030s," Long said. "Along with battery storage and natural gas, wind and solar are the only sources of electricity that can be built in time to meet our increasing thirst for more electricity. Taking these off the table not only increases costs and ensures supply shortages, it also ensures thousands of layoffs and factory closures."

A final vote on the 940-page bill was pending as PFI went to press, in line with Trump's goal of signing it by July 4.

ALISON HEALEY alison.healey@lseg.com

ARDIAN PRICES TLB

Investment firm ARDIAN has priced its US$440m first-lien term loan to support its full takeover of the 620MW Hill Top combined-cycle gas turbine in western Pennsylvania. Expected facility ratings are Ba3/BB–.

Pricing settled at 325bp over SOFR with an original issue discount of 99.75 cents on the dollar, revised from guidance of 325bp–350bp over SOFR with a 99 OID.

The loan was also upsized to US$440m from a launch size of US$400m. The seven-year term loan comes with 101 soft call protection for six months and a 0% floor. Santander is lead-left arranger.

Ardian acquired a 41.9% stake in the power plant in July 2019 from funds managed by the infrastructure and power strategy of Ares Management. Menora Mivtachim Insurance was the other partner in the deal. With the latest transaction with the same sellers, Ardian has secured full ownership and operational control.

Hill Top sells energy to the PJM market and has been operating since July 2021. The acquisition is the first energy investment for Ardian Americas Infrastructure Fund V and aligns with the fund's focus on investing in infrastructure assets in energy, digital and transport sectors.

CORNERSTONE ALLOCATES TLB ADD-ON

Energy Capital Partners, through its project financing vehicle CORNERSTONE GENERATION, has allocated its US$100m fungible incremental first-lien term loan B partially funding its purchase of a three-project natural gas-fired power portfolio from ArcLight Capital Partners- and Blackstone-owned Lightstone Holdco. The deal takes the upsized TLB to US$1.4bn from US$1.3bn.

To fund the acquisition, ECP initially contemplated raising US$1.425bn composed of a US$1.3bn senior secured first-lien term loan B and a US$125m senior secured revolving credit facility. The US$1.4bn TLB will allow for a reduction in the equity check, while the RCF remains. The deal features a 50% cashflow sweep mechanism.

Pricing on the incremental is 325bp over SOFR with a 0% floor, same as the existing facility. The seven-year loan sold at par, after being guided with an original issue discount of 99.75-par. It comes with a ticking fee of 100% of the margin payable upon the closing of the acquisition. The fee begins accruing at 100% of the spread upon allocation. Soft call protection is 101 for six months. Jefferies is the lead-left arranger. Barclays, BMO, Morgan Stanley, and Santander are also arrangers. Facility ratings are Ba2/BB–.

Pricing on the TLB agreed in October 2024 came in at 325bp over SOFR, from 350bp–375bp over SOFR at launch, with a 0% floor. The original issue discount was guided at 99.5 cents on the dollar. The seven-year term loan came with 101 soft call protection for six months. It came with ticking fees of 50% of the margin from days 76–150, and 100% of the margin beginning on day 151. Jefferies is the lead-left arranger. Barclays, BMO, Morgan Stanley, and Santander are also arrangers.

"Investor sentiment regarding the current and perceived future strength of energy markets drove the facilities to price 50bps better than expected," S&P said in its updates report on the debt, which it affirmed at BB– and Moody's affirmed at Ba2.

"Additionally, macroeconomic conditions and expectations have shifted since the time of the initial transaction, culminating in an upward shift in the SOFR curve, which more than offsets the impact of the better pricing," S&P added, expecting US$925m of debt outstanding at maturity.

"The increase in capacity revenues and cashflows during the TLB term helps to offset the increase in debt service and supports deleveraging."

The Cornerstone portfolio includes three assets with a total capacity of about 2.6GW; the 1.2GW Lawrenceburg CCGT in Lawrenceburg, Indiana; the 905MW Waterford CCGT in Waterford, Ohio; and the 472MW Darby simple cycle peaking facility in Mount Sterling, Ohio.

All assets are in the RTO region of PJM and sell power largely on a merchant basis into the American Electric Power Dayton Hub. Cornerstone has hedges and bilateral capacity sales in place as well, which will ultimately be owned by ECP.

The PJM capacity price floor of US$175/MW-day and cap of US$325/MW-day for the next two uncleared delivery years emerged since the time of the original transaction, which is expected to decrease downside exposure and add cashflow visibility.

Creditors have typical asset sale protections if Lawrenceburg or Waterford were to be sold since 100% of the net cash proceeds must be used to reduce CSG's debt. However, should the 472MW Darby plant be sold, a US$100m mandatory debt repayment is required.

New nuke for NY

UNITED STATES Power

Governor Kathy Hochul has instructed the New York Power Authority to add at least 1GW of nuclear energy to its ageing fleet, instructing the state's public utility to find a site in upstate New York and determine the project's design. It would be the first major new US nuclear project undertaken in more than 15 years.

NYPA, in coordination with the Department of Public Service, will seek to develop at least one new nuclear energy facility either alone or in partnership with private entities, to support the state's electric grid, the governor's office said in a statement.

"NYPA will immediately begin evaluation of technologies, business models, and locations for this first nuclear power plant and will secure the key partnerships needed for the project," the statement reads.

That process will include site and technology feasibility assessments as well as consideration of financing options, in coordination with the forthcoming studies included in the master plan for Responsible Advanced Nuclear Development in New York, led by the New York State Energy Research and Development Authority and DPS.

Candidate locations will be assessed for suitability based on public safety, strength of community support, compatibility with existing infrastructure, as well as skilled labour and land availability.

This initiative also builds on the state's ongoing financial support to Constellation to pursue an early site permitting process for a new project at its Nine Mile Point Clean Energy Center and will allow for future collaboration with other states and Ontario, building on regional momentum to strengthen nuclear supply chains.

President Donald Trump in May signed an executive order aiming to speed up the development of nuclear power plants to meet booming demand. During governor Hochul's 2025 State of the State she also spoke about catalysing nuclear energy development in the state.

"As New York State electrifies its economy, deactivates ageing fossil fuel power generation and continues to attract large manufacturers … we must embrace an energy policy of abundance that centres on energy independence and supply chain security to ensure New York controls its energy future," governor Hochul said.

Independent Power Producers of New York president and CEO Gavin Donohue said in a statement: "A competitive solicitation process for independent power producers to advance this project ensures transparency and innovation, delivering a reliable and affordable electric grid for all New Yorkers."

Nic Stone

ADAPTURE SIGNS META FOR ERCOT SOLAR

California-based solar and storage developer ADAPTURE RENEWABLES has entered into two environmental attributes purchase agreements with Meta. The agreements total 360MW across two solar projects in ERCOT that are expected to reach commercial operations in 2027.

The agreements build on three previously executed EAPAs between the parties in 2023 and bring the total capacity to nearly 700MW across three states. The previous deal covered 330MW of renewable energy from three solar projects under development in Illinois and Arkansas. The projects are in federally designated energy communities where a coal facility has been closed, making them eligible for a bonus tax credit under the Inflation Reduction Act. Adapture acquired the projects in the MISO region from TED Renewables. They have expected commercial operation dates in 2025 and 2026.

CLEARWAY UPSIZES CREDIT FACILITY

CLEARWAY ENERGY GROUP has upsized its US$818.9m credit facility by US$100m to US$918.9m and extended the tenor.

The corporate credit facilities consist of a US$400m revolving credit facility, a US$350m letter of credit facility, and a US$168.9m term loan. The financing was led by Natixis and included 13 additional lenders, five of which are new to the transaction. Joint lead arrangers joining Natixis on the initial transaction were Santander, BNP Paribas, CIBC, Desjardins, Keybank, MUFG, National Australia Bank, SMBC, Toronto-Dominion and Truist.

Kirkland and Ellis acted as counsel to Clearway and Steptoe acted as counsel to the lenders. The credit facilities will support the development of Clearway's renewable energy generation and battery storage project development pipeline. The company has more than 5GW of wind, solar, and battery storage projects in its operating portfolio and a development pipeline of more than 16GW.

CYPRESS CREEK SOLAR SECURES APPROVAL

Washington regulators have voted to approve the site certification agreement for CYPRESS CREEK RENEWABLES' 160MW Carriger solar project and recommend it to Governor Bob Ferguson for final consideration.

Carriger Solar will support the state of Washington in achieving its transition to 100% clean energy under the Clean Energy Transition Act. It is expected to be online by 2027.

Dimension finances community solar

UNITED STATES Renewables

Atlanta-based community solar developer DIMENSION ENERGY has closed on US$360m in construction and term financing to support a 112MW portfolio of 28 community solar projects in New Jersey, Illinois, Delaware, Virginia, Maine and Pennsylvania.

First Citizens Bank was lead debt syndicator alongside ING, MUFG, National Bank of Canada, Siemens, Cadence and Comerica. Advantage Capital provided US$170m in tax equity. New York-based energy transition-focused investment bank CRC-IB was financial adviser to Dimension.

The deal is Dimension's third financing this year and its largest to date following a US$300m transactions with Nuveen and Deutsche Bank and the sale of US$128m in tax credits to a Fortune 500 buyer. In December, Dimension closed on a US$284m construction and tax equity bridge loan and a structured equity investment from HASI in a new project joint venture. First Citizens Bank was lead arranger on the debt alongside ING, National Bank of Canada, Comerica, Cadence, Denham and Siemens.

Alison Healey

Earlier this year, Cypress Creek closed on US$150m in financing and started construction on its 104MW Ostrea solar project in Yakima County, Washington, its first solar project in the state. MUFG Bank was coordinating lead arranger for the construction financing alongside BNP Paribas, DNB Bank and Santander. US Bank is serving as tax equity investor. Construction started in February and the project is expected to reach commercial operation by mid-2026.

ENFINITY GLOBAL EXPANDS CREDIT FACILITY

ICG-backed independent power producer ENFINITY GLOBAL has expanded its structured credit facility to US$245m from US$97m. The asset-based credit facility was led by Nomura with participation from institutional investors including Copenhagen Infrastructure Partners through its Green Credit Fund, Generate Capital, HSBC Asset Management, and Versus Capital Infrastructure Income Fund.

The original deal was closed in July 2024 with an upsizing option up to US$400m. This latest transaction is part of a broader financing strategy to secure long-term capital for the development, construction, and operation of Enfinity's 22GW utility-scale solar and energy storage portfolio across the country. Proceeds will be used to finance Enfinity's development and ready-to-build projects in the US, covering both construction equity and pre-notice to proceed capital needs, such as equipment procurement, letter of credit support, and final-stage development funding.

McDermott Will & Emery served as legal counsel to Enfinity on the transaction. Norton Rose Fulbright supported lenders.

INTERSECT CLOSES MEGA SOLAR/BESS LOAN

IP Quantum Investco, a unit of INTERSECT POWER, has closed on US$1.9bn in financing to back two 320MW solar projects and two co-located 640MW, two-hour battery energy storage facilities in Haskell County, Texas.

The financing comprises a US$757.5m bridge loan due December 2026, a US$643.1m term loan due December 2029, US$313.8m bridge loan due December 2026, and a US$208.8m standby letter of credit due December 2029. Deutsche Bank was administrative agent with arrangers Santander, MUFG, NordLB, SMBC, CIBC, HSBC, ING, Rabobank, Cobank, Credit Agricole, Federation des Caisses Desjardins du Quebec, Keybank, National Bank of Canada, Natixis, PNC Bank, RBC, Societe Generale, Standard Chartered and Truist.

The project has a 15-year virtual power purchase agreement with Google. Milbank was legal adviser to the banks and Orrick Herrington & Sutcliffe was legal adviser to the project.

INVENERGY SIGNS META FOR SOLAR AND WIND

INVENERGY has signed clean energy agreements with META PLATFORMS for 791MW of solar and wind power.

The contracts cover the 300MW Yellow Wood solar project in Ohio, expected to come online in 2027; the 140MW Pleasant Prairie solar project in Ohio, expected online in 2027; the 155MW Decoy solar project in Arizona, expected online in 2027; and the 196MW Seaway wind project in Texas, expected online in 2028.

The agreements will provide near-term energy to support Meta's operations, data centre growth and clean energy goals. Last year, Meta signed for 1GW of clean energy from Invenergy. The projects bring the companies' partnership to nearly 1.8GW, including more than 740MW of new energy generation in Ohio. Power will be delivered to the local grid and Meta will receive clean energy credits associated with the new capacity.

SASOL SIGNS AKUO SOLAR VPPA

SASOL INTERNATIONAL CHEMICALS has signed a virtual power purchase agreement with French renewables IPP AKUO for 91MW from Akuo's Tennyson solar farm in Coke County, Texas.

The power produced under the VPPA is approximately 50% of the annual electricity consumption at Sasol's Lake Charles chemicals complex in Louisiana. The VPPA will take effect in the second half of 2026 and extend for 15 years.

Akuo operates two wind farms in Coke County and the 195MW Tennyson project will be its first solar plant in the US.

DESRI SIGNS CALI PPA

IPP DE SHAW RENEWABLE INVESTMENTS has signed a power purchase agreement with Sacramento Municipal Utility District for output from its 160MW/640MWh Dry Creek battery energy storage system in Sacramento County, California. DESRI and SMUD have worked on the project over several years, according to a statement.

The BESS will use transmission infrastructure at Rancho Seco, a decommissioned nuclear power station owned by SMUD. The facility, planned to go online in September 2027, will store power generated by renewable energy schemes in the area.

CLEANCAPITAL BUYS ASSETS AND UPSIZES LOAN

IPP and clean energy investor CLEANCAPITAL has acquired a portfolio of distributed solar generation assets from Pacifico Energy totalling more than 27MW of solar capacity and 25MWh of battery storage.

There are two solar and energy storage assets in Massachusetts and four behind-the-meter solar and storage assets in California. The energy is supplied to local subscribers through the Massachusetts SMART programme and power purchase agreements with municipalities, universities, schools and hospitals, as well as commercial and industrial offtakers. Marathon Capital was adviser to Pacifico Energy.

Earlier in June, CleanCapital expanded its warehouse credit facility with Rabobank by US$81m to accelerate deployment of commercial and industrial solar and storage projects across the US. The upsizing was supported by Energetic Capital's EneRate credit cover policy. The credit insurance enhancement broadens CleanCapital's eligible customer universe and provides more flexibility for term financing.

In May 2022, CleanCapital closed on a credit facility of up to US$200m to support its pipeline of distributed solar and energy storage projects. Rabobank served as mandated lead arranger, administrative agent and collateral agent for the facility, which is structured with an accordion and will grow over time to accommodate CleanCapital's expanding portfolio of operating solar. The initial anchor portfolio comprised 35 solar assets across 11 states, with a total capacity of 29MW.

CleanCapital was recently selected by the New York State Energy Research & Development Authority to build a 12MW solar project on an underutilised mining site in Adirondack Park. Last year, Manulife Investment Management and its co-investors increased their equity investment in CleanCapital with a new tranche of funding totalling US$145m. The funding accelerated CleanCapital's investment in early-stage development, both through its in-house team and developer partnerships. The company has committed more than US$1bn to new build and operating solar and energy storage assets since Manulife's initial investment in 2021.

NJ ENERGY STORAGE PLAN APPROVED

The New Jersey Board of Public Utilities has approved phase 1 of the Garden State energy storage programme, an initiative to significantly expand the amount of grid-scale energy storage capacity in New Jersey.

GSESP is a multi-phase programme designed to deploy 2GW energy storage by 2030, a mandate established by the Clean Energy Act of 2018. The first solicitation aims to award 350MW–750MW of contracts. The pre-qualification process started on June 25 and the final bid submission deadline is August 20 2025. NJBPU plans to issue awards for tranche 1 by October 31 2025. A second solicitation will be prepared for the first half of 2026 to secure the remaining capacity needed to reach the 1GW target for Phase 1.

Phase 2 will focus on distributed energy storage and is expected to launch in 2026. It will focus on incentives for smaller energy storage systems connected to local distribution grids, including front of the meter and behind-the-meter projects. Incentives will be both fixed and performance-based. A possible phase 3 could introduce a performance-based incentive for transmission-scale systems.

VITIS SECURES BESS LOAN AND TAX EQUITY

Florida-based renewables and thermal developer VITIS ENERGY has closed on loan and tax equity financing for the 200MW Apache Hill two-hour duration battery energy storage system in Hood County, Texas.

Societe Generale was coordinating lead arranger on a US$155m green loan and Greenprint Capital provided the tax equity investment. MasTec Renewables is the engineering, procurement and construction contractor, and Sungrow will supply the battery system.

Apache Hill is scheduled to start operations in July 2026 and will enhance the stability of the ERCOT grid. It will provide rapid-response energy storage, will help mitigate peak demand impact and integrate renewable energy sources.

AGILITAS BUYS HYDRO PROJECTS

Distributed solar and storage developer AGILITAS ENERGY has acquired two late-stage hydropower development projects from Advanced Hydro Solutions. They are the 30MW Tygart project in Grafton, West Virginia, and the 14MW Jennings Randolph project in Garrett County, Maryland.

The deal marks the acquisition of Agilitas' first hydro assets and its entry into both states. The projects will provide power to PJM when they become operational in late 2028.

In 2024, Agilitas closed on US$100m in debt financing via Nomura Securities and Nomura Corporate Funding Americas to fund its growth and national expansion. The deal may be upsized to US$200m when certain projects are completed. The company designated proceeds to construct its project pipeline while continuing to acquire and develop solar, standalone storage and hybrid projects that will be owned and operated by a joint venture of Agilitas Energy and alternative investment manager AB CarVal.

Agilitas also has a development partnership with Oak Square Partners, a renewable energy developer specialising in New England solar and battery storage.

BUDDERFLY CLOSES US$100M DEBT FINANCING

Connecticut-based energy as a service company BUDDERFLY has secured an additional US$100m in debt financing from Nuveen Energy Infrastructure Credit to accelerate the deployment of its offerings for energy-intensive buildings across the US. The facility brings Budderfly's total capital raised to more than US$1bn.

Budderfly will use the financing for projects at a wide range of commercial properties, converting aging infrastructure into higher-performing, cost-saving assets. The company's behind-the-meter approach integrates advanced HVACs, LED lighting, smart controls, and water-saving technologies at no upfront cost through 10 to 15-year service agreements.

In 2024, Budderfly closed on a US$400m senior debt facility originated by Vantage Infrastructure and co-led by the energy infrastructure credit team at Nuveen. Vantage and Nuveen each committed US$200m to Budderfly at the close, along with an option that provides Budderfly with access to an additional US$200m in financing.

ORMAT BUYS BLUE MOUNTAIN GEOTHERMAL

ORMAT has closed its purchase of the operational 20MW Blue Mountain geothermal power plant in Humboldt County, California from Cyrq Energy for US$88m. The purchase is funded by bank debt.

The facility was built using Ormat technology. It has an existing 51MW interconnection capacity and power purchase agreement with NV Energy that expires at the end of 2029.

Ormat plans to upgrade the project to increase its capacity by 3.5MW and will add a 13MW solar facility at the site, subject to permit and PPA approval.

MITSUI GETS BLUE POINT AMMONIA DEBT

MITSUI & CO signed a US$1.04bn loan on Monday for a low-carbon ammonia project in the US, reports LPC.

JBIC is funding US$626m, while SMBC is providing the remainder, the Japanese export credit agency said in a statement on Tuesday.

Funds are to back its investment in Blue Point, the US joint venture owned by CF Industries, 40%, JERA, 35% and Mitsui, 25%.

Blue Point will develop low-carbon ammonia facilities in Louisiana, which will cost about US$4bn and is expected to begin commercial production in 2029.

In June 2024, Mitsui raised a US$27m loan for its ammonia business in the UAE. JBIC funded US$12m, while SMBC provided the remainder.

INFINIUM GETS ROADRUNNER PF

E-fuels company INFINIUM has signed a project finance deal with HSBC backing the

NextNRG partners with Hudson on finance

UNITED STATES Renewables

AI-backed renewable energy provider **NEXTNRG** has partnered with investment firm **HUDSON SUSTAINABLE GROUP** to jointly develop, finance, and deploy a national portfolio of energy assets including utility-scale solar, battery storage, microgrids, wireless EV charging infrastructure, and NextNRG's utility operating system.

Under a master framework agreement, Hudson will receive priority consideration to fund certain projects in NextNRG's pipeline. The collaboration provides NextNRG with access to Hudson-led development opportunities in sectors such as fleet electrification, data centre power, and municipal energy resiliency. Execution of individual project financing transactions and terms will be subject to final due diligence, mutual agreement, and completion of final documentation.

The first projects are close to Jacksonville, Florida and the partnership will be primarily focused on projects in the southeastern US and Texas.

Hudson has mobilised and deployed more than US$13bn in capital across renewable power, energy efficiency, and clean transport infrastructure. The firm is led by chief executive officer Neil Auerbach, a former Goldman Sachs partner, and has provided financing for Recurrent Energy, Sunlight Financial, Powermat and Landis + Gyr.

Alison Healey

Project Roadrunner sustainable aviation fuel scheme in Reeves County, Texas.

HSBC was financial partner on the deal as sole lead arranger, LC issuing bank, collateral agent and sole lender. Further details have not been disclosed.

The project, which includes equity investors Brookfield Asset Management and Breakthrough Energy Catalyst, will produce 23,000 tonnes of SAF per year and other e-fuels and will be the largest e-fuel production facility in the world once online in 2027. Construction is underway.

Last September, Brookfield committed up to US$1.1bn in Infinium. Around US$200m will go towards Roadrunner and up to US$850m will be used to deploy Infinium projects globally.

Breakthrough provided US$75m for Roadrunner. Mitsubishi and JOGMEC invested in Infinium via a Series C round of financing earlier this year. The company's first commercial-scale project is the Pathfinder scheme in Corpus Christi, Texas.

Offtakers include American Airlines, IAG, which owns British Airways, Aer Lingus and other international airline operators.

Roadrunner will produce e-naphtha, which can be used in plastics manufacturing, and e-diesel. Infinium is progressing a number of offtake contracts for the remainder of the plant's capacity that it expects to announce in due course.

Infinium selected leading electrolyser manufacturer Electric Hydrogen to supply its complete 100MW HYPRPlant solution for the project, which will be integrated on site for green hydrogen production.

This large-scale system will not only produce hydrogen for the eSAF facility but will also have capacity to support future hydrogen offtake opportunities.

Roadrunner has secured 150MW of wind capacity from NextEra Energy Resources through a long-term power purchase agreement.

OPAL FUELS SELLS TAX CREDITS

New York-based **OPAL FUELS** has closed the sale of US$16.7m in investment tax credits generated by its Prince William renewable natural gas facility in Prince William County, Virginia.

This is the company's third sale of tax credits made available by the Inflation Reduction Act. OPAL captures and converts biogas into low-carbon RNG and renewable electricity. The company also markets and distributes RNG to heavy-duty trucking and other hard-to-decarbonise industrial sectors.

RYAM AND VERSO IN E-SAF MOU

RAYONIER ADVANCED MATERIALS and **VERSO ENERGY** have signed a memorandum of understanding to evaluate the development of an electro sustainable aviation fuel (e-SAF) facility in Jessup, Georgia.

The MoU builds on an agreement in December, broadening the scope of cooperation between the two companies by adding feasibility studies to the agreement. It focuses on a carbon capture and storage project at the site, a renewable hydrogen production unit and an e-fuels unit that will convert the CO_2 and H_2 into e-SAF.

The MoU includes the formation of a joint steering committee, outlines an exclusivity period for project evaluation and anticipates the negotiation of definitive agreements.

RYAM manufactures cellulose, pulp and biofuels, among other activities, and has a major operation at the Jessup site.

Verso Energy is a French company that develops, builds and operates sustainable projects such as green hydrogen and sustainable fuel production plants.

AREVON SECURES EXPANDABLE CREDIT

AREVON ENERGY has closed on a US$600m credit facility with the option to increase it to US$850m to support its US solar and battery portfolio.

The facility comprises a US$350m revolving loan and letter of credit facility and a US$250m project letter of credit. It will provide flexible capital for working capital including acquisitions, project development and performance support. obligations.

The green loan financing was led by Wells Fargo as administrative agent with joint lead arrangers CIBC and Credit Agricole, JP Morgan, Bank of America, Barclays, BNP Paribas, Commonwealth Bank of Australia, Natixis, National Bank of Canada and Societe Generale.

Participant lenders were MUFG, RBC, TD and Truist. Latham & Watkins was Arevon's counsel and Morgan Lewis was lenders' counsel.

SEG SOLAR CLOSES TAX CREDIT TRANSFER

Solar module manufacturer **SEG SOLAR** has closed its first sale of Section 45X advanced manufacturing production tax credits with a total value of up to US$50m.

The tax credits originate from SEG Solar's 2025 module production at its facility in Houston, Texas. An undisclosed US public company will pay SEG US$0.94 per US$1 of tax credit across four instalments tied to production output and sales of solar modules.

SEG Solar chief executive Jim Wood said the transaction provides "significant cashflow", strengthens its financial position and enables the acceleration of its investment in US manufacturing. The company has invested more than US$60m in its Texas facility and has achieved an annual production capacity of 2GW through two automated production lines.

The transaction was facilitated by Moss Adams.

MICHIGAN OAKLAND UNI SEEKS DATA CENTRE P3

Michigan's Oakland University has issued a request for proposals seeking a private partner to design, build, finance, operate, and maintain a data centre on its Rochester campus.

The project will be built on a five-acre parking lot site which is adjacent to an existing electrical substation operated by DTE Energy. Initial assessments of the site and substation indicated up to 26MW of available electrical capacity to support the project and adjacency to municipal water lines and existing fibre networks operated by multiple private entities.

The university envisions the project as a colocation edge data centre in the sub-30MW range serving a mix of tenants, with management and leasing to be handled by the project team, according to the RFP. Oakland is interested in exploring its role within the project including financial participation, incorporating space for its academic programmes, and co-locating some or all of its high-performance computing needs, but it does not expect to be the sole or primary tenant.

Responses to the RFP are due July 29.

TAKANOCK LANDS US$500m

Michigan-based data centre infrastructure provider TAKANOCK has secured new capital commitments totalling US$500m from ArcLight and DigitalBridge.

Takanock was formed in 2023 to address power shortages limiting data centre development. The company is led by Kenneth Davies, founder of Google Energy and later head of Microsoft's global renewable strategy.

Takanock provides flexible on-site power for data centres until completion of a substation and obtaining a wholesale grid resource. The company's services can eliminate the need for local utilities to build offsite generation. Since the beginning of 2024, Takanock has assembled a portfolio of sites across the US. It is in the process of executing digital power deployment under long-term contracts at late-stage projects in Northern Virginia and Phoenix.

Houlihan Lokey was financial adviser to Takanock.

VULTR CLOSES ON LOANS FOR EXPANSION

Florida-based cloud infrastructure platform VULTR has closed a US$255m loan with a US$35m uncommitted accordion led by JP Morgan, Bank of America and Wells Fargo, with participation from Citigroup, Goldman Sachs and KeyBank. Vultr has secured US$74m in capital expenditure financing led and syndicated by Bank of America for a total US$329m financing.

Vultr plans to use the additional capital to expand its footprint of artificial intelligence and cloud computing infrastructure. The company has 32 cloud data centre regions across six continents. It was founded in 2014 by David Aninowsky and self-funded for over a decade prior to raising its first equity financing in December led by LuminArx Capital Management and AMD Ventures.

WASHINGTON COUNTY APPROVES MICROSOFT PPA

The Chelan County Public Utility District in Washington has approved a contract for up to 288MW of power with MICROSOFT, according to the region's NewsRadio 560. The contract will extend for 15 years with an option to extend for additional five-year periods until one party opts out.

Microsoft will use the power for its Malaga data centre site. The company paid US$86.5m upfront to build the Jumpoff Ridge substation and other improvements needed to serve the data centre.

Microsoft plans to begin commissioning the data centre in August. Chelan PUD negotiated a short-term contract for up to 18MW of surplus hydropower at market-based pricing through December. From 2026 to 2040, the power source has not yet been determined.

WHITEFIBER FINANCES DATA CENTRES

Data centre developer WHITEFIBER has entered into a definitive credit agreement with the RBC for up to C$60m (US$43.7m). The company, a unit of Bit Digital, will use proceeds to finance its data centre portfolio.

The credit agreement between RBC and Enovum Data Centers Corp and its Montreal II project as borrowers and guarantors, is non-recourse to WhiteFiber or Bit Digital. It encompasses a real estate term loan, equipment financing, and a revolving facility. The facilities are priced at 250bp over the Canadian benchmark and extend for a three-year tenor.

Earlier in June, WhiteFiber completed the acquisition of a 96-acre, more than 1m square foot industrial property in Madison, North Carolina with plans to retrofit the facility into a flagship AI data centre campus. The company entered into a capacity agreement with Duke Energy for 99MW, of which 24MW are expected to be delivered by September 1 2025. The company expects to bring the first phase of the project online by year-end. The utility's preliminary feasibility study supports capacity up to 200MW over time.

CHENIERE PRICES BOND AND REACHES FID

CHENIERE ENERGY PARTNERS has priced a US$1bn offering of 10-year bonds at 128bp over Treasuries, inside price talk of 160bp, for a yield of 5.58%.

Proceeds of the Rule 144A offering will pay down bonds due in 2026 on Cheniere's Sabine Pass LNG project in Texas. Lead arrangers are Morgan Stanley, RBC, CIBC, HSBC, Santander and Wells Fargo. S&P rates the offering BBB and Moody's Baa2.

Cheniere also reached a final investment decision on its Corpus Christi midscale Trains 8 and 9 and issued a full notice to proceed to Bechtel under a US$2.9bn EPC contract. No additional debt was raised aside from the US$3bn term loan at Corpus Christ Holdings. Cheniere is developing further brownfield liquefaction capacity expansions at the Corpus Christi and Sabine Pass terminals. The company expects the expansions to be executed in a phased approach, starting with initial single-train expansions at each site that would expand Cheniere's LNG platform to up to approximately 75m tonnes per year by the early 2030s.

Additional brownfield expansion could bring the company to more than 100m tonnes per year capacity in the longer term, according to a corporate presentation.

CHEVRON EXPANDS LAKE CHARLES OFFTAKE

CHEVRON has signed an incremental sale and purchase agreement for 1m tonnes of LNG per year from ENERGY TRANSFER's Lake Charles LNG project in Louisiana, bringing its total contracted volume to 3m tonnes per year.

Chevron's SPAs are for 20 years. As with the first SPA, the LNG will be supplied to Chevron on a free-on-board basis and the price will comprise a fixed liquefaction charge and a gas supply component indexed to the Henry Hub benchmark. The contracts are subject to a final investment decision being made on Lake Charles. Other recent agreements on the project include an SPA with Kyushu Electric for 1m tonnes per year and the signing of heads of agreement with MidOcean Energy for approximately 5m tonnes per year.

MidOcean will commit to fund 30% of the construction costs and be entitled to receive 30% of the LNG. MidOcean Energy will also have the option to arrange for gas supply for its share of LNG production and will commit to long-term gas transport on Energy Transfer pipelines. Earlier in June, Energy Transfer president Tom Mason said

MidOcean's decision to be a partner on the project would "provide a significant catalyst towards reaching positive FID".

The Lake Charles LNG project will be built on a brownfield regasification site and have four LNG storage tanks, two deep water berths and other LNG infrastructure. It also has a direct connection to Energy Transfer's Trunkline pipeline system that provides access to intrastate and interstate pipelines and natural gas producing basins, including the Haynesville, Permian and Marcellus Shale.

PLAQUEMINES LNG BOND PRICED

VENTURE GLOBAL has priced a US$4bn, two-part 144A bond offering for Plaquemines LNG, proceeds of which will partially pay down the Louisiana export project's US$10.2bn loan. The offering was upsized from a planned US$2.5bn.

A US$2bn, 8.5-year tranche priced at 6.5%, the tight end of price talk in the range of 6.5%–6.625%. A US$2bn, 10.5-year tranche priced at 6.75%, the tight end of price talk in the range of 6.75%–6.875%. The offering is rated Ba2/BB+/BB.

Bookrunning managers are RBC, Deutsche Bank, Truist and Wells Fargo. Joint bookrunners are Loop Capital Markets, Mizuho, ING, JP Morgan, Bank of America, Scotiabank, SMBC Nikko, Goldman Sachs, MUFG, Santander, BBVA, ICBC and Natixis. Co-managers are Regions Bank, R Seelaus, Academy Securities and DZ Financial Markets.

