

London, July 30<sup>th</sup>, 2024

## Finance & Investment in Nature Positive Energy

### **Publication of Grant-Funded Research Report: “Nature Positive Investment Opportunities through Solar Parks”**

Finance & Investment in Nature-Positive Energy (“FINE”) proudly announce the publication of an industry-leading research report on nature-positive investment opportunities in the solar energy sector. This research initiative, led by the University of York in collaboration with Lancaster University, NextEnergy Capital (“NEC”), and NextEnergy Solar Fund (“NESF”), explores the integration of finance and biodiversity to transition towards a nature-positive future.

The project, titled *"Nature Positive Investment Opportunities through Solar Parks"* (project NE/X016242/1), was funded by the National Environment Research Council (“NERC”) and NESF, and forms part of NERC’s ‘Integrating finance and biodiversity for a nature-positive future’ programme. This collaboration emphasises the importance of nature-related disclosures in sustainability reporting frameworks, aligning with the UN Convention on Biological Diversity’s Kunming-Montreal Global Biodiversity Framework (“GBF”), which aims to halt and reverse biodiversity loss by 2030 and achieve recovery by 2050.

The UK, recognised as one of the most nature-depleted countries globally, can utilise solar farms to enhance biodiversity and ecosystem benefits via sustainable management and land-use practices. The UK Government’s Net Zero Growth Plan aims to increase solar capacity five-fold by 2035, presenting significant opportunities for nature positive investments and the development of nature markets.

Robust indicators and metrics are essential for nature positive investments and trading. These indicators must cater to various stakeholders in the solar value chain, including law firms, investment banks, asset managers, pension funds, solar farm management companies, environmental and ecological consultancies.

The report identifies several key indicators for assessing nature positive impacts in solar farms, including:

- Area of habitat
- Habitat connectivity

- Level of biodiversity
- Plant species richness
- Invertebrate species richness
- Bird species richness
- Soil carbon content/sequestration
- Resources for pollinators
- Bee and butterfly species richness
- Number of ecosystem services actively managed
- Educational outreach
- Scientific collaboration
- Active community engagement

Effective indicators must be standardised, representative, auditable, and suitable for showing trends over time. They should be appropriate for financial disclosures and scalable over a portfolio of assets. Site-level reporting indicators include soil total nitrogen, soil organic matter and organic carbon, grazing animal stocking density, bird, pollinator, and bat species activity.

Early adoption of nature positive indicators positions companies advantageously as regulatory contexts evolve. Incorporating these indicators can bring reputational and philanthropic benefits while improving people's connection with and value placed on nature. The broader application of these indicators could transform solar farm land uses, solar supply chains, create opportunities for innovative business models, and offer a sustainable nature integrated approach to a just net zero economy.

**Hing Kin Lee, Vice President, Nature, NextEnergy Group, said:**

*“Research across nature metrics is vital in informing investment decisions, especially as we navigate the evolving regulatory ESG disclosure landscape. By assigning correct values to nature, which has historically been undervalued and thus depleted, we can make informed choices that support sustainability. This approach not only aligns with regulatory requirements but also ensures the preservation of natural resources, ultimately working towards long-term economic and environmental resilience.”*

Further information:

**NextEnergy Group**

NextEnergy Group was founded in 2007 to become a leading market participant in the international solar sector. Since its inception, it has been active in the development, construction, and ownership of solar assets across multiple jurisdictions. NextEnergy Group operates via its three business units: NextEnergy Capital (Investment Management), WiseEnergy (Operating Asset Management) and Starlight (Project Development).

**NextEnergy Capital**

NextEnergy Capital (“NEC”) comprises the Group's investment management activities. To date, NEC has invested in over 400 individual solar plants for a capacity in excess of 3GW across its institutional funds. [www.nextenergycapital.com](http://www.nextenergycapital.com)

- **First Fund:** [NextEnergy Solar Fund \(“NESF”\)](#), is a specialist solar energy and energy storage fund, which is listed on the premium segment of the London Stock Exchange. It currently has an installed capacity of 1,015MW spread among 103 individual operating assets in the UK and Italy, comprising an unaudited gross asset value of £1,155m. NESF is one of the largest listed solar and energy storage investment companies in the world.
- **Second Fund:** [NextPower II \(“NPII”\)](#), a private fund made up of 105 individual operating solar power plants and an installed capacity of 149MW, focused on consolidating the substantial, highly fragmented Italian solar market. Launched in 2016, NPII was successfully divested in January 2022 at IRRs significantly in excess of its gross target of 10-12%.
- **Third Fund:** [NextPower III ESG \(“NPIII ESG”\)](#), is a private fund exclusively focused on the international solar infrastructure sector, principally targeting projects in carefully selected OECD countries, including the US, Portugal, Spain, Chile, Poland, Greece, and Italy. NPIII is now fully invested with 172 assets, totalling 1.8GW. NPIII completed its fundraise with a total of \$896m, including an SMA raised. The target of the fund was \$750m.
- **Fourth Fund:** [NextPower UK ESG \(“NPUK ESG”\)](#), is a private unlevered fund investing in greenfield subsidy-free solar projects, with PPA’s, in the UK. NPUK ESG is a 10-year closed-ended private fund targeting £500m. To date, NPUK has raised total commitments of £653m exceeding its target within six months of first close, with the UK Infrastructure Bank providing cornerstone match-funding of £250m.
- **Fifth Fund:** [NextPower V ESG \(“NPV ESG”\)](#), is a private contracted solar strategy that offers investors the opportunity to earn strong risk-adjusted returns from the solar PV infrastructure asset class with a highly experienced team and a track record of success in solar deployment globally. The strategy will primarily invest in OECD solar assets and adjacent technologies (e.g. battery storage) in the target markets. NPV ESG is targeting \$1.5bn in size with a \$2bn ceiling.

Further information on the NextEnergy Group is available at: <https://www.nextenergygroup.com/>

### **WiseEnergy®**

WiseEnergy® is NextEnergy Group’s asset operator. WiseEnergy is a leading specialist asset operator in the solar sector. Currently, WiseEnergy provides development, construction and operating services to over 1,500 solar and battery assets with an installed capacity in excess of 2.5GW. Its asset management clients include listed solar funds (in addition to the Company), banks, private equity funds and other specialist investors. Further information on WiseEnergy is available at: [www.wise-energy.com](http://www.wise-energy.com)

### **Starlight**

Starlight is NextEnergy Group’s development company that is active in the development phase of solar projects. It has developed over 100 utility-scale projects internationally and continues to progress a large pipeline of c.10GW of both green and brownfield project developments across global geographies.

### **For further information:**

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