IJGlobal Awards 2023 – Europe Deal Winners

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This evening in The Peninsula London, the infrastructure community gathered to celebrate IJGlobal Awards 2023 – the greenfield ceremony – singling out exceptional developments from the previous calendar year across Europe and Africa.

This story focuses on the European winners in the Deals Category for transactions that made it to financial close across infrastructure and energy from 1 January to 31 December 2023.

To read about the winners for transactions closed in Africa, click here…

Meanwhile, to read about all the winners from the Company Category for both Europe and Africa, click here…

As with all IJGlobal awards, the company awards are chosen by an independent panel of industry experts, while the transactions are chosen – from submissions – by the relevant editorial members.

A total of 23 transactions were selected from the submissions to recognise their achievements. They are:

- Market Pioneer Award – Project Blue 1, Albania
- Renewables & EV Charging Deal of the Year – Gridserve Green Loan
- Energy Transition Deal of the Year – Project One – Ineos
- Oil & Gas Deal of the Year, RBL – Neptune Reserve Based Lending Amend & Extend
- Bond Financing of the Year – Ørsted Blue Bond
- Digital Infrastructure Deal of the Year, Data Centres – Maincubes – Project Matrix
- Digital Infrastructure Deal of the Year, Fibre – Deutsche GigaNetz – Levant
- Digital Infrastructure Deal of the Year, Towers – Project Oak – Vantage Towers
- Export Finance Deal of the Year – Kyiv 6 Bridges Project
- Renewable Energy Deal of the Year, Solar – Project Cosmos – Cobra Group Solar PV Portfolio
- Renewable Energy Deal of the Year, Offshore Wind – Baltic Power Offshore Wind Farm
- Renewable Energy Deal of the Year, Portfolio Financing – Bruc Energy's 6GW Renewable Platform
- Energy Storage Deal of the Year – Pulse Clean Energy
- Power Deal of the Year – Ostrołęka CCGT
- PPP Deal of the Year – Ireland Higher Education PPP Bundle 1
- Refinance Deal of the Year – Ventient Energy Refinance
- Refinance Deal of the Year, Offshore Wind – Saint-Nazaire Refinance
- Refinance Deal of the Year, Solar – Project Thor – ContourGlobal Refi, Italy

- Refinance Deal of the Year, Power – Project Jura – West Burton B
- Restructure of the Year – Tees Renewable Energy Plant
- Innovation of the Year – Project NextGen – Hitachi Rail / FirstGroup
- Gigafactory Deal of the Year – AESC Gigafactory Project, Douai
- Sustainability-Linked Deal of the Year – Projects Valogreene CML – Recinor & Roviña

Market Pioneer Award

Project Blue 1, Albania

Project Blue 1 is a 50MW, greenfield solar project in south western Albania – the first utility-scale solar PV to reach financial close in the country, winning it the pioneer award.

The project is located on private land despite land being available to projects that obtain "strategic investor status" and it is the first utility scale project in the Balkans without any government subsidy (land or offtake).

At financial close, 99% of Albania's generation was hydro and imported crude. This project contributes to Albania's Renewable Energy Action Plan and the National Energy Sector Strategy and supports diversification of renewable energy sources beyond hydropower.

The outstanding transaction is being built by Matrix pursuant to a split contract structure, with Renco acting as EPCM.

The financing was structured by Finance In Motion as a bridge-to-PPA, meaning no off-take or route to market agreement is in place. Loan terms motivate the sponsors to enter into a PPA through reduced cash sweeps, a lower margin.

The financing is the first European "merchant" project to be financed in a non-EU country.

Renewables & EV Charging Deal of the Year

Gridserve Green Loan

The financing of Gridserve's operational and future electric vehicle charging infrastructure in the UK wins the IJGlobal Award for renewable energy combined with EV charging.

Gridserve – owned by Infracapital and TPG – is one of the UK's leading charge point operators primarily addressing the ultra-rapid charging market, targeting en route and destination locations.

The Gridserve financing was – at the time – the largest to have been allocated to a privately-owned charge point operator and was delivered in 2 tranches: a £326 million term loan and a £200 million accordion facility.

Gridserve is using the capital to expand its network to create more than 3,000 high power charge points over 500 UK-wide locations and the infrastructure is expected to provide 100 miles of charge in 5 minutes.