The sponsor raised US$2.5bn in high-yield bonds in an April 144A offering for Plaquemines that was upsized from US$1.5bn. Final yields were 7.50% on the eight-year and 7.75% on the 10-year.

Plaquemines LNG has 20-year take-or-pay sale and purchase agreements for 19.7m tonnes per year. Construction is approximately 96% complete as of April 30, but all contingency funding has been used to cover construction costs, Fitch said. As of April, remaining construction costs and interest are approximately US$1.7bn. The funding shortfall will be covered from the sale of commissioning cargoes, which started in December and is estimated to generate proceeds that "significantly exceed the remaining funding requirement", according to Fitch.

Fitch's rating case stresses capacity, fuel use, gas prices, operating costs and refinancing rates and results in a minimum project life coverage ratio of 1.21x. The project is significantly exposed to the risk of rising interest rates, Fitch said.

The new senior notes have bullet maturities and account for approximately 20% of the project's debt, including the bank loan and previously issued senior notes. The bank loan matures in 2029 and has limited amortisation before maturity. The project must hedge at least 75% of its variable rate exposure. The debt structure includes a senior debt coverage ratio test of 1.4x for additional debt issues and an equity distribution test of 1.2x for senior notes and 1.25x for the bank loan, Fitch said.

COASTAL BEND PROPOSES TEXAS LNG

Privately held energy infrastructure company COASTAL BEND LNG plans to develop a 22.5m-tonnes-per-year LNG export facility on the Texas Gulf Coast.

The project is expected to include up to five 4.5m-tonne liquefaction trains, cogeneration, LNG storage tanks and export facilities. Carbon capture, transport and storage will be integrated into the project and Coastal Bend expects to monetise 45Q tax credits.

The sponsor expects to pre-file its Federal Energy Regulatory Commission permits in 2025. Houston-based Coastal Bend is led by chief executive Nick Flores and chief operating officer Carlos Guzman, both having joined from Houston-based energy development firm Kyomera Ventures. Flores previously worked at Excel Group, Crude Oilfield Solutions and Weatherford, and Guzman spent more than 15 years as an engineer and project manager at Kinder Morgan.

GLENFARNE SIGNS PTT FOR ALASKA LNG

GLENFARNE has signed a cooperation agreement with Thailand's PTT for participation in the Alaska LNG project, including for the procurement of 2m tonnes of LNG per year over 20 years. The agreement defines the process for Alaska LNG and PTT to move toward definitive agreements for partnership on Alaska LNG, including long-term LNG offtake.

PTT has a BBB+ investment-grade credit rating. The deal means the project has reserved 50% of its available third-party LNG offtake capacity with investment-grade counterparties and the project has "overwhelming interest from additional counterparties globally", Glenfarne said.

Alaska LNG is held under 8 Star Alaska, a joint venture between Glenfarne Alaska LNG, as majority owner and lead developer, and Alaska Gasline Development Corporation. In recent weeks, Glenfarne said more than 50 companies participated in partner selection on the US$44bn project. Companies from the US, Japan, South Korea, Taiwan, Thailand, India and the European Union have formally expressed interest for more than US$115m of contract value for partnerships on equipment and material supply, services, investment and customer agreements.

Glenfarne launched the partner selection process in early May to secure long-term partnership deals. Alaska LNG's economic fundamentals allow it to deliver LNG into Asia at prices that are lower than Henry Hub pricing from the US Gulf Coast, Glenfarne said.

The Alaska LNG Pipeline is an 807-mile 42-inch pipeline capable of transporting enough natural gas to meet both Alaska's domestic needs and supply the full 20m tonnes per year Alaska LNG export facility. The pipeline will be constructed in two phases. Phase One will deliver natural gas approximately 765 miles from the North Slope to the Anchorage region. Phase Two adds compression equipment and approximately 42 miles of pipeline under Cook Inlet to the Alaska LNG Export Facility in Nikiski and will be constructed concurrently with the LNG export facility.

Glenfarne expects to make a final investment decision on the domestic portion of the Alaska LNG pipeline in late Q4 and recently entered a partnership with Worley to complete final engineering for the pipeline portion of the project.

PETRONAS CONFIRMED FOR COMMONWEALTH LNG

COMMONWEALTH LNG has confirmed PETRONAS as the buyer of 1m tonnes per year of LNG for 20 years from its 9.5m tonnes per year facility under development in Cameron, Louisiana. The sponsor revealed the deal in May but referred to Petronas only as a "major Asian energy company".

The project has 4m tonnes per year of offtake under long-term agreements. Earlier last month Commonwealth LNG signed a sale and purchase agreement with JERA for 1m tonnes per year of LNG for 20 years.

Commonwealth LNG said it has "line of sight" towards finalising its commercial book ahead of a targeted final investment decision in Q3 of this year and expected first LNG production in 2029. The sale and purchase agreements will become fully effective upon the satisfaction of customary conditions, including a final investment decision being made.

ARGO BUYS AMERIGAS ASSETS

ARGO INFRASTRUCTURE PARTNERS has agreed to buy selected non-utility gas storage and delivery assets from an affiliate of UGI Corporation in Hawaii.

Isle Gas, a subsidiary of Argo, will buy the assets capable of storing 750,000 gallons of propane from UGI subsidiary AmeriGas

Propane. The schemes supply 34,000 non-utility residential and commercial customers on Oahu, Hawaii, Maui and Kauai.

Close is expected in Q3 and financial details were not disclosed. Cetane Associates was exclusive financial adviser to AmeriGas Propane.

"As we've done across our managed portfolio of infrastructure assets, Argo will support Isle Gas with access to capital and operational expertise," said Hugh Au, managing director at Argo.

Argo Infrastructure Partners, founded by Jason Zibarras, is an independent fund manager with a long-term approach to infrastructure investing and US$6.25bn in assets.

UBE finances battery materials plant

UNITED STATES Industrials

A unit of Japan's **UBE CORP** has signed US$400m in financing to support its US$500m dimethyl carbonate and ethyl methyl carbonate manufacturing plant in Waggaman, Louisiana.

JBIC has signed a US$240m loan agreement for UBE C1 Chemicals America (UCCA) with MUFG, Mizuho and Norinchukin as co-financiers providing US$160m.

The project at the Cornerstone Energy Park will produce components for rechargeable lithium-ion batteries and semiconductor manufacturing. The plant will produce 100,000 tonnes of DMC per year and 40,000 tonnes of EMC derived from DMC. It will use UBE's proprietary gas-phase nitrite process, which consumes less energy and produces fewer byproducts compared with ethylene-based processes. A ground-breaking ceremony was held in February. The facility is scheduled for completion in July 2026 and will begin operations in November.

"Currently, all DMC and EMC used in lithium-ion batteries for vehicles produced in the US are imported from abroad," JBIC said. "Against this backdrop, from the perspective of strengthening supply chain resilience, there are high expectations for UCCA among Japanese automotive battery manufacturers and electrolyte manufacturers operating in the US, because UCCA plans to be the first domestic producer of DMC and EMC in the country. The loan will contribute towards maintaining and improving international competitiveness by supporting UBE's overseas expansion, thereby enhancing the supply chain resilience of Japan's automotive and chemical industries through UCCA."

UBE aims to reach net-zero operational greenhouse gas emissions by 2050 and increase the sales ratio of environmentally friendly products and technology to 60% by 2030. The JBIC loan will also support those efforts.

Alison Healey

EPIC CRUDE EYES PIPE REPRICE

Oil pipeline system owner **EPIC CRUDE** will launch a US$1.117bn term loan B to reprice an existing facility.

Pricing is offered at 250bp–275bp over SOFR with a 0% floor, at par. The company aims to cut the existing margin from 300bp over SOFR.

The loan remains due in October 2031 and amortises at 1% per annum, the same as the existing facility. Soft call protection of 101 will be reset for six months. The loan size is reflective of a US$80m repayment.

Goldman Sachs is the lead-left arranger and the administrative agent. Existing corporate and facility ratings are Ba3/BB–. A lender call was scheduled for Thursday June 26 at 10am. Commitments were due by 10am on July 2.

Ares, Diamondback Energy, and Kinetik Holdings are the sponsors of Epic Crude, which finalised the then US$1.2bn seven-year term loan B in October to refinance existing debt.

Proceeds were used to refinance the company's existing super-priority revolver due in 2026, a term loan B due in 2026, a term loan C due in 2026, and to cover fees and expenses.

IONEER LAUNCHES SEARCH FOR NEW PARTNER

ASX-listed **IONEER** has launched a strategic partnering process for the Rhyolite Ridge lithium-boron project in Nevada. Goldman Sachs is assisting with the process and is financial adviser to Ioneer.

In March, the board of South Africa's Sibanye-Stillwater decided against proceeding with the Rhyolite Ridge project in a joint venture with Ioneer, having signed a collaboration agreement in 2021. It performed due diligence on updated project information in October and determined that the project "did not meet the Sibanye-Stillwater investment hurdle rates at prudent pricing assumptions".

Construction is targeted to start later this year and is expected to take 36 months, including procurement of long-lead items. Commencement of production is targeted for 2028 and will quadruple domestic lithium supply in the US and power an estimated 370,000 electric vehicles per year, Ioneer said.

Earlier last month Ioneer received firm commitments from investors for approximately US$16m through a share placement to fund the project. Rhyolite Ridge also closed a US$996m loan in January with the US Department of Energy's Loan Programs Office under the advanced technology vehicles manufacturing programme.

In October, Ioneer received the final federal permit for the project from the Bureau of Land Management, concluding the formal permitting process that began in 2020. Ioneer signed offtake agreements in 2022 with Ford Motor and Prime Planet Energy & Solutions, a joint venture between Toyota and Panasonic, and with South Korea's EcoPro Innovation in 2021.

RFQ ISSUED FOR MARYLAND FREIGHT RAIL P3

The Maryland Department of Transportation has issued a request for qualifications on the Eastern Shore Corridors P3, a project to finance, operate, maintain, and improve 92 miles of freight rail under a 40-year concession.

The selected partner will operate freight rail services, pursue and maintain customer contracts and relationships, set pricing, develop business and retain revenues for services. MDOT expects to structure the deal as a revenue-risk P3 without ongoing subsidy or payment from MDOT. Under this structure the private partner will have the right to undertake, and be responsible for, revenue-generating freight rail services on, and certain revenue earned on state owned property along, the corridors.

The decision to use a P3 is due in part to the success of Seagirt marine terminal, MDOT said in pre-solicitation documents. The Maryland Ports Administration pursued a P3 for Seagirt and selected Ports America Chesapeake for a 50-year agreement.

"The P3 with Ports America Chesapeake has been extremely successful, evidenced by a strong partnership between MPA and Ports America Chesapeake, substantial growth in business and revenues at Seagirt, and an investment from Ports America Chesapeake in Seagirt beyond the levels required in the P3 agreement," MDOT said.

Statements of qualifications are due July 14.

■ FRONT STORY JAPAN - RENEWABLES

Rescuing offshore wind

› Japan's offshore wind sector is facing critical challenges and progress is slow.

› METI is looking at potential rescue proposals including the decarbonisation auction.

BY MINERVA LAU.

Japan has an ambitious target to achieve 10GW of offshore wind power capacity, and 30GW–45GW by 2040. However, the country is experiencing a stagnation on the development of its offshore wind sector. While it has successfully conducted three rounds of auction in the past four years, none of the winning projects has commenced construction, let alone secured debt financing.

Developers face challenges that include soaring construction costs, which could impact the projects' profitability. The process to secure permits is lengthy and involves multiple ministries and local governments. Environmental assessments are slow and take a long period, delaying the project timelines.

There are other factors but the biggest hurdle is the rising construction costs coupled with the cheaper yen, adding to the costs. And of course, there were those aggressive bids of zero yen, or almost zero yen at ¥3.0 per kilowatt hour. There were expectations that corporate power purchase agreements (CPPAs) would save the day but that has not yet happened.

Mitsubishi, which is leading three winning consortia in the first round of the auctions, has earlier this year announced losses amounting to ¥52.2bn (US$365m) on its domestic offshore wind projects. It said that the figure includes contributed and committed amounts related to the three offshore wind projects and it is now reviewing its plans. Chubu Electric Power, whose subsidiary C-tech is partnering with Mitsubishi, has booked a loss of ¥17.9bn (US$125m) on its three offshore wind projects in Japan for the nine months to December last year.

There is an exception though. Jera and its partners are understood to have made a final investment decision on the 315MW offshore wind project that they won in the second round auction conducted in 2023 by the Ministry of Economy Trade & Industry (METI) and the Ministry of Land, Infrastructure, Transport & Tourism (MLITT).

It is partnering with Itochu and Tohoku Electric Power on the scheme at Oga City, Katakami City and offshore Akita City in Akita prefecture. Commercial operation date is June 2028. The project will use 21 Vestas turbines.

The consortium is understood to be preparing to launch the financing, a positive development considering challenges faced by other winning consortia in the R2 and R3 auctions. The fixed-bottom project has a tariff at ¥3 per kWh (US$0.0206/kWh).

It seems they are going ahead with the project regardless of any rescue package being planned for the other winning bidders.

Rescue package

The government, via METI, however, continues to seek solutions to bring back action in the offshore wind sector. They have been holding meetings and consultations, with many parties and stakeholders, seeking proposals on how to rescue the sector.

METI is understood to be planning a set of options as a rescue package for the winners of the last three rounds of bidding for offshore wind projects.

One proposal is the conversion of feed-in tariff (FIT) to feed-in premium (FIP). The three consortia led by Mitsubishi, which were the winners in the first round, are the only projects awarded based on FIT, and they may be allowed to convert the tariff to FIP. Projects are to apply to METI for the conversion. However, this may trigger complaints from the consortia that lost in the round one R1 auction, and METI and MLITT may have to hold another bidding round for this, among other things.

For R2 and R3, bidders had FIP, and not FIT, as one of the criteria in the selection, Therefore this conversion proposal will not apply to them.

A second proposal is to allow corporate power purchase agreements to be signed between the winning consortia and private offtakers. But this may be complicated as it seems that it involves tripartite agreements between the power producer, the power retailer and the offtaker. The creditworthiness of the offtakers will be scrutinised by potential lenders and investors. While CPPAs are gaining traction, there is currently a lack of standard contract and CPPAs are generally negotiated on a case-by-case basis.

A third proposal, which may be feasible, is the inclusion of offshore wind power projects in the long-term decarbonisation auction, more commonly referred to as LTDA. The Japanese government, through the Organization for Cross-regional Coordination of Transmission Operators, conducts the auction and selected projects receive availability payment for 20 years.

One condition for participation in the LTDA is the absence of government subsidy. The R2 and R3 winners are already in the FIP scheme, but their rates of zero or ¥3/kWh are said to be equivalent to zero. This means the R2 and R3 winners have zero government subsidy and they may qualify to join the next LTDA if the proposal is approved.

So far, only retrofitting of nuclear plants, retrofitting of existing gas-fired power plants so they will be 20% co-fired by hydrogen or ammonia, greenfield gas-fired power plants, hydropower plants and battery energy storage systems (BESS) which make up most of the projects selected in the first two LTDAs.

There was a meeting held on June 24 of the joint offshore wind committee that included METI, MLIT, Japan Wind Power Association, the Association for the Promotion of Long-Term Stable Renewable Energy (REASP), consultants and others, to discuss the inclusion of offshore wind in the LTDA. It is understood that no decision has been made. METI is understood to have said that they would consider the proposal carefully.

A decision on this could to be made in July.

As most of the Japanese bankers to whom PFI has spoken say the situation is "very confusing" and very challenging". If one party is happy, the other parties will not be.

Yet at the same time, the government aims to move forward with offshore wind development. It comes at a time when the Japanese government has approved the amendment that will allow the setting up of offshore wind power projects in the exclusive economic zone (EEZ). This is further out to sea from the current territorial and internal waters, giving the offshore wind sector much more area in which to site the turbines.

LTDA R3

The government is preparing to launch the third round of the LTDA. This could be in October or November when registration of interest opens, with actual bidding to be held in January next year.

Changes are still being made to the guidelines for the auction. There is a new condition that BESS projects joining in the auction should be able to operate for at least six hours. According to a note from Baker & McKenzie, this is due to a number of three-to-six-hour category projects that are already being developed outside the LTDA system, and do not require government subsidy.

A second change is the introduction of a quota for battery cells that come from overseas, to ensure cyber security as well as to promote Japan's own manufacturers of battery cells. It is understood that there is a 40% quota on those made in Japan, 30% from Korea and 30% from other countries. Detailed rules on the country of origin are still to be issued but these are expected to be released before the next auction. The quota rule could become a controversial point once implemented.

The government will raise the ceiling for bid prices in recognition of higher costs and higher interest rates and depreciation of the yen. The maximum bid price is now ¥200,000/kW/year, up from ¥100,000/kW/year.

More changes to the auction guidelines are expected to be made before R3 is launched in the later part of this year. Adding offshore wind to the auction will change the whole market sentiment and possibly push forward the renewable energy targets.

Japan has set ambitious targets for decarbonised power as part of its energy transition in its latest power development plan, aiming to have renewable energy account for 40%–50% of its power generation by 2040.

AUSTRALIA

APA A&E GETS BLOWOUT RESPONSE

Listed energy infrastructure firm APA GROUP has concluded an amendment and extension of two term loans from 2022 and 2023 totalling A$1.75bn (US$1.14bn), LPC reports, with 32 banks participating in general syndication.

The maturities for a A$1bn term loan from 2022, split equally between five and seven-year tranches scheduled to mature in 2027 and 2029, have been extended to 2031. A A$750m seven-year tranche from a A$1.25bn term loan in 2023 is being extended to 2032. The term for the remaining A$500m 10-year portion of the 2023 loan is unchanged.

Opening margins are 130bp and 140bp over BBSY for the new six and seven-year facilities, respectively.

HSBC, SMBC and Westpac were mandated lead arrangers and bookrunners.

ANZ, CBA, HSBC, NAB and SMBC were MLABs on the A$1.25bn borrowing from 2023, which was increased from A$750m at launch after attracting 27 lenders in general syndication. The opening margins of that borrowing were 170bp and 195bp over BBSY for the seven and 10-year tranches, respectively.

ANZ and HSBC were MLABs for the A$1bn loan from 2022, which was doubled from a launch size of A$500m after attracting 20 Asian banks in syndication. The opening margins were 115bp and 135bp over BBSY for five and seven-year tranches, respectively.

APA Group's funding vehicle, APA Infrastructure, is rated Baa2/BBB (Moody's/S&P).

ART TO UP ELECTRANET STAKE

The Australian Retirement Trust plans to raise its stake in ELECTRANET to 28% with an acquisition of 17% from Macquarie-backed The Infrastructure Fund, according to AFR. Barrenjoey is financial adviser. ElectraNet controls the power transmission network in South Australia.

ART, Australia's second-largest superannuation fund, is understood to have pre-emption rights and is willing to exercise them to lock out other bidders if the price is right. The other potential bidder is Morrison-run Utilities Trust of Australia, which has the same rights but is unlikely to exercise them, given its recent decision to trim its holding in NSW's Transgrid.

South Australia's high-voltage transmission network was privatised 25 years ago. ElectraNet has A$4.5bn (US$2.93bn) in assets, including about 6,636km of transmission lines and 99 substations. The utility is undertaking a huge capex drive to connect South Australia's new renewable energy facilities, developed to replace retiring coal-fired plants. The company's largest shareholder is China's StateGrid, with 45.9%.

CPERI GRABS A$465m REFI

CLEANPEAK ENERGY RENEWABLE INVESTMENT TRUST has obtained a A$465m (US$303m) loan from a consortium of six banks, LPC reports.

Lenders ANZ, CBA and OCBC Bank were joined by new lenders MUFG, NAB and Westpac to provide the loan. Citigroup was the debt adviser while Herbert Smith Freehills Kramer represented the borrower and Allens was legal adviser for the lenders.

The new loan refinances four individual loans, forming a single portfolio facility with a capital expenditure feature to support growth.

CPERI is a joint venture between CleanPeak Energy and Igneo Infrastructure Partners. It holds or has committed to more than A$600m of assets, with a portfolio that comprises four operational multi-utility sites, 52 rooftop solar, utility-scale solar and battery assets that are operational or under construction.

Its portfolio is expected to have 117.2MW in solar capacity, 81.2MWh of battery capacity and approximately 139MW of thermal capacity.

EDIFY OFFERS US$1.66bn DEBT PACKAGE

EDIFY ENERGY is preparing a A$2.6bn (US$1.66bn) debt package to accompany the company's auction, AFR reports. Sources said the mammoth loan will eclipse debt packages for similar deals involving CWP Renewables, Tilt Renewables and Neoen Australia.

As of late last week, Edify's financial adviser Lazard Australia had reportedly gathered non-binding offers from at least four parties, including IFM Investors, Sweden's EQT Partners, New York private markets investor Stone Peak, and renewables energy investor Copenhagen Infrastructure Partners. IFM enjoys the backing of Australia's industry super funds.

Bidders for Edify have been told that a A$2.5bn–$2.6bn bank facility is on offer as part of the deal, bringing the company's enterprise value to approximately A$3.5bn. About 10 to 12 banks plan to participate in the loan, which will have a tenor of five to seven years. Stapled debt packages are not unusual for such large-scale auctions, with sources telling AFR that bidders are not required to take up the facility.

Edify recently struck a deal with mining giant Rio Tinto for the sale of 90% of output from the Smoky Creek and Guthrie's Gap hybrid projects in Queensland. Its last refinancing was a A$400m deal for a Victorian battery development, with BNP Paribas, Commonwealth Bank of Australia and DNB Bank reportedly among the lenders.

Sydney-headquartered Edify specialises in the development of renewable energy infrastructure, delivering more than A$2bn of assets in the Australian market. The company has about 11.1GW of advanced power generation projects in the development pipeline.

ACE GETS 8GWH BESS APPROVAL

ACE POWER has obtained environmental approval from the federal government for the 1GW/8GWh Eastern Hub Firming Battery, slated for development in northern New South Wales.

The decision under the Environment Protection & Biodiversity Conservation (EPBC) Act allows work on the project to proceed without the need for a full federal assessment. The Eastern Hub Firming Battery is located in the New England Renewable Energy Zone and occupies around 102 hectares of primarily cleared agricultural land near Uralla. The A$1.6bn (US$1bn) battery energy storage system will have a four to eight-hour duration, serving to anchor the Hillview Energy Hub which will include a 250MW–300MW solar farm and a 200MW–300MW wind farm.

Ace Power is a Sydney-headquartered clean energy firm whose other major projects include the 3.6GWh Nebo BESS and 500MW Raglan BESS in Queensland. Its A$400m (US$261m) Narrogin solar farm and battery hybrid project obtained approval earlier this month from the Western Australian state government. Narrogin is set to include a 200MW solar farm with a 200MW/400MWh battery.

ALINTA AWARDS 250MW BESS

ALINTA ENERGY has awarded the contract for construction of the first 250MW/100MWh phase of the Reeves Plains Energy Hub Battery in South Australia to Perth's GenusPlus Group. The A$105m (US$68.6m) contract includes the design, supply, construction and commissioning of the project, as well as development of a 275kV switchyard and connection to the state's high voltage network.

Construction is scheduled to begin in early 2026, with the stage one project expected to enter operation by 2028. The battery forms part of a 500MW, four-hour battery energy storage system under development around 50km to the north of Adelaide, that will support a 300MW gas-fired power station.

Alinta Energy is owned by Hong Kong-based Chow Tai Fook Enterprises. GenusPlus is an ASX-listed provider of power and communications infrastructure and services.

BAYWA RE TO OFFLOAD RENEWABLES

Germany agriculture and clean energy firm BayWa plans to offload its Australian renewables assets via BAYWA RE, as it seeks to reduce its debt, AFR reports.

Sources said a request for proposal was sent to around half a dozen investment banks in early June, outlining plans to sell A$750m–A$1bn (US$490m–$654m) in clean energy assets across NSW, Victoria and Queensland. Macquarie Capital's infrastructure team is reportedly a top contender for the auction, alongside Azure Capital and ICA Partners.

NEOEN'S VICTORIAN ASSET SALE DELAYED

HMC CAPITAL is delaying its purchase of A$950m (US$624.2m) in NEOEN's renewable energy and storage assets in Victoria by a month. In a market update, HMC said the purchase will be shifted from July 1 to August 1, without providing an explanation for the delay.

Assets slated for purchase include the Victoria Big Battery, the Bulgana green energy hub, the Numurkah solar farm and a slew of development projects. HMC plans to put A$50m of equity into the Neoen portfolio to facilitate progress on near-term projects including the Moorabool battery and the Kentruck wind project.

The ASX-listed investment company also plans to merge these assets with its Stor Energy battery business. It said it was in discussions for further fundraising.

Paris-headquartered Neoen focuses on the development of renewable energy projects, with nearly half of its capacity in operation or under development located in Australia. Canadian asset manager Brookfield finalised its acquisition of Neoen in March.

NEOEN UPS LOAN TO A$750m

Clean power developer NEOEN AUSTRALIA has increased the seven-year loan taken out for its renewable energy assets to A$750m (US$490m) after attracting seven banks to participate in the general syndication, LPC reports. The loan launched at a size of A$600m in February and offers an interest margin of 160bp over BBSY, with upfront fees of 7bp and 10bp per annum.

Wattle FinCo is the borrowing entity, while ANZ, HSBC, ING and MUFG are the mandated lead arrangers and bookrunners for the loan. E.Sun Commercial Bank, United Overseas Bank, Westpac, Tai Fung Bank, Bank of East Asia, Bank of China and KGI Bank participated in the borrowing.

In December, Neoen obtained a A$1.4bn (US$910m) loan for 1.3GW of clean energy assets, including solar farms at Parkes, Griffith and Dubbo in New South Wales and the Kaban Green Power Hub in Queensland. Eleven banks took part in the loan which had 5.5 and seven-year tenors, including ANZ, Bank of China, Clean Energy Finance Corp, HSBC, ING, KfW IPEX-Bank, Mizuho, MUFG, Sumitomo Mitsui Banking, Societe Generale and Westpac.

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EUROPEAN ENERGY IN SOLAR PF

Danish developer EUROPEAN ENERGY has raised a long-term A$130m (€70m) portfolio financing package from Westpac and DZ Bank to back two solar projects in construction – the 106MW Lancaster scheme in Victoria and the 31MW Mulwala scheme in New South Wales, which is scheduled to commence operations in the third quarter. Both projects will sell into the National Electricity Market. HSF Kramer advised European Energy on the deal and Allens advised the lenders.

The Danish developer is in addition awaiting approval from the Queensland government to pursue a 1.3GWp (1.1GWac) solar project. The 2,700-hectare Upper Calliope Solar Farm is aiming to start construction as early as this year and is expected to be completed by 2028 at the latest. The capacity will contribute approximately 5% of Queensland's electricity.

All the electricity from the Upper Calliope Solar Farm will be purchased by Rio Tinto for 25 years in what has been called the "biggest solar corporate power purchase agreement in Australia".

EE began operating its 58MW Mokoan solar farm in March in Victoria, its first scheme in the country. The company

ASIA PACIFIC GENERAL CORPORATE FUNDING ACTIVITY JUNE 17 TO JULY 2 2025

Security type	Issuer/Borrower	Amount (m)	Maturity	Issue price	Pricing	Bank
Energy, gas and water distribution						
Term Loan	Pau Cheng Energy	NT$3,500	23/06/31	100.000	Taipei Inter-bank Offered Rate +73.000 bp	Bank SinoPac/Bank of Taiwan/First Commercial Bank (Taiwan)/Int'l Bills Finance/Mega Intl Coml Bank/Taipei Fubon Comml Bank
Term Loan	Hokuriku Electric Power	¥8,750	29/06/35	100.000	na	Sumitomo Mitsui Trust Bank Ltd
Sr Med Term Nts	China Yangtze Power	¥3,000	20/06/28	100.000	1.650	Bank of China/ICBC/Agricultural Bank of China/China Minsheng Banking/ China Everbright Bank/China Construction Bank
Unsecured Bond	State Power Investment	¥2,700	23/06/28	100.000	1.700	SDIC Secs/CITIC Secs/Everbright Secs/China Secs/Guotai Haitong Secs/ Caida Secs
Sr Med Term Nts	State Grid Corp Of China	¥5,000	24/06/40	100.000	2.040	China Construction Bank
CP	State Grid Corp Of China	¥5,000	21/10/25	100.000	1.450	China Construction Bank
CP	State Grid Corp Of China	¥5,000	21/10/25	100.000	1.450	China Construction Bank
CP	State Grid Corp Of China	¥13,000	10/03/26	100.000	1.490	Industrial Bank
CP	State Grid Corp Of China	¥5,000	21/10/25	100.000	1.450	China Construction Bank
Sr Med Term Nts	State Grid Corp Of China	¥5,000	24/06/40	100.000	2.040	China Construction Bank
CP	State Grid Corp Of China	¥5,000	21/10/25	100.000	1.450	China Construction Bank
Sr Med Term Nts	State Grid Corp Of China	¥5,000	24/06/40	100.000	2.040	China Construction Bank
CP	State Grid Corp Of China	¥5,000	21/10/25	100.000	1.450	China Construction Bank
Sr Med Term Nts	China Sthrn Power Grid	¥4,000	25/06/35	100.000	2.010	China Citic Bank/Export-Import Bank of China/Agricultural Bank of China/ China Merchants Bank/Bank of China/China Construction Bank/Postal Savings Bank Of China/ICBC
CP	State Grid Corp Of China	¥6,000	11/03/26	100.000	1.490	China Citic Bank/China Minsheng Banking
Senior Bonds	Medco Power Indonesia PT	Rp200,000	01/07/32	100.000	9.250	PT Trimegah Sekuritas/BNI Secs/PT Mandiri Sekuritas
Senior Bonds	Medco Power Indonesia PT	Rp300,000	01/07/30	100.000	8.750	PT Trimegah Sekuritas/BNI Secs/PT Mandiri Sekuritas
Sr Med Term Nts	China Sthrn Power Grid	¥2,500	20/06/30	100.000	1.720	Bank of China/Guangzhou Rural Coml Bk/Agricultural Bank of China/ICBC/ China Construction Bank
Sr Med Term Nts	State Grid Corp Of China	¥10,000	26/06/31	100.000	1.730	ICBC/Bank of China/China Construction Bank/China Development Bank/ Agricultural Bank of China
Unsecured Bond	State Power Investment	¥2,600	01/07/28	100.000	1.670	China Secs/China Great Wall Sec/Caida Secs/BOC Intl/CITIC Secs/ Everbright Securities
CP	China Longyuan Power Grp	¥2,500	24/09/25	100.000	1.550	Bohai Bank/China Minsheng Banking
Infrastructure Firms						
RevCred/Term Ln	New World Development	HK$63,400	26/06/28	100.000	na	Bank of China/DBS Bank/HSBC Holdings
RevCred/Term Ln	New World Development	HK$24,000	26/06/28	100.000	na	Bank of China/DBS Bank/HSBC Holdings
Unsecured Bond	China Railway Grp	¥3,000	19/06/30	100.000	1.860	China Secs/Guotai Haitong Secs/Citic Secs/Huatai United Securities
Gtd Sen Sec Nts	Highwealth Construction	NT$2,000	20/06/28	100.000	2.080	SinoPac Secs/BankTaiwan Securities
Unsecured Bond	China Nuclear Engineering	¥4,000	23/06/30	100.000	2.130	Guotai Haitong Secs/Citic Secs/China Securities
Mining						
Senior Notes	Jinneng Hldg Coal Ind Grp	¥3,000	Perpet.	100.000	na	CITIC Secs/Guotai Haitong Secs/Sinolink Secs/Huatai Secs/Agricultural Bank of China/China Intl Capital/Zhongtai Secs/Bank of Communications/ China Secs/Bank of China/China Merchants Bank/Industrial Secs
Senior Notes	Shaanxi Coal & Chem Ind Grp	¥3,000	Perpet.	100.000	na	China Citic Bank/Everbright Secs/China Construction Bank/China Galaxy Secs/Guotai Haitong Secs/China Intl Capital/China Merchants Bank/Bank of China/Orient Secs/GF Secs/Shenwan Hongyuan Secs/Citic Secs/China Secs
Unsecured Bond	Yankuang Energy Group	¥3,000	23/06/27	100.000	1.860	Ping An Secs/China Secs/China International Capital/Citic Secs/GF Secs
Sr Med Term Nts	Zaozhuang Mining Group	¥2,000	25/06/28	100.000	2.070	ICBC/China Construction Bank/Agricultural Bank of China/Guotai Haitong Secs
Petrochemicals; Petroleum Refining						
Senior Bonds	PT Medco Energi Internasional	Rp500,000	25/06/32	100.000	7.750	DBS Vickers Sec Indonesia/PT Trimegah Sekuritas/PT Mandiri Sekuritas/ PT BRI Danareksa Sekuritas
Senior Bonds	PT Medco Energi Internasional	Rp500,000	25/06/35	100.000	8.250	DBS Vickers Sec Indonesia PT/PT Trimegah Sekuritas/PT Mandiri Sekuritas/ PT BRI Danareksa Sekuritas
CP	China Petrochemical	¥2,500	17/03/26	100.000	1.490	Industrial Bank/China Construction Bank
Sr Med Term Nts	China Petrochemical	¥7,500	23/06/28	100.000	1.590	Bank of Jiangsu/ICBC/Agricultural Bank of China/China Construction Bank/ Bank of China/Bank of Communications
Sr Med Term Nts	China Petrochemical	¥7,500	25/06/28	100.000	1.600	ICBC/Bank of China/China Construction Bank/Bank of Communications/ Agricultural Bank of China
Telecommunications						
Rev Cred Fac	TPG Telecom	A$1,170.8	20/06/27	100.000	BBSY +100.000 bp	ANZ Banking Group/DBS Bank/ING Bank

Source: LSEG

Acciona to sell Kwinana WtE

AUSTRALIA Waste-to-energy

Spanish energy giant ACCIONA plans to refinance and sell the Kwinana Energy Recovery facility in Perth, AFR reports. Acciona has enlisted RBC Capital as financial adviser to the debt refinancing as well as to the sale of at least 50% of the plant, the largest waste-to-energy project in Australia.

