

Capital Dynamics Selected by Largest LGPS Pool to Invest in UK Clean Energy Infrastructure

Border To Coast Partnership commits GBP 48.5 M to advance UK energy security and net zero goals

LONDON – November 13, 2024 – Capital Dynamics, an independent global private asset management firm, is pleased to announce that Border to Coast Pensions Partnership (“Border to Coast”), the largest Local Government Pension Scheme (LGPS) pool, has committed GBP 48.5m to Capital Dynamics’ Clean Energy UK Fund. This marks the first commitment within Border to Coast’s innovative UK Opportunities portfolio on behalf of its Partner Funds. This investment will fund the construction of new renewable energy infrastructure, including the fund’s first four onshore wind investments in Scotland with a combined capacity of 193 MW – enough to power 46,000 homes upon completion.

“From the outset we said our UK Opportunities proposition would focus on adding value through financing the build of new infrastructure and our first commitment on behalf of Partner Funds delivers just that. Capital Dynamics offers not only a strong investment opportunity, but also the ability to have a tangible impact on the future pipeline of renewable energy infrastructure that the UK sorely needs if it is to reduce its reliance on oil and gas and meet net zero goals.” said Joe McDonnell, Chief Investment Officer, Border to Coast.

Barney Coles, Co-Head of Capital Dynamics Clean Energy, added “We are delighted that Border to Coast, through its UK Opportunities strategy, has joined our global institutional clients in committing to our Clean Energy UK Fund. By doing so, Border to Coast continues its leadership in supporting the UK’s transition to a net zero energy system, while also benefitting from our unique approach to delivering attractive risk-adjusted returns and positive local impact.”

Capital Dynamics’ Clean Energy UK Fund invests in renewable energy projects, primarily in onshore wind and solar. For each project, the Clean Energy Team secures long-term, fixed-price power purchase agreements (PPAs), offering stable returns with strong downside protection.

Other major UK pensions funds, including Strathclyde Pension Fund, Merseyside Pension Fund and further UK LGPS investors have also joined other large global institutions in making significant investments in the fund, recognizing the opportunity for strong long-term, risk-adjusted returns while supporting the UK’s energy transition.

Since 2010, Capital Dynamics has invested directly in UK Clean Energy, acquiring 30 projects with a combined gross capacity of over 560 MW. These initiatives not only enhance Clean Energy capacity and offset carbon emissions but also positively impact local communities. In 2023 Capital Dynamics contributed GBP 242,000 to local causes through its wind and solar assets in the UK through via Community Benefits Funds.

As an early signatory to the United Nations Principles for Responsible Investment (UNPRI), Capital Dynamics is a recognized industry leader in responsible investing, receiving the highest marks from the UNPRI in multiple categories, including a 5-star rating for Clean Energy. In 2024, Clean Energy and Infrastructure VIII SCSp (“CEI VIII”) Fund was awarded *Infrastructure Fund Sector Leader* status in the Global Real Estate Sustainability

Benchmark (GRESB) Assessment, receiving 5-Star GRESB Ratings and a near-perfect score of 99 out of 100 at both Fund and Asset Level, along with top rankings in multiple performance benchmarks.

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About Capital Dynamics

Capital Dynamics is an independent global asset management firm focusing on private assets, including private equity (primaries, secondaries and direct investments) and clean energy.

Established in 1988, the Firm has extensive knowledge and experience developing solutions tailored to meet the exacting needs of a diverse and global client base of institutional and private wealth investors. Capital Dynamics oversees more than USD 14 billion in assets under management and advisement^[1], and employs approximately 150 professionals globally across 13 offices in Europe, North America, and Asia.

Capital Dynamics is a recognized industry leader in responsible investment, receiving top marks (Five Stars) from PRI across all categories and investment strategies, as well as in GRESB benchmarking for its clean energy strategy.

For more information, please visit: www.capdyn.com

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¹ As of September 30, 2024. Assets under Management are calculated based on the total commitments as of the final closing date for all funds currently managed by Capital Dynamics, including amounts that have been distributed. Assets under Advisement includes assets for which Capital Dynamics provides services such as reporting, monitoring and risk management.