

Iona Capital

Iona Capital was established in 2011 and manages funds for institutional investors that provide equity and subordinated debt into renewable infrastructure projects in the bioenergy sector.

Iona works closely with UK and international waste management industry stakeholders to source long-term projects, which it prepares for investment. Iona will finance projects from planning consent through to construction, with the intention of holding the operational plants through their economic life.

Its investment and asset management experience within the waste and renewables sectors demonstrates that investment in sustainable, low carbon businesses and projects can deliver above market risk-adjusted returns.

The company currently has £260m of assets under management.

GLIL Infrastructure investment

GLIL Infrastructure first partnered with Iona in 2015, investing into Iona Environmental Infrastructure LP 2 (IEILP 2), Iona's second fund offering. The fund's primary strategy is to invest in bioenergy infrastructure projects in the UK. It has since followed its initial investment with a further commitment to IEILP 3.

Through IEILP 2, GLIL Infrastructure is supporting the development and use of well-proven biological and thermal conversion technologies, such as Anaerobic Digestion (AD) and biomass Combined Heat and Power (CHP), among others. As for IEILP3, the fund's primary strategy is to invest in bioenergy infrastructure projects in the UK.

For GLIL Infrastructure, the investment provides attractive returns with a strong cash yield and inflation-linked revenues in the form of Renewable Obligation Certificates (ROCs), Feed in Tariffs (FITs) and Renewable Heat Incentives (RHIs). Furthermore, there is risk mitigation through Engineering Procurement and Construction contracts (EPCs) with construction partners, while project operators are similarly aligned with long-term feedstock supply contracts in place.

Achievements

- GLIL Infrastructure's investment immediately provided capital funding for Leeming Biogas, a biogas to grid plant in Yorkshire.
- The IEILP 2 fund is now fully invested across eight assets, with the majority of these now 'fully operational' and ramping up production towards expected capacity.
- IEILP 3 has now made four investments in sites across the UK.

ESG

Our work with Iona Capital is developing the UK's bioenergy infrastructure for a more sustainable future. From construction to operation, environmental impact is considered, monitored and mitigated wherever possible.