Kwinana recently began commercial operation and is expected to deliver around 38MW of power to the grid from the processing of 460,000 tonnes of landfill garbage each year. It's also expected to generate around A$75m (US$49m) per annum in stabilised Ebitda.

A syndicate of lenders provided Acciona with a A$550m (US$360.3m) sustainability-linked loan for the acquisition of Kwinana in March 2024, including Sabadell, BBVA, CaixaBank, Deutsche Bank, Intesa Sanpaolo, Rabobank and RBC. The plant was previously held by Macquarie Capital and Dutch Infrastructure Fund, that provided A$275m in equity finance for the project. Senior lenders including Clean Energy Finance Corporation provided A$400m in debt financing, while the Australian Renewable Energy Agency supplied a A$23m grant.

Acciona acquired the delayed Kwinana WtE project in 2024 through a scheme of arrangement for a token A$1 for the equity and assumption of A$351.1m in debt. Kwinana WtE's previous senior project finance creditors compromised the A$395.5m of secured debt for A$0.92 on the dollar, though, given the interest payments and establishment fees, the banks have not suffered meaningful losses, a source said at the time. Pricing was 300bp above BBSY for the senior debt with a 300bp upfront establishment fee for Kwinana WtE.

Marc Howe

raised more than A$50m (US$33m) in a three-year project finance loan in 2024 via NordLB backing the project before it entered construction.

ROBBINS ISLAND WIND HITS SEVENTH DELAY

The government has delayed for the seventh time its decision on environmental approval for ACEN's proposed 900MW Robbins Island wind farm in Tasmania, pushing back the deadline to August 29 from June 27 for a decision under the Environment Protection and Biodiversity Conservation Act.

The A$3bn (US$1.95bn) scheme has been under EPBC review since Josh Frydenberg, former coalition energy and environment minister, deemed it to be a controlled action in 2017. The delay is the first move by minister for the environment and water Murray Watt in relation to the project since his appointment in May. In 2022, Tasmania's Environment Protection Authority gave Robbins Island conditional approval, contingent on closing its 100 turbines for five months each year during parrot migration season.

TWO FOR WA OFFSHORE

EDF and OCEAN WINDS are said to have been shortlisted for Western Australia's first offshore wind farm deals, according to ABC News.

EDF is behind the Bunbury Offshore Wind Farm North and Bunbury Offshore Wind Farm South schemes. Ocean Winds is behind the Westward Wind scheme. A Wind with Purpose/Barrington Energy proposal is said to have been rejected. The two shortlisted developers will now have to resolve the geographic overlap between them in order to progress.

TASMANIA 250MW SOLAR APPROVED

The government has approved the 250MW Weasel Solar Farm in Tasmania, 76km north of Hobart, which will have 4,000 solar panels and a 144MW/576MWh battery energy storage system.

The Downie family from Dungrove and the Bowden family from Weasel Plains are developing the project with Melbourne-based Alternate Path as partner.

The scheme will cover 435 hectares in Bothwell and is designed to have minimal environmental impact and permit livestock to graze beneath the panels. It will connect to the National Electricity Market as part of the proposed Tasmania Midlands Central Highlands Renewable Energy Zone.

WA APPROVES ACE'S 200MW SOLAR

Western Australia's Regional Joint Development Assessment Panel has approved ACE POWER's plans to develop a 200MW solar farm near Narrogin, 190km southeast of Perth.

The A$400m (US$260m) Narrogin Solar Farm is a hybrid project that will have a 200MW/400MWh battery energy storage system with four-hour duration. The plant will deliver power to Western Australia's Wholesale Energy Market via a grid connection at the Narrogin South Substation.

Western Australia hopes to develop the Narrogin region into a hub for clean energy. Ace's Narrogin scheme is on farmland adjacent to the 200MW/800MWh Narrogin BESS under development by Melbourne's South Energy.

Neoen and Acconia intend to develop large-scale wind facilities in the area, while Lightsource BP has plans for the Narrogin East Hybrid project, which will comprise 150MW of solar, 250MW wind and a 200MW battery.

Ace Power is based in Sydney and is backed by Germany's Pelion Green Future.

BLUECURRENT SMART METER REFI DUE

Queensland Investment Corp-owned smart metering business BLUECURRENT is seeking to refinance an existing dual-currency green loan, reports LPC.

Barrenjoey is advising on the refinancing.

Bluecurrent, formerly known as Vector Metering, counts QIC and Vector as its joint shareholders.

In July 2023, QIC raised a dual-currency green loan of NZ$1.84bn-equivalent for its acquisition of a stake in Vector's New Zealand and Australian metering business.

The five-year borrowing comprised a A$135m (US$91m) term loan (facility A1), a NZ$900m term loan (facility A2), a A$457m revolving credit facility (facility B1), a NZ$242m revolver (facility B2), and revolvers of A$25 and NZ$25m (facilities C1 and C2).

The loan offered an interest margins of 195bp over BKBM/BBSY for New Zealand and Australian dollars, respectively.

MUFG, National Australia Bank, Westpac Banking Corp and Westpac NZ were joint green loan coordinators.

Para Bidco is the borrowing entity.

ATMOS STARTS MERREDIN BESS CONSTRUCTION

ATMOS RENEWABLES has reached financial close on the 100MW/400MWh Merredin battery energy storage system project in Western Australia, and construction has started.

The project, estimated to cost A$220m (US$144m), is situated in the wheatbelt region of Western Australia, around 8km to the southwest of Merredin. It's adjacent to the 220kV Muja-Kalgoorlie transmission line as well as the Merredin solar farm. Upon completion, it will provide four hours of dispatchable energy storage and connect to the southwest interconnected system via Western Power's Merredin Terminal Station.

Atmos awarded Perth-headquartered GenusPlus Group a A$65m contract for the design and construction of the Merredin BESS. The project is Atmos's 18th operational asset and its first greenfield development to start construction. Atmos is a Sydney-headquartered renewables energy company with ownership in over 1.9GW of clean power facilities.

GAMUDA TO DEVELOP 600MW IN TASMANIA

Malaysian infrastructure company GAMUDA has agreed a deal with Tasmanian landowners to develop 600MW in large-scale wind and solar projects via its Australian subsidiary. Gamuda will team up with the Downie family and their development partner Alternative Path on projects that include the Weasel Solar Farm and Cellars Hill Wind Farm. The projects will also have up to 600MW in battery energy storage systems.

Gamuda will acquire a stake in the renewable energy portfolio, obtaining development rights for current and future projects that will be delivered under sole-source engineering, procurement and construction constructs. Gamuda said the pipeline of energy development projects will run through to 2029. The deal is subject to approval from Australia's Foreign Investment Review Board and planning approval.

YEC APPLIES FOR 1.5GW HYBRID

First Nations renewable energy developer YINDJIBARNDI ENERGY has applied for environmental approval for the 1.5GW Baru-Marnda Renewable Energy Project on native title land in Western Australia's Pilbara region. The project is slated to be one of the biggest hybrid power developments in Australia, combining 1GW of wind and 500MW of solar. Power would supply the region via the North West Interconnected System.

Yindjibarndi Energy was founded by the Yindjibarndi Aboriginal Corporation and Philippine renewable energy giant ACEN with goal of developing clean power on lands where YAC holds native title in the form of exclusive possession. Yindjibarndi Energy entered a deal with Rio Tinto in October to develop solar, wind and battery projects to replace gas-fired generators at Rio's iron ore mines.

ENERGY AUSTRALIA AND BANPU INVEST IN 1.4GWH BATTERY

ENERGY AUSTRALIA and Thailand's BANPU have entered into a 50/50 joint venture for the development of the 1.4GWh Wooreen Energy Storage System in Victoria's Latrobe Valley.

Banpu's wholly owned subsidiary Banpu Energy Australia has signed an agreement to take a 50% stake in the joint venture and make an equity injection of around A$110m (US$72.3m). The total cost of the project is estimated at around A$700m (US$460.4m), with construction already underway and operations expected to kick off in the second half of 2027. Wooreen will have a power capacity of 350MW, a storage capacity of 1.4GWh and be capable of supplying electricity for four-hour periods.

POTENTIA TO PROCEED WITH 130MW BESS

Renewables company POTENTIA has issued a notice to proceed for the 130MW/260MWh Ridgey Creek battery energy storge system slated for development under its connection agreement with Transgrid. In a statement Potentia said development of the over A$180m (US$116.6m) project is expected to begin towards the end of 2025, contingent upon a final investment decision. The battery is scheduled to begin full operation by early 2027.

The Ridgey Creek BESS will be located adjacent to Transgrid's Parkes substation, around 10km to the northwest of Parkes in central west New South Wales. The battery will be equipped with grid-forming technology that provides superior voltage and frequency support to the surrounding transmission network.

Potentia is a joint venture between Italy's Enel Green Power and Japanese oil and gas giant Inpex. Transgrid is the manager and operator of the high voltage transmission network in NSW and the ACT.

QLD IN NEW RENEWABLES RULES

The Queensland LNP government has approved new planning rules for solar and wind projects which members of the clean energy sector fear will hold back development.

The Planning (Social Impact and Community) and Other Legislation Amendment Act 2025 (PSICBOLA Act) that passed through the Queensland parliament introduces a number of stringent new project conditions, including the requirement that developers have community benefit agreements signed off before their projects can file development applications with the state government.

The act gives community members and stakeholders the right to appeal final decisions during the public notification process, on the condition that they provide "properly made submissions".

The Crisafulli ministry has referred to the changes as a "leveller" for clean energy projects, claiming that the Labor government made it too easy for them to gain approvals under Queensland's planning system. The Clean Energy Council said the move "imposes upfront processes that will frustrate good projects and could delay real outcomes".

QLD'S US$8bn HYDROGEN PROJECT AXED

The A$12.5bn (US$8.2bn) Central Queensland Hydrogen Project (CQ-H2) has been shelved after lead partner STANWELL CORPORATION withdrew from the development over the weekend. In a statement released on Sunday, the state-owned operator of coal-fuelled power plants said it had discontinued its involvement with all hydrogen development activities. Stanwell's exit makes it unlikely that remaining members of the development, including Marubeni Corp and Singaporean infrastructure player Keppel, will forge ahead with the project.

The withdrawal of Stanwell follows the exit of other key partners over the past year, including Kansai Electric Power in November and Iwatani Corporation in March. In February, Queensland energy minister and treasury David Janetzki announced the withdrawal of the state government's involvement due to economic concerns, saying the project needed far more than A$1bn in official funding.

CQ-H2's shelving arrives just after mining giant Fortescue mothballed its Gladstone electrolyser facility in May, marking the end of its hydrogen plans in the region.

The CQ-H2 project was on track to be Australia's largest green hydrogen project, attracting nearly A$90m in funding commitments from federal government. The project encompassed a hydrogen production facility at Aldoga and a hydrogen gas pipeline to Gladstone

NextDC launches A$2.2bn loan

AUSTRALIA Data Centres

Australian data centre operator **NEXTDC** has launched a A$2.2bn (US$1.43bn) senior secured loan into general syndication.

The borrowing is split into a A$1.2bn revolving credit facility, facility D, and a A$1bn term loan, facility E that mature in December 2030.

If the deal is oversubscribed, it can be increased by A$500m–$900m, to become part of facilities D or E, or form part of loans, facilities F and G, that mature in December 2032.

Proceeds are for general corporate purposes, including capital expenditure.

ANZ, CBA, HSBC, MUFG, NAB (agent) and RBC are the mandated lead arrangers, bookrunners and underwriters.

The interest margins are based on a gearing grid. If gearing is over 55% the margin is 200bp and 215bp for D/E and F/G respectively; between 45% and 55%, 180bp and 195bp; between 35% and 45%, 170bp and 185bp; between 25% and 35%, 160bp and 175bp and; 25% and below, 150bp and 165%.

Opening interest margins are 150bp and 165bp over BBSY for 5.5-year and 7.5-year tranches, respectively.

The loan offers a commitment fee that is 40% of margin.

Lenders are invited five ticket levels: MLAs joining for A$150m and above get upfront fees of 55bp and 75bp for tranches D and E and tranches F and G, respectively, while lead arrangers coming in for A$100m–$150m are offered 50bp and 70bp. Arrangers with A$75m–$100m ticket earn 45bp and 65bp, while co-arrangers with A$50m–$75m receive 40bp and 60bp. Lead manager for A$20m–$50m commitment are offered 35bp and 55bp.

A presentation for prospective lenders is scheduled in Sydney on Wednesday.

Financial close is expected in August, subject to customary conditions precedent.

In May, NextDC said it was looking for incremental senior debt facilities to fund its capex after closing a A$2.9bn loan in December.

NextDC increased its capital expenditure guidance for the financial year ending June 30 to A$1.4bn–$1.6bn from A$1.3bn–$1.5bn previously after winning new contracts from customers.

As at December 31, NextDC had liquidity of A$2.5bn with gearing at 8.8%.

The data centre operator closed a A$2.9bn loan that month comprising a A$1.5bn five-year revolving credit Tranche A, a A$400m seven-year term loan Tranche B and a A$1bn seven-year revolver Tranche C.

The opening interest margins are 160bp for the five-year facility and 175bp for the seven-year tranches. The upfront fees were 7bp–12bp per annum.

The borrowing carries a guarantee from a subsidiary and was established under a new common terms platform.

CBA, HSBC, NAB and RBC were the MLABs of the borrowing, proceeds of which were for refinancing and capex.

In December 2023, the borrower won consent from the majority of its lenders to convert a A$2.9bn multi-tranche borrowing into a sustainability-linked loan tied to four key performance indicators.

HSBC and ING Bank were sustainability coordinators.

Mariko Ishikawa

Port, where developers planned to build a hydrogen liquefaction facility and ship loading facilities for delivering output to customers in Singapore and Japan. The plant would have had a production of 200 tonnes a day from a 720MW electrolyser, powered by Acciona Energia's 420MW Aldoga solar plant.

AIRTRUNK SECURES US$1.82bn REFI

Data centre developer **AIRTRUNK** has secured a A$2.8bn (US$1.82bn) three-year borrowing for the partial refinancing of a sustainability-related loan, LPC reports. The latest dual-tranche borrowing is split into a A$2.69bn term loan and a A$110m revolving credit facility, with part of the proceeds to be used to refinance a A$4.67bn sustainability-linked loan (SLL) taken out in August 2023. Andante Finance is the borrowing entity.

The mandated lead arrangers and bookrunners for the latest loan are Commonwealth Bank of Australia, HSBC, MUFG and National Australia Bank. The loan offers two one-year extension options and an interest margin of 225bp over BBSY.

Twenty-five other banks also came onboard as MLAs, including Aware Super, Banco Santander, Bank of China, Bank of East Asia, Bank SinoPac, China Everbright Bank, Credit Agricole CIB, DBS Bank, Deutsche Bank, E. Sun Commercial Bank, Export Development Canada, FWD Life Insurance, Glencore Canadian Pension Funds Trust, HR US Infra Debt, ING Bank, Intesa Sanpaolo, Kookmin Bank, Morgan Stanley, Natixis, O-Bank, OCBC Bank, Siemens Bank, Societe Generale, Sumitomo Mitsui Banking Corp and United Overseas Bank.

Sydney-headquartered AirTrunk specialises in the development of hyperscale data centres in Australia and Asia Pacific.

NARRABRI HITS NEW LEGAL ROADBLOCK

SANTOS' A$3.6bn (US$2.35bn) Narrabri gas project in Australia faces a new legal challenge after an Indigenous group filed a fresh court appeal against the project, AFR reports. The Gomeroi people of northern NSW filed the case on June 16, just a month after the Native Title Tribunal ruled that the Narrabri project's importance for Australia's energy security took priority over environmental and cultural heritage concerns.

The Gomerois are arguing that the Native Title Tribunal did not give adequate weight to the effects of the project on climate change and native title rights, according to the AFR report.

The Narrabri project holds 1.8tn cubic feet of gas and has the potential to satisfy about half of current gas demand in NSW. In 2020, the NSW independent planning commission gave its approval for Santos to drill 850 wells at the 95,000ha project site in northern NSW. The filing is another factor compounding the controversy surrounding the A$36.4bn plan to take over Santos launched by a consortium led by Abu Dhabi National Oil Company.

PILOT ACQUIRES CLIFF HEAD JV FOR CCS

PILOT ENERGY has completed the first stage of a revised sale and purchase deal for the acquisition of 100% of the Cliff Head oil joint venture and assets from Triangle Energy, according to a Pilot filing with the ASX.

The completion of the first stage means Pilot can fully progress the entry of new joint venture partners to develop the Cliff Head carbon storage project. Partners under consideration include a consortium of South Korean companies seeking 60% JV interest in the Mid West clean energy project, which includes the Cliff Head carbon storage project. A foreign state-owned enterprise is also seeking a minority interest in the project, Pilot disclosed. The Cliff Head project will see the repurposing of depleted oil field assets into carbon capture storage facilities.

ASTRON SECURES RARE EARTHS APPROVAL

Denver-based ENERGY FUELS and ASX-listed ASTRON have obtained approval from the Victoria state government for the Donald rare earth and mineral sands project, clearing the final regulatory hurdle to get the project off the ground following opposition from local farmers.

The project, near Minyip, will be the world's fourth-largest rare earth development outside China. Astron plans to mine more than 1,140 hectares for rare earths including neodymium, praseodymium, zirconium and titanium.

Energy Fuels can invest a total of A$183m (US$119m) and issue US$17.5m of shares for an up to 49% stake. The project will provide Energy Fuels with a low-cost and long-term supply of monazite and xenotime-bearing mineral concentrate, which Energy Fuels plans to import to the US for processing into high-purity rare earth minerals at its White Mesa Mill in Utah. The mine will produce light, mid and heavy rare earth oxides for commercial, clean energy and defence technologies.

Energy Fuels and Astron are working towards a final investment decision for the project, which could come as early as the end of 2025.

"The FID and development of the project could be significantly accelerated with US and/or Australian government support," the companies said. Phase 1 is expected to supply Energy Fuels with 7,000–8,000 tonnes of rare earth elements per year commencing as early as 2026 and a second phase could increase production to 13,000–14,000 tonnes per year.

DEVELOP SEEKS A$180m EQUITY RAISE

Mining company DEVELOP GLOBAL is preparing an equity raise of up to A$180m (US$116.9m) to fund development of its copper and base metal resources, AFR reports. Sources said the company aims to capitalise on the doubling of its share price this year, which has brought its market capitalisation to A$1.4bn. The offer price of A$4.50 per share is a 6.1% discount to Monday's close before trading in the shares was halted. The deadline to submit orders was 5pm Sydney time on Tuesday.

Argonaut Securities and Aitken Mount Capital are running the deal. Sources said the funds will be used for projects including extending the life of the Woodlawn copper-zinc mine in New South Wales and ramping up pre-production of the Sulphur Springs copper-zinc project near Port Hedland, Western Australia.

Develop Global focuses on the production of metals used for sustainable energy generation and storage. It has AS$102m in project debt.

CORONADO NABS US$150m OAKTREE DEBT

ASX-listed coal miner CORONADO GLOBAL RESOURCES has signed a US$150m three-year senior secured asset-based lending facility with an affiliate of Oaktree Capital Management, LPC reports. The loan will be used to amend and restate a borrowing from 2023.

Oaktree affiliate Highland Park XII will provide the loan with interest at 15% per year, and a 9% per year commitment fee payable on undrawn amounts during the first year. The loan is also subject to an interest make-whole, payable on any refinance or prepayment during the first 18 months.

Global Loan Agency Services Australia is administrative agent and Global Loan Agency Services Australia Nominees is collateral agent.

Availability of the facility is limited to an eligible borrowing base, determined by applying advance rates to eligible accounts receivables and inventory.

The facility has leverage and interest coverage ratio covenants to be tested quarterly, as well as covenants related to the payment of dividends, purchase or redemption of equity interest of Coronado Global or any of its subsidiaries.

It also has covenants related to financial reporting and to the incurrence of liens or encumbrances, prepayment of certain debt, compliance with laws, use of proceeds, maintenance of properties, insurance, payment obligations, financial accommodation, mergers and sales of all or substantially all of the assets, and changes in the nature of business.

OAKTREE IN TALKS FOR TAHMOOR COAL

OAKTREE CAPITAL MANAGEMENT has entered talks for the financing of the Tahmoor coal mine in NSW that ceased operation in early February due to funding challenges, AFR reports.

The Tahmoor mine is controlled by UK-Indian industrialist Sanjeev Gupta and previously supported the Whyalla and Port Kembla steelworks. It's capable of producing 2m tonnes of steelmaking coal per year and employed 450 staff and contractors.

Oaktree has submitted multiple funding proposals for the mine. Sources told AFR that Gupta has reduced his debt request from A$800m (US$519m) to A$150m as he struggles to retain control of Tahmoor. White Oak Global Advisors is understood to be competing with Oaktree for Tahmoor. Any deal will require that advisory firm KordaMentha agrees to release its security over the mine, a result of legacy contractual arrangements.

Gupta has informed Tahmoor stakeholders in recent weeks that he was considering the sale of assets in India to provide funds. A source said Tahmoor has missed royalty payments to the NSW government and multiple deadlines to raise funding.

Gupta's ambitions to create a steelmaking empire in Australia have recently run aground, with the loss of South Australia's Whyalla steelworks in February and the state government's appointment of KordaMentha as administrator. Tahmoor is one of few Australian steelmaking assets still in Gupta's hands alongside Infrabuild and the Liberty Bell Bay smelter in Tasmania.

ARC INFRA LAUNCHES LOAN

Australian rail network company ARC INFRASTRUCTURE, formerly known as Brookfield Rail, has launched a A$300m (US$196m) dual-tranche Asian term loan into syndication, reports LPC.

ANZ, MUFG and SMBC are the mandated lead arrangers and bookrunners.

The senior, secured loan comprises seven and 10-year tranches offering interest margins of 150bp and 175 over BBSY respectively.

Mandated lead arrangers committing A$50m or more will earn top-level upfront fees of 70bp and 100bp on the seven and 10-year tranches, respectively, while lead arrangers providing A$25m–$50m will receive 65bp and 95bp in fees.

Arrangers coming in with A$15m–$25m are offered fees of 60bp and 90bp.

Proceeds are for general corporate purposes and refinancing.

The borrower hosted roadshows in Singapore, Taipei and Tokyo last week, and a bank presentation was scheduled for July 1 in Sydney.

Commitments are due by the end of July.

Arc Infrastructure held a non-deal roadshow across Asia Pacific in April.

In November 2019, Arc Infrastructure raised a A$225m one-year club loan.

Bank of China Sydney, Mizuho Bank, MUFG and SMBC were the lenders on that deal, according to LPC data.

RBI relaxes PF provisioning requirement

INDIA Project Finance

India's central bank is planning a much smaller increase to the provisioning requirement for under construction project loans compared with the proposal in a draft circular it issued last year reports IFR.

The Reserve Bank of India will require lenders to set aside 1% of the loan amount for projects under construction in the infrastructure sector and 1.25% for commercial real estate, up from the current provision of 0.4%.

It had proposed in May last year that lenders set aside 5% of the loan amount during the construction phase of a project.

The country has seen a series of defaults in the infrastructure sector in the past decade on the back of exuberant lending, causing stress in the financial system and encouraging the central bank to act to prevent a repeat.

Under its new rules for project financing, the RBI is also allowing extensions to the start of commercial operations of projects by three years for the infrastructure sector and by two years for other sectors.

Once a project is operational, the standard asset provisioning will fall to 1% for commercial real estate, 0.75% for residential housing and 0.4% for other projects.

The revised rules, along with the surprise 50bp repo rate cut and 100bp cut in the cash reserve ratio announced by the RBI on June 6, are expected to bring relief to public sector banks and infrastructure financiers like REC and Power Finance Corp, analysts said.

"In terms of incremental impact versus the current norms, banks' standard asset provisioning would increase by 25 basis points to 60 basis points for the projects under construction, but there would be no impact for operational projects. We thus expect only a modest increase in credit costs for banks," said IIFL Capital in a note on Friday. It also said it expects a limited impact on infrastructure-focused nonbanking financial companies.

The new rules are effective from October 1.

Krishna Merchant

Arc Infrastructure operates and maintains a railway that stretches for more than 5,000 kilometres across Western Australia.

RIO JOINS US$1.6bn HOPE DOWNS 2

Mining giant RIO TINTO is joining HANCOCK PROSPECTING in developing the A$2.5bn (US$1.6bn) Hope Downs 2 iron ore project, the company said in a statement.

The project has obtained all required state and federal government approvals, and involves the mining of Hope Downs 2 and Bedded Hilltop deposits in Western Australia's Pilbara region. The combined total annual production capacity is estimated at 31m tonnes. The first ore and associated infrastructure for the project is scheduled for 2027, with processing to be done at Hope Downs 1. Rio said it will invest A$20bn in new infrastructure and equipment over the next three years during construction.

BOWEN COKING IN FINANCING TALKS

BOWEN COKING COAL has entered discussions to secure financing to support its operations amid depressed coal prices, LPC reports. In a filing on 20 June, Bowen said it is considering several solutions, including debt, equity and hybrid financing, to provide liquidity and safeguard business continuity.

Bowen warned that it could pause part or all of its operations until markets recover if it is unable to secure funding.

The company obtained a US$29m senior secured loan at the end of March from Taurus Mining Finance Fund No 2. The senior loan matures on September 30 2026, and pays interest of 11% per year on the drawn balance. The borrowing also pays royalties relating to the sale of coal that Bowen produces at its Bluff PCI, Broadmeadow East and Burton mines.

Bowen has A$45.2m (US$29.3m) in subordinated debt from New Hope Corp that matures on March 31 2027.

The Brisbane-headquartered mining company produces steelmaking coal and owns the Bluff, Broadmeadow East, Cooroorah, Comet Ridge and Issac River coking coal projects. It also owns 90% in the Hillalong and Lenton projects in Queensland's Bowen Basin, and has 15% and 5% interests in the Lilyvale and Mackenzie projects, respectively, in a joint venture with Stanmore Resources.

BRISBANE AIRPORT IN NEW LOAN

BRISBANE AIRPORT CORP is seeking a A$600m (US$388m) dual-tranche bullet term loan, close on the heels of a smaller borrowing completed in March, reports LPC.

ANZ, Commonwealth Bank of Australia and MUFG are the mandated lead arrangers and bookrunners of the latest borrowing, which is equally split into seven and 10-year tranches, offering interest margins of 125bp and 155bp over BBSY, respectively.

The loan offers an upfront fee of 10bp per annum.

Lenders are invited to join at two ticket levels: MLA for A$75m or more and lead arrangers for less than A$75m.

Commitments are due by June 23.

Proceeds are for general corporate purposes.

In March, Brisbane Airport closed a A$300m eight-year term loan after attracting a dozen lenders in syndication.

MUFG was the sole MLAB of that loan, which offers a margin of 145bp over BBSY.

Brisbane Airport, rated Baa2/BBB (Moody's/S&P), has bank loans of A$102m (Tranche J) and A$50m (Tranche K) maturing in the year ending June 30 2025 and 2026, respectively, according to a 2024 annual report from parent BAC Holdings.

In March 2024, Brisbane Airport raised A$500m from a 10-year fixed-rate bond via joint lead managers Mizuho Bank, National Australia Bank and Westpac Banking Corp, IFR Asia reported.

The 5.9% March 8 2034s priced at 99.597 for a yield of 5.954%.

The airport owners' are QIC 30.2%, Igneo, 24.8% IFM Investors 20%, Royal Schiphol Group 19.6%, and CareSuper, 4.9%,

PORT OF NEWCASTLE SEEKS BOND

PORT OF NEWCASTLE, rated BBB/BBB– (S&P/Fitch), mandated CBA, Citigroup and NAB as joint lead managers to arrange investor meetings beginning on June 30 for a potential inaugural eight-year or 10-year Australian dollar fixed-rate senior secured bond offering, reports IFR.

Port of Newcastle is the world's largest coal export port and handles about 70% of Australia's thermal coal exports.

Earlier this year, Fitch revised the issuer's BBB– ratings outlook to positive from stable, citing improved cashflow and credit metrics.

"The port will also prioritise reinvesting cashflow into non-coal revenue streams, advancing PON's long-term revenue diversification strategy aimed at reducing reliance on coal-related revenue post-2030," Fitch said in a report on February 4.

Port of Newcastle projects non-coal revenues to be about half of its total revenues, excluding both coal trade and coal lease income, by mid-2030, according to the rating agency.

"This diversification strategy enhances PON's appeal to lenders and investors, aligning with broader sustainability and transition goals," Fitch said. "We believe that these factors, combined with the improving credit metrics, will maintain support from domestic banks and capital markets for PON's upcoming refinancing needs."

Port of Newcastle struggled to gain traction for its debut US$300m 10-year senior secured 144A/Reg S bond issue in November 2021 as investors questioned the company's environmental standing.

Port of Newcastle is owned by Macquarie-managed The Infrastructure Fund and Hong Kong-listed China Merchants Port Holdings with 50% each.

BHUTAN

B GRIMM INKS HYDRO DEAL

Thailand's B GRIMM POWER has signed a memorandum of understanding with Druk Green Power to develop a hydropower plant in Bhutan. The company is said to be the first non-Indian foreign company to enter a partnership in the country.

The companies will jointly explore and develop hydropower and solar energy projects in Bhutan through special purpose vehicles, according to reports. The first project will be 50MW river project, with the potential to expand to 100MW. Druk Green Power will hold a 51% stake in the joint venture with B Grimm Power taking 49%. The MoU was signed in Thimphu by Druk Green Power managing director Dasho Chhewang Rinzin and B Grimm Power executive vice-president Cherdchai Yiwlek.

INDIA

EDELWEISS COULD SELL SOLAR PLATFORM

EDELWEISS INFRASTRUCTURE YIELD PLUS FUND is considering selling its 74% stake in the 1.2GW solar platform it co-owns with Engie, the Economic Times reported. Standard Chartered is said to be advising. In 2020, the fund agreed to buy the stake in the then 813MW platform from Engie for US$443m.

ACME INKS PPA FOR 300MW SOLAR

An ACME unit has entered into a 25-year power purchase agreement with the Solar Energy Corporation of India (SECI) for a 300MW solar project in Sikar, Rajasthan.

ACME's wholly-owned subsidiary, ACME Sikar Solar Private, won the bid for the project under SECI's interstate transmission system (ISTS) XVIII tranche, at a tariff of Rs3.05 (US$0.036)/kWh. The project offers a key financial advantage in the form of an ISTS charges waiver, which will reduce transmission costs. The execution of the PPA brings ACME Solar's total PPA-signed portfolio to 5.13GW, including 2,890MW in operational capacity, according to a company statement. The company also has a pipeline of 1,840MW of projects that have obtained letters of award.

