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Business Minister announces new £50m fund for UK waste infrastructure during visit to new advanced-technology waste-to-energy plant in Birmingham

- **Business Minister, Matthew Hancock MP, announces £50m investment from the UK Green Investment Bank (GIB) in a new fund targeting smaller-scale, innovative, recycling and waste projects across the UK**
- **Minister launches new fund at £47m Birmingham BioPower plant – a beneficiary of GIB funding – currently under construction in Tyseley, Birmingham**
- **The Birmingham BioPower project is supporting more than 100 engineering, construction and project management jobs, and will create 19 full-time jobs once operational.**

Business Minister of State for Business and Energy, Matthew Hancock MP, today announced a £50m investment by the UK Green Investment Bank (GIB) into a new fund targeting smaller-scale recycling and waste projects across the UK.

The new fund – Recycling and Waste LP (“RAW”) – will be managed by Foresight Group LLP (“Foresight”) which will raise at least a further £50m from private sector co-investors to match GIB’s investment. The fund already has an extensive pipeline in place.

The new funding was announced during a visit to the Birmingham BioPower project, currently under construction in Tyseley, by developer Carbonarius. The construction of the £47m project is well advanced and the facility will, when operational, divert up to 67,000 tonnes of recovered wood from landfill every year, using it to produce enough electricity to power more than 17,000 homes. The recovered wood will be supplied by local small business, JM Envirofuels Ltd.

The Tyseley project was supported by GIB through a previous investment in a Foresight managed fund. Details of the seven projects supported by that fund are set out below.

Business Minister, Matthew Hancock MP said:

“This investment by the Green Investment Bank will be used to fund biopower projects that will put the UK at the forefront of this innovative green technology, turning local waste wood to electricity. Today I have been able to see first-hand the work that is being done to get projects off the ground. This state of the art plant in Birmingham will be the first of its kind in the UK. It uses a new type of gasification system and will not only power 17,000 homes and recycle waste more efficiently but will also boost the local economy and create 100 local jobs.”

Shaun Kingsbury, Chief Executive of GIB, said:

“This new facility is a great example of the modern, advanced-technology infrastructure we need to see across the UK. It’s the first time this technology will be used in the UK and the investment will benefit the local economy, with a local small business supplying the plant with wood that would have otherwise gone to landfill. We were delighted to provide the finance that allowed the project to go ahead.”

“Investing our capital through funds has proven to be an important and successful part of our investment strategy, allowing us to back a wider range of smaller projects right across the UK. We’ve built a strong partnership with Foresight and look forward to it going from strength to strength.”

Nigel Aitchison, Partner and Head of Environmental at Foresight said:

“The Birmingham BioPower project is a real example of how the first fund we’ve managed on behalf of GIB can create not only sustainable, skilled jobs but also contribute to the UK’s needs in terms of energy security and waste management. We firmly believe that the second fund announced today can build on this success and continue the momentum of investment in this important element of the infrastructure sector.”

ENDS

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Notes to Editors

Collaborating on Environmental, Social and Governance issues

Foresight and GIB have worked together to develop an environmental, health and safety and governance policy which incorporates environmental, social and governance (ESG) issues into investment analysis and the decision-making process. As signatories to the Principles for Responsible Investment (PRI), both Foresight and GIB are committed to incorporating ESG issues into our policies and the agreed policy will facilitate this process by harmonising Foresight and GIB’s approach to monitoring and disclosure of ESG issues in our investments.

Details of projects supported by GIB through the initial UKWREI Fund:

This new fund will be GIB’s second investment in a Foresight managed fund. The first fund – UK Waste Resources and Energy Investments (UKWREI) – was GIB’s first investment upon becoming operational in 2012. UKWREI has supported projects as diverse as small-scale on-farm anaerobic digestion plants in rural Northern Ireland, powering 850 homes, to the advanced technology, first-of-its-type in the UK, waste wood fuelled facility in Birmingham, powering 17,000 homes.

The UKWREI fund has now fully committed its initial funding ahead of schedule, backing seven new waste and recycling projects.

GIB’s £50m investment in UKWREI was supplemented by £230m from institutional from the private sector, meaning every £1 of GIB investment mobilised a further £6 from the private sector.

The projects supported by this one fund, once built and taken together, will:

- bring innovative, new, modern technologies – already proven in other countries – to the UK for the first time which can then be replicated;
- support more than 500 construction jobs and create more than 60 permanent new jobs operating and managing the plants;
- provide long-term fuel supply contracts to a range of local UK businesses, mainly SMEs;
- reduce the waste sent to landfill by more than 275,000 tonnes per annum, the equivalent to the domestic waste of more than 280,000 households, a city the size of Glasgow;
- cut greenhouse gas emissions by 400,000 tonnes per annum, the equivalent to taking nearly 180,000 cars off the road;
- create 53MW of new renewable electricity capacity, enough to power over 85,000 homes, a city the size of Portsmouth.

1. East London Biogas Limited, Dagenham, Essex

Total project value: £21m. UKWREI investment: £2m

London's first Anaerobic Digestion and In Vessel Composting facility, the facility became operational in March 2014, with the construction and commissioning phases having been completed on time and on budget, and was formally opened by Secretary of State for Business Innovation and Skills, the Rt Hon. Vince Cable MP on 23 April 2014. The plant has the capacity to process 50,000 tpa of food and green waste, much of which originates from households and businesses across London. It produces 1.4 MW of renewable electricity which is sold to the National Grid. It also produces 14,000 tpa of compost and 27,000 tpa of agricultural digestate, which is used by local farmers.

