

IJGlobal ESG Energy Transition – Infrastructure

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The IJGlobal ESG Award for energy transition in the infrastructure sector was won by a French transaction – Project Indra – that is set to impact the broader European market, slashing electricity consumption in the residential sector.

Voltalis – in which Meridiam is the majority shareholder – led [Project Indra](#) which involves the deployment of a 1,375 MWp fleet of equipment enabling residential energy demand response (DR).

Within 5-7 years, Voltalis aims to achieve a capacity of 10 GWc in Europe – or 3 million homes.

The management of electricity consumption in the residential sector has a potential in Europe of several 10s of gigawatts and will make a significant contribution to the zero carbon objective and to French and European energy independence.

One of the IJGlobal ESG Awards 2024 judges said: “Tackling energy efficiency at the source – homes – is key to energy transition. This is an excellent example of how to reduce the call on networks while providing an outstanding service to consumers.”

Demand response is a key element of future sustainable electricity systems and helps cater to a structural need to ensure flexibility of the electricity system.

This financing – arranged by La Banque Postale AM, Edmond de Rothschild AM and CIC Private Debt – will help to equip more than 400,000 homes with an energy-saving solution that is integrated with the grid.

It meets the objectives of energy sobriety as well as those of power system security, CO2 emissions reduction (reducing reliance on thermal power plants) and households’ purchasing power (the solution is free).

The financing closed at the end of 2023 for a first phase of 562MWp, with the senior bond facility agreement originally designed to accommodate the financing up to 870MWp via incremental facilities.

EDRAM’s debt platform – BRIDGE – was instrumental in setting up the financing structure, as well as the project structure. Several tier 1 institutional lenders have since entered the financing based on the original structure, opening the door to the bankability of this innovative sector and project.

BRIDGE also in December (2023) arranged and participated an [additional €40 million](#) financing to finalise the financing of the 1,375MWp fleet, highlighting its commitment to the company and sector.

This financing will help to equip more than 400,000 homes with an energy-saving solution that is integrated with the grid. It meets the objectives of energy sobriety as well as those of power system security (avoiding blackouts), CO2 emissions reduction (reducing reliance on thermal power) and households’ purchasing power (free for homes equipped and the energy savings generated).

Voltalis users have seen a reduction of around 15% of their energy bills per year.

The submission states: “Demand response is a key element of future sustainable electricity systems and helps cater a structural need to ensure flexibility of the electricity system. As such, DR has received strong support from regulators and public authorities in France where Voltalis is primarily deployed.

“The solution – developed by Voltalis since 2006 – consists in making electricity consumption more flexible, so that it adapts to variations in production rather than vice versa. To achieve this, Voltalis has developed cutting-edge technology that enables it to act directly on electricity demand, coordinating optimisation actions in real time, simultaneously on millions of flexible devices such as heating, air conditioning, hot water tanks, electric vehicle charging, etc.

“The recent energy crisis has accelerated a timetable that the ecological transition had already made unavoidable. The ambitious development of renewable energies requires us to find new sources of flexibility other than gas or coal-fired power plants, which are doomed to disappear. The Ukrainian crisis has added another challenge: rapidly curbing soaring energy prices.

“The financing of residential demand response is a first of its kind and opens the door to future financings of this nature in Europe. The financing provides both a confirmation of the bankability the French call for tenders allowing bidders to secure demand response capacity price over 10 years, providing a foundation for other European countries and provides a replicable and flexible financing structure catered to the project’s unique features.”

Advisers involved in this transaction include Herbert Smith Freehills and Wilkie Farr & Gallagher.

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