Toddington Harper, founder and head of Gridserve, said at the time of financial close: "To secure the largest debt raise globally for a privately-owned charge point operator is a remarkable endorsement of Gridserve's electric vehicle charging network, our Sun-to-Wheel strategy, our fantastic team and our future expansion plans.

Energy Transition Deal of the Year

Project One – Ineos

Project One is a greenfield petrochemical complex in the industrial area of the port of Antwerp, Belgium, that is 100% sponsored by Ineos.

It is a world-scale ethane steam cracker producing 1,450kt of ethylene and 212kt of polymer-grade propylene per year, creating the raw materials for most types of plastics and other chemicals.

The facility is scheduled to come on stream in September 2027 and it will be one of the most efficient in terms of greenhouse gases (GHG) per kg of ethylene and is EU taxonomy compliant.

Project One is set to reduce Ineos customers' carbon footprint by more than 2Mt of CO2 per year, equivalent to removing 1.6 million cars from Europe every year.

This transaction wins the energy transition award in recognition of it being the largest investment in the European chemical sector in the last 20 years, deploying state-of-the-art and best-available technologies defining a new European benchmark in terms of equipment, efficiency and environmental impact.

The project's alignment with the EU taxonomy was confirmed by an independent classification society logging that the cracker will have the lowest carbon footprint of any European ethylene producers, with an emission factor of less than half of the top 10% European crackers.

Project One will work towards achieving carbon neutrality within 10 years of start-up.

The robust tolling structure – with Ineos acting as toller – insulates the 21-strong lending team from price, volume and operating risks… all arranged with a 15-year door-to-door maturity, a large portion of which was covered by the ECAs.

Oil & Gas Deal of the Year – RBL

Neptune Reserve Based Lending Amend & Extend

The winner of this award is the amend and extend of a $1.5 billion reserve-based lending (RBL) facility in favour of Neptune Energy Group Holdings – an independent O&G producer with an asset portfolio predominantly in Norway and UK, but also present in Netherlands, Algeria, Indonesia and Egypt.

At the time of financial close, Neptune was owned by funds controlled by Carlyle and CVC Capital Partners. In October 2023, the European Commission approved the ENI's takeover of Neptune Energy (apart from its operations in Germany and Norway).

Neptune Energy was among the top 3% of global O&G companies rated by Sustainalytics in 2023 and among the top 1% of all 100,000+ companies assessed by EcoVadis.

It also has one of the lowest carbon and methane intensities in the sector – 6.5kg CO2 per boe compared to 16 for the industry average according to IOGP2021.

This award was won by Neptune in recognition of it being one of the larges RBL financings to have made it to financial close in the 2023 calendar year.

Bond Financing of the Year

Ørsted Blue Bond

Ørsted has a track record in green finance and sustainable ocean-climate action, however, it is the €100 million Blue

Bond that closed in the summer of 2023 that wins the award in this category.

The Denmark-headquartered energy giant sought to build on its strong green credentials, exploring how to contribute further to sustainable development and address the blue finance gap by raising funds for sustainable ocean action.

Ørsted on 5 June issued a €100 million 5-year, fixed rate "blue" UoP bond, becoming the first energy company to do so.

The transaction was privately placed with a select number of investors with advanced sustainable finance and natural capital strategies.

Ørsted established a Blue Bond Framework for the transaction, based on its Green Finance Framework; following both IFC Blue Finance Guidelines for blue projects and ICMA Green Bond Principles.

Net proceeds from the transaction will be used to finance projects in offshore biodiversity as well as sustainable shipping.

In the first category, Orsted will invest further in measures to protect and restore marine and coastal biodiversity and in innovation to find new and better ways to do this at scale. For sustainable shipping, it aims to play a leading role in developing green ocean fuels, enabling decarbonisation of ocean vessels.

The transaction is aligned to Ørsted's 2030 commitment to achieve a net-positive impact on biodiversity, as well as in sustainable shipping.

Digital Infrastructure Deal of the Year – Data Centres

Maincubes – Project Matrix

The data centre award was presented to German data centre operator Maincubes for having secured a €1.035 billion scalable finance facility to drive sustainable growth across Europe.

Following the acquisition in September 2022 of DTCP's stake in Maincubes, there was an accelerated 5-year growth plan predicated on the construction of 6 state-of-the-art data centres with a total capacity of more than 70MW.

