

### **Foresight Group announces the handover of TEG Biogas' plant in Dagenham, London's first anaerobic digestion and composting facility**

- **Central London's first commercial scale food waste AD plant**
- **Generating 1.4MW of renewable electricity, sufficient to power c2,000 homes**
- **Capacity to process 50,000 tonnes per annum of food and green waste collected from local households, commercial and manufacturing enterprises**
- **Production of in excess of 36,000 tonnes p.a. AD digestate and 14,000 tonnes p.a. of compost for agricultural use**

#### **Press Release: 06 March 2014**

Foresight Group (Foresight) is delighted to announce the handover of TEG Biogas (London) Limited ("TEGBL"), central London's first commercial scale AD plant, which has been constructed by TEG Environmental Limited, after an 18 month construction and commissioning period that was completed on schedule and within budget at the end of February 2014.

The plant which is situated on a 4.7 acre site on the Mayor of London's 60 acre London Sustainable Industries Park (LSIP) in Dagenham, has the capacity to process up to 50,000 tonnes per annum of food and green waste, and will generate approximately 1.4MW of renewable electricity which is being sold to the National Grid, 36,000 tonnes p.a. of AD digestate and 14,000 tonnes p.a. of compost for agricultural use.

Foresight funds invested a total of £11 million into TEGBL, the owner of the plant, to allow for the construction and operation of the new waste to energy plant. Foresight Environmental Fund (FEF) led the project with a £9m investment. FEF is cornerstoned by the European Investment Bank and the London Waste and Recycling Board (LWARB) through the London Green Fund (LGF) alongside several institutional and private investors. The LGF was launched in March 2011 by the Mayor of London, Boris Johnson as part of London's drive to encourage investment into waste and energy efficiency infrastructure to create economic growth and jobs.

Foresight's UK Waste Resources and Energy Investments (UKWREI) fund, cornerstoned by the UK's Green Investment Bank invested £2 million into the project, having attracted £2 million of matched funding from the private sector. Senior debt of £7.9m was provided by Investec Bank plc and LWARB.

The new plant has been constructed by and is being operated by TEG Environmental Limited, part of TEG Group plc.

Mick Fishwick, CEO of TEG Group plc commented:

*"I am delighted to see the Dagenham plant completed on time and on budget and that it has now been passed across to its owners. This project once again demonstrates TEG's ability to take a plant from the drawing board to full commercial production and we look forward to operating and maintaining the plant for the coming 15 years, while we continue to develop and build further UK based IVC and AD plants".*

Nigel Aitchison, Partner and Head of Environmental at Foresight Group added:

*"We are delighted to see the plant commissioned, which will see 50,000 tonnes of organic waste matter from Greater London diverted from landfill every year, and will enable householders to have their organic waste put to good use as well as generating revenues for our funds. We see the TEG Biogas plant as a model for what can be achieved, and are looking forward to making announcements of further investments, which will drive both growth and job creation in this important sector in Greater London and across the UK in the very near future"*

Wayne Hubbard, Chief Operating Officer of the London Waste and Recycling Board said:

*"The TEG facility is an exciting addition to London's waste infrastructure. The mix of technologies will help to drive organic and unavoidable food waste away from landfill and incineration with the double dividend of producing renewable green energy for London. LWARB is pleased to be one of the key investors in a project that will be environmentally beneficial and drive jobs and investment into the capital."*

ENDS

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Notes to Editors

### **About TEG Group**

TEG provides state of the art technology for handling organic wastes. Its in-vessel composting ("IVC") system is one of the few approved technologies capable of treating animal by-product ("ABP") waste and it is now providing an anaerobic digestion ("AD") technology to produce power from food waste. Plant economics are predominantly driven by the gate fees charged, rather than the value of the end product (compost).

The AD plants also benefit from power sales and Renewable Obligations Certificates ("ROCS") or Feed-in Tariffs ("FITs"). The TEG processes are an economic and sustainable alternative to landfill.

### **About TEG Biogas (London) Limited**

TEG Biogas (London) Limited ("TEG Biogas London") is a joint venture company established by TEG with funding partners led by Foresight Environmental Fund LP. TEG Biogas London has constructed a combined In Vessel Composting (IVC) and AD plant in Dagenham that will process approximately 50,000 tonnes per annum of organic wastes and will generate approximately 1.4MW of power, sufficient to power approximately 2000 homes. The plant went into full operation in Q1 2014.

TEG received a contract to construct the facility, valued at approximately £16m, in September 2012. The Company is currently operating the facility, post handover, as part of a 15-year operating and maintenance contract. The Group has a minority shareholding in TEG Biogas (London) Limited.

### **About Foresight Group**

Foresight Group is a leading independent infrastructure and private equity investment manager that has been managing investment funds on behalf of institutions and retail clients for 30 years. With a background in private equity and venture capital, Foresight has diversified activities and today

manages institutional funds principally in European Infrastructure (Solar and PPP), Environmental and UK small cap Private Equity, including six years of specific Infrastructure experience.

Foresight has £1 billion of assets under management and boasts one of the UK's leading Environmental infrastructure investment teams. It is responsible for managing approximately £140 million of environmental assets which include the £60 million Foresight Environmental Fund (FEF) and the £68 million mandate from the UK Government's Green Investment Bank for UK environmental infrastructure.

[www.foresightgroup.eu](http://www.foresightgroup.eu)

### **About the Green Investment Bank (GIB)**

The UK Green Investment Bank was launched in November 2012. With £3.8 billion of funding from the UK Government, it is the first bank of its kind in the world. It is a "for profit" bank, whose mission is to accelerate the UK's transition to a greener economy, and to create an enduring institution, operating independently of Government.

[www.greeninvestmentbank.com](http://www.greeninvestmentbank.com)

### **About the London Waste and Recycling Board**

The London Waste and Recycling Board (LWARB), chaired by Richard Tracey, Assembly Member, working in conjunction with the Mayor of London and London Councils, has a remit to improve waste management in the capital. For more information on LWARB visit [www.lwarb.gov.uk](http://www.lwarb.gov.uk)