<http://www.greeninvestmentbank.com/news-and-insight/2014/london-s-first-commercial-anaerobic-digestion-plant-teg-biogas-opens-for-business/>

2. Evermore Renewable Energy, Derry/Londonderry Port, Northern Ireland

Total project value: £81m. UKWREI investment: £17.78m

The 15.8 MWe CHP plant will boost Northern Ireland's renewable electricity generation by 10 per cent. Over the plant's 20 year lifetime it is forecast to divert more than 2m tonnes of waste wood from going to landfill, saving around 3.7m tonnes of CO₂ emissions and producing enough power to supply the equivalent of more than 25,000 homes. The project, which will generate more than 200 construction jobs and 20 full time jobs when operational, is due to become operational during 2015, fuelled by 110,000 tpa of wood secured under a long-term fuel supply contract from Stobart Biomass.

<http://www.greeninvestmentbank.com/news-and-insight/2013/foresight-and-green-investment-bank-complete-20m-northern-ireland-investment/>

3. Birmingham BioPower Limited, Tyseley, Birmingham

Total project value: £48m. UKWREI investment: £6.45m

The 10.3 MW plant, on the historic Webster and Horsfall site, is the first of its kind in the UK using innovative gasification technology, proven in North America. The gasification process converts recovered wood into electricity using an advanced thermal treatment of waste where the carbon based material in the waste is converted into a gas which is used to raise steam, which passes through a turbine to produce electricity. The plant is due to become operational in early 2016, and over its lifetime is forecast to produce enough power for 17,000 homes each year, reducing greenhouse gas emissions of around 2.1m tonnes and saving around 1.3m tonnes of waste wood from landfill. The plant will create more than 100

engineering, construction and project management jobs, and 19 full time jobs when operational.

<http://www.greeninvestmentbank.com/news-and-insight/2013/gib-and-foresight-group-forge-consortium-to-construct-478m-renewable-energy-plant-in-birmingham/>

4. and 5. PAR Renewables and BRIDGE Energy, on-farm Anaerobic Digestion plants in County Tyrone and County Down, Northern Ireland

Total project value: £6.5m. UKWREI investment: £1.43m and £1.61m respectively

The projects will create new revenue streams for the farmers reducing greenhouse gas emissions. Announced by Prime Minister David Cameron, through the publication of *'Building a Prosperous and United Community: One Year On'* the investment will help farmers in Northern Ireland to become more sustainable, create jobs and generate income from their waste. The two projects will generate enough renewable energy to power 1,700 households each year, and the reduction in greenhouse gas emissions is equivalent to taking up to 2000 cars off the road each year. The investment will generate 22 new jobs, injecting £6.5m into the rural economy of Northern Ireland. The plants are due to become operational in early 2015.

<http://www.greeninvestmentbank.com/news-and-insight/2014/65m-boost-to-rural-economy-in-northern-ireland/>

6. Willen Biogas, Enfield North London

Total project value: £15m. UKWREI investment: £7.4m

A new £15m, 1.2 MWe renewable energy facility in Enfield, North London which uses anaerobic digestion to generate power and produce compost and digestate for agricultural use. The facility will be powered by 30,000 tpa of food waste, originating from households, hotels, restaurants, retail trade and local food manufacturers which would otherwise have been sent to landfill. The plant which is due to become fully operational in spring 2016, will generate enough renewable electricity to power 1,750 homes and is anticipated to save the equivalent of 21,000 tonnes of CO₂ emissions each year of operation, equivalent to taking 9,500 cars off the road. It will create six full time permanent jobs.

<http://www.greeninvestmentbank.com/news-and-insight/2014/green-investment-bank-and-foresight-help-london-power-itself-with-food-waste/>

7. Mersey BioEnergy Limited, Widnes, Merseyside

Total project value: £110m. UKWREI investment: £10.1m

A £110m, 20.2 MW CHP plant which will be the largest waste wood renewable energy plant in the North West of the UK. The project is located within the Mersey Multimodel Gateway project, a 180 hectare logistics hub to the west of Liverpool. Over its expected 20-year lifetime, the facility is forecast to supply renewable electricity equivalent to the needs of more than 35,000 homes each year, create more than 200 construction jobs and 20 full time jobs once operational, and deliver a reduction in greenhouse gas emissions of around 1.3m tonnes, equivalent to taking nearly 30,000 cars off the road.

The plant is expected to become operational in December 2016, and will be powered by 146,000 tonnes of Grade B-C recovered wood sourced by Stobart Biomass Products Ltd under a long-term fuel supply contract. The power will be sold to the grid and the heat generated will be used by Stobart's adjacent wood drying facility.

<http://www.greeninvestmentbank.com/news-and-insight/2014/110m-funding-secured-for-biggest-waste-wood-renewable-energy-facility-in-the-north-west/>

About the UK Green Investment Bank

The UK Green Investment Bank was launched in November 2012. With £3.8bn 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

About Foresight

Foresight 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 in excess of £1.3bn assets under management and boasts one of the UK's leading Environmental infrastructure investment teams. It is responsible for managing approximately £150m of environmental assets which include the £68m mandate from the UK Government's Green Investment Bank for UK environmental infrastructure. Foresight also manages the £60m Foresight Environmental Fund (FEF).

www.foresightgroup.eu