ACME SOLAR REFIS 250MW

ACME SOLAR has refinanced the project debt on the 250MW ACME Aklera Power Technology scheme in Rajasthan with a Rs1.72bn (US$124m) loan via Bank of America and Standard Chartered.

The project has been operational for 18 months. The 18-year deal reduces financing costs by 95bp to 8.5% per year and adds to the Rs45.75bn of refinancings in the last six months. In April ACME Solar secured a Rs24.9bn long-term refinancing facility on state counterparty projects from SBI and REC at a reduced weighted-average interest rate of 8.8%. This debt refinanced its 490MW projects across Andhra Pradesh, Rajasthan and Punjab. The facility extends for 18 to 20 years, matching the lifespans of the underlying projects.

ACME SOLAR WINS BESS PROJECTS IN AP

ACME SOLAR has won 275MW/550MWh battery energy storage systems in Andhra Pradesh. The projects are the 50MW/100MWh Kuppam project at a tariff of Rs210,000 (US$2,450)/MW/month and the 225MW/450MWh Ghani project at Rs222,000/MW/month.

The project requires two full operational cycles of two hours a day. ACME Solar will receive viability gap funding of Rs2.7m per MWh, or 30% of the total project cost, whichever is lower, it said.

This is its first standalone BESS mandate from a February tender by NHPC for two grid-scale BESS projects in the state. The auction was part of a tender by NHPC to enhance energy storage capacity in Andhra Pradesh. ACME Solar has a portfolio of 6.97GW and 550MWh covering solar, wind, storage, firm and dispatchable renewable energy and hybrid schemes.

JSW ENERGY SIGNS 25-YEAR 300MW PPA

JSW ENERGY subsidiary Energizent Power has entered a 25-year power purchase agreement with state-owned NHPC for 300MW of solar-wind hybrid power to be supplied to India's inter-state transmission system. The tariff is fixed at Rs3.49 per kWh (US$0.041/kWh). The hybrid project is in Rajasthan and Andhra Pradesh and is scheduled for commissioning in the next 24 months.

SECI TENDERS 1.2GW IN SOLAR

Solar Energy Corporation of India is inviting bids for 1.2GW in solar projects for connection to India's interstate transmission system, as well as 600MW/3.6GWh in on-site energy storage systems.

The work includes development of the solar projects, land acquisition and all required ISTS and state transmission grid interconnections. Commissioning of the projects must begin within 24 months of the effective date of the power purchase agreement, which will have a tenure of 25 years.

The deadline for submissions is August 18 and bids will be opened on August 21. Successful bidders must submit a performance bank guarantee of Rs3.98m/MW (US$46,328/MW), as well as ensure it retains validity for up to 12 months following commissioning.

Bidders are also required to have a net worth of Rs16m/MW of the quoted capacity, either as of the 2025 financial year, or at least seven days prior to the deadline for bid submission. Their minimum annual turnover must be at least Rs9.15m/MW.

India is targeting installing at least 500GW of renewable capacity by 2030.

ACEN JV TO SELL US$200M IN RENEWABLES

The joint venture between Philippines renewable energy giant ACEN and UPC RENEWABLES intends to sell stakes in renewable energy projects in India worth around US$200m, Mint reports.

Sources said the deal will see the joint venture offload stakes of up to 74% in three utility-scale renewable energy projects, including a 420MNW solar project in Rajasthan's Barmer region; a 100MW Karnataka wind project, and a 520MW wind and solar hybrid project scheduled for commissioning by 2027.

ACEN and UPC Renewables previously worked on the 420MW Masaya Solar project, the 70MW Paryapt Solar project and the 140MW Sitara Solar project. UPC

Renewables has its origins in Italy but is focused on clean energy projects in India, Asia Pacific and Australia.

BLUPINE GETS NEW PF

Actis-backed BLUPINE ENERGY has put in place a new financing via Standard Chartered for a solar project, a 150MW firm and dispatchable scheme in Aland, Karnataka, that falls under the scope of the SJVN 1.5GW FDRE tender in June 2023.

The company has raised Rs24.16bn (US$278.5m) for the scheme being developed by subsidiary Solarcraft Power India 16.

Last month BluPine raised Rs3.76bn of debt via Standard Chartered to back a 100MW solar project in Gujarat that has a power purchase agreement won in a tender by Gujarat Urja Vikas Nigam.

In March, BluPine Energy secured Rs17.87bn in structured finance from National Bank for Financing Infrastructure and Development. The funding was structured around a restricted group of 14 special purpose vehicles spanning Punjab, Uttarakhand and Karnataka, with a mix of central and state offtakers.

NLC GRABS 450MW HYBRID LOA

NLC INDIA has obtained a letter of award from NTPC for the development of a 450MW wind-solar hybrid power project that will be connected to the inter-state transmission system, according to a statement from NLC.

The power purchase agreement will cover a period of 25 years, with the project encompassing 300MW of capacity in Bikaner, Rajasthan, and 150MW in Bhuj, Gujarat. NLC India is a state-owned company under India's Ministry of Coal. NTPC is an Indian utiltiies company under the ownership of the Ministry of Power.

JUNIPER GREEN ENERGY FILES FOR IPO

Independent renewable energy firm JUNIPER GREEN ENERGY has filed its draft red herring prospectus (DRHP) with the Securities & Exchange Board of India (SEBI), in the hope of raising at least Rs30bn (US$349m) via an initial public offering. The IPO will comprise a fresh issue of equity with a face value of Rs10 (US$0.12) per share.

Juniper plans to use funds from the IPO for the repayment of Rs10.92 (US$127m) in debt, along with debt of its subsidiaries totalling Rs11.57bn ($135m). These subsidiaries include Juniper Green Gamma One, Juniper Green Gamma Three, Juniper Green Field, Juniper Green Beam, Juniper Green Kite and Juniper Green Ray Two. Bookrunning lead managers for the offering will be ICICI Securities, HSBC Securities and Capital Markets, JM Financial and Kotak Mahindra Capital Company.

Juniper has a portfolio of 382.15MW in wind power assets spread across five facilities in the state of Gujarat. The company has an operational wind capacity of 69.30MW.

ORIX TO SELL GREENKO STAKE

Japanese investor Orix has agreed to sell 17.5% of renewables developer GREENKO for US$1.282bn to AM Green Power, controlled by Greenko founders Anil Chalamalasetty and Mahesh Koll. Orix will invest in a US$731m convertible note that AM Green (Luxembourg) will issue.

The deal was first announced in January but was terminated in April. "However, after further consideration among related parties, we have decided to reenter into this agreement," Orix said. The original deal was for US$1.46bn. In the new deal Orix is keeping a 2.5% stake but AM Green has a call option on this investment.

The founders are said to be tapping private credit financing of about US$650m to fund the buyout. Barclays and Deutsche Bank were leads on the three-year financing, which was being sounded out to non-bank lenders, it was reported in January.

Last year it was reported Singaporean sovereign wealth fund GIC was studying divestment options for its 58% stake with JP Morgan. ADIA holds a 14% stake in the company and the founders will now hold 28%.

SAEL ENTERS 400MW SOLAR PPA

Renewable energy firm SAEL INDUSTRIES has entered a power purchase agreement with Punjab State Power Corporation for a 400MW solar project via subsidiary SAEL Solar P15. The tariff is Rs2.97 per kWh (US$0.035/kWh) for 25 years. The project is expected to begin full operation within 24 months of signing. SAEL has 85.5MW of capacity in Punjab.

VIBRANT ENERGY COURTED BY INVESTORS

JSW Group, Vedanta Group's Serentica, Blackstone, Brookfield, Sembcorp and Actis are among the investors looking to acquire VIBRANT ENERGY, Livemint reports. Non-binding bids for the renewable energy firm owned by Macquarie Group are set to come in by early July. Macquarie previously put Vibrant up for sale in early 2023, yet shelved the offer over a year afterwards due to disappointing valuations.

Standard Chartered is helping Macquarie with the sale and has arranged for eight to 10 major buyers to examine the asset, said one source. Another source said Vibrant Energy's enterprise value is estimated to be US$600m–$700m, including equity and debt on the books. The equity value of the company is estimated to be around US$250m–$300m.

Vibrant Energy specialises in the development of open-access wind and solar assets for corporate clients, with major projects including a 67MW solar farm in Nagpur and a 54MW wind farm in Kasar Sirsi, Maharashtra. It uses the group captive route, which involves corporate clients acquiring at least 26% in special purpose vehicles established to develop renewable energy plants and the execution of a 25-year power purchase agreement.

TAMIL NADU AWARDS SIX BESS PROJECTS

Tamil Nadu Green Energy Corporation has awarded 500MW/1GWh capacity for six standalone battery energy storage system projects to NLC INDIA RENEWABLES, BONDADA ENGINEERING and ORIANA POWER.

TNGECL awarded 250MW/500MWh to NLC at a tariff of Rs248,000/MW/month (US$2,880/MW/month), 200MW/400MWh to Bondada Engineering at Rs246,000/MW/month and 50MW/100MWh to Oriana Power at Rs246,000/MW/month.

The tender in March uses a build-own-operate model. The battery systems will be installed at six substations, with NLC responsible for three projects at Ottapidaram, Anuppankulam and Kayathar; Bondada responsible for two systems at Vellalaviduthi and Thennampatty, and Oriana Power for the one system at Karaikudi.

All systems are required to support two full charge-discharge cycles per day, and are scheduled for completion within 18 months of signing energy purchase agreements.

Tamil Nadu's power distribution utility, TANGEDCO will procure power from the storage systems under a 12-year agreement. All the projects will have viability gap funding from India's central government, which will cover up to 30% of capital costs.

ALTIUS INFRA TELCO ASSETS IN REFI

Brookfield Asset Management has launched a US$450m loan for a dividend recapitalisation of its Indian telecoms infrastructure assets into syndication, reports LPC.

Bayfront Infrastructure Management, Clifford Capital, First Abu Dhabi Bank, Mizuho Bank, Societe Generale and

Mumbai Airport gets Apollo debt

INDIA **Airports**

Companies from India's **ADANI GROUP** continue to raise funds from offshore and onshore bond issues, attracting top global investors despite an ongoing legal case in the US.

Mumbai International Airport garnered US$750m from a private placement of bonds with funds managed by Apollo Global Management, affiliates and other long-term investors to refinance debt.

BlackRock-managed funds and Standard Chartered participated, Adani Group said in a release. MetLife Insurance was among the other investors, sources said, and part of the Apollo investment came through Athene Annuity and Life Company, its retirement financing business.

Athene, BlackRock, MetLife and Standard Chartered did not reply to emailed queries.

MIAL, a subsidiary of Adani Airports Holdings, is the operator of Chhatrapati Shivaji Maharaj International Airport, the second-largest airport in India. AAHL holds 74% of the public-private venture and the Airports Authority of India 26%.

The refinancing is one of the largest private investment-grade rated deals in India's infrastructure sector.

It came shortly before group chairman Gautam Adani announced at an annual general meeting on the same day a plan to spend US$15bn–$20bn on capex annually across the group over the next five years.

MIAL's four-year bonds were placed at a yield of about 6.9%, sources close to the deal told IFR. Fitch has assigned an expected rating of BBB– to the bonds, having upgraded MIAL's existing notes by a notch on June 18, after India's airport regulator allowed the airport to charge higher fees for domestic and international flights from this financial year. Fitch expects MIAL's average leverage to improve to 3.7x over FY 2025–FY 2029, against its previous May 2024 forecast of 4.8x.

"For MIAL the pricing is attractive. US insurance companies are looking to buy shorter-tenor bonds as the current levels over US Treasuries," said a source aware of the plan.

The spread was equivalent to 300bp over US Treasuries on the day the deal was announced.

The funds will be used primarily to refinance debt. In May 2022, MIAL privately placed US$750m of 7.25-year notes with Apollo-managed credit funds. The July 2029 notes had a 6.6% annual coupon rate, payable semi-annually, with a 50bp step-up from the fourth year onwards.

Besides repaying the existing MIAL bonds, the funds will be used to enhance "MIAL's financial flexibility to support operations, modernisation and sustainability initiatives", Apollo said in a release.

The structure allows for up to US$250m in additional funding to accelerate capital expenditure and capacity expansion.

Following Apollo's initial investment to provide operational flexibility to deleverage, the second bespoke financing is "now delivering an investment grade rated solution", said Jamshid Ehsani, a partner at Apollo.

Adani said the transaction demonstrated its continued access to diversified global capital markets and its ability to attract high-quality investors. That is despite the indictment of senior executives in the US in relation to an alleged scheme to pay bribes to Indian officials for power supply contracts. The group has denied the allegations.

"We believe contagion risk from any adverse developments at Adani Group, of which MIAL is a part, is limited by the Indian government's 26% shareholding in MIAL through Airport Authority of India, together with AAI's three nominee directors and three independent directors out of a total of nine," wrote Fitch, noting that the bonds also have a robust cashflow waterfall mechanism and covenants that restrict cash being upstreamed to shareholders.

News of the indictment caused Adani Green Energy to pull a US$600m public bond offering on November 21, but the group has been able to find funding through placements to global asset managers as well as in the onshore bond market.

In April, BlackRock invested about US$250m in an issue of US$750m of privately placed bonds by Adani's Dubai based subsidiary, Renew Exim, at about 400bp over SOFR with a tenor of three to five years, sources said. The investment is understood to have been seen as an attractive opportunity for BlackRock's clients in India's infrastructure sector.

Adani Group has been considering since last year a return to the US dollar market via a private placement of Reg D bonds, a format that does not require the securities to be registered with the US Securities and Exchange Commission.

In the rupee market, Lakadia Banaskantha Transco, a power transmission special purpose vehicle of Adani Energy Solutions, lined up a Rs5.79bn (US$67m) two-part long-tenor bond offering for July 1, according to market sources.

The offering comprises a Rs4.79bn March 31 2043 tranche at 7.7% and a Rs1bn September 30 2044 piece at 7.84%. Interest will be payable quarterly. HDFC Bank and Trust Investment Advisors are the arrangers.

Lakadia Banaskantha Transco is a transmission system project between Lakadia and Banaskantha in the western state of Gujarat with an operational track record of more than two years. It carries power from Gujarat's renewable energy zones to a pooling station.

The funds will be used to refinance at lower cost an offshore loan due in October, Icra said in a note on June 17.

Separately, Adani Ports & Special Economic Zone is mulling the sale of Rs30bn of 10-year onshore bonds in the next few weeks, according to sources close to the plan. The funds will be used to buy back US$1bn of US dollar bonds in the next 18 months.

This comes after APSEZ successfully raised Rs50bn from 15-year bonds placed with Life Insurance Corporation of India at 7.75% on May 30.

Krishna Merchant

Sumitomo Mitsui Banking Corp are the mandated lead arrangers and bookrunners, and had prefunded the deal in April.

The loan has a door-to-door tenor of around 5.5 years and a remaining life of 5.25 years and offers an opening interest margin of 224bp over SOFR.

MLAs committing US$25m or more will earn a top-level all-in pricing of 235.4bp via an upfront fee of 60bp, while lead arrangers providing US$15m–$25m will receive a 233.5bp all-in, via a 50bp fee.

Arrangers coming in with less than US$15m are offered a 231.6bp all-in via a 40bp fee.

The deadline for commitments is July 4.

BIF IV Jarvis India and Project Holdings Nine are the borrowers of the loan.

Proceeds are used to fund a payout to the shareholders of Brookfield's **ALTIUS TELECOM INFRASTRUCTURE TRUST**.

The infrastructure investment trust has three underlying businesses – Summit Digitel Infrastructure, Crest Digitel Infrastructure, and Elevar Digitel Infrastructure, formerly known as ATC Telecom Infrastructure, which Brookfield acquired from American Tower Corp last year.

Brookfield completed the acquisition of ATC India via Altius in September 2024 with Rs135bn (US$1.57bn) in debt from loans and bonds to support the buyout of approximately 76,000 towers for an enterprise value of Rs181.49bn.

CATL to tap PF for EV

■ **INDONESIA** Renewables

China's CONTEMPORARY AMPEREX TECHNOLOGY (CATL) and partners plan to tap project financing to develop a segment of an integrated electric vehicle battery material ecosystem project in the Indonesian provinces of North Maluku and West Java.

The facility, called Project Dragon, is estimated to require US$6bn of investment. It will integrate multiple components of the EV battery chain that includes nickel mining operations, a rotary kiln-electric furnace (RKEF) or smelter, high-pressure acid leach (HPAL) processing and production of precursors and cathodes.

It is understood there will be different financing schemes for the different parts of the project. However, project financing may be tapped for the 55,000-tonnes per year HPAL processing project, and BNP Paribas and DBS Bank are financial advisers. The project cost of HPAL will be in a few hundred million dollars, less than US$1bn.

CATL, through subsidiary Ningbo Contemporary Brunp Lygend Co (CBL), has signed a tri-party framework agreement with Aneka Tambang (Antam) and Industri Baterai Indonesia (IBI) to cooperate on the Indonesia EV battery integration project. IBC is made up of Pertamina New & Renewable Energy, PLN, and Indonesia Asahan Aluminium (Inalum).

Phase 1 involves battery cell manufacturing whose construction has started in Karawan, West Java. Initial capacity is 6.9GWh and target operational date is end of 2026. There is an expansion plan to increase capacity to 15GWh in Phase 2, which involves full value chain integration that includes nickel mining and processing, battery materials production, and battery recycling.

A ground-breaking ceremony was held over the weekend in the two provinces: in Karawang, West Java and in East Halmahera, North Maluku. It was witnessed by Indonesian president Prabowo Subianto, as well as CATL co-founder and vice-chairman Li Ping and others.

Minerva Lau

INDONESIA

PLN TO LAUNCH WIND AND COAL POWER AUCTIONS

PLN is expected to launch in July an auction for wind power plants. It is understood to be preparing a request for proposal for power plants with capacity of 50MW–70MW each. Under the latest approved power development plan, the government aims to have 7.2GW of wind capacity by 2034.

It is also preparing to launch a tender for coal-fired power plants, limited to mine-to-mouth power plants.

The latest 2025–2034 power development plan has reintroduced the development of coal plants in PLN's energy mix. Of the 6.3GW of new capacity, 2.3GW of coal plants are reported to be already in process and have a "committed" status.

INPEX SETS UP RENEWABLES UNIT

INPEX has set up a subsidiary, Inpex Renewable Energy Indonesia, to manage renewable energy projects and promote new business development in Indonesia.

IREI will oversee existing projects such as the Sarulla, Muara Laboh, Rantau Dedap, and Rajabasa geothermal power projects. Inpex said it seeks to further strengthen its presence in the renewable energy sector within the country and explore new business opportunities.

Inpex is Japan's largest exploration and production company which is leading the development of a 9.5MTPA Abadi LNG project at the Masela block.

It is partnering with Pertamina and Petronas in the project estimated to cost US$20bn or more. Debt amount to be raised could be US$14bn. Mizuho and A&O Shearman are advising the sponsors and MUFG and WFW for the government's SKK Migas.

BARITO RE GETS NEW EXPANSION LOAN

Barito Pacific subsidy BARITO RENEWABLES ENERGY has secured a five-year US$121.1m loan to fund the expansion of its Salak-Darajat geothermal project in the West Java province.

The loans are being raised through its subsidiaries Star Energy Geothermal (SEGPL), Star Energy Geothermal Netherlands and Star Energy Geothermal (Salak-Darajat). Lenders are DBS and SMBC, according to a disclosure to the Indonesia Stock Exchange.

The loan, which matures on June 18 2030, is split into US$96.1m Tranche A allocated to SEGPL and SEGN, and a US$25m Tranche B which is allocated to SEGSD.

The proceeds will be used to support retrofitting of Darajat Unit 3 and construction of new unit at Salat Unit 7, that will add an estimated 47MW of capacity.

The group previously raised a US$139.5m loan facility in April this year, and provided by the same two banks – DBS and SMBC. The proceeds went into the retrofitting of existing geothermal units 1 and 2 with an additional 18.4MW, and construction of geothermal unit 3, adding 30MW. SEGPL obtained US$114.5m and Star Energy Geothermal (Wayang-Windu) obtained US$25m.

JAPAN

RENOVA SECURES BESS PF

RENOVA has secured project financing for a 30MW battery energy storage system in Ishikari City, Hokkaido. Its subsidiary R3 Energy Storage Facility Co will develop, own and maintain the BESS facility which has a 20-year offtake agreement with Tokyo Gas.

It signed loan agreements on June 30, Renova said in a statement without disclosing the names of the lenders and details of the loan. The company is understood to have previously raised a BESS loan via MUFG.

BANPU SELLS SOLAR PLANTS TO ACTIS

Banpu Power subsidiary BANPU NEXT has sold 10 solar power plants totalling 91.69MW for ¥19,764m (US$137m) to ACTIS through Japan-focused investment vehicle Nozomi Energy.

The assets, most of which are newly commissioned, range from 1MW to around 30MW, and are located across Japan – from Hokkaido in the north, and Tohoku and Kansai areas on Honshu, to Kyushu in the south.

The projects operate under 20-year feed-in-tariff contracts with an average remaining life of almost 15 years.

Nozomi Energy is acquiring the assets and will assume responsibility for both operations and maintenance, and asset management services across the portfolio. The company, a US$500m renewables platform launched in 2023 by Actis, is targeting 1.1GW of solar and onshore wind power generation by 2027.

The transaction is expected to complete within Q3 and is part of Banpu's strategic portfolio optimisation, aiming to maximise efficiency and reinforce its commitment to long-term sustainable growth, it said. Nomura is sole financial adviser to Banpu NEXT.

JERA AND KAWASAKI IN CCUS JOINT STUDY

JERA and KAWASAKI HEAVY INDUSTRIES have signed a memorandum of understanding related to a joint study aimed at developing a carbon capture, utilisation and storage value chain at Yokosuka thermal power station at Kurihama, Yokosuka City, Kanagawa Prefecture in Japan.

According to a statement, they plan to conduct demonstration testing using KHI's state-of-the-art carbon capture equipment at the Yokosuka power plant which is operated by Jera subsidiary Jera Power Yokosuka, by 2030. This will be the first test of installing CO_2 capture facilities at a coal-fired thermal power plant on Tokyo Bay.

Jera, under its zero-carbon emissions 2050 initiative, is expanding its use of renewable energy and working to develop zero emissions at its thermal power plants. It already has successfully conducted the world's first demonstration testing of 20% substitution of fuel ammonia at a large-scale commercial coal-fired thermal power plant, its Hekinan thermal power station unit 4 located in Aichi Prefecture.

KHI has developed a Kawasaki CO_2 capture technology that uses a solid sorbent to absorb the CO_2 in exhaust gases and then capture it through the introduction of low-temperature (60°C) steam. It uses waste heat from power plants or industrial plants to generate steam, and the KCC process reduces the cost of CO_2 capture.

The company initially developed the technology to remove CO_2 from exhaled breath in enclosed areas. It is aiming to apply the same technology to remove CO_2 from exhaust gases at coal-fired power plants. Tests are currently ongoing.

JERA AND RYOHIN KEIKAKU FORM MUJI ENERGY

JERA and RYOHIN KEIKAKU have set up a joint venture, Muji Energy, to engage in renewable power generation that will include development of solar power plants. The first project is a 13MW power plant to be developed within a year of establishing the JV. This is equivalent to 20% of Ryohin's annual power consumption and is expected to reduce CO_2 emissions by approximately 8,000 tonnes per year.

Ryohin has also entered a virtual power purchase agreement with Jera Cross for transactions in "environmental value of renewable energy", according to a statement. The agreement will allow Ryohin Keikaku to use the environmental value generated by Muji Energy and procured via Jera Cross, to reduce CO_2 emissions associated with power generation at Ryohin Keikaku, including Muji tenant stores.

JERA IN R2 OFFSHORE WIND FID

JERA and its partners are understood to have made a final investment decision on the 315MW offshore wind project that it won in the second round auction conducted in 2023 by the Ministry of Economy, Trade & Industry. It is partnering with Itochu and Tohoku Electric Power for the offshore wind scheme at Oga City, Katakami City and offshore Akita City in Akita prefecture.Commercial operation date is June 2028. The project will use 21 Vestas turbines. The consortium is understood to be preparing to launch the financing, a positive development considering challenges faced by other winning consortiums in the R2 and R3 auctions. The fixed-bottom project has a tariff at ¥3 per kWh (US$0.0206/kWh).

MALAYSIA

CP GROUP GETS MAYBANK DEBT

ALTERVIM, the renewable energy arm of Thailand's Charoen Pokphand Group, has secured a bilateral loan from Maybank to finance the development of rooftop solar projects to be installed at 28 branches of hypermarket Lotus's Malaysia.

The initial phase will deliver up to 20MW of capacity, generating nearly 24.7GWh of clean energy a year and offset nearly 434,000 tonnes of carbon dioxide emissions throughout the projects' life cycle, according to reports citing Maybank.

Altervim, which operates under CP Group's energy portfolio, is among several regional players tapping Malaysia's growing demand for solar power as the country aims to achieve 70% renewable capacity by 2050.

DAYONE DC LOAN SOLD

DAYONE DATA CENTERS has closed syndication of a dual-tranche green loan of around US$3.46bn-equivalent for its Malaysian projects to a strong response from 22 lenders joining the deal, reports LPC.

Six Chinese banks took US$450m combined of the US$790m that was sold down from a US$1.7bn term loan portion for the data centre operator formerly known as GDS International.

Lenders joining a M$7.5bn (US$1.76bn) murabaha term financing tranche took M$2.05bn.

Coordinating mandated lead arrangers and bookrunners CIMB, Credit Agricole CIB, DBS Bank, Maybank, OCBC Bank, Standard Chartered and United Overseas Bank underwrote the senior secured facilities.

The five-year amortising borrowing offered top-level all-in pricing of 263.2bp and 239bp based on interest margins of 240bp over Klibor and 220bp over SOFR for the ringgit and dollar tranches respectively, and an average life of 4.73 years.

WG Data Hub, the holding company for DayOne's Malaysia data centres, is the borrower.

Parent DayOne is providing a guarantee for the borrowing.

The financing is structured to align with the Green Loan Principles and the proceeds will refinance existing facilities and partly fund capital expenditure for DayOne's data centres in Johor that meet or are expected to meet LEED 'Gold' or higher certification.

DayOne was formerly the international subsidiary of Chinese data centre operator GDS Holdings.

Earlier in June, a joint venture between DayOne and the Indonesia Investment Authority obtained a Rp6.7trn (US$412m) loan to finance the development of a new data centre campus at the Nongsa Digital Park in Batam, Indonesia.

Allocations for the borrowing for the Malaysian projects are:

Coordinators, mandated lead arrangers & bookrunners – CIMB Bank M$1,100m and US$170m; Credit Agricole US$150m; DBS Bank US$200m; Maybank MS$1,500m; OCBC Bank MS$1,100m and US$170m; Standard Chartered MS$650m, US$50m and United Overseas Bank MS$1,100m and US$170m.

Mandated lead arrangers – Bank of China Singapore branch US$45m; Bank of China Hong Kong US$45m; BBVA Singapore branch, US$75m; Bank of East Asia, US$32.5m; Bank of East Asia Singapore US$28m; Bank of East Asia Macau branch, US$4.5m; China Citic Bank Suzhou branch; US$100m; China Citic Bank International Singapore branch, US$20m; China Minsheng Banking Corp, US$80m; Industrial Bank Hong Kong branch, US$80m; MBSB Bank, MS$650m; Mizuho Bank, US$40m Mizuho Bank Malaysia, MS$110m; Public Islamic Bank MS$410m and; Shanghai Pudong Development Bank Singapore branch, US$80m.

Senior lead arrangers – Bank Islam Malaysia, MS$220m and Societe Generale, US$40m

Lead arrangers – Alliance Islamic Bank, MS$130m; BNP Paribas Malaysia, MS$120m; Hong Kong Mortgage Corp, US$30m; Bank Kerjasama Rakyat Malaysia MS$180m; MUFG Bank Malaysia MS$130m; Nanyang Commercial Bank, US$30m; National Bank Of Kuwait Singapore branch, US$20m; Shanghai Rural Commercial Bank Pudong branch, US$20m; Sumitomo Mitsui Banking Corp Malaysia, MS$100m and Taipei Fubon Commercial Bank Singapore branch, US$20m.

DOE holds GEA5 auction dialogue

■ **PHILIPPINES** Renewables

The Department of Energy convened on June 30 a virtual pre-bidding dialogue with stakeholders for the fifth round of green energy auction, GEA5, the Philippines' first auction dedicated to offshore wind.

It aimed to solicit comments, clarify provisions and common interpretation of the draft GEA5 notice of auction, terms of reference and annexes. The discussion also covered regulatory, technical and infrastructure considerations to help ensure the smooth and successful implementation of GEA5.

"This dialogue is critical in ensuring that all stakeholders have a collective understanding of the draft NOA and TOR and are able to contribute to its refinement," said undersecretary Rowena Cristina Guevara. "Through this engagement, we hope to address cross-cutting issues early on and set the stage for a smooth and well-coordinated auction process."

DOE confirmed that GEA5 will adopt a more holistic and balanced approach to bid evaluation, expanding beyond price criteria to include technical readiness, permitting progress, grid connection status, delivery timeline, and risk management.

It also underscored the importance of early coordination with the transmission network service provider and port authority, thus encouraging the developers to submit infrastructure plans at the earliest stages to support inter-agency coordination, reduce bottlenecks, and enhance accountability, it said in a statement.

The DOE also clarified that only bank guarantees, irrevocable standby letters of credit, or cash will be accepted as performance securities under GEA5. Surety bonds will no longer be permitted.

To safeguard the integrity of the auction process, the DOE said delays exceeding three years due to developer default will result in the revocation of the certificate of award and the certificate of endorsement for the green energy tariff. However, lenders' "step-in rights" will be recognised, allowing them to assume project control before any revocation occurs.

DOE is preparing to seek 3.3GW of offshore wind capacity under GEA5, with commercial operations to commence between 2028 and 2030.

There are at least 16 offshore wind projects proposed to DOE. These include proposals from developers such as Triconti Southwind Corporation; Jet Stream Windkraft Corporation; Ivisan Windkraft Corporation; BuhaWind Energy Northern Luzon Corporation; ACX3 Capital Holdings; Vind Energy Corporation; Domhain Earth Corporation; and CI NMF (PH) Corporation which is partnering with ACEN.

The dialogue brought together representatives from offshore wind developers, industry associations, development partners and government agencies, including the Energy Regulatory Commission, National Grid Corporation of the Philippines, Philippine Ports Authority, Department of Transportation, Department of Environment and Natural Resources, and relevant DOE bureaus and offices.

Minerva Lau

PAKISTAN

IFC APPROVES REKO DIQ PF

The IFC has approved financing for the US$6.6bn Reko Diq copper-gold mine being developed BARRICK GOLD. It will supply US$300m as an A loan and a US$400m subordinated loan via the IDA20 Private Sector Window.

Project company Reko Diq Mining Company has told local press the up to US$3bn project financing will come from the IFC, IDA, ADB, US International Development Finance Corporation, US Exim, EDC, Euler Hermes, KfW IPEX-Bank, EKN of Sweden and Finnvera of Finland, alongside a covered commercial bank tranche. JBIC, Australia and South Korea have previously been mentioned as being involved. The company said it is on track to sign project finance documents and expects the project loan to be available for the initial drawdown in the second half of 2025.

Saudi mining company Manara Minerals is said to be seeking a 15% stake in the scheme. Barrick has 50%, federal state-owned enterprises have 25% and the Balochistan government has 25%.

PHILIPPINES

CIP APPOINTS CAMSUR OFFSHORE FA

COPENHAGEN INFRASTRUCTURE PARTNERS was heard to have appointed ING as financial adviser for the proposed Camarines Sur (CamSur) offshore wind project.

The project, near the coast of San Miguel Bay in Camarines Sur, is in predevelopment stage and the partners plan to participate in the Department of Energy's fifth round of the green energy auction, GEA5, which focuses on offshore wind.

CIP holds three 25-year offshore wind service contracts for projects with a combined capacity of 2GW. They will be developed in Camarines Norte and Camarines Sur, offshore Northern Samar, and offshore Pangasinan and La Union.

