

NextEnergy Capital

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CfD Auction Success

NextEnergy Capital (“NEC”), a leading global renewables manager specialised on the solar+ infrastructure sector, is pleased to announce that all four of its Contract for Difference (“CfD”) auction bids across both its UK Private Fund, ‘NextPower UK ESG’, and in-house development company, ‘Starlight’, were successful in the sixth allocation round (“AR6”) auction announced by The Department for Energy Security and Net Zero on the 3rd of September 2024.

The winning CfD bids by NEC cover the full generating capacity of 165.8MW across four solar assets with solar prices successfully secured at a fixed price of £50.07, representing a £3-4 increase on the same 2012 pricing terms when compared to last year’s fourth and fifth allocation rounds (“AR4” & “AR5”). Approximately 3.3GW of solar capacity was successful in AR6 which makes it the most successful auction to date and another important step forward for the UK’s Net Zero transition plans.

The CfD mechanism was introduced by the UK Government in 2014 to support low-carbon electricity generation by reducing financial risks faced by developers of renewable assets and providing 100% secure, inflation-linked regular income to drive further investment into cheap renewable energy in the UK.

Michael Bonte-Friedheim, CEO and Founding Partner of NextEnergy Group, said:

“Our success in the government’s latest CfD auction further cements NextEnergy Capital as one of the world’s largest specialist solar+ investment managers, with four projects with a generating capacity of c.166MW securing successful bids. The CfD mechanism continues to provide stability to investors in new solar projects in the UK by providing long-term contracted revenues which match the contracted revenue strategies of all NEC funds. The success of the whole AR6 auction should provide further comfort to all investors in the UK renewable infrastructure space.”

Paul Barwell, Head of Energy Sales at NextEnergy Capital, commented:

“The fixed price of £50.07 represents roughly £69.50 in terms of 2024 pricing terms and further demonstrates strong government support towards developers of renewable assets whilst providing a further boost of confidence in the UK renewable energy landscape. This pricing cements new-build solar infrastructure as the cheapest source of decarbonised new-build power generation in the UK.”

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 460 individual solar plants for a capacity in excess of 3GW across its institutional funds. 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 980MW spread among 102 individual operating assets in the UK and Italy, comprising an unaudited gross asset value of £1,124m. 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

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. www.starlight-energy.com/

For further information:

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