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Press Release

23rd May 2018

Investors Take a Shine to Solar Power Infrastructure

Solar power assets make up a larger proportion of renewable energy infrastructure deals as industry matures

The infrastructure deals market witnessed record levels of deal activity in 2017, and renewable energy deals were a key driver of that, accounting for almost 50% of the number of deals globally. In total, 1,349 renewable energy deals were completed, worth $77bn. Since 2008, wind power has accounted for the largest proportion of renewable energy deals, but the proportion of deals made in solar power has steadily been increasing. As at April 2018, investments made into solar power have accounted for over half (51%) of the 362 energy deals announced in the year so far – outpacing investments in wind power for the first time. In a similar fashion, secondary stage transactions have made up a growing proportion of the number of renewable energy deals, accounting for the majority of deal activity in the renewables sector every year since 2015.

For more information and analysis, see the full *Renewable Energy Infrastructure Factsheet* here:
http://docs.preqin.com/reports/Preqin-Renewable-Energy-Infrastructure-May-2018.pdf

Key Renewable Energy Infrastructure Facts:

- **2017 saw a record 1,349 renewable energy deals, worth $77bn**. Wind power assets accounted for 584 deals, the most of any sector.
- In fact, from 2008 to 2017**, wind power has accounted for the largest proportion of renewable energy deals**, accounting for 41% of the number of deals in 2016 and 43% of deals in 2017.
- However, since 2008, **solar power deals have accounted for an increasing proportion of renewable energy deals**: in 2008, solar power made up 13% of the number of deals, and in 2017 accounted for 35%.
- In 2018 so far, there have been 362 renewable energy infrastructure deals worth $17bn. **Solar power has accounted for over half (51%) of the number of deals**, while wind power has made up 38%.
- As the renewable energy industry matures, **secondary stage deals have become more prominent**: in 2008, they accounted for 45% of the number of deals, but that rose to 61% in 2017, and 61% in 2018 YTD.
- **2017 also saw the largest renewable energy infrastructure deal completed ever** when Taiwan Strait Wind Assets was bought by Copenhagen Infrastructure Partners for $180bn TWD ($6.0bn).
- Interestingly, despite accounting for just 10% of renewable energy infrastructure deals in 2017, **two of the largest five deals in in 2017-2018 YTD were hydropower-focused**: Aankhu Khola Hydro Power Plant was acquired by Hydro Solutions for $4.5bn, and Muskrat Falls Hydroelectric Project was acquired by Nalcor Energy for $2.9bn.

Patrick Adefuye, Head of Real Assets Products:

"2017 was a banner year for infrastructure deal activity, with renewable energy witnessing a record number of deals completed. Typically, investors in renewable energy focus on wind power assets, but solar power is accounting for an increasing proportion of deal activity. In 2018 so far, solar power has actually accounted for over half of the number of renewable energy infrastructure deals, up from a third of deals it represented in 2017. Key drivers of this growth include China's change in government policy, as the administration pushes to expand solar power in the country.

Secondary stage deals have seen a similar trend; in 2009 these kinds of transactions made up a third of the number of renewable energy deals, but they made up over 60% of deals in 2017. This is likely due to the maturation of the renewable energy sector; as the industry grows, there are more opportunities for firms to buy up pre-built assets. The growth of secondary stage deals could even imply that we are reaching a critical mass in the industry – it is now viable for investors to opt for lower risk/return strategies within renewable energy, rather than relying on predominantly new-build strategies."

For more information, contact our dedicated press team at press@preqin.com or call (+44) 20 3207 0265.

New York	London	Singapore	San Francisco	Hong Kong	Manila	Guangzhou
+1 212 350 0100	+44 20 3207 0200	+65 6305 2200	+1 415 316 0580	+852 3892 0200		

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