For the CamSur project, ACEN, part of the Ayala Group, has joined CIP with the acquisition of a 25% stake in the project. It has signed a deed of absolute sale with CIP, through its local affiliate CI NMF Philippines, for the acquisition of 29,500 common shares in CI GMF II Camarines Offshore Wind Energy Corp. The shares, priced at Ps100 (US$1.76) each, are equivalent to 25% stake in the company.

CI GMF II is the holding company of CI NMF Philippines, the project company that will develop, construct, operate, and maintain the planned offshore wind energy project.

The execution of the deed of absolute sale follows the share purchase and loan agreement signed by ACEN with CI NMF Philippines and CI GMF II Cooperatief in May for the development of the project.

CIP was the first 100% foreign-owned entity that was awarded wind energy service contracts by the Department of Energy in 2023. It will also be developing a U$3bn San Miguel Bay offshore wind power project which includes a 650MW project in Northern Samar and a 350MW project in Dagupan, Pangasinan.

CITICORE PREPS 80MW PANGASINAN WIND

CITICORE RENEWABLE ENERGY CORP (CREC) is preparing to develop a 80MW wind power plant in Pangasinan with an estimated cost of Ps9.6bn (US$170.4m).

The project, which will be developed by subsidiary Citicore Wind Pangasinan 2, is one of the winning bids under the second round of the green energy auction (GEA2). It is targeted to be completed by the first quarter of 2028, CREC said in a disclosure.

It added that the project is aimed to reduce greenhouse gas emissions associated with power generation and maximise the economic potential of the mountainous areas of Sual and Labrador.

"The project is anticipated to provide clean electricity and local employment opportunities during its pre-construction, construction, and operational stages.

Additionally, it seeks to reduce the Philippines' dependence on fossil fuel energies and mitigate the impacts on climate change," CREC said.

SAN MIGUEL PLANS NEW 400MW HYDRO

San Miguel through its subsidiary SAN ROQUE HYDROPOWER is planning to go ahead with a new 400MW pumped-storage hydropower project, also referred to as the San Roque Optimization project located in Pangasinan.

According to reports, SRHI has made a filing with the Department of Environment and Natural Resources to pursue the said project which will span four towns across the province.

The project will involve key components, including a lower dam and storage pond, pumphouse, waterways, access roads, and a transmission line.

The company already has been awarded three hydropower projects in latest green energy auction – GEA3. These are the 800MW San Roque Lower East, 800MW San Roque West, and 250MW Aklan hydropower projects.

ACEN/UPC START 540MW SOLAR/ WIND BUILD

Philippine renewable energy giant ACEN has commenced construction on a 420MW solar farm in Rajasthan and a 120MW wind farm in Karnataka in partnership with UPC RENEWABLES.

The projects are scheduled for completion by early 2027 and are expected to jointly generate 1.16TWh per year, according to ACEN.

ACEN and UPC Renewables previously worked on the 420MW Masaya Solar project, the 70MW Paryapt Solar project and the 140MW Sitara Solar project. UPC Renewables has its origins in Italy but is focused on clean energy projects in India, Asia Pacific and Australia.

GEA3 WINNERS ISSUE AWARD ACCEPTANCE

The winning developers in the latest third round of bidding under the green energy auction (GEA3) have formally accepted the awards which have a combined capacity of 6,677.218MW, the Department of Energy said.

PAN PACIFIC RENEWABLE POWER PHILS CORP has accepted the award for three hydroelectric power projects, including two impounding HPPs, such as the 150MW Gened 1 and 150MW Gened 2 projects, and the 2GW Maton pumped-storage HPP. All projects are located in Apayao Province.

COHECO BADEO CORP has confirmed its acceptance for the 500MW Kibungan pumped-storage HPP, located in Benguet. Olympia Violago Water and Power and Ahunan Power, which are both affiliates of PRIME INFRA, have also accepted the award for a 600MW Wawa pumped-storage 1 HPP in Rodriguez, Rizal, and the 1.4GW Pakil pumped-storage HPP in Pakil, Laguna, respectively.

San Roque Hydropower, an affiliate of the SAN MIGUEL GROUP, has accepted the award for three pumped-storage projects: the 800MW San Roque Lower East pumped-storage HPP and 800MW San Roque West pumped-storage HPP, both located in Itogon, Benguet; and the 250MW Aklan pumped-storage HPP in Malay, Aklan.

The final group for geothermal power plants has accepted the awards. ENERGY DEVELOPMENT CORPORATION and its affiliate BAC-MAN GEOTHERMAL will be developing a 5.645MW Bago Binary geothermal power plant – unit 1 in Bago City, Negros Occidental, and the 21.573MW Tanawon geothermal power plant – unit 1 in Sorsogon City, Sorsogon.

The projects are expected to begin operation between 2025 and 2035.

GOVT TO PRIVATISE LRT2 VIA PPP

The Philippine government plans to privatise the Light Rail Transit Line 2 (LRT2) via public private partnership scheme.

"For LRT-2, we have a plan to utilise PPP next year," transportation secretary Vivencio B Dizon said at a media briefing. He added that IFC is advising the government on the LRT2 privatisation plan. Dizon said ridership growth and planned extensions will be underscoring the need for improved operations and maintenance.

The government is also considering a similar PPP scheme for MRT3 and has ADB as its transaction adviser. LRT2 is fully owned and operated by the government through the Light Rail Transit Authority, while MRT3 is a joint venture between the government and the Metro Rail Transit Corp.

SOUTH KOREA

LS CABLE JOINS SUBSEA PROJECT

LS CABLE & SYSTEM, through subsidiary LS Marine Solution, is joining the consortium developing the Japan-Korea subsea communication network project. It joins global tech giants and telecoms companies Microsoft and Amazon Web Services, South Korea's Dreamline and Japan's Arteria Networks, according to reports.

The project involves constructing a communication network using optical cables along a 260km route between Busan and Fukuoka. It is part of a broader E2A subsea cable system that aims to significantly increase digital connectivity and capacity between East Asia and North America, expected to cost several hundred million dollars. LS Cable & System will oversee the engineering, procurement and construction process and LS Marine Solution will install the cable.

TAIWAN

CHAILEASE FUNDS STORAGE

Two special purpose vehicles backed by CHAILEASE FINANCE have raised NT$6.24bn (US$210m) combined from project financings that will fund the construction of energy storage systems, reports LPC.

Land Bank of Taiwan was the original mandated lead arranger and bookrunner, with Far Eastern International Bank joining with the same title. Land Bank also serves as the administration agent.

The two loans are a NT$3.3bn borrowing for Chaoming Electric for the construction of an 80MW storage system and a NT$2.94bn financing for Haosheng No 3 Electric for a separate 70MW energy storage facility, both are located Taitung County.

Both borrowings are split into a two-year Tranche A and B for funding the construction of the projects, and a five-year tranche C and D that will kick in upon the project's completion and operation which are designed specifically to repay Tranches A and B.

The interest rates for both loans are identical, with Tranche A offering 100bp over three-month Taibor, Tranche B at 90bp over Taibir02 (Taiwan Bills Index Rate), Tranche C at 110bp over three-month Taibor and Tranche D paying 100bp over Taibir02.

Leasing giant Chailease Finance, the guarantor for the loans, has diversified into solar energy financing and been active also in investing in related projects in Taiwan since 2010.

The parent is currently in the market for a NT$5bn three-year borrowing to refinance a 2022 loan.

DBS Bank and Mizuho Bank are the mandated lead arrangers and bookrunners of the deal, with the latter also serving as facility agent.

LIGHTSOURCE BP SIGNS BUDAI SOLAR PPA

LIGHTSOURCE BP has signed a power purchase agreement with Star Trade on its 116MW Budai aquasolar project for all the project's output.

Star Trade provides renewable energy retailing and energy storage services of HD Renewable Energy Group, supplying renewable energy to major industrial and commercial customers.

Lightsource BP raised a NT$6.52bn (US$224m) loan earlier this year to finance the Budai solar project. The lenders were CTBC, DBS, KGI, MUFG and Sinopac, which have Lee & Li as legal counsel. The engineering, procurement and construction contractor is Shihlin Electric & Engineering.

THAILAND

POSCO WINS GULF ENERGY LNG EPC

GULF ENERGY DEVELOPMENT has awarded Posco E&C a US$1.1bn engineering, procurement and construction contract for the LNG terminal and regasification facilities project at the Map Ta Phut industrial port development phase 3 project, located about 130km from Bangkok in Thailand.

The project, estimated at Bt60bn (US$1.85bn), is Thailand's first public-private partnership LNG terminal and is being developed by Gulf MTP LNG Terminal Co, which is a joint venture between Gulf,70% and PTT Tank Terminal Co, 30%, a subsidiary of state-owned energy company PTT.

The sponsors have conducted a market sounding for financing earlier this year and requested proposals.

GMTP has a 35-year public private partnership contract with the Industrial Estate Authority of Thailand to develop and operate the project.

Under the contract, Posco E&C will build two 250,000 cubic-meter LNG storage tanks, unloading facilities and regasification equipment capable of handling 8mtpa of LNG. Construction is targeted to begin in Q4 of 2025, and commencement of operation expected to be in Q1 of 2029.

The project's primary target customers are domestic LNG shipper licence holders, including affiliated companies such as Hin Kong Power Holding, and Gulf LNG Co, both of which are expected to see continued growth in LNG import volumes in the future as gas serves as fuel for the group's gas-fired power plants.

VIETNAM

WAAREE SIGNS 100MW SOLAR EPC

Indian company Waaree Renewable Technologies has executed a non-binding memorandum of understanding for the implementation of a 100MW solar power project with VIET KHANH JOINT STOCK COMPANY. The scheme will be in the Ea Mdrod commune. It is the second project between the two companies. Waaree completed a 49.5MW scheme for Viet Khan in the Cam Ranh province in 2019.

The MoU covers the provision of engineering, procurement and construction services on a turnkey basis for a ground-mount solar power facility, according to a stock exchange filing made by Waaree.

Waaree said key details including final order value and project execution schedule have yet to be finalised and will be determined with the signing of a definitive agreement at a later date.

Waaree Renewable specialises in solar EPC operations and is a subsidiary of Waaree Energies – one of India's largest solar module manufacturers. Viet Khanh is a Vietnamese engineering and construction firm headquartered in Khanh Hoa.

MOIT SETS OFFSHORE WIND PRICE CAP

The Ministry of Industry & Trade has set the 2025 price cap for renewable energy, including those for offshore wind power plants in the northern gulf, south central coast and southern sea regions of Vietnam.

According to the pricing framework the MOIT minister approved the power tariff framework as follows: D3,975.1 (US$0.1521) per kWh for the northern region; D3,078.9 (US$0.1178) per kWh for the south-central coast region; and D3,868.5 (US$0.1480) per kWh for southern sea region.

The new price caps will be the basis for negotiations between Vietnam Electricity and offshore wind farm developers. All PPAs are to comply with pricing methodology regulations issued by the ministry.

MOIT has also earlier this year set up tariff framework for solar power plants, dated April 10 2025. The tariff rates depend on the location of the projects, split between north, central and south region. Rates are highest in the northern region.

For ground-mounted solar projects without battery energy storage system, the tariff rates are D1,012/kWH for projects in the south, D1,107.1/kWh for those in central, and D1,382.7/kWh for those in the north. For ground-mounted solar with BESS, the tariff ranges between D1,149.86 and D1,571.98/kWh. For floating solar projects without BESS, rates are D1,228.1–D1,685.8 per kWh; and for floating solar with BESS, the rates are D1,367.13–D1,876.57/kWh.

MOIT has also stipulated storage system capacity to be at least 10% of the installed capacity of the solar power plant, and should have a duration of at least two hours. The minimum charging energy ratio should be at least 5% of the total power output of the solar power plant.

Under the revised National Power Development Plan VIII, Vietnam aims to develop 6GW of offshore wind power by 2030, and to 17.5GW by 2035. By 2050, the country aims to have total offshore wind capacity to expand to between 113GW and 139GW.

SEMBCORP DELAYS HYDRO BUY

SEMBCORP INDUSTRIES has delayed buying a majority stake in a 49MW hydropower plant in Vietnam "pending government approvals by the end of 2025". It said it will provide further updates if and when completion of the acquisition takes place.

"For new investments in the country, Sembcorp will continue to exercise discipline in assessment, taking into consideration the regulatory uncertainties," it said.

A year ago, its Sembcorp Solar Vietnam unit completed the acquisition of majority interests in three of four subsidiaries of Gelex Group, an industrial production and infrastructure player in Vietnam, in transactions worth up to S$218m (US$161m). Sembcorp is adding 196MW of operational wind and solar assets to its portfolio as part of the acquisition. Gelex owns 73% of the hydro asset. Sembcorp's gross renewable energy capacity in Vietnam has increased to 455MW.

EVN SECURES TRI AN HYDRO KFW LOAN

VIETNAM ELECTRICITY has secured a €65m loan from KfW for a 200MW expansion of the 400MW Tri An hydropower plant. The power plant is the last one in the hydropower cascade on the Dong Nai river before it reaches Ho Chi Minh City.

The first turbine unit is expected to begin operating in Q3 2027, with the second unit in Q4 and the entire project being scheduled for completion by the end of 2027.

This is the first time KfW has lent to EVN in a direct loan without a government guarantee. The loan signing was held on June 3 in Hanoi involving EVN and six Vietnamese construction firms, according to reports.

■ FRONT STORY UK - POWER

FC nears on SZC

› Financial close on the Sizewell C nuclear power station project is now in sight

› The commercial bank debt on the deal is oversubscribed

BY ROD MORRISON

The final investment decision on the 3.2GW Sizewell C plant will come once private equity investment is signed in, perhaps before July 21 when the UK parliament stands down for summer. If approved this month, the deal should close in the autumn. The government last month agreed the project's £14.2bn funding package as part of its spending review. The funds come on top of the £3.7bn already allocated to the scheme by the government. However, the funding will last for the spending review period for the next four years although the scheme is not due online for 10–15 years

The government currently holds 83.8% of the project equity and EDF has 16.2%. The final bids for the private equity component of the deal go in this weekend. Centrica is said to be looking to take a 15% stake in the power station, according to the Financial Times, with Brookfield said to be looking to take a bigger stake. Other investors said to be interested include Emirates Nuclear Energy Corporation, Equitix, Amber and Schroders Greencoat.

Developer EDF and the government are raising a £6bn debt package covered by French export credit agency Bpifrance for the scheme, which is now expected to cost £40bn. The debt deal is oversubscribed and ready to go. The commercial banks in the deal have not yet been given their allocations. BNP Paribas is debt adviser on the Sizewell scheme, Rothschild is advising on the equity sale and Barclays is advising the government. HSBC has been working as export credit agency coordinator on the debt financing arranging the Bpifrance tranche.

The scheme is backed by a regulated asset base structure that will provide cashflows during the long construction period with funds coming from customer bill levies channelled via the Low Carbon Contract Company. The project will receive an investment-grade rating at financial close. Further debt is likely to be supplied by regular debt issuance during construction in a similar way to the £4bn Thames Tideway Tunnel scheme. However, unlike on Thames Tideway, where the debt was raised in the private markets, the Sizewell debt will be raised via Gilt issuance and then onlent by the National Wealth Fund.

The scheme is large and complicated. Debt is expected to total £35bn, with equity coming from the government, EDF and the selected private investors. Debt will come from Bpifrance and the NWF. The precise costs will depend on the various caps to be put in place on the funding, which will lie between the higher regulatory threshold and the lower regulatory threshold. The Sizewell development company is currently finalising these numbers.

While the financing structure is obviously key to the project, negotiations between the UK and French governments over the delays and huge cost overruns on EDF's 3.2GW Hinkley Point C project are more pressing right now. President Macron is due to visit the UK on July 8. It appears that the UK government has not offered to provide extra funds to the Hinkley scheme. The project is backed by a strike price and EDF is therefore solely on the hook until it starts generating. One option could be to increase the strike price.

The scheme, which is under currently construction, could cost up to £46bn, way over budget. Start date could now stretch to 2031. EDF is said to be seeking new investors to replace Chinese company CGN, which holds one third of the equity. EDF's funding issues on the scheme have been eased by the fact that Apollo has agreed to provide £4.5bn to EDF in debt to cover some of its costs. The scheme is believed to have a £5bn funding gap, at least.

The Apollo deal stunned the debt capital markets when it was announced. PFI's sister magazine IFR posed questions about the state-owned company's funding strategy, the appeal of private credit for investment-grade borrowers, and the outlook for the sterling public market.

EDF, one of the biggest issuers in the sterling public market, said its main objective was to secure the sizeable funding without damaging its secondary curves.

"We did not want to push the market, pay a high premium and disturb the curve and potentially impact on other [currency] curves," Bernard Descreux, director of financing in group treasury at EDF, told IFR. "We have had to keep it separate and avoid this kind of problem."

The deal is split across three £1.5bn senior unsecured tranches, which rank pari passu with EDF's other senior unsecured obligations, for a maximum maturity of up to 12 years, though the bonds are callable. With the first of those tranches now signed, EDF can borrow again in 2026 and 2027, though it has the option not to do so, under its €50bn EMTN programme.

"We have now secured an important part of our needs on the [Hinkley Point C] project, which is one of EDF's biggest projects and the one we have to finance naturally in sterling," said Flore de La Hougue, investor relations manager at EDF.

Although the terms of the deal are confidential, a banker estimated that EDF paid a yield of between high 6% and 7% for the £1.5bn tranche. The company said it was less than 7%.

Still, even something in the high 6s would imply a big premium over where some bankers reckon the company could raise debt in the public market.

"EDF is one of the biggest issuers in the sterling market. They could have taken a lot of cash out of the market at a far lower rate," said a second banker. "This a terrible trade for EDF."

While it's difficult to be precise where a 12-year bond issue would be priced, bankers suggested it would be around 6.25%. EDF has a £450m 5.50% January 2035 bond issue, for example, bid at a yield of 5.80%, according to LSEG.

However, as that bond offering suggests, EDF wouldn't be able to raise £1.5bn through one tranche so would have to issue a number of tranches and ensure the blended cost made sense. To raise the full £4.5bn over three years would be an even more complicated exercise that would have to take into account market risk, the outlook for Gilts and the influence that UK investors have over the sterling market.

EDF (Baa1 stable/BBB positive/BBB+ negative) said it paid a premium compared with a standard bond issue because of its illiquidity – it's unlisted – the guarantee of accessing such a big amount, and the structure's flexibility.

"It's always too expensive," joked Descreux on the pricing. "The deal made sense, it worked in our interest and helps us push our public yield curve south."

Other private credit investors are also hoping for opportunities. "A lot of other active private investors have rung and have expressed their interest in this kind of transaction," said Descreux.

Both Hinkley and Sizewell use the Areva EPR technology. This is being employed on two schemes at Taishan in China, Olkiluoto in Finland and Flamanville in France.

AUSTRIA

OPTIMUS TOWERS IN REFI

The Vauban Infrastructure Partners, EDF Invest and MEAG team has refinanced the debt on OPTIMUS TELECOM, the towers business it bought last year from Cellnex for €803m. The €420m seven-year deal was provided by CIC, Credit Agricole, DNB, Erste Group Bank, Natixis, LBBW, RBI, SEB and UniCredit.

BELGIUM

PSA/MSC ANTWERP PORT IN REFI

Singapore's PSA INTERNATIONAL and TERMINAL INVESTMENT, owned by MSC Mediterranean Shipping Company, GIP and GIC, have refinanced the debt on Antwerp's container port, the largest in Europe.

The €500m five-year loan comes from Belfius, BNP Paribas, CaixaBank, Credit Agricole, DNB, ING, KBC and NAB. It replaces a five-year US$520m deal from 2020 from Belfius, BNP Paribas, DBS, DNB, Edmond de Rothschild, KBC, NAB and NatWest. The project accounts for 50% of Antwerp's container volume and has a capacity of 9m TEU.

DENMARK

BROOKFIELD INTO ADP

Brookfield is investing US$105m in ASSOCIATED DANISH PORTS via a combination of loan and share capital to take a 14.1% stake.

ADP owns the Port of Fredericia, the Port of Nyborg and Taulov Dry Port. Its projects include the expansion of the Fredericia container terminal, the expansions of the Port of Nyborg and Taulov Dry Port, and an investment in the Port of Hanstholm, which will be consolidated into ADP in August. It is working to establish partnerships with TotalEnergies and Evida on CO_2 storage.

ADP's owners are now Brookfield, Fredericia Municipality with 76.5%, Nyborg Municipality with 9.1% and Middelfart Municipality with 0.3%. DNB Carnegie advised ADP on the deal.

Brookfield is selling a 50% stake in PD Ports in the UK and is looking to obtain an enterprise value of £900m. Peel Ports put in an offer for 100% but this was apparently rejected.

Bidders are said to include Amancio Ortega's investment company Pontegadea, Macquarie and USS. PD's main business at its Teesport terminal, which provides 90% of its Ebitda. CIBC and RBC are advising on the sale.

EUROPE

OFFSHORE WIND TO BE HIT BY WAKE EFFECTS

North Sea offshore wind farms will be hit by the wake effect on wind yields with estimated losses exceeding 10% in some cases, according to research by KU Leuven University scientists, published in Environmental Research Letters.

The scientists' simulation shows that 13 of the 69 wind farms in the North Sea could experience energy losses of more than 10% by 2030. In exceptional cases, losses may exceed 18%. Belgium and Germany appear particularly vulnerable to the effects of wind shadow due to their limited maritime area.

The model simulations show that average electricity production of the wind farms – expressed as a share of their maximum capacity – will be 1.6% higher in 2030 than the current generation of wind farms due to the use of more powerful and efficient turbines and development of wind farms in favourable locations.

But the expansion leads to increased competition between wind farms for wind.

"To generate electricity, wind turbines extract kinetic energy from the air, causing it to move slower," said Ruben Borgers, postdoctoral researcher and lead author of the study. "New wind farms that were built upwind of existing installations reduce wind speed in the downwind farms, resulting in lower electricity production and reduced profits.

"It is crucial to consider this in future projects, especially in the context of projected yields and financial feasibility," said professor Nicole van Lipzig. At the 2023 North Sea Summit, nine European countries agreed to expand offshore wind capacity to at least 120GW by 2030 and 300GW by 2050. This planned expansion is a key element in the energy transition and European climate goals.

FINLAND

TRS AND CPC JV FOR 500MW E-NG PLANT

Hydrogen business TREE ENERGY SOLUTIONS and renewable infrastructure developer CPC FINLAND are collaborating to build a 500MW electric natural gas project in the Port of Rauma.

The project will be developed under joint venture company Luto Energia with the aim of producing 125,000 tonnes of e-NG per year, a synthetic gas generated from hydrogen and CO_2.

The plant will produce around 125,000 tonnes of green hydrogen a year that can either be made into e-NG or distributed via Gasgrid Finland's Nordic Hydrogen Route, which will connect Finland and Sweden and is expected to open by 2030.

E-NG can be liquified and shipped. TES is involved in the construction of an import terminal in Wilhelmshaven on Germany's North Sea coast that will allow e-NG to be fed directly into the natural gas grid. The green hydrogen-based molecule is chemically identical to natural gas and produced by combining through a methanation process called Sabatier, green H_2 with CO_2, producing green CO_4.

The site will span 20 hectares and the construction phase will create more than 1,000 jobs with 40 permanent roles after completion.

Steps have already been taken towards permitting and a final investment decision is expected by 2028.

The land already has a T/kem zoning plan in place covering land reserved for industrial and storage operations involving dangerous chemicals.

CPC Finland recently received a building permit for another joint venture, Koppo Energia, in Finland.

Partnered with Prime Green Energy Infrastructure Fund the project will involve a 200MW plant using renewable electricity to produce hydrogen and methane.

TES has signed a joint study agreement to assess the development of an e-NG facility with Oman's OQ Alternative Energy. TES signed a joint study agreement with ADNOC in September for a similar project.

TES, led by Marco Alvera, Marcel van Poecke and Paul van Poecke raised €140m to fund the development of the business in April from financial institutions and energy investors, including Azimut Group, Fortescue, E.ON, HSBC, OG Energy and Zhero.

Proceeds will back TES' global portfolio of e-NG production projects and its terminal in Wilhelmshaven.

JAPANESE/DANISH JV INTO WIND

Tokyo Gas Nordic and Danish utility EWII's joint venture **TOWII** has taken over two onshore wind schemes in Finland totalling 74.4MW from local developer Puhuri.

The Kopsa 3 and Ketunpera schemes will have 12 turbines in total and will be built in Raahe, North Ostrobothnia, with operations scheduled for 2027. The acquisition marks the first investment outside Denmark for the joint venture.

FRANCE

FRANCE INTERCONNECTOR PLAN COULD GO PRIVATE

Morocco and France are planning a subsea interconnector project at a government-to-government level via ONEE/Masen in Morocco and RTE in France. The scheme could be offered this year to private developers to take forward. The scheme could be a two-way cable.

Fortescue's Andrew Forrest has been talking about developing interconnectors between North Africa and Europe. Xlinks developed a £25bn, 3.6GW scheme between Morocco and the UK. However, UK Secretary of State for Energy and Climate Change Ed Miliband last week dropped plans to back the project.

MELVAN GETS PV FUNDING

Orleans-based independent power producer **MELVAN** has closed a €25m placement, raising equity from French investors including local, small-scale funds backed by Bpifrance, Credit Agricole and OCCTE.

The new investors will take minority stakes in the IPP and proceeds will back development of regional solar projects across France. Green Giraffe was financial adviser and Jeantet was legal adviser. Melvan is owned by co-founders Sebastien Dubois and Laurent Albuisson, which launched it in 2020. Its pipeline is around 2GW and includes projects at different stages of maturity, of which 750MW is in advanced development stage.

GERMANY

AMPYR DISTRIBUTED ENERGY EXPANDS

Stonepeak and AGP-backed **AMPYR DISTRIBUTED ENERGY** has expanded into Germany and hired Nick Koidl as managing director, Germany. Koidl was founder and CEO of London-based Iguana Energy.

The Ampyr commercial and industrial onsite renewables business involves a power purchase agreement model that enables businesses to deploy renewable assets, such as rooftop solar and battery energy storage, with no upfront costs. In May, the company raised a £170m debt facility from Credit Agricole's auto and operating assets securitisation team to back its C&I and battery storage projects in the UK. The facility can be drawn for construction or operating assets. The UK business has already contracted more than 50MW of renewable energy capacity across 50 sites.

ENCAVIS ACQUIRES 59MW

German wind and solar business **ENCAVIS** has acquired two wind farms from Energiequelle totalling around 59MW.

One farm in Zeven, Saxony, is in operation and comprises eight 6MW Vestas V-162 turbines. The second is 35km west of Dresden and is awaiting grid connection. It comprises two 5.56MW Enercon E-160 turbines.

Output is covered by the government-set 20-year EEG feed-in tariff.

The sites joint a 3.8GW portfolio across 13 European countries. Encavis recently purchased a 5.6MW wind farm in Lower Saxony from Energiequelle and its output will also supply the grid under a 20-year EEG tariff. Enercon is responsible for maintenance.

GIGA BUYS FIRST BESS

InfraVia-backed Dutch developer **GIGA STORAGE** has acquired the 350MW/1.4GWh Albatross battery energy storage project in Germany from local IPP Isenau, founded in 2022 by Sven Moos. The scheme is Giga's first BESS project in Germany.

Giga has been on the project finance radar recently, closing a €300m project financing on the 300MW/1.2GWh Leopard BESS in Delfzijl, Netherlands. It has developed the 12MW/7.5 MWh Giga Rhino and 24MW/48MWh Giga Buffalo since 2021, both in Lelystad, Netherlands, the first commercial-scale battery projects of their respective size in the country.

NEXTWIND GETS MEGA PLATFORM DEBT

German independent power producer **NEXTWIND** has secured up to €2.7bn of syndicated platform financing comprising a €1.4bn ready-to-draw tranche and a €1.3bn accordion.

The deal was led by Deutsche Bank, ING and LBBW as underwriters, MLAs and bookrunners, with Deutsche as global coordinator and ING as green loan coordinator, facility and security agent. Lazard was financial adviser to NeXtWind.

The financing includes a term loan to back acquisitions and four flexibly callable guarantee lines, which were subscribed by insurers and institutional investors.

The deal structure is "based on a model for financing onshore wind projects that is unique in Germany", NeXtWind said. "Instead of financing individual wind farms separately, existing and future projects are bundled in a new platform solution."

The company, which is co-owned by Sandbrook Capital, PSP Investments and the Investment Management Corporation of Ontario, is planning to use proceeds to repower its 450MW onshore wind assets into 1.4GW capacity by 2026 and to add 3GW of onshore wind capacity by 2028.

NeXtWind has around US$750m of equity available from its three investors.

THIRD ONSHORE WIND TENDER STARTS

Federal network agency BNetzA has launched its third tender for onshore wind, with bids due by August 1 for 3.44GW capacity. The ceiling price is €73.50/MWh, the same as the previous tenders that closed in February and May.

The government is set to launch one more tender for 3.44GW for which bids will be due by November 1. Bids were due on July 1 for 2.2GW of ground-mounted solar at a ceiling price of €68/MWh.

ENERPARC SECURES €100m MEZZ

German solar park developer and operator **ENERPARC** has secured €100m in mezzanine financing from German investor SICORE Real Assets to fund its developments.

