

Octopus Renewables acquires two operational UK biomass plants with combined capacity of 85.7MW

April 28, 2021

Octopus Renewables, the specialist clean energy investor arm of Octopus Group, has announced the acquisition of two operational UK biomass power plants, with a combined capacity of 85.7MW, from a joint venture by Copenhagen Infrastructure Partners (“CIP”) and Burmeister & Wain Scandinavian Contractor (“BWSC”), in one of the largest deals of its kind in the UK.

The two plants, located in Brigg, North Lincolnshire and Snetterton, East Anglia, have been acquired with investment provided by funds managed by Octopus, one of which includes a recently announced fund cornerstoned by UK workplace pension provider Nest.

Both facilities at Brigg (40.8MW) and Snetterton (44.9MW) are fuelled by a mixture of locally sourced biomass feedstocks. Octopus will manage both sites, adding to the five biomass plants that it currently manages across the UK.

Octopus Renewables is the largest investor of utility scale solar power in Europe, as well as a leading investor in onshore wind and biomass, managing a global portfolio valued at more than £3 billion.

Peter Dias, Investment Director at Octopus Renewables, comments:

“We’re delighted to grow our portfolio of biomass power with these two plants – marking one of the largest deals of its kind in the UK. As one of the UK’s leading specialist investors in energy generation, we view biomass as playing a crucial role in diversifying the UK’s energy mix and supporting the UK farming industry through the sourcing of feedstock fuels.”

“The acquisition marks a significant step for our fund that has Nest as a cornerstone investor. The fund benefits from a healthy pipeline that will help target strong and stable returns. We see institutions and pension funds as playing a vital role in hastening the energy transition and helping to unleash pent up capital to fight climate change.”

Stephen O’Neill, Head of Private Markets at Nest added:

“We’re delighted to have our account with Octopus Renewables up and running, investing our members’ money into something that should provide steady returns for years to come.”

“Biomass is an exciting technology and energy crops, such as miscanthus, could play a significant role in the UK hitting its carbon emission targets. We want to continue investing in the energy of the future and looking ahead for what opportunities will be presented in the drive to the low-carbon economy.”

Christina Grumstrup Sørensen, Senior Partner at Copenhagen Infrastructure Partners added:

“We are pleased to announce that following a successful development, construction and operation of the two renewable power plants, Brigg and Snetterton, together with our industrial partner, BWSC, we and BWSC have jointly divested the 100% ownership of Brigg and Snetterton to two funds managed by Octopus Renewables. CIP has been pleased with the cooperation with all our partners on these two renewable power plants. We would like to congratulate the new owners on the successful acquisition of these great projects.”

Nikolaj Holmer Nissen, CEO at BWSC added:

“BWSC is pleased with the divestment of the Brigg and Snetterton plants after our active involvement in both the development and successful construction of the two plants. We look very much forward to continue the good cooperation with Octopus Renewables as the new owner and BWSC as the Operation & Maintenance contractor”.

Rothschild & Co acted as the financial advisor and Herbert Smith Freehills as the legal advisor to Copenhagen Infrastructure Partners on the sale of the assets, while Burgess Salmon was the legal advisor for Octopus on the deal, and EY provided tax structuring advice.

Also part of Octopus Group is the fast-growth green energy company Octopus Energy, which supplies over 2 million households across the UK. In March, Octopus Energy announced its intention to acquire sister company Octopus Renewables, in a move designed to help deliver a cheaper, faster energy transition through technology.

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About Octopus Renewables

Octopus Renewables, part of Octopus Group, is a specialist clean energy investor. Launched in 2010 its mission is to accelerate the transition to a future powered by renewable energy. It has a diverse portfolio of assets with a capacity of over 2.8GW, making it the largest commercial solar investor in Europe and a leading investor in onshore wind.

Octopus is also leading the next wave of renewables being built across Europe and Australia without government subsidies. There is a significant opportunity to unblock much needed investment by building bespoke portfolios of renewable assets at scale, across technologies and countries, to create better outcomes for our investors.

About Octopus Group

Octopus is a group of innovative, entrepreneurial businesses investing in the people, ideas and industries that will help to change the world. We are experts in financial services and energy, and we're also a certified B Corp, meaning we care as much about the impact of our investments as the returns they generate. Today we manage more than £9.2* billion on behalf of retail and institutional investors. Our energy supply business is one of the fastest growing companies in the UK, reaching 2 million customers in just four years, and is the only supplier to be recommended by Which? three years in a row.

Octopus Energy, Octopus Giving, Octopus Moneycoach, Octopus Investments, Octopus Renewables, Octopus Real Estate, Octopus Ventures, Octopus Wealth and Seccl Technology are all part of Octopus Group. Visit octopusgroup.com.

**Includes funds under advisory mandates and the Octopus Cash service as of 31st December 2020.*

About Copenhagen Infrastructure Partners

Copenhagen Infrastructure Partners (CIP) is a fund management company, focused on energy infrastructure, including offshore wind, onshore wind, solar PV, biomass and energy-from-waste, transmission and distribution, and other energy assets like reserve capacity and storage. CIP has approximately 150 employees and offices in Copenhagen, New York, Tokyo, Utrecht, Hamburg, and London.

CIP manages seven funds and has approximately EUR 15 billion under management. PensionDanmark was founding and sole investor in CI I and CI A I. Today CIP's funds have approximately 100 international institutional investors from the Nordics, Continental Europe, the UK, Israel, Asia, Australia, and North America and multi-lateral organizations e.g. EIB.

CIP was founded in 2012 by senior executives from the energy industry in cooperation with PensionDanmark.

For further information about CIP, please contact:

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About Burmeister & Wain Scandinavian Contractor

Burmeister & Wain Scandinavian Contractor A/S (BWSC) are experts in servicing, upgrading, operating, and maintaining energy systems for renewable power plants. We help our customers increase reliability and availability of energy production, improve efficiency and performance of their power plant, design and integrate future-proof technologies, and secure lower cost of maintenance.

Having designed and built hundreds of plants around the world, BWSC has the flexibility and know-how to deal with almost any limitation or challenge.

BWSC originates from the stationary engine division of Burmeister & Wain (B&W), which has built and installed diesel engines since 1904. BWSC was established as a separate specialist company in 1980 and was acquired by Japanese Mitsui E&S Holdings Co., Ltd. in 1990.

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