This was a step change for Maincubes which, prior to DTCP's involvement, had owned 2 operational data centres since its inception in 2012.

One of the constraints in meeting this plan was the financing, as raising clunky real estate development financing on a single asset basis is time consuming, cumbersome and does not give value and benefit to the portfolio effect.

Having discussed its requirements with first tier infra underwriting banks, the response was that the market was not ready for pre-committed debt funding to unidentified data centres and therefore not achievable at bank pricing levels.

Hence, the search began for Perella Weinberg Partners to come up with a first-in-kind scalable financing set up to lend to as yet unidentified data centres.

DTCP's objective was to lock-in scalable construction financing to ensure that the management team had the means to acquire sites and develop new data centres without the continuous distraction of needing to find capital at the same time.

The end result was that after 9 months of intensive negotiation, an agreement was signed with 9 lenders in March 2023. The transaction was oversubscribed with scale back for each of the club members, a far cry from the initial feedback from underwriting banks.

This financing wins the award for having created a blueprint for scalable data centre construction financing.

Digital Infrastructure Deal of the Year – Fibre

Deutsche GigaNetz – Levant

This transaction involves the accordion facility for Deutsche GigaNetz (DGN), a fully integrated fibre to the home (FttH) provider focused on providing services to rural and suburban regions across Germany.

The company is headquartered in Hamburg and has a long-term goal of becoming a key nationwide FttH contender. DGN has grown to become a leading operator across Germany with around 650 employees.

DGN was established in July 2020 and shortly thereafter InfraRed Capital Partners acquired a majority stake in the business. In 2022, DWS joined DGN as the second main investor.

The company in July 2022 raised its first senior debt package totalling €355 million, which included a debt increase option of €250 million. This package was provided by a consortium of 9 banks.

In December (2023), the initial consortium – with 2 more lenders – concluded the implementation of the debt increase option via an accordion facility of €250 million. As part of the accordion documentation, DGN was also able to add a further debt increase option of €200 million.

The accordion facility will be used to finance the network expansion targets on both existing and new projects. This will support the company's second stage of roll-out, targeting nationwide delivery across 14 federal states.

To date (at the time of writing the submission), DGN has put in place co-operation agreements for the construction of FttH networks with more than 200 municipalities and had secured the required construction resources for the roll-out programme.

Digital Infrastructure Deal of the Year – Towers

Project Oak – Vantage Towers

Project Oak relates to the acquisition of Vantage Towers (VT) by a consortium of KKR and Global Infrastructure Partners via a joint venture with Vodafone.

The consortium reached an agreement with Vodafone to acquire up to 50% in the JV – 35.8% as at closing – with Vodafone retaining at least a 50% share in the JV.

Headquartered in Germany, VT is one of the largest European wireless tower operators and the leading provider of telecom sites across western Europe with around 83,000 sites in 10 countries, of which 46,000 are fully controlled sites and a further 37,000 co-controlled sites.

VT has been a subsidiary of Vodafone which has held an 81.7% stake since its listing in March 2021.

The high-quality portfolio held by VT is underpinned by long-term tenancy agreements of up to 32 years with Vodafone as anchor tenant covering the majority of revenues, as well as with other leading mobile network operators active across a range of western European jurisdictions.

This transaction represented an opportunity to support Vodafone as well as first tier digital infrastructure sponsors in GIP and KKR.

Project Oak is a landmark transaction in the European telecom towers space and one of the largest financings in the sector to date. Significant market liquidity and support for the transaction allowed underwriters to materially reduce exposure below successful syndication levels.

Export Finance Deal of the Year

Kyiv 6 Bridges Project

Citibank and UK Export Finance arranged a credit facility to the government of Ukraine, guaranteed by UKEF, to support the rehabilitation and reconstruction of 6 bridges and roads in the Kyiv region that have been destroyed or damaged by the Russian military.

The lenders were advised by Ashurst, led by project finance partner Tom Longmuir.

Reconstruction of the bridges and supply routes range from those hit by shrapnel to having been completely destroyed, and will ensure that the people of Ukraine can use critical transport links around the capital city.

The transaction was described by UKEF as "unprecedented from any export credit agency" and is the first UKEF-guaranteed financing in Ukraine. Additionally, it was the first international commercial bank lending made available to Ukraine since the Russian invasion.