Capcora was financial adviser to Enerparc. The 22-year subordinated loans

EMEA GENERAL CORPORATE FUNDING ACTIVITY JUNE 16 TO JULY 2 2025

Security type	Issuer/Borrower	Amount (m)	Maturity	Issue price	Pricing	Bank
Energy, gas and water distribution						
Term Loan	Orchard Capital	€226.08	16/12/48	100.000	na	–
Performance LOC	Orchard Capital	€8.95	16/12/48	100.000	na	–
Rev Cred Fac	Orchard Capital	€8.34	16/06/27	100.000	na	–
Rev Cred Fac	Orchard Capital	€11.75	16/12/48	100.000	na	–
Term Loan	Gdansk Wind Tower	€140	n/a	100.000	na	–
Term Loan	Energiekontor	€34.75	n/a	100.000	na	–
Term Loan	Energiekontor	€27.25	n/a	100.000	na	–
Term Loan A	TotalEnergies Renewables	€93.8	20/06/50	100.000	na	–
Term Loan	TotalEnergies Renewables	€4	20/06/50	100.000	na	–
Term Loan B	OCU Group	£275	25/10/31	100.000	Sterling Overnight Index Avg +550.000 bp	ABN AMRO Bank/Banc of America Secs/Barclays Bank/Citigroup/ Goldman Sachs/Lloyds Bank/Mizuho Bank/Morgan Stanley Group/ National Westminster Bank/Cooperatieve Rabobank
Term Loan B	OCU Group	€530	25/10/31	100.000	EURIBOR +400.000 bp	ABN AMRO Bank/Banc of America Securities/Barclays Bank/Citigroup/ Goldman Sachs/Lloyds Bank/Mizuho Bank/Morgan Stanley Group/ National Westminster Bank/Cooperatieve Rabobank
Ord/Common Shs.	Italgas	€741.9	–	5.026	–	Morgan Stanley/BofA Secs/Citigrp Global Markets Europe/Societe Generale/ Banca Akros/Oaklins Italy/JP Morgan SE
Ord/Common Shs.	Italgas	€264.79	–	5.026	–	Morgan Stanley/BofA Ses/Citigrp Global Markets Europe/Societe Generale/ Banca Akros/Oaklins Italy/JP Morgan SE
Ord/Common Shs.	Italgas	€13.28	–	5.026	–	Morgan Stanley/BofA Secs Europe/Citigrp Global Markets Europe/ Societe Generale/Banca Akros/Oaklins Italy/JP Morgan SE
Ord/Common Shs.	Energeia	NKr1.42	–	0.020	–	–
Infrastructure Firms						
Term Loan B	Unica Groep	€410	25/06/32	100.000	EURIBOR +350.000 bp	ABN AMRO Bank/Banc of America Secs/Deutsche Bank/Goldman Sachs/ ING/JP Morgan Chase/National Westminster Bank/Cooperatieve Rabobank UA
Term Loan	Neinor Homes	€175	n/a	100.000	na	Undisclosed Advisor
Term Loan B	Safety-Kleen Europe	€793	n/a	100.000	Floats	HSBC Bank/Jefferies Group/Sumitomo Mitsui Banking
Ord/Common Shs.	Merus Power Oyj	€1.99	–	4.500		Alexander Corporate Finance Oy
Ord/Common Shs.	PORR	€45.15	–	26.500		Berenberg/Jefferies/Raiffeisen Bank International
Ord/Common Shs.	Neinor Homes	€228.65	–	15.250		JP Morgan/Santander Corp & Invest Bkg/Credit Agricole CIB/Citi/ Societe Generale
Sr Secured Nts	Techem	€610	15/07/32	100.000	4.625	Goldman Sachs Bank Europe/BNP Paribas/Commerzbank/Credit Agricole CIB/Deutsche Bank/JP Morgan/Natixis/SMBC Nikko Secs/ UniCredit Bank
Sr Secured Nts	Techem	€540	15/07/32	100.000	Floats	Goldman Sachs Bank Europe/BNP Paribas/Commerzbank/Credit Agricole CIB/Deutsche Bank/JP Morgan/Natixis/SMBC Nikko Secs/UniCredit Bank
Mining						
Term Loan B	Imerys	€650	25/03/31	100.000	EURIBOR +350.000 bp	Barclays Bank/Goldman Sachs/National Westminster Bank/Raiffeisen Bank International
Ord/Common Shs.	Arctic Minerals	SKr4.51	–	5.250	–	Vator Securities
Ord/Common Shs.	Arctic Minerals	SKr13	–	5.250	–	Vator Securities
Ord/Common Shs.	Karelian Diamond Resources	£0.14	–	0.008	–	CMC Markets UK
Sr Unsecurd Nts	Navoiyuran SOE	$300	02/07/30	100.000	6.700	Abu Dhabi Commercial Bank/Citigroup Global Markets/Natixis
Ord/Common Shs.	Andrada Mining	£0.5	–	0.030	–	Hannam & Partners
Ord/Common Shs.	Andrada Mining	£4.5	–	0.030	–	Hannam & Partners
Ord/Common Shs.	Savannah Resources	£2.22	–	0.035	–	SP Angel Corporate Finance/Canaccord Genuity/Caixa-Banco de Investimento/Alantra Partners
Ord/Common Shs.	Savannah Resources	£2.02	–	0.035	–	SP Angel Corporate Finance/Canaccord Genuity/Caixa-Banco de Investimento
Petrochemicals; Petroleum Refining						
Ord/Common Shs.	Chariot	£0.9	–	0.014	–	Stifel Nicolaus Europe/Hannam & Partners
Ord/Common Shs.	Aquila Holdings	NKr45	–	0.800	–	SpareBank 1 Markets
Ord/Common Shs.	Aquila Holdings	NKr15	–	0.800	–	SpareBank 1 Markets
Ord/Common Shs.	Prospex Energy	£0.25	–	0.045	–	–
Ord/Common Shs.	Prospex Energy	£0.24	–	0.045	–	VSA Capital/Hannam & Partners
Ord/Common Shs.	Zephyr Energy	£5.25	–	0.030	–	Turner Pope Invests (TPI)/Canaccord Genuity
Ord/Common Shs.	Zephyr Energy	£4.55	–	0.030	–	Turner Pope Invests (TPI)/Canaccord Genuity
Telecommunications						
Term Loan B	Eircom Grp	€300	19/05/29	100.000	EURIBOR +275.000 bp	Deutsche Bank
Ord/Common Shs.	Eutelsat Communications	€716		4.000	–	Goldman Sachs Bank Europe SE
Euro MTN Prgm	Telefonica Emisiones	SFr130	08/07/32	100.000	1.328	BNP Paribas/Commerzbank AG/UBS Investment Bank

Source: LSEG

expected by Q3 2026 and construction of the scheme is due to start by Q1 2027.

Blackout plant identified

SPAIN Power

Spanish newspaper elDiario, which is said to have close links to the government, reported that the solar plant at the start of the April 28 blackout was Iberdrola's 250MW Nunez de Balboa scheme in Usagre in the southwest.

The government, in the confidential version of its blackout report issued this week, points to "an anomalous oscillatory behaviour in the output of active and reactive power" of the Iberdrola plant, elDiario said.

"In a few seconds, the generation of the plant oscillates with a peak-to-peak amplitude of around 70% of the production it had immediately before the oscillation. This behaviour contrasts with that of other plants of the same technology connected at the same node or nearby nodes," the document said.

This oscillation is "more typical of synchronous technologies", such as nuclear or gas, which "modify their power factor to keep the voltage constant", than of a photovoltaic plant, "which is subject to a fixed power factor" and in which "the output power value, especially the active one, should be constant", the report said.

The cause of the blackout was due to many factors, the government report found, but those involved have been seeking to avoid direct blame.

Iberdrola executive chairman Ignacio Sanchez Galan said a few weeks ago that "Iberdrola's actions before, during and after the incident always responded to the protocols and regulations established by the competent ministry and by the system operator, which is Red Electrica, which is ultimately responsible for keeping the lights on in the country". The day before Iberdrola Spain CEO Mario Ruiz-Tagle said "the responsibility for controlling overvoltages lies with Red Electrica".

Red Electrica-owned Redeia produced its own report. "Based on our calculation, there was enough voltage control capabilities planned" by Redeia, operations chief Concha Sanchez said. "Had conventional power plants done their job in controlling the voltage there would have been no blackout." Then utilities association Aelec, with members including Iberdrola, Endesa and EDP presented its own report saying there wasn't enough conventional generation to control voltage.

El Mundo reported the day before the blackout, Sunday April 27, Red Electrica scheduled 10 combined-cycle and nuclear power plants for the following day as a buffer to cushion the strain. A few hours later, one of them was declared unavailable, the San Roque gas-fired power plant in Cadiz, owned by Endesa and Naturgy, which was shut down due to a fire at the plant. The operator decided not to replace it.

Red Electrica faced the day of the blackout with nine thermal power plants scheduled to control voltage, the lowest recorded all year. There were three nuclear plants, Trillo, Asco and Almaraz, and six combined cycle plants: Arcos de la Frontera, Cartagena, Sagunto, Villaseca de la Sagra, Soto de Ribera, and As Pontes Garcia Rodriguez.

Both the government and Red Electrica have concluded that none of these nine facilities, specifically remunerated that day to manage voltage fluctuations, responded as expected to the state operator's call. The plants are managed by Iberdrola, Endesa, Naturgy, and EDP. For Red Electrica, the blackout would not have occurred if these plants had reacted as expected. For the electricity companies, it was Red Electrica's programming that fell short.

The Ministry of Energy Transition report said the blackout was due to insufficient capacity to control the voltage due to two main reasons – the system operator programmed just 10 synchronous power plants which is the lowest number since the start of the year and several power plants able to control voltage weren't providing the required reactive power service. It said the oscillations triggered changes in the system operation and created problems in balancing voltage. Some power plants tripped and some of them were apparently not meeting the regulation

Rod Morrison

will help fund a portfolio of 30 solar parks totalling 800MWp primarily in Rhineland-Palatinate, Schleswig-Holstein and Brandenburg.

Earlier this year, Enerparc signed a €266m debt package with LBBW comprising a €216m 24-year senior secured project finance loan and a €50m revolving credit facility to finance a 400MW solar portfolio across Germany and signed a 20-year debt package in May with Sabadell refinancing a 68MW operational solar portfolio in the Balearic Islands. Enerparc's wider portfolio covers 3.5GW in Spain, France, the Netherlands, Australia, Germany and India.

BOREAS PICKS VESTAS

Van Oord-backed German independent power producer BOREAS ENERGIE has picked Vestas to supply 286.2MW V162 turbines for a 175MW onshore wind portfolio in Thuringia. Delivery of the turbines is

GREECE

FIVE BIDS FOR LAVRIO PORT

Five companies have placed binding bids for the privatisation of Greece's Lavrio port tendered by the Hellenic Republic Asset Development Fund – MSC CRUISES/OLYMPIC MARINE; GEK TERNA; INTRAKAT; ISRAEL SHIPYARDS INDUSTRIES; and AKTORJET PLAN SHIPPING.

Promarine GPH Cruise Port Finance submitted a preliminary bid in 2024 and had been invited to place a binding bid but did not follow through.

The port is run under a 60-year concession signed in 2002 with a state-backed company and HRADF is looking to privatise it for the remainder of the concession.

Lavrio is the third-largest port in Attica and is close to tourist destinations and Athens International Airport and the commercial ports of Piraeus and Rafina. It is suitable for commercial expansion and tourism development with the operation of a cruise terminal and a yacht marina.

IRELAND

ORIT BUYING STATKRAFT SOLAR

OCTOPUS RENEWABLES INFRASTRUCTURE TRUST is buying a 32.6MW solar project for €27m from Statkraft when the asset is built, due in the second half of 2026.

This is the sixth project at the operational Ballymacarney complex in County Meath that ORIT owns and was developed by Statkraft. The additional site, known as Irishtown, will increase capacity at the complex by 14% to 274MW. The power from Irishtown will be sold through a new long-term power purchase agreement with a US technology company.

ITALY

MEDLINK TO PROJECT OF MUTUAL INTEREST STATUS

The two 2GW interconnector projects to Italy from North Africa being developed by ZHERO have been granted project of mutual interest status by the European Union. The most advanced scheme will run from Algeria and the second is from Tunisia. Both will be powered by solar and wind.

Zhero raised €60m last year via Azimut, Baker Hughes, TotalEnergies and UniCredit to back its projects, with TotalEnergies agreeing to take a stake in the Tunisian project. Former Snam and Eni Trading CEO Marco Alvera, Italian investor Enrico Vitali, former ACWA Power CEO Paddy Padmanathan and former Snam storage business CEO Alessandra Pasini set up Zhero in 2022.

ARDIAN BUYS FEED-IN SOLAR

ARDIAN has acquired a 116MW operational solar portfolio of 117 small-scale projects in Italy from local independent power producer E2E. The acquisition was backed by Ardian's Clean Energy Evergreen Fund, which will own and manage the portfolio alongside 400MW of wind, solar, hydro and biogas assets in Italy.

The new schemes have been operational for more than 10 years and receive stable revenues from feed-in tariffs. Ardian's open-ended fund was launched in early 2022 and fundraising reached €1bn at closing in July 2023. E2E is owned by founder Gianluca Lancellotti, who launched the company in 2015 after five years as CEO of rooftop solar company Evolvere, which was acquired by Eni in 2019. Legance was legal adviser to Ardian while E2E was advised by L&B Partners.

GALILEO DIVESTS BESS

Zurich-based renewables developer GALILEO has sold a 98MW/784MWh battery energy storage system to an international independent power producer. The scheme is in the south of Italy, where projects are usually planned with eight-hour durations. The value of the acquisition and the name of the buyer were not disclosed, and Galileo was not immediately available for comment. The project is fully authorised and ready for submission in Italy's first BESS tender for tolling agreements, MACSE, which is due to be launched in September.

Galileo has another ready-to-build MACSE-eligible project in its pipeline and is considering putting it forward in the tender independently. It also has 600MW of BESS capacity in Italy. The company's overall strategy is to sell projects or project shares in value-accretive transactions and reinvest 98x8=sale proceeds in the next chapters of its growth. The company is owned by Infratil Europe, MGIF European Renewables, Guardians of New Zealand Superannuation's NZ Super Fund and Commonwealth Superannuation Corporation alongside Ingmar Wilhelm, who founded the company in 2020.

ASTM REFIS TEEM-A58

Tollroad operator ASTM has refinanced the debt on the Tangenziale Est Esterna di Milano, TEEM-A58, Milan's eastern bypass. The company became the majority owner of the scheme last May in a €230m deal.

The new seven-year bullet debt totals €1bn and was provided by BNP Paribas, Banco BPM, CaixaBank, Cassa Depositi e Prestiti, Credit Agricole, Intesa Sanpaolo, Societe Generale and UniCredit.

A €1.2bn debt financing was raised in 2014 for the €2.1bn greenfield toll road PPP. Commercial banks loaned €600m and included Intesa Sanpaolo, UniCredit, UBI Banca, Mediobanca, Banca Popolare di Milano, Credito Bergamasco, Banca Popolare dell'Emilia Romagna and Santander. The rest of the €2.1bn financing came from equity, €465m, subordinated shareholder loans, €115m and state subsidies, €330m.

ASTM owns 38.81% of the scheme directly and has a 77.45% stake in Tangenziale Esterna di Milano, which holds 48.39%. Mi-Se holds the rest of TEM. Satap owns 1.72% of the project, CMB Capri, 3.83%, Milano Serravalle, 0.39% and other shareholders the rest. ASTM bought Autostrade per l'Italia's stake in TEM and Impresa Pizzarotti's 10.2%.

RECURRENT GETS SOLAR PF

Canadian Solar subsidiary RECURRENT ENERGY has received €61.5m in non-recourse debt from Santander to fund its Italian portfolio.

The company operates solar parks with a combined 124MW of capacity in Sicily, Sardinia and Puglia with two further sites under development in Puglia and Sicily with capacities of 43MWp and 136MWp, respectively.

The Cerignola project in Puglia includes the construction of a 160MWh battery storage system.

Recurrent Energy has been expanding its presence in Italy since 2017 and around a year ago secured a €50m five-year term loan from the European Investment Bank to fund development of solar assets.

The loan followed the inauguration of the 51MW Anguillara solar project in Sicily, its largest capacity site in commercial operation in Italy.

It has completed 11.6GWp of solar projects and 4.5GWh of energy storage projects across six continents and as of March has a global pipeline of 27GWp of solar power and 76GWh of energy storage.

Earlier this year, Santander was financial adviser alongside Rabobank, Intesa Sanpaolo and Morgan Stanley on a US$415m multicurrency credit facility in US dollars, sterling, euros and Australian dollars.

NETHERLANDS

ETECK FUNDERS OUT

Funders backing the new €530m seven-year loan for collective heating systems operator ETECK ENERGIE include BNP Paribas, Swiss Life Loan Fund, LBPAM, SMBC, NAB, Intesa Sanpaolo, CDPQ, Siemens Bank, LBBW and Rabobank. The company was bought last summer by Partners Group from Infracapital and other minority shareholders. The loan includes a €284m capex facility and €200m accordion. RBC Capital Markets advised on the deal. Rabobank, ING, ASN Bank and ABN AMRO supplied a €225m financing to the company in 2021.

Eteck provides heating and cooling services, including design, financing, installation, maintenance and supply, for multi-dwelling residential buildings and commercial properties in the Netherlands. It specialises in sustainable, low-temperature heat pumps, holds a significant market share and supplies more than 110,000 connections across the country. The company sees growth driven by the phasing out of gas boilers and the costs of installing heat pumps for landlords in the Netherlands and across Europe.

PORTUGAL

SAETA YIELD REFIS WIND

Masdar-owned SAETA YIELD has refinanced the debt on its 144MW wind assets and added new capex for repowering and new solar.

The new deal includes a construction plus 15-year €340m loan from Banco Comercial Portugues, Bank of America, BBVA, Credit Agricole, DWS and ING.

The long-term contracts on 95MW of the portfolio run out by 2028. Masdar bought Saeta late last year for an enterprise value of €1.2bn and an equity value of €696m.

SPAIN

ACCIONA GETS WIND BIDS

ACCIONA has received binding offers for 440MW of operating wind schemes, the company has announced.

Expansion said bids could be around €600m with Masdar, Chilean multinational Colbun and Qualitas Energy said to be among the bidders. BNP Paribas is advising.

Acciona is looking at a variety of asset sales this year to raise €1.5bn–€1.7bn. It has just sold a 136MW wind farm in Peru for US$253m.

BW ESS AND IBERSUN IN JV

BW Group-owned BW ESS and Getxo-based energy storage developer IBERSUN have signed a joint venture to develop 2.2GW of battery storage projects targeting greenfield, four-hour duration assets. The partners expect the projects to reach ready-to-build status within two years.

In April, BW ESS signed a joint venture with Berlin-based asset developer Zelos Energy Developments to work on a 1.5GW portfolio of utility-scale battery energy storage systems in Mecklenburg-Western Pomerania and Saxony-Anhalt in northeast Germany. In February it signed a joint venture with Munich-based energy storage developer MIRAI Power for up to 1GW of battery energy storage system projects in southern Germany.

BANK LOSES SOLAR PF ARBITRATION RULING

An ICSID tribunal has refused to grant damages to a German lender in an Energy Charter Treaty claim despite finding the Spanish government liable for failing to provide stable conditions for the project financing of renewable energy plants.

The identity of the German lender is not clear. Portigon, formerly WestLB, has a claim outstanding on investments in three solar power plants with an output of 150MW as part of a consortium of banks. The claim arose from a series of energy reforms undertaken by the government affecting the renewables sector, including a 7% tax on power generators' revenues and a reduction in subsidies for renewable energy producers.

Mitsui won €40m in an arbitration case against the Spanish government in an Energy Charter Treaty claim over rollbacks to the state's renewable energy subsidy regime. The claim concerned the construction and operation of a solar scheme at Palma del Río in Cordoba via joint venture enterprise Guzman Energia. It is the latest win for developers of Spanish solar schemes against government revisions to tariffs.

KOBUS GETS BANKINTER PV PF

Spanish fund manager KOBUS PARTNERS has closed project financing via Bankinter for a 30MW solar plant in Motril, Granada.

Bankinter was co-lender in 2021 alongside Santander on a €90m debt package due 2031, which Kobus used to refinance a 37.7MW portfolio of solar projects across Spain. The wider 2021 refinancing included a €100m project bond issue maturing in June 2038 and €17m of floating-rate bonds, both subscribed by Macquarie.

EY Abogados was legal adviser to Kobus while Bankinter was advised by Cuatrecasas.

NEXWELL POWER BUYS SOLAR

Solar infrastructure developer NEXWELL POWER has expanded its portfolio with the acquisition of seven solar plants from Hanwha Group affiliate Q Energy.

The sites are in Andalusia and Aragon in Spain, with a total capacity of 248MWp.

Four of the sites are under construction and are expected to become operational in early 2026, while the remaining three are in advanced development.

The seven plants are expected to be capable of producing about 500GWh per year, enough to supply 142,500 households.

The projects join a portfolio of six operational sites and seven under construction across Spain, with the company having visibility on more than 2.9GW of solar projects in the country.

In March, Nexwell Power signed long-term power purchase agreements with an undisclosed US tech company to supply 2.29TWh of electricity until 2040, with an option for a further 1.97TWh.

Nexwell Power is a subsidiary of investment platform Nexwell, whose portfolio also includes stakes in Mexico and Spain-listed Cox Energy, Florida-based residential solar system business Urban Solar, and carbon capture ventures Noya and Carboncause.

ELECNOR REFIS DEBT

Spanish infra construction group ELECNOR has signed a €350m five-year sustainability-linked syndicated debt facility that refinances a debt agreement from 2014.

Santander and CaixaBank were bookrunners with mandated lead arrangers Abanca, BBVA, Kutxabank, Sabadell, Barclays and Unicaja. Lead arrangers were Bankinter, Societe Generale, Banco Cooperativo, Credit Agricole and Banca March. Kenta Capital was financial adviser and Cuatrecasas was legal adviser.

SWEDEN

STORA ENSO APPOINTS BAYWA RE ON NEW WIND

Forestry and paper business STORA ENSO has commissioned BAYWA RE to develop onshore wind projects on the company's land involving at least 158 turbines with capacity of just over 1.2GW. There is potential for the scheme to include solar power and battery energy storage systems.

Areas for development have already been selected with permitting expected to be completed within five years. BayWay re's Nordic project pipeline is more than 2.6GW.

Stora Enso struck a similar agreement with Swedish renewables developer OX2 in 2024 to develop 1GW of wind power on its land in Sweden by 2030.

The company has launched a strategic review of its forestry assets which amount to more than 1.2m hectares, of which around 1m is productive forest, with a fair value around €5.8bn. Stora Enso is considering spinning off its Swedish forestry business as listed pure-play forestry unit while Stora Enso would focus on renewable packaging. Shareholders in Stora Enso would receive shares in the spinoff.

SWEDISH STEEL GETS GREEN MINI-MILL LOAN

SWEDISH STEEL has secured an additional €430m green syndicated loan as part of a wider €2.7bn-equivalent green financing package backing the construction of a fossil-free mini-mill in Lulea, reports LPC.

The new loan is backed by German export credit agency Euler Hermes.

The other elements of the financing package comprise three green loans with long-term maturities structured to support the full lifecycle of the €4.5bn project.

It includes a SKr15bn (US$1.56bn) syndicated loan covered by the Swedish National Debt Office under its credit guarantees for green investments programme.

There is also a €808m syndicated loan backed by Italian export credit agency SACE and a SKr1.15bn loan from the Nordic Investment Bank.

The loans are structured under the Green Loan Principles, in line with SSAB's Green and Sustainability-linked Finance Framework.

Credit Agricole CIB is global coordinator, structuring bank, and green loan coordinator for the financing package.

The project aims at lowering production costs, reducing CO_2 emissions from operations and repositioning SSAB as a maker of premium products.

The new mill will have a capacity of 2.5 million tonnes a year with two electric arc furnaces, advanced ladle metallurgy and an integrated rolling mill. The investment also includes a cold rolling complex, advanced galvanising, as well as continuous annealing.

Football stadia in PF deals

■ **SPAIN** Stadia

VALENCIA CLUB DE FUTBOL has become the latest European football club to raise financing by securitising cashflows associated with its stadium, joining peers such as FC Barcelona in Spain and Olympique Lyonnais in France, reports IFR.

Valencia CF's securitisation is backed by all future business related to the club's planned 70,000-seater Nou Mestalla stadium, including developments adjacent to the stadium itself, according to a press release from law firm DLA Piper, which advised the institutional investors and bank lenders, including arranger and placement agent Goldman Sachs. Addleshaw Goddard advised the borrower.

The new stadium is due to open its doors in 2027, featuring a range of leisure and entertainment facilities.

The 28-year notes issued through the securitisation vehicle make up €237m of a broader €322m non-recourse project finance package announced by the Spanish club on Thursday. The remainder is an €85m five-year loan to be repaid with the proceeds of the sale of the land underneath the old stadium.

The deal has a Triple B rating but Valencia did not disclose the identity of the rating agency. Bibium Capital acted as financial adviser to the club. The buyers of such debt are typically US insurance companies, according to sources.

Other European football clubs that have securitised stadium cashflows in recent years include FC Barcelona and Olympique Lyonnais, both of which completed transactions in 2023, although with varying results to date.

The day after Valencia CF announced the financing for the new Nou Mestalla stadium, its LaLiga rival **BARCELONA** revealed that it had refinanced a €424m portion of its €1.45bn stadium securitisation deal.

The refinancing pushes back the repayment of the debt from 2028 to 2033 at an average cost of 5.19%. Barca said the refinancing reduced the risk premium to nearly half of the original.

Barca's securitisation is expected to be repaid with revenues from its new stadium, including 100% of its VIP hospitality, title rights and sponsorship income. A large part of the sponsorship revenues is due to come from a naming rights deal with music streaming service Spotify, under the terms of which the stadium will be known as Spotify Camp Nou. Barca sealed their 28th La Liga title in May.

The €320m securitisation of **OLYMPIQUE LYONNAIS**' Groupama stadium is meanwhile going through a rocky patch after the French football regulator announced the club would be relegated from Ligue 1 to Ligue 2 for financial reasons, despite finishing sixth in the league.

The club is expected to appeal the demotion but that did not stop rating agency DBRS from downgrading Olympique Lyonnais StadCo from BBB to BBB (low) on the same day that Valencia CF announced its Nou Mestalla financing. The ratings agency also placed the rating under review with negative implications.

"While matchday attendance may remain stable, relegation could mean pricing pressures will affect general admission and VIP ticketing revenues as Ligue 2 matches are not as attractive for fans," wrote analysts at DBRS. "Sponsorship revenues may also be affected if the existing contracts have a stepdown on account of relegation, and sponsorship contracts that are due to be renewed may not receive lucrative offers."

Olympique Lyonnais StadCo is also rated by KBRA, which affirmed its BBB+ ratings for the deal on Friday while revising the outlook to negative in light of the relegation announcement.

"A rating downgrade could occur should the appeal process be unsuccessful and the club subsequently spends a prolonged period of time in Ligue 2 leading to reduced ticket prices, declining attendances and more limited commercial opportunities which will in turn impact StadCo's ability to generate revenues," wrote analysts at KBRA. "Additional downward pressure may arise if there are any changes in ownership and/or commercial strategy."

In the meantime, KBRA said it would monitor the appeals process. "The outlook is likely to revert to stable if the appeals process is successful," the ratings agency said.

Richard Metcalf

Other advantages include lower costs, shorter lead times, as well as an improved ability to manage swings in demand. The new steel mill will be able to use a flexible mix of fossil-free sponge iron, pig iron and recycled scrap.

Once completed, SSAB will close its current blast furnace-based production system in Lulea, which will largely remove the CO_2 emissions from existing operations. The reduction corresponds to 7% of Sweden's current CO_2 emissions.

UK

WEST BURTON CCGT REFI DUE

TOTALENERGIES is looking to refinance the project-style debt via Santander on the West Burton 1.3GW gas-fired power station in Nottinghamshire. The French company bought the asset, along with a 49MW battery, for £450m from US private equity house EIG last summer.

The scheme is backed by a £350m loan from summer 2023. Bank of China, Deutsche Bank, Investec, MUFG, Nomura, Santander and Starwood provided the seven-year amortising term loan of £204m, credit facilities of £110m to support operations and a £36m debt service reserve facility. TotalEnergies said last summer it was looking to sell a 50% stake in the assets.

SCOTTISH POWER AND OVO RUMOURS

IBERDROLA is said to be looking to merge its residential gas and electricity operations division in Scottish Power with **OVO**. Iberdrola would potentially contribute cash and remain as a shareholder in the enlarged group, according to Sky News. However, official sources from Iberdrola consulted by Spanish newspaper Expansion denied that such an operation was being studied. Sky said the talks were at an early stage and any formal transaction would be months away

Ovo has 4m customers and Scottish Power has 2.4m. Ovo is said to be looking to raise £300m from a share sale and is being advised by Rothschild. Ovo is owned by Northern Irish businessman Stephen Fitzpatrick.

Iberdrola is focusing its UK operations on renewables and networks. It is expected to reach financial close shortly on the 1.4GW East Anglia 3 offshore wind farm with Masdar. Last year, it bought 88% of Electricity North West for £2.5bn. In May, it said it would sell SP Smart Meters Assets to Macquarie for £900m.

EAST ANGLIA 3 PF NEARS

The £3bn project financing for the 1.4GW East Anglia 3 offshore wind farm is nearing completion and could be signed in July. **MASDAR** is expected to join **IBERDROLA** as a sponsor in the deal. Loan pricing will start around the 150bp mark.

Masdar was originally looking at a holdco financing to back its stake in EA3 but

CityFibre nears funding deal

■ **UK Telecoms**

CITYFIBRE is said to be near agreeing to a new £2bn funding package via £500m from shareholders, £1bn from banks and a £500m accordion.

In early March it was reported the lenders led by NatWest had appointed Lazard to advise. Last October it was reported CityFibre had hired Evercore to advise on a debt raise given its "debt and equity funding currently available is expected to be fully utilised by mid-2025 in all scenarios".

CityFibre's funding requires new injections in July and it is also seeking to buy up other altnet providers as the industry consolidates.

James Ratzer at New Street Research has suggested CityFibre has exclusivity arrangements on buying 850,000 home connections from other altnet providers as part of the consolidation. It bought LitFibre in early 2024 via a share-based acquisition for £80m, bringing in 300,000 home connections. CityFibre covers 4.3m homes and has an 8m home target that will not be met via its build-own programme.

CityFibre has a £3.9bn seven-year loan from 2022 that included an undrawn £1bn accordion.

When the loan was syndicated it did not sell that well and the pricing was flexed by 35bp to 295bp moving up to 385bp. Financial advisers on the deal were NatWest and Societe Generale, joining Credit Agricole, BBVA, Intesa Sanpaolo, ING, SEB, ABN AMRO, Lloyds, UK Infrastructure Bank and M&G Investments.

CityFibre is owned by Antin, Goldman Sachs, Mubadala and Ikea investment vehicle Interogo.
Rod Morrison

the financing is a full £3bn opco project financing. This would be a first for Iberdrola as it usually finances its commitments on balance sheet. The scheme is in construction and the project won contracts for difference in summer 2022 at £37.35 per MWh. It won an uplift to £54.23 last September in the most recent CfD tender on 158.9MW. Credit Agricole and Goldman Sachs are advising on the deal.

Orsted's Hornsea 3 is further behind. In April, it was reported Apollo Global Management and Norges Bank Investment Management were the two bidders left in the race to buy a 50% stake in the 2.9GW project. Credit Agricole is advising There has been a market sounding with banks about possible project financing on the deal, if required.

SANTANDER FOR VOLTWISE DEBT

Santander has underwritten the loan backing VOLTWISE's purchase of battery storage division of SMS comprising seven operating projects with capacity of 320MW/350MWh and four projects under construction with a capacity of 140MW/280MWh.

Voltwise, set up in 2023, is owned by US investor Sandbrook Capital and is headquartered in London with offices in Munich and Berlin. Its first project in Germany is a 56MW/112MWh project in North Rhine-Westphalia which is under construction. It is led by Russell Alton who was CEO of oil and gas independent NEO Energy and led global finance and M&A teams at Equinor and Centrica.

Santander and Herbert Smith Freehills Kramer advised Voltwise on the deal, which mixed greenfield and M&A finance. KKR bought Glasgow-based SMS last year.

EDF RENEWABLES WINS TFL PPA

EDF RENEWABLES has won the contract to supply energy to Transport for London via a 15-year power purchase agreement for London Underground. The power will come from the 500MW Longfield solar project near Chelmsford, Essex.

The scheme won a 15-year contract for difference last year for 299MW of its output. The TfL contract will account for an extra 20% of the output at a fixed price. The CfD price is £50.07/MWh, or £68.77 at today's prices. The project secured planning permission in June 2023 from the Department of State for Energy, Security & Net Zero. The scheme should start generating in 2028 and is expected to include a battery storage element.

FIRSTWAY GETS SOLAR CONSENTS

FIRSTWAY ENERGY has secured planning permission for a 100MW battery energy storage system in Willington, Derbyshire. This is the company's sixth planning approval in eight months bringing its consented portfolio to 700MW.

The company's director is listed in Companies House as Philip Patrick, linked to Burlington Property Group. In February it got consent for 200MW at Capenhurst in Cheshire, 100MW at Bicker in Boston and 100MW at Dudley. It also has consent for 100MW in Bradford, 50MW in South Staffordshire and 50MW in Cumberland.

HORNSEA 2 OFTO OUTAGE

The 1.4GW Hornsea 2 offshore wind farm has suffered a cable-related outage on 520MW of its output from early April, according to reNews. No timeline was given for ending the outage. Two out of the three cables are now being used.

DIAMOND TRANSMISSION PARTNERS bought the project's OFTO cable in October 2023 backed by a £785m 24-year loan from Aviva, Bank of America, CaixaBank, Nissay Life Insurance, Norinchukin, OCBC, Shinsei and facility agent Mizuho. The wind farm is owned by Orsted and AXA/Credit Agricole Assurances.

Brookfield is buying a 12.45% stake in four Orsted UK offshore wind farms including Hornsea 2 for £1.745bn backed by a £1.3bn loan underwritten by Santander, ING and MUFG.

TWO WIN 1.5GW FLOATER SITES

The ESB-EDF team and EQUINOR have won Crown Estate's seabed lease auction for 1.5GW projects in the Celtic Sea and South West England. There was no winner on a third plot.

The companies will pay £350/MW per year for the leases for a 10-year option period, meaning both groups will pay £525,000 per year for the sites, excluding VAT. This compares to the record £154,000/MW per year paid by the BP-ENBW team for a fixed-bottom scheme in the 2021 auction.

The ESB-EDF team won the South Wales site. The team is said to no longer include Reventus Power. Equinor landed the South West England site. Crown Estate said details of the remaining 1.5GW of leases would be given shortly.

XLINKS ON REJECTION

XLINKS chair Dave Lewis said the company was surprised and bitterly disappointed about the UK government's decision to reject the £25bn 3.6GW interconnector scheme from Morocco to the UK.

He said the project would have addressed "the challenge of sharp drops in UK power generation when the wind isn't blowing or the sun isn't shining. It would do this at significantly lower cost than the nuclear alternative and be connected to the grid much sooner".

