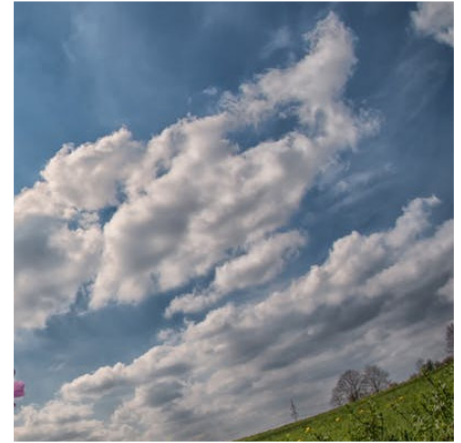


A brighter, sustainable future for renewable energy



The one certainty of predictions is they are rarely accurate. This is certainly true when making predictions about the future of the renewable energy sector, given the number of unpredictable variables - not least the wider global economy and, nearer to home, ever-shifting UK Government policy.

However, there are some very promising trends emerging that bode well for the months ahead.

Following the doom and gloom prompted by the UK Government's gradual withdrawal of various subsidy mechanisms, the renewables landscape in the UK is now looking slightly rosier.

The Green Investment Group, formerly the Green Investment Bank prior to its acquisition by a Macquarie-led consortium in August 2017, laid out its stall shortly thereafter with a £38 million investment in a UK energy-from-waste facility. Activity since then has also included the acquisition of a 25% interest in Westermost Rough offshore wind farm in the Southern North Sea from Marubeni Corporation.

Another promising sign for the renewable energy sector was outlined in the most recent Renewable Energy Country Attractiveness Index showing the UK had re-joined the top 10 countries for investment in renewables. An example of this resurgence was the £340 million raised late last year by the renewable infrastructure fund Greencoat UK Wind - a further vote of confidence in the sector with Greencoat having since acquired the 11.5MW Leitrim wind farm in Ireland for a reported €19.3 million.

Developers are also continuing to explore new ways to make projects economically viable on a subsidy-free basis, and this in turn is driving an increase in M&A activity.

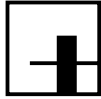
The development of new technologies (in particular, battery storage), and the recycling of operational assets, also suggest a resurgence in corporate activity in the UK renewables sector.

Indeed, Gore Street Capital recently announced plans to list the world's first energy storage fund on the London Stock Exchange, with the fund seeking to raise £100 million to invest in large-scale batteries, reportedly with plans in place to invest in a portfolio of between 10 to 13 projects within 18 months.

Interestingly, respondents to a recent survey carried out by Acuris, published by KMPG in January of this year, believe offshore wind will see the biggest rise in M&A activity in 2018, followed by hydropower, photovoltaic solar and thermal solar. Storage and energy aggregators were also highlighted as being increasingly of interest to investors.

At Shepherd and Wedderburn we have been at the forefront of the energy industry for more than 30 years, and our multi-disciplinary team has advised utilities, developers, investors, funders, supply chain parties and others on technologies and projects ranging in value from below £1 million up to circa £3 billion, covering technologies ranging from those for onshore and offshore wind, solar, pumped storage, transmission developments and interconnectors.

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