The financing allows UK manufacturers to supply steel components, critical materials and design services to Turkish companies Onur Group and Doğuş as part of the reconstruction effort.

Ashurst was supported by the leading Ukrainian law firm Sayenko Kharenko. White & Case acted as international counsel to Ukraine, supported by the top Ukrainian law firm Avellum.

This transaction involved negotiating and executing a complex, bespoke financing to a borrower country under active invasion by Russia. These legal issues are unprecedented in commercial bank financing, and hinge on ensuring a committed funding obligation during the bridge reconstruction period.

Despite risks involved in the provision of UKEF support in Ukraine no longer meeting the ECA's normal underwriting criteria, the UK government instructed it to continue to support UK exports to Ukraine on the basis of national interest.

This record-setting UKEF facility in Ukraine demonstrates the UK government's commitment to supporting Ukraine in what is set to become one of the largest economic and humanitarian reconstruction projects ever seen.

Rehabilitation of the 6 bridges itself will generate significant social benefits and will provide vital trade links for facilitating Ukraine's economic recovery.

Renewable Energy Deal of the Year – Solar

Project Cosmos – Cobra Group Solar PV Portfolio

Cobra Group's €1.045 billion – €726 million debt and €319 million equity – Project Cosmos wins the renewables award in the solar category.

This transaction involves financing the construction, operation and maintenance of 21 solar PV plants in Spain with a combined installed capacity of 1.2GW that is 100% owned by Cobra, Vinci´s renewable energy platform.

This was the largest greenfield solar PV financing in Spain to reach financial close in 2023.

The project is key to Cobra as it is the first PV project finance since Vinci took over ACS's industrial arm. It was financed at HoldCo level with assets cross-defaulted and cross-collateralised.

Cobra's strategy is to secure long term PPAs for 70% of P50 production capacity of the project.

The sponsor requested flexibility to sign the PPAs before COD+2 years. This flexibility can be justified by potential delays in the supply chain that could trigger the payment of penalties under a PPA if long stop dates are not met on time, as well as to have more visibility on the connection to the grid.

In this context, the financing has been tailor-made, with debt sized considering that the project will receive partially contracted revenues for 70% of P50 production under a 10-year PPA with an IG offtaker to be signed by COD+ 2 years.

The innovative structure provided flexibility to the sponsor to sign PPAs when having more visibility on COD and grid connection.

Considering the size of the portfolio, the structure includes the possibility that a merchant tranche could co-exist with a contracted tranche in case the PPA capacity signed is for a production between 50% and 70% of P50.

Renewable Energy Deal of the Year – Offshore Wind

Baltic Power Offshore Wind Farm

Baltic Power was a standout transaction for the 2023 calendar year by anyone's estimation. Perhaps most notable is that it was first offshore wind farm (OWF) to be financed in Poland.

At a time when OWFs are fairly common, it is the projects that set precedents that warrant recognition in this category… until innovation in the sector singles out other transactions for plaudits.

The 1.14GW Polish offshore wind farm is located around 22km off the north of the Polish coastline with 76x 15MW Vestas turbines. COD is expected by mid-June 2026.

Baltic Power is being developed by Orlen Group (51%) and Northland Power (49%) and it is one of the 8 projects that have been awarded in the first round of CfD allocation in Poland, benefitting from a 25-year CfD contract.

It will provide clean energy to more than 1.5 million households, a significant contribution to the Polish target that was recently increased to 18GW of offshore wind installed capacity by 2040.

The deal reached financial close in September 2023 supported by a diversified lending group composed of 25 financial institutions including the EIB, EBRD and 2 ECAs – EIFO and Euler Hermès.

Renewable Energy Deal of the Year – Portfolio Financing

Bruc Energy's 6GW Renewable Platform

Bruc is a renewable energy company managing a platform of solar PV and wind power assets, predominantly in Spain (at least 90%) and Italy (up to 10%). The total capacity of Project Hefesto is 6GW.

Bruc has strong relationships with Tier 1 developers and acquires projects fully de-risked, allowing no development risk in the project. It targets at least 70% of volumes contracted in the next 5 years on a rolling basis.

BNP Paribas acted as bookrunner, MLA and hedge provider in the €600 million LTV financing of Bruc Energy's 6GW renewable platform.

Key terms of the project include financing sized on an LTV basis, secured at the borrower level and structurally subordinated to the project finance debt of the assets.