"The international investment community identified the potential of the opportunity. Over £100m from leading energy sector players has already been spent on project development, and demand from lenders to participate in the construction phase is greater than we require," he said. The scheme was made a project of national significance in September 2023 by the previous Conservative government. The Labour government now says it is focusing on homegrown energy – solar, wind and nuclear.

"Ultimately, we have no choice but to accept DESNZ's decision.," said Lewis. "We are now working to unlock the potential of the project and maximise its value for all parties in a different way."

The company plans to build an interconnector to Germany from Morocco and could be involved in a scheme to France. It might look at a scheme to Portugal given the recent Iberian blackout.

Xlinks had been seeking a bilaterally negotiated contract for difference at £70/MWh based on 2012 prices. The scheme involved sending renewable baseload power from Morocco to the UK via the interconnector.

The developer said it had offers for £8bn in equity and £17bn in debt. JP Morgan and Societe Generale were advising. The project company had attracted a range of initial investors including GE Vernova with US$10.2m, TotalEnergies £20m, Taqa £25m, and Octopus Energy £5m.

CVC JOINS JT MANX TELECOM BID

Jersey-based JT TELECOM is said to be looking to buy Isle of Man telecoms supplier MANX TELECOM with the backing of CVC Capital Partners. Sky News said the deal could be worth £500m.

Basalt Infrastructure Partners bought the company for £256m in May 2019. In May 2023 the debt on the company was refinanced via a five-year £150m deal priced at 225bp stepping up to 250bp in year four, via AIB, LBBW, arranger Lloyds, NordLB and SEB.

Manx Telecom is in the process of completing a £60m fibre-to-the-premises rollout of gigabit broadband lines to more than 41,000 premises across the island by the end of 2025, part-funded by the government. The company is the island's primary provider of fibre and telecoms services.

NETWORK RAIL TELECOMS SIGNED

Network Rail and NEOS NETWORKS have signed the long-awaited deal to deploy 1,000km of cable to improve reception on trains along the East Coast Main Line, parts of the West Coast Main Line and the Great Western Main Line. The ambition is to expand beyond 5,000km in the near future, DigitalBridge-owned Freshwave will tackle signal blackouts in 57 tunnels covering 50km including the 4km long Chipping Sodbury tunnel near Bristol and invest in 4G/5G infrastructure at 12 large stations.

The railway's current fibre-optic cable system uses 24 and 48 count fibre cable – "similar to what you'd find in the ground on residential streets" for FTTP broadband, according to ISPreview. Neos' new high-count cable will be a 432 core cable, hugely increasing the network's capability. Network Rail will use half the new capacity and Neos will commercialise the other half. Neos is owned by SSE and Infracapital.

The Neos Networks team won Network Rail's auction to buy its trackside cable network in February 2023. The deal appears to have changed from a wholesale cable network sale to an upgrade scheme. When the sale deal first emerged, Network Rail put a £1bn price on the assets, which comprise 16,000km of cable. However, the mainly copper cable network, which will need to be upgraded, follows rail lines rather than a consumer network and is mainly in built-up areas already served by good existing networks. The plans to upgrade the network included building 250 new mobile masts linked to cell towers. Neos owns a 20,000km business-only telecoms network with 550 exchanges.

WESSEX INTERNET GETS NWF DEBT

Aberdeen-owned broadband provider WESSEX INTERNET has obtained a £50m loan from the National Wealth Fund to help expand its coverage to hard-to-reach homes and businesses.

In 2022, Wessex Internet won a Project Gigabit contract under the Building Digital UK government programme. The capital raised from NWF combined with £72m awarded from BDUK will allow the business to expand its network of 40,000 connections to approximately 137,000 rural premises over five years.

The company has a shareholder loan of £35m, according to its latest accounts up to the end of 2023, and a four-year £18m bank loan from Triodos 8.51%. The NWF loan sits alongside the Triodos debt.

CEO Hector Gibson Fleming told PFI the company is focused on its buildout, rather than looking at any consolidation. It expects to become profitable next year. It has a 30% take up on its connections, he said. The debt will be drawn down on the rollout plan. Aberdeen is the majority owner, but the Gibson Fleming family still have a significant stake.

BEACON RAIL COMPLETES REFI

European rail lessor BEACON RAIL has put in place a €850m financing with tenors spread across seven, 10, 15 and 25 years. The company completed a seven, 10 and 14 year €1.45bn deal in 2019 and bought locomotive lessor Mitsui Rail Capital Europe in 2023 backed by debt from lenders including Infranity. The company, owned by JP Morgan-advised Infrastructure Investment Fund, has 800 locomotives, 1,000 freight wagons and more than 500 passenger vehicles across Europe.

The new debt was provided by a mix of banks and institutional investors. The bank debt came from ANZ, Bank of East Asia, BRED, CaixaBank, CIBC, CIC, Credit Agricole, ING, Intesa Sanpaolo, La Banque Postal, NAB, NatWest, Rabobank, Santander and UniCredit. The institutional debt came from Aviva, Barings, MetLife, M&G, Mutual of Omaha, Pacific Life and Prudential.

Banks on the 2019 deal were CIBC, DBJ, Deutsche Bank, Hamburg Commercial Bank, MUFG, Santander and SMBC. The institutional investors were AXA IM, Aberdeen Standard Investments, Athene Asset Management, Aviva, Barings, IFM Investors, Rivage and MetLife.

Beacon Rail is now said to be valued at nearly €3bn. The size of the MRCE deal was not disclosed but at the time it was reported MRCE had €640m of assets and recorded a revenue of €149m. MRCE had 340 locomotives.

KEPPEL PLANS MEGA DC

Pinewood Group, owned by Singapore's KEPPEL GROUP via Aermont Capital, has put forward plans for a £1bn data centre at the Pin`ewood Studios site at Iver, Buckinghamshire. The project will be south of the film studios and will include a 5,000m² facility alongside a 60-acre nature reserve and six-acre community garden and learning space. The proposed development lies within the Slough Availability Zone, a strategic hub for UK data capacity.

APATURA PLANS MEGA DC

York-based planning developer APATURA has published plans for a major data centre with battery energy storage at former Ravenscraig steel site near Glasgow to be powered by 550MW of grid connections that are due to come online by 2030.

Apatura is working closely with North Lanarkshire Council and site owner Ravenscraig to advance the proposal. Ravenscraig is one of five AI-ready sites Apatura said it is progressing across

New PPPs in 10-year infra plan

■ **UK** PPPs

HM Treasury has published the 10-year infrastructure strategy following its spending review stating the government will "explore the feasibility of using new PPP models for taxpayer-funded projects in very limited circumstances where they could represent value for money. The government will explore the potential to use PPPs in certain types of primary and community health infrastructure and for taxpayer-funded public estate decarbonisation projects, such as the installation of solar PV, battery storage and low carbon heating solutions where PPP may be considered alongside alternative private finance models".

A decision whether to use PPPs in these very limited circumstances will be taken by Autumn Budget 2025, based on co-development of a model and business case between National Infrastructure & Service Transformation Authority and the relevant department.

The document said "the government will consider the use of PPPs in projects and sectors where there is a revenue stream, appropriate risk-transfer can be achieved, and value for money for taxpayers can be secured".

The document was light on detail. It mentions the use of private finance in the Euston HS2 station scheme via a Euston Delivery Company. It said the Lower Thames Crossing could be funded via regulated asset base contractual model. Lower Thames will get £590m of government support (see separate story). The other major PPP scheme is the Thamesmead DLR extension which was mentioned in the spending review.

However, Transport for London is said to be concerned about its allocation in the spending review and might have to decide between spending on the Bakerloo Line and Thamesmead DLR.

The proposed business model for hydrogen power generation will be based on the dispatchable power agreement and is expected to use an availability payment mechanism via the contract for difference structure.

The document mentions capital recycling. "Some stakeholders have raised the importance of unlocking capital invested in existing assets, and for assets to be held by appropriate investors over their lifecycle. This can free up risk-tolerant capital to be invested in new projects and allow institutional investors to gain exposure to infrastructure assets at the right point in the project lifecycle. The government will work with industry to explore if there is a further role for government in supporting capital efficiency in the infrastructure market."

HM Treasury said "a well-designed PPP model can bring in private sector discipline to reduce deliverability risk as the private sector is incentivised to deliver to budget and time. In some cases, PPPs can bring these and other benefits to infrastructure projects, but this needs to be balanced with the management of risks and costs. This can be done by the careful, targeted use of PPPs for the projects and sectors where risks can be well managed so that private financing achieves value for money".

Rod Morrison

Scotland's central belt, backed by more than 1.6GW of confirmed grid connections.

Apatura is led by chair Adrian Hill and backed by Stockholm and Dubai-based Klint Ventures.

Giles Hanglin, former CEO of Brookfield-backed Cambridge Power, joined as CEO last June.

In September it won consent for its 700MW Auchentiber battery storage scheme at Port Glasgow, Inverclyde.

The company has secured consent for its Devonside 25MW scheme in Clackmannanshire, the 30MW Elgin scheme in Moray and the 30MW Saltcoats scheme in North Ayrshire.

MAC GETS OTPP AIRPORTS

MACQUARIE ASSET MANAGEMENT, via Macquarie European Infrastructure Fund 7, is buying OTTP's stake in three UK airports – 25% of London City Airport, 55% of Bristol Airport and 26.5% of Birmingham Airport. OTPP bought the stakes in 2016, 2008 and 2007, respectively.

Evercore has been advising OTPP on the sale of interests in five European airports. It has sold its stake in Copenhagen Airport to co-shareholder ATP. In April it was reported the Belgian federal and Flemish governments were considering a joint acquisition of its 30% stake in Brussels Airport, potentially gaining majority control. The move, estimated to cost €2.6bn, came after Macquarie backed out over price concerns.

Last month Birmingham Airport raised a £150m capex loan via Barclays, Credit Agricole, adviser NatWest and Siemens Bank. Earlier this year, NatWest and OTPP put in place an £80m institutional placement. The financings back the airport's expansion plans. The debt on the Bristol Airport was refinanced in April via a £190m five to seven-year loan from AIB, Barclays, Credit Agricole, CIBC, DBJ and MassMutual.

A £500m plan to expand London City Airport's capacity from 6.5m passengers annually to nine million was approved a year ago. However, the airport is still operating at 70% of its pre-Covid levels because it relies on business travel.

Last year MAM and Ferrovial sold their stake in AGS Airports for an enterprise value of £1.53bn. AGS owns Aberdeen, Glasgow and Southampton airports.

LOWER THAMES HURDLES

Work is expected to start in earnest on the contractual model for the £9bn Lower Thames Crossing project using a regulated asset base (RAB) approach after the scheme was given £590m last week to fund design and technical work under the government spending review.

The EY team, which worked on the RAB designs for the transport and storage companies in the recent carbon capture and storage deals, is working on Lower Thames. One complexity will be marrying two revenues streams under one model – the nearby M25 Dartford Crossing with Lower Thames.

Funding the scheme will be a challenge and the project will need a very long concession, perhaps up to 125 years. Tolls on the Dartford Crossing will be raised in September to £3.50 from £2.50. The crossing generates £221.5m in tolls and penalty charges annually, with £134.9m in operating costs. It is one of the busiest pieces of infrastructure in the world. Anti-bridge group Transport Action Network said the tolls on both would need to increase to £8.10 for cars and £14 for lorries to fund the new crossing. Discounts will be available for local users under the Lower Thames Crossing's development consent order (DCO) agreed in March.

The RAB contract would be granted to a licensee regulated by a new or existing regulator, which would set the tolls. The project would be governed by its DCO, although this might need to be tweaked under the RAB structure.

Construction contracts have been let for the Lower Thames scheme and it will need to be decided if these will stay in place. Balfour Beatty won the £1.2bn north approach roads contract and Skanska won £450m south approach road scheme. Bouygues/Murphy won the £1.34bn twin tunnel contract but presumably this will lapse. In total, the scheme runs for 23km with £1.2bn already spent. Construction will take seven years. It is not clear when the RAB scheme will be tendered.

THAMES TIDEWAY PRICES BLUE BONDS

The £250m eight-year blue bond issue backing the Thames Tideway Tunnel project via its BAZALGETTE FINANCE company has been priced at Gilts plus 120bp, inside guidance of plus 135bp. Lloyds and RBC were global coordinators and CIBC and SMBC are active bookrunners. Expected ratings are Baa1 from Moody's and BBB+ from Fitch.

The deal is the super-sewer project's first blue bond offering. The tunnel is nearing full operations after eight years of construction. It completed all its connections in February and is now being tested under different weather conditions before becoming fully operational.

Tideway has been a prolific issuer of green debt via Bazalgette with 18 green bond issues and recently updated its sustainable finance framework to include blue offerings. While Tideway has been able to issue blue bonds under its 2023 sustainable finance framework, as blue finance is a subset of green, the company decided to update its bond prospectus, 2023 framework and second-party opinion to include blue guidance. Tideway's blue update follows two similar framework updates last year by UK water companies Welsh Water and Pennon.

SOUTHERN WATER HOLDCO DEBT HALVED

Macquarie has finalised its plans to recapitalise SOUTHERN WATER, pledging up to £1.2bn of new equity to be injected at the UK utility's operating company level.

This is almost double the £650m Southern initially sought in August, and above the £900m earmarked in March. The Australian investor, which bought Southern for £1.65bn in September 2021, had been reluctant to commit new funds unless creditors at Southern's holding company Greensands accepted a writedown.

Some debt maturities will be extended to at least 2030, with the option of the borrower extending for another year and also to pay interest in kind rather than in cash. Total debt at the holdco level will be reduced to £415m from £865m.

Macquarie Asset Management and other minority funds will put in £655m initially and then another £545m. Of that, £245m of new equity has been promised by December. The commitments will be put into a new company established to acquire Southern Water (Greensands) Financing and Greensands Junior Finance.

Southern said no dividends to external shareholders would be paid over the next five years. The company is appealing to the Competition and Markets Authority about price rises that regulator Ofwat has sanctioned for 2025–30.

"Together with the reduction in debt, and no forecast dividends for the 2025–30 regulatory period, the new investment will directly support Southern Water's financial resilience and improving performance," said chief executive Lawrence Gosden.

One condition is to ensure that Class A debt at the operating level remains classed as investment grade by at least two ratings agencies. If those ratings are lost it will no longer be regarded as an event of default, unlike now.

The restructuring will be carried out by a scheme of arrangement, which will have to be backed by opco creditors.

"The discussions with Southern Water's principal financing creditors are well progressed and Southern Water will provide a further update on or prior to the publication of Southern Water's annual audited financial statements on or around July 11," it said.

Martin Bradley, senior managing director at Macquarie Asset Management, said: "While it's been a difficult time to raise private sector capital for a UK water company, we are aligned with the government's ambition to reform the sector and are encouraged by the desire to achieve the reset required to effect real long-term change."

Thames Water has asked its creditors to allow it to tap another £157m of its £1.5bn super-senior financing while it continues discussions about its potential debt-for-equity swap with its main creditor group for another month. So far £715m has been drawn down.

Charles Maynard MP has asked permission at the Supreme Court to challenge the Court of Appeal's sanctioning of the scheme, which allowed super-senior financing of £3bn to be installed.

Thames had previously said that extra financing from the facility would not be released after the end of June unless there was sufficient support for the second round of restructuring, involving the debt-for-equity deal.

Southern Water has reduced the size of its holdco debt from £865m to £415m as part of a refinancing package. Macquarie Asset Management is putting in £655m of new equity with a further £545m intended to be committed by December 2025.

Southern Water said "the maturities of the remaining debt facilities are being extended to at least September 2030, and the borrower will have the option under certain circumstances to further extend the maturity to December 2031. Furthermore, the borrower will have the option to capitalise – rather than cash pay – interest on the remaining debt facilities".

ALBANIA

FORTIS APPROVED FOR SOLAR FARM

Turkish renewables developer FORTIS ENERGY has received approval from the Albanian government to construct a 62MW capacity solar plant in the south-east of the country.

The deadline for commissioning is within three years of approval, with the site to have a 49-year term of operation.

Fortis is required to submit periodic updates on the progress of construction and allow for supervisory visits from the Ministry of Infrastructure and Energy. It must also provide 2% of its annual electricity production or the equivalent monetary value to the state.

The site joins a 559MW solar project currently under development in Albania. The company aims to reach 2GW of solar capacity in the coming years from a current 229MW of assets across south-east Europe and Turkey.

More than 1GW of this is coming from Serbia, where the company is developing a 509MW wind site, a 540MW solar park and a 413MWh battery storage facility.

ARMENIA

FRV GETS SOLAR GOING

FRV has put the 55MW Masrik-1 solar scheme into operation more than four years after it was financed by the IFC, EBRD, the European Union and Ameriabank, and built by China Machinery Engineering Corporation. It has a power purchase agreement with private offtaker Electric Networks of Armenia.

The deal close was delayed in 2021 by Covid restrictions. FRV split ownership of the project between its La Providencia unit with 75% and FSL Solar with 25%. Commissioning was due that year. The 20-year PPA was signed at a competitive tariff of US$0.0419/kWh.

BULGARIA

OMV PETROM AND ENERY IN 400MW JV

OMV PETROM, the Romanian subsidiary of Austrian oil and gas business OMV, has taken a 50% stake in the 400MW Gabare solar project in a joint venture with Austrian renewables developer ENERY ELEMENT.

Orange/APG JV refis fibre debt

■ **POLAND Telecoms**

ORANGE POLSKA and APG's 50/50 fibre joint venture Swiatlowod Inwestycje has closed a Z3.7bn (US$1bn) sustainability-linked debt package that refinances a seven-year loan signed in 2021 and backs connections to 700,000 additional Polish households by 2032.

The debt comprises a Z2.09bn syndicated term loan, a Z560m capex tranche and a Z250m revolving credit facility led by Bank Pekao and a Z800m tranche from the EIB.

Bank Pekao was bookrunner and MLA on the term loan alongside lenders PKO Bank Polski, BNP Paribas, ING, Societe Generale, TFI PZU, UniCredit, Santander, mBank, Raiffeisen Bank International, Poland's development bank BGK and the EBRD with a Z300m tranche.

The committed debt package could be topped by a Z750m uncommitted incremental facility from the same lenders.

ING was financial adviser, Clifford Chance advised Orange and APG while Norton Rose Fulbright advised the lenders.

Swiatlowod Inwestycje was founded in 2021. Polish press agency PAP reported in February that Orange might look to acquire APG's 50% stake between 2027 and 2029.

Cristiana Sandeva

The project near Sofia features solar tracking to maximise generation and is expected to supply 150,000 households.

The plans include the option of a 600MWh battery energy storage system.

Construction permits and grid connection have already been secured with the acquisition by Enery Element expected to close by the end of the year.

Completion and commercial operation is expected by 2027 with OMV Petrom and Enery Element investing around €200m in the site, including external financing.

OMV Petrom will also enter power purchase agreements with Enery Element for 50% of the electricity.

OMV Petrom is increasing its focus on Bulgaria and since 2024 has been marketing natural gas to consumers through a network of 93 filling stations as well as planning exploratory drilling in Bulgaria's Han Aspurah natural gas block in the western Black Sea.

LATVIA

EBRD BACKING BIG WIND

The EBRD is looking to provide €32m to back the €183m, 112MW wind farm being developed by Finland-based TAALERI ENERGIA and Lithuania-based LORDS LB ASSET MANAGEMENT. The scheme is being developed on a 50:50 basis.

LITHUANIA

IGNITIS MAKES BESS FID

Lithuania's IGNITIS GROUPE, listed on Nasdaq Nordic, has reached a final investment decision on a €130m battery energy storage portfolio of three projects totalling 291MW/582MWh.

A 147MW/294MWh BESS will be co-located with the operational 314MW Kelme wind farm; a 45MW/90MWh BESS will be at the 63MW Mazeikiai wind farm; and a 99MW/198MWh BESS will be at the 900MW Kruonis pumped storage hydropower plant. The company has said it will apply for €102m of government subsidies for the Kelme and Mazeikiai wind projects.

MOLDOVA

RENEWABLE TENDERS AWARDED

The Moldovan government has announced the winners of a tender for 165MW of wind and solar projects that are expected to bring direct investment of around €200m to the country over the next three years.

Five winning wind bids were selected from eight offers: two parks with total capacity of 65MW at L1.2498/kWh (€0.29/kWh) and L1.3298/kWh, respectively, from a consortium represented by LUMINA NOSTRA; two parks totalling 12.5MW at L1.4120/kWh and L1.42/kWh from NAVITAS ENERGY; and a 27.5MW scheme at L1.4298/kWh from WINDNOVA.

Six solar bids were awarded from 24 submitted.

The winners are KKK INVEST with a 5.7MW site at L1.1399/kWh and the LUMINA NOSTRA consortium with five sites – 4.8MW at L1.1398/kWh, 6MW at L1.1455/kWh, 12MW at L1.1456/kWh, 24MW at L1.1899/kWh and 7.5MW at L1.19/kWh.

Moldova has a target to produce 30% of its energy from renewable sources by 2030.

Another round of tenders for wind farm construction is planned for October with capacity of up to 173MW and storage for up to 22MW, with bids to be submitted by March. Winners will sell electricity to state energy supplier Energocom over a 15-year term at the offered price, adjusted for inflation and tariff factors.

GIURGIULESTI PORT BIDS IN

The European Bank for Reconstruction and Development has received "multiple binding offers" for the sale of the sea-to-river Giurgiulesti International Free Port on the Danube.

The EBRD has not disclosed the names of the bidders and has only said that it is progressing with advanced negotiations with the shortlisted bidders.

Over the past few months, Romania's state-owned Port of Constanta and Bulgarian privately owned BMF Burgas, owned by the Domuschiev brothers, expressed interest in buying the port.

In August, a Moldovan government spokesperson said the EBRD was negotiating with several potential investors, including from Romania, Turkey, the Netherlands and Denmark.

Raiffeisen Bank is advising the EBRD on the deal.

Since 2014, the port operator, now called Danube Logistics SRL, its Dutch parent and, indirectly, the EBRD have been subject to various actions. To safeguard port operations and protect its financial interests, the EBRD said it became the sole legal owner of the operator of Giurgiulesti Port in May 2021.

The port borders Romania and Ukraine and handles more than 70% of Moldova's marine imports and exports. Its strategic role has increased in the region as the port is well positioned to serve the reconstruction of Ukraine.

MONTENEGRO

EBRD BACKS SECOND WIND DEAL

The EBRD is planning to continue to support Montenegro's state power company ELEKTROPRIVREDA CRNE GORE's wind farm developments with financing for the planned 21MW Gozd II wind farm.

The agreement would follow an €82m 10-year secured corporate loan from the EBRD in 2023 for construction of the 55MW Gvozd I wind farm, which is expected to begin in summer with German manufacturer Nordex supplying turbines.

Gvodz II will see the EBRD provide an investment of €25.6m based on the same loan terms as the first financing, including interest rate, with maturity extended to 2033/2034.

The agreement is expected to be signed in July. Construction of the two wind farms will mean EPCG becomes the first state-owned wind farm owner in Montenegro with an expected annual output of more than 210GWh.

POLAND

R POWER BACKS BATTERY STORAGE WITH €30m BOND

Polish renewables company R POWER is issuing €30m of covered bonds to finance energy storage schemes.

The bonds will bear interest at six-month Euribor plus 3.5% and form part of the company's Z1bn (US$269m) green bond programme with mBank.

The company recently announced plans to invest in a battery project in Romania. The Scornicesti project will have a capacity of 127MW and 254MWh and will begin construction in the third quarter with completion expected in Q3 2026. Funding has been obtained from Romania's National Recovery and Resilience Plan, part of the NextGenerationEU fund.

The company has been seeking financing for its solar ambitions with a €38.6m project finance agreement secured with CiaxaBank and Banco BPI earlier this year to fund the development of a 68MW solar portfolio in Portugal.

MOL IN FSRU PF

MITSUI OSK has signed a US$252m project loan via JBIC, Credit Agricole and SMBC to fund White Eagle Energy's floating storage and regasification unit, which will be chartered to Gaz-System for 15 years with a possible extension.

HD Hyundai Heavy Industries will build the 170,000-cubic-metre vessel for US$364m with completion due by July 2027.

This is Poland's first FSRU and will add to Gaz-System's onshore Swinoujscie LNG terminal for which Orlen is in charge of all the LNG imports, via PGNiG. Based on the charter agreement, Gaz-System has the right to purchase the FSRU.

ROMANIA

EUROWIND ENERGY TO INVEST €175m IN SOLAR

Danish renewables specialist EUROWIND ENERGY has announced plans for a 220MW solar park in Romania with a €174.8m investment.

The 354-hectare site in Visina, Dambovita county, will have more than 400,000 solar panels, making it Eurowind's largest in Romania. The project is Eurowind's fifth in Romania and the company expects to operate a 124MW portfolio by the end of the year, having entered the Romanian market in 2011.

Earlier this year, it entered a 12-year virtual power purchase agreement with Swedish automotive safety systems company Autoliv covering power from its 48MW Pecineaga wind park in eastern Romania that will produce approximately 176GWh annually.

The company aims to have 50 energy parks across Europe with total capacity of almost 1GW.

RPOWER ADVANCES BESS/PV

Warsaw-listed independent power producer RPOWER has agreed to sell a 49.9% stake in a 127MW/254MWh battery energy storage system project to an investor that will co-finance the scheme, expected to be ready to build in Q4 2026. The sale price is less than 10% of RPower's equity, the company said, adding that the price has been determined on market terms.

The company said it has hired Polish contractor Nomad Electric to develop a 55MW solar scheme in Romania. RPower secured four CfDs for 67MW in December: a €48.80/MWh contract for 8.99MW near Bucharest; €48.80/MWh for 5MW; €49.70/MWh for 48MW; and €52.60/MWh for 5MW.

ISRAEL

ECONERGY RAISES NEW EQUITY

Tel Aviv-listed developer ECONERGY has raised NIS250m (US$73.7m) in equity via a private placement allocating around 9m shares to six Israeli investors.

Econergy investor Phoenix Insurance has committed NIS80m, Menora Mivtachim has injected NIS70m, Migdal Insurance has invested NIS61.5m, More Provident and Pensions has invested NIS37.5m and two small local funds have invested less than NIS1m each. The shares were issued at NIS27.60 each on the Tel Aviv Stock Exchange, 4.75% below the close on June 11, the day before the private placement.

NOFAR EYES NOY FUND JV

Tel Aviv-listed renewables developer NOFAR is in talks with Israel's Noy Fund to sell a 47% stake in its business operations in the country and drive investment totalling NIS520m (US$154m).

Nofar and Noy would establish a 53:47 joint venture, with Noy expected to pay NIS220m to Nofar for the acquisition and invest NIS300m in the joint venture. As part of the deal, Noy is also expected to merge its 330MW battery energy storage portfolio into the joint venture. Nofar said it has chosen to delay its latest financial report in order not to influence the deal with Noy and "not to worsen terms of the transaction".

DORAL CLOSES PV/BESS PF

Israeli developer DORAL has closed a NIS305m (US$90.3m) project finance facility via Bank Leumi backing the Hadari Shin 175MW solar and 248MWh battery energy storage project.

The financing will cover 67% of debt for the project and includes a NIS240m senior tranche, a NIS32m bridge tranche and a NIS33m credit line.

Power will be sold to independent grid operator Noga and revenues will be secured under indexed tariffs. The scheme is expected to start operations in 2026.

SAUDI ARABIA

BANKS ON CCGTS

Saudi banks are said to be the mainstay of financing the country's huge combined-cycle gas turbine bilaterally negotiated programme, although there is said to be some foreign interest.

China Exim is said to be looking at SAUDI ELECTRICITY COMPANY's 1.8GW PP12 scheme and Standard Chartered is said to be looking at ACWA/SEC's 3.1GW, US$3.5bn Qurayyah expansion project. The power purchase agreement has been signed on Qurayyah and construction has started, funded by equity bridge loans. The PP12 PPA is due to be signed shortly, followed by the signing of the second ACWA/SEC PPA on Murjan and then five more SEC-only deals.

FA DUE FOR NEXT WAVES

SPPC is seeking a financial adviser for waves seven and eight of its renewables tender programme. There are few details known of the actual projects, apart from the individual schemes being between 50MW and 3.5GW. There are six projects in round seven and five in round eight. Bids for waves five and six are due shortly, with 3GW of solar due next week and 1.5GW of wind on July 23. Bids for the 2GW/8GWh battery storage IPP programme are due by July 7. Saudi Power Procurement Company is the procurer.

ANGOLA

DFC ON LOBITO

Conor Coleman, chief of staff of the US Development Finance Corporation, has said the institution is committed to providing US$533m to the Lobito Corridor rail scheme and the LOBITO ATLANTIC RAILWAY consortium which holds the concession. The role of DFC is being reviewed under the Trump administration but Coleman said any changes would not impact this project.

Africa Finance Corporation recently secured €250m of backing from Italian development bank Cassa Depositi e Prestiti to support Italian supply chain opportunities in infrastructure and renewable energy throughout Africa, including components for the Lobito Railway Corridor. The 10-year term loan facility is backed by a Sace guarantee for 80%.

A consortium of Mota Engil, Trafigura and Vecturis was awarded the concession in July 2022 to modernise the rail corridor with plans to invest US$450m alongside US$166m of infrastructure and US$70m for rolling stock. AFC recently agreed to back Mota Engil's African subsidiary with a €100m five-year term loan to fund equipment and infrastructure for three gold mining contracts in Ivory Coast and Mali.

The Lobito Railway Corridor will run through Angola and connect to Zambia and the Democratic Republic of Congo. The Lobito development aims to improve transport of agricultural products, minerals and consumer goods, in particular connecting DRC's Katanga mining region and Zambia's copper belt with Angola's deepwater seaport.

MADAGASCAR

ABU DHABI INTO SOLAR/BESS

Abu Dhabi Investment Authority's GLOBAL SOUTH UTILITIES has signed two framework agreements with the government of Madagascar to develop 300MW renewables schemes and co-located battery energy storage systems.

The first agreement signed with the Ministry of Energy covers the development of a 50MW solar scheme with a 25MW BESS in Moramanga within the next 12 months. The second agreement outlines plans for additional 250MW capacity after the pilot project is completed.

MOROCCO

CONSORTIUM TO DEVELOP AI DATA CENTRE

A consortium comprising AI businesses NAVER CLOUD, Nvidia and Lloyds Capital-owned NEXUS CORE SYSTEMS are seeking to build a 500MW AI data centre in Morocco to provide computing services in the EMEA region.

The first phase begins at the start of 2026 with 40MW of AI infrastructure equipped with Nvidia's Blackwell GB200 GPUs.

The site will be built up over time and be powered by an up to 500MW renewable energy supply contract with Taqa Morocco, a local subsidiary of Abu Dhabi National Energy Company.

Naver Cloud and Nexus Core Systems will provide AI services and cloud computing platforms to power a white-label platform to support the adoption of AI and digital transformation initiatives with Maroc Telecom as a market partner.

"We believe this initiative will generate valuable spillover effects — by enabling upskilling, fostering new collaborations, strengthening the broader AI ecosystem and putting Morocco on the global map for sovereign AI," said Christopher Yoshida, CEO of Nexus Core Systems.

Nexus Core Systems is developing a 10MW site in North Carolina in a partnership with Duke Energy.

RWANDA

GOVT LOOKS AT 200MW SOLAR

Rwanda is exploring the potential of generating up to 200MW from solar energy, the Ministry of Infrastructure said last Wednesday during Public Accounts Committee hearings, according to local reports. Studies are looking at sites, national grid connections and the viability of the scheme.

In early 2024, US-based Fortis Green Fund 1, pan-African fund manager Axian and local investor Rwanda Holdings acquired Norfund's stake in an 8.5MW solar project in Rwanda, which is majority owned by Norwegian developer Scatec. The solar plant is Rwanda's biggest and opened in the summer of 2015.

SOUTH AFRICA

RED SANDS BATTERY TO COMMERCIAL CLOSE

UK-based renewable energy developer GLOBELEQ and South Africa's AFRICAN RAINBOW ENERGY have reached commercial close on the 153MW/612MWh Red Sands battery energy storage project in the Northern Cape.

The project covers five hectares and will involve upgrades to local grid infrastructure. The project is the largest standalone battery energy storage plant in Africa to reach commercial close. It was awarded in 2024 at an estimated cost of US$300m and has a 15-year offtake agreement with South African utility Eskom at R546.50/MWh (US$30.07/MWh).

