

Innova Energy completes £30m refinancing with NatWest to continue its growth in renewable energy

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[InnovaEnergy](#) (“Innova”), a private equity-backed renewable energy generator has secured £30m of debt funding from NatWest to finance a mixed portfolio of UK rooftop and ground-mounted solar PV¹ projects with a total installed capacity of 57 MW. The funding makes up part of NatWest’s commitment to provide £20bn of funding for climate and sustainable finance by the end of 2022 to accelerate the transition to a low carbon economy.

This transaction represents one of the first SONIA⁴ based loans for a project finance funding requirement. The loan references recently-announced [Sterling Risk-Free Rates Working Group](#) recommendations on compounding. At the same time, through NatWest Markets, the SONIA floating rate has been fully hedged to match the compounding methodology.

The portfolio of solar projects is part of Innova’s strategy and commitment to invest in quality assets generating green power across a diverse range UK sites, including selling power to industrial and commercial customers. The projects are accredited under both the government’s ROC² and FIT³ regimes.

The Innova portfolio generates 53.5GWh of electricity from solar and helps abate approximately 21,400 tonnes CO₂ per annum.

Andrew Kaye, Director of InnovaEnergy commented:

“We have enjoyed working in partnership with NatWest to deliver secure low-cost finance, hedged interest rate and inflation risks and to create a platform for future growth. NatWest’s commitment to the low carbon economy and flexible approach has helped us to do this. We are now ideally placed to continue providing locally-generated green solutions to energy users across the UK.”

Gauri Kasbekar-Shah, Director, Project and Infrastructure Financing at NatWest added:

“As the leading lender to the UK renewables sector⁵, we are delighted to be able to support Innova to enable them to continue to grow their green energy portfolio, helping to contribute to our move to a low carbon economy. We have worked together on this innovative SONIA-based solution, which we believe to be the first for a renewables project finance deal and a template for future transactions in the sector.”

Notes:

1. Solar PV – photovoltaic systems convert solar radiation into electricity
2. ROC – Renewables Obligation Certificates. A government scheme to encourage the deployment of large-scale renewable electricity in the UK

3. FIT – The Feed-in Tariffs (FIT) scheme is a government programme designed to promote the uptake of renewable and low-carbon electricity generation technologies
4. SONIA – the Sterling Overnight Index Average rate
5. NatWest is the leading lender to the UK renewables sector according to InfraDeals.