The €600 million facilities split into a €350 million 5-year term loan; an L/C facility provided by banks; and a €250 million 7-year term loan provided by institutional investors.

Financing was raised at HoldCo level with the proceeds being pushed down to finance the base equity of the projects at the OpCo level.

The enhanced structure included several features, inter alia, projects acquired at RtB, minimum attributable capacity in operation covenant, and close monitoring with semi-annual valuations until maturity provided by an independent third-party valuer.

Energy Storage Deal of the Year

Pulse Clean Energy

This transaction involved the inaugural debt raise for Pulse Clean Energy comprising a £112.5 million facility for the commercial lenders and £62.5 million from UK Infrastructure Bank (UKIB).

The funds raised will go towards investing in the firm's 1GWh pipeline of battery energy storage system (BESS) projects in the UK market.

Alongside this investment, it will also convert bio-fuel peaker projects to BESS projects.

Bio-fuel peaker plants are harmful to local communities due to emissions of localised pollution as the quick ramping up and down does not allow pollution controls to effectively capture air pollutants and combustion turbine peakers are inherently less efficient than baseload cycle power plants.

The significance of this transaction extends beyond the boundaries of the transaction itself and is fundamental in achieving the broader vision of a net zero energy system.

For this vision to become a reality, investment in infrastructure that bridges the gap between the energy that communities and businesses need and the intermittency inherent in renewable generation.

BESS projects enable businesses to store unused energy at a time when they are generating more than they are using, allowing the energy to then be distributed at a later time.

National Grid ESO's “Future Energy Scenarios” report forecast the growing need for greater flexibility of the grid for end-consumers to support the transition to net zero.

Therefore, Pulse Energy's debt raise to invest in the firm's BESS projects are crucial in assisting the UK government's target of being carbon neutral by 2050.

Power Deal of the Year

Ostrołęka CCGT

Clifford Chance advised a consortium of Polish and international financial institutions including Polish state development bank BGK, Bank Pekao, Alior Bank, KfW IPEX-Bank and Erste Group on the financing of the construction of a combined-cycle gas turbine (CCGT) with a capacity of 750MW in Ostrołęka, Poland.

The company conducting the investment is CCGT Ostrołęka which belongs to the Orlen Group.

The project finance deal includes a 10-year investment loan to the amount of PLN 2.45 billion and 2 revolving loans intended for the investor's operating activities and VAT financing during construction of the power plant.

The market impact of the project will be significant as the CCGT plant will provide stabilising capacity to the Polish energy market.

The transaction involved a broad suite of tailor-made solutions as well as a non-standard sub-participation structure required by several finance parties. It also involved a complex and innovative hedging structure, with a number of hedging products delivered by the sponsors.

PPP Deal of the Year

Ireland Higher Education PPP Bundle 1

Macquarie Capital assembled a leading consortium that was selected to deliver the €600 million project – the DBFOM of 6 higher education facilities across Ireland over a 25-year concession period following construction.

The PPP contract for the new buildings was awarded to the Macquarie-led team, comprising Macquarie Capital as equity sponsor and financial adviser, JJ Rhatigan & Company as construction contractor and Sodexo on facilities management.

The project is being funded by AIB, Bank of Ireland, NordLB, Korea Development Bank and Norinchukin Bank.

The National Development Finance Agency (NDFA), part of the National Treasury Management Agency (NTMA), managed the procurement of this PPP project on behalf of the Department of Further and Higher Education, Research, Innovation and Science and the Higher Education Authority.

Refinance Deal of the Year

Ventient Energy Refinance

One of the standout transactions of 2023, the refinance of Ventient Energy is exceptional on a number of levels – not least of which is the scale at €2.2 billion.

Ventient is a well-diversified, pan-European renewable energy business and is one of the leading independent generators across Europe with some 2.8GW of installed capacity and 146 onshore wind farms – making it the largest non-utility onshore wind generator in Europe.

Project Jetstream was the refinance of Ventient Energy's capital structure. The existing capital structure was formed of 5 separate financings which had developed as the group had acquired new portfolios over time. The existing structure was operationally intensive to manage and limited flexibility and growth, especially in regard to colocation of solar and battery assets.

DC Advisory and CIBC Capital Markets were appointed to review the capital structure and implement a new long-term solution which allowed the group the flexibility to increase its development. Allen & Overy was the borrowers' legal counsel, and White & Case acted for the lenders.