China's Sungrow is supplying parts and services under a 15-year agreement.

The project aims to ease pressure on demand for energy and enhance grid stability in the Northern Cape under South Africa's Energy Storage Capacity Independent Power Producer Procurement Programme.

Winners of the latest third bidding round were announced in May with five winning bids for a total 616MW from 33 submissions.

ZAMBIA

PF FOR ILUTE SOLAR

SERENGETI ENERGY and IPP KWAMA ENERGY have financed the 32MW Ilute solar scheme near Sesheke in Western Zambia via a US$26.5m loan led by FMO. The scheme will supply electricity via the Southern African Power Pool under a market-based power purchase agreement with GreenCo Power.

The debt is split between a senior and a subordinated tranche. The subordinated

tranche, provided by FMO and the EU's Electrification Financing Initiative (ElectriFI), has a more flexible repayment schedule, acting as a buffer for price fluctuations on the SAPP market. With this protection in place, the senior tranche is sufficiently derisked to attract commercial lender Triodos alongside FMO. The senior tranche is completed by a concessional tranche from SEFA, the catalytic facility managed by AfDB.

GreenCo has operations in Zambia, South Africa, Zimbabwe, Namibia and DRC as a creditworthy renewable energy buyer, aggregator and trader. Shareholders include Impact Fund Denmark and InfraCo Africa, a member of the Private Infrastructure Development Group.

Serengeti Energy is owned by development finance institutions such as KfW, STOA, Proparco, Norfund, Swedfund and the Nordic Development Fund. It operates seven hydropower plants and two solar plants in South Africa, Uganda, Rwanda, Malawi and Sierra Leone. Kwama Energy develops wind and solar PV projects across Zambia and the Zambezi basin.

GLOBELEQ TO BUY HYDRO STAKE

UK-based independent power producer Globeleq has agreed to buy Norfund's 51% stake in the LUNSEMFWA HYDRO POWER COMPANY in Zambia.

The remaining 49% stake will be retained by Norfund's partner in the company, Zambian infrastructure investor Wanda Gorge Investments. The company operates two hydropower plants totalling 56MW and is building a 20MW solar scheme.

Power from the operational and upcoming projects is sold to grid operator Zambia Electricity Supply Corporation as well as to a portfolio of private customers that include Copperbelt Energy and Jubilee Metals. The company also holds a Southern African Power Pool electricity trading licence.

ZIMBABWE

FIRST GPSA SOLAR SIGNED

Local developers ENERGYWISE and XAGO, in a joint venture with Private Infrastructure Development Group's InfraCo Africa, have signed the first government project support agreement backing a private solar project in the country, the 30MW Vungu scheme.

The GPSA is due to be rolled out to back solar investments in the country and Vungu is a pilot scheme. The GPSA is designed to derisk IPP investments through guarantees, cost-reflective tariffs and currency convertibility provisions. The work on the standard contract was backed by the African Legal Support Facility with support from Covington & Burling and Manokore Attorneys on the legal side and EY Transactional Advisory Services on financial aspects. Signing the 25-year power purchase agreement on the scheme will follow the GPSA.

The Vungu scheme was awarded on a PPP basis in March 2024 alongside 86MW additional PPP capacity across five solar schemes: the 10MW Mutorashanga Indo Africa solar plant; the 5.5MW Guruve scheme; the 50MW De Green Rhino solar plant; the 10MW Equinox project; and the 10.5 MW Murombedzi plant. All projects, including Vungu, have been awarded at a tariff of US$0.09/kWh and are expected to start operations in the next two years.

Energywise CEO Culven Chipfumbu said the GPSA signing gives Vungu Solar confidence to negotiate construction funding for the project.

STATE PROCUREMENT OF NUCLEAR POWER PLANTS

THE INTERNATIONAL MARKET FOR LARGE NUCLEAR POWER PLANTS HAS RECENTLY GAINED TRACTION BOTH WITHIN COUNTRIES THAT HAVE EXISTING NUCLEAR POWER RESOURCES AS WELL AS NON-NUCLEAR POWER COUNTRIES, WHICH HAVE ANNOUNCED AN INTENTION TO IMPLEMENT, OR HAVE ALREADY BEGUN THE IMPLEMENTATION OF A NATIONAL NUCLEAR POWER PROGRAMME.1 BY KELLY MALONE OF KING & SPALDING LLP AND HELEN COOK OF GNE ADVISORY.

This article focuses on the procurement of newbuild LNPPs by the national governments of such countries and/or the state-owned companies tasked with the responsibility to procure, develop, finance, construct, own and operate a new-build large nuclear power plants. Prior to developing a national strategy for the procurement of LNPPs, the host country and LNPP owner may wish to consider the following factors:

Nuclear technology vendor market

Five nuclear technology vendors (NTV) – Kepco/KHNP of Korea, EDF of France, Westinghouse Electric Corporation of the US, CGN/CNNC of China and Rosatom of the Russia – currently participate in the international LNPP procurement market. AtkinsRealis of Canada, which holds the exclusive licence to export Canada deuterium uranium (CANDU) reactor technology, may emerge to become a sixth-market participant.[2]

But the market share of these vendors varies widely. Of the 52 nuclear reactors that have started construction worldwide since 2017, 25 reactors incorporate technology designed and owned by Chinese NTVs and 23 reactors incorporate technology designed and owned by Rosatom and/or its affiliates.[3] Construction has also recently begun on the Bailong and Lufeng LNPPs in China, located in Guangxi Province and Guangdong Province, which will incorporate a total of four Westinghouse AP 1000 reactors, two per project.[4]

Equally relevant is that:

- Rosatom has secured a significant share of the global nuclear reactor export market, offering a comprehensive range of services across the entire nuclear fuel cycle and plant lifecycle, flexible business models and strategic partnerships with host countries. While international sanctions imposed on Rosatom's board members as well as JSC Rusatom Overseas may have had some limited effect on Rosatom's commitments outside Russia, a number of host countries have recently announced new LNPP projects, based on VVER-1200 reactor technology, supplied by Rosatom notwithstanding these sanctions.
- While EDF has suffered major cost overruns and completion delays during the supply of LNPP projects, such as Hinkley Point C in the UK and Flamanville 3 in France, the lessons learnt from these projects and the rebuilding of supply chains as well as a pool of highly skilled personnel will likely lead to much greater cost and schedule control for new LNPP projects – especially if these projects adopt the same EPR reactor technology. At 1,650MW of capacity per unit, the EPR reactor technology is best suited for baseload operation in larger electricity markets with fully developed grid systems.
- Kepco and KHNP, Kepco's subsidiary, work together in a collaborative manner for the export of their nuclear reactor technology, the APR1400, and have successfully delivered four units as part of the Barakah LNPP project in the UAE. These companies recently settled their ongoing intellectual property dispute with Westinghouse, which will likely remove a significant impediment on their ability to deploy nuclear reactors outside South Korea. KHNP has recently withdrawn from participating in ongoing LNPP procurement programmes in the Netherlands, Sweden and Slovenia, following this settlement, which may signal the absence of the South Korean technology in the EU other than the Dukavony II LNPP project in the Czech Republic.[5]
- Westinghouse has supplied the technology for approximately 60% of the operating fleet of LNPPs in the US and approximately half of the world's operating LNPPs have incorporated their technology. Westinghouse currently exports their AP1000 reactor technology, a Generation III+ reactor with fully passive safety systems and a modular construction design. Building on their previous work at the Vogtle LNPP in the US where Westinghouse also deployed AP1000 reactors, Westinghouse collaborates with Bechtel for the supply and installation of LNPPs in the EU.[6]
- CNNC and CGN have led the extraordinary buildout of LNPPs within China, mostly within the high electricity demand areas along the East Coast, and have jointly developed the indigenous Hualong One (HPR1000) nuclear reactor technology for export. While CNNC has supplied two Hualong One reactors to Pakistan, these companies have encountered significant hurdles exporting this technology to Western countries due to political and security concerns.[7]

The recognition by many countries of the role that nuclear energy can play, in both the decarbonisation of energy systems and energy security, has led to a resurgence of demand for nuclear energy and a plethora of new nuclear programmes and projects, many of which are currently in the planning or procurement phase. This, combined with the constraints within the vendor market, both in terms of the number of NTVs and expected supply chain capacity, has created a paradigm shift away from the previous LNPP owners' market where NTVs offered very aggressive and ambitious pricing and contract terms to win projects, to a situation where heightened demand now works in favour of NTVs in procurement processes.

Supply package options

In addition to the supply of nuclear technology and EPC services for LNPPs, host countries may wish to solicit up to three other supply packages as part of their procurement programme, depending on the status of the host country as a new nuclear country or an existing nuclear country. As part of their procurement programmes, new nuclear countries will often request that the winning bidder, or its designee, co-invest in the LNPP owner, known as co-investment support.

This supply package option reduces the equity funding commitments of the host country and helps align the commercial interests of the winning NTV bidder with the owner and the host country as the ability of the owner to repay senior debt service and distribute dividends during commercial operation will depend on the timely completion and performance of the LNPP.

The solicitation by the host country of co-investment support from NTVs carries with it the need for the preparation of investment agreements, which effectively implement a state/non-state partnership akin to a public-private partnership with the host country, and typically includes a shareholder's agreement and one or more other legal instruments – ie a power purchase agreement or contract for differences – which stabilise forward electricity prices from the scheduled date of commercial operation of the LNPP.

In lieu of stabilising electricity prices transactionally, at least one host country, the UK, has adopted an alternative funding approach, called the regulated asset base model, for an LNPP project, which requires electricity consumers to fund eligible project costs together with a return on the shareholders' investment from the beginning of construction.[8] Host countries may also wish to solicit some level of debt financing support from NTVs when procuring an LNPP.

In all cases other than Rosatom, the NTV would typically coordinate with the export credit agency of one or more of the countries of origin of the nuclear technology, material and equipment, which an NTV and its sub-suppliers will export to the host country, to make available debt financing that will fund the purchase by the owner of such technology, materials and equipment.

Rosatom has also historically made available debt financing support as part of the procurement of their nuclear reactors but in the form of a government-to-government loan, governed by terms and conditions set forth in a bilateral treaty, called an intergovernmental agreement, between the host country and Russia. Finally, many LNPP owners will likely want to procure support during the commercial operation of an LNPP, particularly the first LNPP, which typically includes operation and maintenance services and a long-term supply of nuclear fuel.

Forms of LNPP investment structure

Host countries have generally structured their LNPP investments in one of the three forms, shown in the table below, along with the key features of each structure.

State control over an LNPP, level of state-funding commitments and exposure to LNPP cost overruns and completion-delay risk all factor into a host country's selection of an investment structure for an LNPP.

Importance of competitive tension

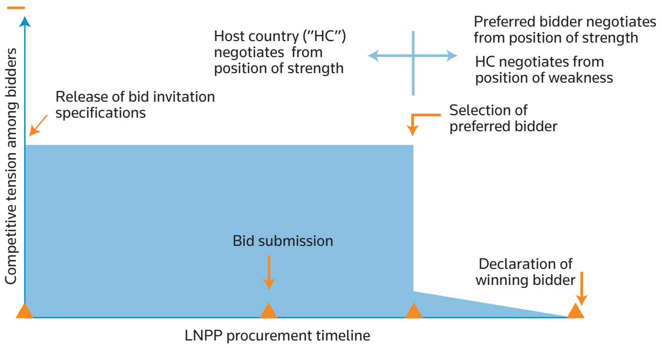
Competitive bidding tension among two or more NTVs often plays an important role in the success of a host country's LNPP procurement programme. Because a competitive procurement process gives a host country different options for the selection of a preferred bidder and eventually the declaration of a winning bidder, the presence of competitive tension forces NTV bidders to accommodate requests by the host country for cost reductions and contractual terms that favour the LNPP owner as much as possible prior to the selection of a preferred bidder.

The actual selection, however, often involves an extensive bureaucratic (and even political) decision of national importance, which makes the likelihood of a host country reversing such decision very low and, therefore, opens an almost exclusive pathway for the preferred bidder to realise the prize. This new post-selection dynamic shifts negotiation leverage from the host country to the preferred bidder as illustrated in the schematic in Figure 1. For this reason, host countries and their state-

TABLE 1 - FORMS OF LNPP STRUCTURE

Investment structure form	Key features
Full state-ownership	1. Maximum level of state-control over strategically important, national infrastructure;
(e.g, Czech Republic, Dukovany II)	2. No long-term alignment of commercial interests between state and NTV; and
	3. Maximum state funding commitments and exposure to LNPP cost overrun and delay risk.
State/non-state partnership	1. Significant level of state-control over strategically important, national infrastructure where state holds a majority of shares in owner of LNPP;
(eg UAE, Barakah/UK, Sizewell C)	2. Significant long-term alignment of commercial interests between state and NTV; and
	3. Reduction of state funding commitments and exposure to LNPP cost overrun and delay risk as level of co-investment support increases.
Build-own-operate	1. Minimum state-control over strategically important, national infrastructure;
(eg, Turkey, Akkuyu 1 & 2/UK, Hinkley Point C)	2. Maximum long-term alignment of commercial interests between state and NTV; and
	3. No state funding commitments and minimum state exposure to LNPP cost overrun and delay risk (ie, state only pays for power production of NPP or wholesale electricity market strike price differences).

FIGURE 1 - POST-SELECTION DYNAMIC SHIFTS



owned corporations, tasked with implementing national LNPP procurement programmes, should (to the maximum extent possible) finalise the commercial terms and conditions for each supply package other than debt finance support (if any) prior to the selection of the preferred bidder (at the latest) and ideally prior to bid submission.

This recommendation highlights the main problem with bilateral LNPP procurement programmes for host countries – the absence of competitive tension. While a host country may enter into a "competitive dialogue" with multiple NTVs at the front end of a procurement programme, the programme very quickly converts to a bilateral process upon the selection by the host country of one NTV as a preferred bidder following the submission and evaluation of non-binding price estimates and technical proposals by all NTV bidders.

This means the host country will likely conduct negotiations of commercial terms and conditions from a position of weakness often starting from the NTV's inhouse, standard template terms and conditions, which will allocate much of the project risk to the LNPP owner – a deeply unattractive position for the host country. The adoption of a strategic partnership between the host country and the NTV country, however, may help to reduce the disparity in negotiation leverage.

LNPP cost overruns and completion delays

Host countries and LNPP owners should tread carefully when a NTV proposes first-of-a-kind (FOAK) reactor designs. LNPP owners have encountered substantial completion delays and cost overruns during the supply and installation of seven out of eight LNPPs which have begun construction since 2005 and incorporated Western reactor designs. The eight LNNPs are Olkiluoto-3 in Finland, Flamanville-3 in France, Vogtle 3&4 in the US, VC Summer 2&3, cancelled during construction, in the US, Hinkley Point C in the UK, Shin Kori 3&4 in South Korea, Taishin 1&2 in China, and Barakah 1-4 in the UAE.

Importantly, all of these LNPP projects incorporated FOAK reactor designs other than Barakah 1-4 in the UAE, which incorporated four APR1400 reactor technology and which the nuclear industry largely views as a successful delivery of an LNPP outside of Russia and China during the past 20 years. The safety regulator in South Korea had previously approved this reactor technology for construction as part of the Shin Kori 3 & 4 LNPPs supplied in South Korea.

While Akkuyu 1&2 in Turkey, which will soon start commissioning the first unit, has experienced some completion delays due to the pandemic (and possibly international sanctions), Akkuyu may eventually join Barakah as another successful example of the delivery of an LNPP, during the past 20 years, outside of Russia and China.

Like the Emirates Nuclear Energy Company in the UAE, Turkey also chose to use proven nuclear reactor technology for Akkuyu (four VVER-1200 reactors) in lieu of an FOAK design, which a safety regulator in another country had previously approved for construction of an existing LNPP (in this case, the Novovoronezh 2-2 LNPP in Russia). In procurement terminology, each of these existing LNPPs is known as a reference plant.

So, what lesson can host countries and LNPP owners draw from the history of nuclear power procurement during the past 20 years outside of Russia and China?

While multiple factors contributed to the cost overruns and delays during the supply and installation of many recent LNPPS, including atrophied supply chains, safety rule changes arising out of the Fukushima incident in 2011 and other changes to regulatory requirements, and an insufficiently large pool of experienced, construction-ready personnel within the US and Europe, the utilisation of FOAK nuclear reactor technology (ie technology not previously incorporated into one or more reference plants) stands out as a key contributor.

For LNPP owners, particularly in new nuclear countries, the selection of nuclear reactor technology which has been previously licensed for construction and, ideally, entered commercial operation is recommended. Each bidder should identify a reference plant during the procurement phase and the winning bidder should commit to the delivery of the newbuild LNPP with nuclear reactor technology previously adopted in the same reference plant under the EPC contract.

Export controls

Host countries and LNPP owners will need to assess the applicable legal requirements that will apply to the export of equipment, materials and technology by each of the NTV bidders as well as their suppliers to the host country. Called export controls, these legal restrictions usually involve laws of multiple countries hosting the supply chain. Because the host country will solicit technological information, subject to export controls, from each NTV bidder participating in a procurement programme prior to selecting an NTV as the preferred bidder, the country of origin of each NTV bidder will likely require nuclear non-proliferation and nuclear security commitments from the host country through bilateral agreement.

Additional authorisations may be required from export control authorities of the country of origin, as well as other countries, depending on the origin of the relevant technology. For example, the US requires a specific type of bilateral treaty, called a 123 Agreement with the host country for certain types of exports.

The US and European Atomic Energy Community (Euratom) have a 123 Agreement in place which sets forth the government-to-government assurances needed to facilitate certain exports from the US to a Euratom member country and vice versa.

US export control laws also authorise US companies to transfer certain civil nuclear technologies to approved foreign countries referred to as generally authorised destinations which in almost all cases have a 123 Agreement in place. But transfers of civil nuclear technologies to countries that do not fall into the category of generally authorised destinations, require the prior specific authorisation of the US Secretary of Energy.

Host country support/state aid

The table below sets forth the common forms of support for civil nuclear power programmes, also called state aid within the EU, that host countries can make available for LNPP projects, which will depend in part on the form of LNPP investment structure, adopted by the host country. To attract co-investment support, a host country would need to make available some level of revenue support for the LNPP project in one of the forms described in the table, which gives the foreign investor a reasonable likelihood of recovering its investment and a target internal rate of return, and a mechanism that allows the foreign investor to divest, and exit the project, upon the occurrence of certain political risk events, caused by or relating to the host country, which usually takes the form of an option for the foreign investor to put its shares to the host country.

To minimise the cost of electricity produced by the LNPP, the host country may grant guarantees to commercial lenders, which make available senior loans to an LNPP project, and such guarantees would generally apply until the completion of construction of the LNPP. Finally, virtually all LNPP investment structures other than a build-own-operate structure require significant state equity funding.

Within the European Union, EU law regulates the form of state aid which an EU member country can make available for the supply and installation of an LNPP. The Czech Republic, for example, notified the EU Commission in March 2022 of its plan to make state aid available for the construction and operation of the Dukovany II LNPP in the form of a remuneration mechanism (akin to a contract for difference), which effectively levelised forward electricity prices for this project, during the first 60 years of commercial operation.

The European Commission subsequently opened an investigation to assess whether this state aid proposal would unduly distort the functioning of the electricity market, overcompensate the LNPP owner, and create electricity market concentration. Following the conclusion of this investigation, the Commission approved a modified version of the Czech Republic's state aid proposal, which included a reduction to the timeline for the remuneration mechanism from 60 to 40 years.[9]

In a related development, EDF has opened a new front on the lawfulness of state aid made available for LNPP projects within the EU by non-EU host countries. Following the decision by the Czech Republic to select KHNP for exclusive negotiations in 2024, during the procurement of the Dukovany II LNPP, EDF unsuccessfully challenged this decision before the Czech Competition Authority and the Czech courts arguing that KHNP, a Korean state-owned NTV had accepted contractual terms that fixed construction costs and guaranteed a completion schedule for the Dukovany II LNPP, and could have never accepted the risk imposed by such contractual terms without receiving foreign subsidies from South Korea in violation of the EU Foreign Subsidies Regulation. Dukovany II Power Plant, the LNPP owner, dismissed these arguments as "speculation by the unsuccessful bidder".[10]

In conclusion, by working through the front-end considerations, host countries and LNPP owners can develop and implement a strategy to procure an LNPP that provides enhanced energy security, boosts the economy through job creation and investments, reduces carbon emissions and ensures a stable and affordable energy supply. ■

Footnotes

1 - Emerging Nuclear Energy Countries, World Nuclear Association, Country Profiles, 26 April, 2024

2 - Key Cernavoa 3 and 4 engineering contract signed. World Nuclear News,15 November, 2024

3 - A new era for nuclear energy beckons as projects, policies and investments incrase, IEA, January, 2025

4 - Four Additional Westinghouse AP1000 Reactors to be Built in China, Westinghouse Nuclear, 26 April, 2022

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7 - Nuclear Power in Pakistan. World Nuclear Association, Country Profiles, 4 February, 2025

8 - Green Light for Sizewell C, The First Majority British-Owned Nuclear Power Plant in Over 30 Years, 10 June, 2025

9 - Commission approves State aid to support construction of nuclear power plant in Czechia, European Commission, 30 April, 2024

10 - EDF 'just seeking to ensure Czech project meets EU rules", World Nuclear News, 30 May, 2025

TABLE 2 - HOST COUNTRY SUPPORT

Common forms of host country support	Method/application
Revenue support	1. Contract for differences, power purchase agreements and/or bilateral power supply contracts
	2. Regulated asset base
Loan guarantees	Shifts credit risk for lenders from project to national balance sheet reducing cost of debt financing
Equity funding	Contribution by host country to state-owned company or joint venture company, designated to procure, own and operate an LNPP
Put options/indemnities	Protects private investors from changes in nuclear policy by the host country and other political risks

CHILE - MINING PPPS MARCH ON

AN AMBITIOUS GOVERNMENT PROGRAMME FEATURING PUBLIC-PRIVATE PARTNERSHIPS IS HELPING TO DRIVE CHILE'S LITHIUM INDUSTRY EXPANSION. FINANCIAL STRUCTURES ARE EMERGING DESPITE A TOUGH GLOBAL MARKET AND SOME LOCAL BACKLASH. BY NIC STONE.

At the end of June, the world's second-biggest lithium miner SQM started to lay off 5% of its Chilean workforce as a tough few years for the battery metal continued to have negative impacts on the industry. Lithium prices have plummeted 90% since their peak in late 2022 as overproduction in China and waning demand from electric vehicles take their toll.

Chile has the largest lithium reserves in the world, so the impact has been acute in the country. US firm Albemarle, the only other private lithium miner in Chile, started to cut its workforce last year to deal with lower prices.

But alongside the precipitous drop in price and associated concern, the Chilean government is looking to be positive and proactive. It is reaching out to the private sector, while hoping to retain control over one of the world's most talked-about minerals.

On April 20 2023, Chile's president Gabriel Boric introduced the country's National Strategy for Lithium – a wide-ranging set of regulations for the lithium industry that included public-private partnerships alongside state mining groups Enami and Codelco, the world's largest copper miner.

Boric's administration was pursuing an increase in lithium production through private investment and state-led initiatives. But could he have his cake and eat it too?

Two years after the strategy was launched and some of the major PPPs put forward when it passed have been agreed, albeit with some local dissent and some teething problems.

The country is seeing significant interest from international companies in developing lithium projects, with over 50 companies expressing interest in developing projects across six priority areas.

The bidding processes have been competitive. And the private capital is now starting to flow in.

"Looking at the big picture and the projections, they all show that mining and energy will be very, very active sectors in the coming years," says Diego Pena, a partner at DLA Piper in Chile, who works on financings in the mining sector in the country.

"Even though the lithium sector is experiencing a lot of fluctuations, it is needed and Chile has an aggressive agenda to develop the sector as we have the reserves."

Lithium PPPs

In late May, Rio Tinto was confirmed as the preferred partner for the potentially US$3bn Salares Altoandinos lithium project in the Atacama region by Enami. Under the terms of the proposal, Rio Tinto would acquire an initial 51% stake in the project with Enami holding 49%.

The transaction remains subject to the signature of binding agreements, receipt of all regulatory approvals and the satisfaction of other customary closing conditions.

Rio Tinto will provide an estimated US$425m in cash and non-cash contributions including its direct lithium extraction technology. The cash contributions will include staged spending to sole fund the pre-feasibility study and further studies.

Rio Tinto beat out French miner Eramet, Chinese carmaker BYD, and South Korean steel group Posco for the mandate. Enami is currently working on project engineering and conducting tests, with advanced exploration scheduled for mid-2026.

The company hopes to complete a pre-feasibility study in 2027, a feasibility study in 2028, start the environmental evaluation process in 2029, and begin production in 2032.

The first phase will produce 20,000 tonnes per year of lithium carbonate equivalent, before further phases take the production to 60,000tpa by 2037.

The Altoandinos news came shortly after state-owned copper mining giant Codelco tapped Rio Tinto as partner on the Maricunga lithium project.

Under the agreement, Rio Tinto will acquire a 49.99% interest in Salar de Maricunga through which Codelco holds its licences and mining concessions. The transaction is expected to close by the end of Q1 2026.

"The Corporate Governance law of Codelco has been instrumental in allowing the state-run company to achieve extremely relevant milestones in the lithium space," adds Pena, referencing a series of changes at Codelco starting some 15 years ago that allowed the

> Boric's administration was pursuing an increase in lithium production through private investment and state-led initiatives

company to negotiate PPPs as a countermeasure to full privatisation.

As part of the deal, Rio Tinto will invest US$350m of initial funding into the JV towards additional studies and resource analysis to progress the project through to a final investment decision.

It will then commit US$500m into the JV once a decision is made to proceed with the project, towards construction costs. Finally, Rio Tinto will invest US$50m if the JV achieves its aim of delivering first lithium by the end of 2030.

The partners will fund further capital requirements in line with their share of ownership of the joint venture.

Market participants expect the mining companies to lean heavily on their strong balance sheets, but there will be a role for project finance to play in the buildout.

Salar de Maricunga is a large lithium-containing resource base in the Atacama region with the potential for scalable, long-life and low-cost production. Its brine has one of the highest average grades of lithium content in the world.

The Salar de Maricunga JV will work to update the declared reserves and resources for the project and advance studies to inform future investment decisions.

As evidenced by Rio Tinto's cash injections mentioned above, part of the attraction for the government is bringing the financial weight of these mining giants to the country to help fund early-stage development. On the flipside, a government backstop also provides a boost for the sponsors' ability to raise funds later on in the project finance market.

"From a financing perspective, all of the projects and the industry of lithium has been very hot. The financings are gaining lots of traction with a lot of different banks," Mauricio Halpern, a partner at DLA Piper in Chile, tells PFI. "It is interesting as in Chile we have the concessions model for public works. For the mining sector that will involve Codelco making relevant investments in the projects, which will help the project finance process."

As for Rio Tinto, the moves it is making speak to a long-term confidence in the sector in Chile. "Rio Tinto has been consistent in its belief in the long-term outlook for lithium, with an expected market deficit emerging from the end of this decade. It expects a more than 10% compound annual growth rate for demand through to 2040," the company said in a statement following its Chilean wins.

"With spot lithium prices down more than 80% versus peak prices, these additions to the portfolio come at a time with substantial long-term market and portfolio upside, underpinned by an appealing market structure and established jurisdictions."

Another major PPP in the space, this time between Codelco and SQM, was recently approved by Chilean regulators as they look to exploit the Salar de Atacama. The landmark deal is expected to be finalised before general elections in the country later this year, with Codelco owning 50% plus one share.

The duo signed a PPP agreement for production of refined lithium in the Salar de Atacama from 2025 to 2060. The partnership, composed of Codelco through its subsidiary Minera Tarar, and SQM through SQM Salar, will become effective once all the legal, regulatory, technical and environmental requirements and the respective indigenous consultation process have been fulfilled.

The agreement states that the aim is to achieve a total additional production of 300,000 tonnes of lithium carbonate equivalent (LCE) in 2025–2030, while a production of 280,000–300,000 tonnes of LCE annually has been defined for 2031–2060.

The agreement includes two periods. The first period, from the date the partnership becomes

Lithium reserves in the Salar de Atac at the Atacama desert in Chile © Tifonimages | Dreamstime.com effective through December 31 2030, will see SQM oversee general management. The second period, from January 1 2031 to December 31 2060, will see Codelco oversee general management.

In economic terms under the partnership, the Chilean state, through Codelco; corporation for the promotion of production, Corfo, and the Treasury, will receive approximately 70% of the operating margin generated by the new production between 2025 and 2030. Then, starting on January 1 2031, the state will receive 85% of the operating margin through payments to Corfo, taxes and the profits that Codelco receives as a shareholder.

The deal is yet to go through, but when it does it will be a watershed moment for these PPPs. SQM expects to secure approval from Chinese regulators in the second half of the year, the final set of approvals needed.

SQM CEO Ricardo Ramos said Chile's political environment ahead of the November election was stirring up debate without fundamentals as he tries to deal with criticism of his company's tie-up with the state from both the left and right.

"In the end it's just noise," he said to the local press. "I don't have a crystal ball, but my view is positive for next year – I think prices will go back to a reasonable price environment," he added.

There is major interest coming from China for the projects, as evidenced by BYD. "Chinese banks are heavily involved in the process and they have been very sophisticated and used high-profile financing structures," says one market participant, adding that these tend to be structured similarly to vendor financings to the Chinese developers involved.

Other companies are looking for partners too, not just the government. Austin, Texas-based EnergyX is looking to bring partners into its potentially US$1bn Black Giant lithium brine extraction and refining scheme in Antofagasta. The company is working with Goldman Sachs to find a strategic partner.

Black Giant is a roughly 90,000-acre site with potentially 9.7m tonnes of lithium. It is expected to produce 40,000 tonnes per annum of lithium. EnergyX is expected to submit technical and economic studies for Black Giant in June.

Copper-plated PPPs

The government partnership plan has attracted other major names in other notable ways. The market is carefully watching other partnerships develop, particularly in the copper sector, which will also offer attractive opportunities to extend project finance and blueprints for how it might look in the lithium sector.

Codelco and Anglo American recently signed a memorandum of understanding to implement a joint mine plan for the two companies' adjacent Andina and Los Bronces copper mines.

The joint plan aims to increase production at the two mines with minimal additional capex, with costs and benefits shared equally by the two groups. The move is expected to usher in a new period of mining in the country involving greater collaboration across state and private assets.

A new operating company, jointly owned and controlled by Anglo American subsidiary Anglo American Sur and Codelco, will coordinate the execution of the new plan.

AAS and Codelco will retain full ownership rights of their respective assets, such as mining concessions, plants, and ancillary assets and will continue to exploit their respective concessions separately. An agreement is expected to be finalised in H2 2025.

"By putting in place a joint mine plan and optimising the use of our respective processing plants, we believe we can unlock an additional 2.7m tonnes of copper production over a 21-year period from 2030 alongside other operational synergies made possible by coordinating our activities across the site," said Duncan Wanblad, chief executive of Anglo American.

The companies have also established sustainability principles to guide the implementation of the joint mine plan, which safeguard both social programmes and existing environmental commitments.

Codelco's Andina open pit copper mine was recently expanded to produce 240,000 tonnes per annum, while extending the mine life by 30 years.

Los Bronces is Anglo's largest copper project and has been mined for about 150 years. Anglo American owns 50.1%, a joint venture between Chile's state-run miner Codelco and Mitsui holds 29.5%, and Mitsubishi has the remaining 20.4%.

The group is planning a multibillion dollar works package that is slated to increase the mine life to 40 years and reduce production costs.

"These are sophisticated players," said one project finance player who works on mining deals in Chile. "It helps when you develop a landscape that includes the main players. Copper is very relevant and Chile is the world's biggest copper producer."

There has been criticism of the government's plans. "Implementation of the strategy to date has shown progress for existing projects in Atacama, but it remains unclear how Chile will create a globally competitive lithium industry with what seems like excessive state involvement," according to a report from Columbia University's Center on Global Energy Policy.

"State revenue maximisation could possibly be better achieved by attracting best-in-class private investment, increasing production, and charging the right combination of taxes and royalties. Public control, on the other hand, may end up reducing investment attractiveness in Chile compared to other countries such as Argentina, which is making efforts to become more business friendly."

The tug-of-war between government ownership and private ownership of these assets won't end here, but Chile's PPP model is gathering pace. ■

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