The debt was refinanced into one new common term secured platform across 6 countries and over 146 separate assets.

The new financing moved away from traditional project finance principles to a more corporate style infrastructure platform that respects the growing nature of the company and allows additional assets to be easily added and financed.

Debt was secured from both bank and institutional lenders across a range of tranches with financial close reached in December.

Refinance Deal of the Year – Offshore Wind

Saint-Nazaire Refinance

The refinance of Sainte-Nazaire Offshore Wind Farm (OWF) wins the award for a chunky deal to have closed in the early part of 2024 – 8 February.

Saint-Nazaire, owned by experienced long-term renewable energy investors EDF Renewables (50%), Enbridge (25.5%), and CPPIB (24.5%), is the first OFW project in France ever procured having started construction in 2019.

Located in the Western part of France, around 15km from the coast of Saint-Nazaire, the asset comprises 80x GE Haliade 150-6MW wind turbines, accounting for a total capacity of 480MW.

Saint-Nazaire's original financing reached financial close in September 2019 and raised €1.9 billion of non-recourse senior debt financing from 18 commercial MLAs.

The project was delivered on time in December 2022 and below original budget through 5 EPCI main contracts with key counterparties. Revenues are underpinned by a 17-year fixed-price PPA with EDF at feed-in tariff premium of €169.6/MWh.

Refinance Deal of the Year – Solar

Project Thor – ContourGlobal Refi, Italy

The refinance of a 95MW solar PV portfolio of 71 plants across Italy – 51% controlled by ContourGlobal (fully owned by KKR) and 49% by Energy Infrastructure Partners – wins in this category.

All PV plants went operational from 2007-13, with weighted average COD in March 2011, and benefit from incentives under the different Conto Energia schemes.

Operations and maintenance activities are entirely internalised, with ContourGlobal Management Italy acting as O&M contractor and asset manager on all the PV plants, an approach that allows optimisation of plant performance and ease coordination between AM and O&M.

ContourGlobal is a global power generation company currently operating a 6.3GW portfolio of 138 power plants located across 20 countries. Since December 2022, after successful delisting from the London Stock Exchange, ContourGlobal is fully owned by KKR through the fund KKR Global Infrastructure Investors IV.

The refinance in October of the 95MW portfolio was arranged in the form of a non-recourse project financing transaction.

The deal was carried out through ContourGlobal Solar Holdings (Italy), a newly set-up HoldCo indirectly owning 100% of portfolio assets and controlled by ContourGlobal.

Crédit Agricole acted as MLA, bookrunner, sole green loan coordinator and hedging bank for the transaction.

The financing package matures in December 2030 and includes a €186 million term loan facility and a €16 million DSRF. An uncommitted accordion facility is also envisaged under the finance documents to support the revamping and repowering plan to be carried out on the portfolio.

Refinance Deal of the Year – Power

Project Jura – West Burton B

Project Jura – the refinance of West Burton B – wins the refinance award in the power category for the 1,332MW combined cycle gas turbine (CCGT) and 49MW battery energy storage system (BESS).

The refi closed on 7 August and was for the original financing package raised by EIG when it acquired UK independent power producer (IPP) West Burton B in 2021.

The Nottinghamshire CCGT is the third youngest on the UK grid relative to 38 peers with its age advantage and efficiency making it competitive from a running cost and carbon intensity perspective.

The project is connected to the National Grid Electricity Transmission System and the National Gas Transmission System, operating in harmony to support UK energy transition by enabling on demand electricity to the UK grid, especially during periods of low renewable generation.

The structure of the loan exposes lenders to a mixture of revenue streams over time (contracted and uncontracted, wholesale and ancillaries), balancing this with a modest door-to-door tenor and cash sweep structure.

The project has a demonstrated track record of performance which allows lenders to take a view on the likely materialisation of market-based revenues going forward.

The financing confirms the availability of funding for appropriately structured thermal power assets, especially in light of the project's efficiency and its ability to support renewable generation.

The loan was provided by Bank of China, Deutsche Bank, Investec, MUFG, Nomura, Starwood and Santander.

Restructure of the Year

Tees Renewable Energy Plant

The financial restructure of the 299MW Tees Renewable Energy Plant, the world's largest pellet biomass power plant, wins in this category for the IJGlobal Awards.

The power plant is located at Teesside in the north of England and it is operated by MGT Teesside, itself controlled by Macquarie Group and Danish pension group PKA.

The restructure was implemented through a court-sanctioned restructuring plan and resulted in – among other things – the restructure of the existing debt and the raise of £80 million in additional funding to support the company's liquidity requirements.

The restructuring plan was sanctioned on 13 July (2023) by Mr Justice Michael Green in the High Court of England and Wales.

The plan was required following numerous defects and delays in the construction of the Tees Renewable Energy Plant, which led to completion being pushed back from January 2020 to July 2022. The plant was then shut again in January 2023 to resolve issues that had arisen.

It was likely that, absent the restructuring plan, Chapter Finance would have been placed into creditors' voluntary liquidation, and MGT was likely to enter administration.

MGT required the provision of new money as part of the restructure to fund the remedial works and achieve completion of the plant. The plant is now running on liquid or solid fuel, with the move to pellet-burning achieved.

Innovation of the Year

Project NextGen – Hitachi Rail / FirstGroup

Hitachi Rail and FirstGroup formed a joint venture to develop and finance an intelligent fleet decarbonisation partnership – Project NextGen – winning in this category for a challenging deal brought to a successful conclusion by a skilled team.

The JV will procure, finance and lease 1,000 batteries phased over a 4-year period from financial close on a project finance basis.

The PF debt will be raised at the AssetCo level secured against the cashflows from the lease. Hitachi and FirstGroup as joint sponsors of the project will also contribute equity to facilitate the financing of AssetCo.

NextGen is the first EV battery lease deal in the market with attractive fundamentals that are enhanced by the favourable market for e-Mobility and decarbonisation in the UK.

In 2022 alone, the government awarded £25 million to fund zero-emission transport innovations, including battery-focused developments, and there is a strong expectation of continued government support for this sector.

The strategic partnership also includes a JV for battery ownership, as well as smart charging, charging services, battery management services and telematics integration to manage optimal EV charging and battery management provided by Hitachi ZeroCarbon.

Gigafactory Deal of the Year

AESC Gigafactory Project, Douai

Financial close was reached in October 2023 for the €873 million project financing of the AESC 9GWh Gigafactory Project in Douai, France.

As a critical milestone in the development of Battery Valley in the north of France, the project will supply NMC batteries for the Renault 5 and 4ever EV models and is strategic for AESC and Renault as well as for France and Europe as a cornerstone of this centre being developed in the Hauts de France region.

Battery Valley spans Dunkirk, Douai and Douvrin, known as the 3D cities. The region has become the leading automotive region in France, after the closure of its mines and most of the steel industry.

Many original equipment manufacturers (OEMs) have chosen to set up their factories there. The region aspires to make its mark on the European EV market and become home to all of France's gigafactory projects for the automotive industry.

The gigafactory will have a production capacity of 9GWh in 2024, rising to 24GWh by 2030 at the latest, for the production of state-of-the-art, low-carbon batteries. Production is expected to start in spring/summer 2024 and will create around 1,200 direct jobs and potentially 3,000 by 2030… depending on orders.

Sustainability-Linked Deal of the Year

Projects Valogreene CML – Recinor & Roviña

Santander acted as sole underwriter, bookrunner, coordinator, agent, hedging coordinator and sustainable coordinator for the financing of projects Valogreene CML, V Recinor and V Roviña in Spain under a project finance format.

Founded in 2011, Greene has been able to secure financing from Moira Capital along with other relevant industry investors to develop waste valorization projects.

Pyrolysis (chemical treatment) consists of a thermal decomposition of the waste at high temperatures in an inert atmosphere.

This process can treat many types of plastics and outputs obtained includes bioliquids to be used to produce bioplastics/biofuel; biogas used for the self-consumption of the plant; and biochar that can be used in the cement industry.

In Spain, recycling is the main option for treating plastic waste (43%), followed by landfill (36%) and energy recovery (21%).

The debt/equity structure is 85/15 with 100% equity upfront. Meanwhile, the facility was arranged across 2 tranches: a 10-year senior loan amortising and gearing of 75%; a subordinated loan over 10 years.

It is supported by diversified revenues: offtake (61%), gate fees (32%), BioChar (7%) with fixed-price/long-term off-take contracts.

A sustainability-linked framework for all the plants will be applied based on KPIs.