

IJInvestor Awards 2022 – Renewables and Energy Transition, Americas

Angus Leslie Melville

07/12/2022

Blackstone Infrastructure Partners' taking of a minority stake in Invenery Renewables for around \$3 billion wins the Americas Acquisition of the Year for the IJInvestor Awards 2022.

The deal was celebrated by the judges for "creating a monster player in the market" with another saying that it was "such a massive deal that it deserves recognition".

Invenery is the largest privately-held renewable energy franchise in North America, led founder and chief executive Michael Polsky.

It has long been regarded as one of the most successful renewable energy developers with a strong track record of developing projects across the US for utilities and other investors – responsible for delivering some 11% of the nation's installed solar and wind capacity to date.

In recent years, Invenery's development pipeline has grown significantly and it has taken on an array of mega projects including:

- \$11 billion Clean Path NY transmission line and associated generation
- \$10 billion Grain Belt (Midwest) transmission line and generation
- \$6 billion Leading Light Offshore Wind

Given the substantial capital needs of the energy transition, Invenery saw an opportunity to partner with Blackstone Infrastructure Partners (BIP) alongside its existing long-term partner – Caisse de dépôt et placement du Québec (CDPQ).

BIP's investment will primarily help Invenery fund its development capital needs, and also included a secondary component. Invenery remains the managing member alongside economic investors BIP and CDPQ.

CIBC and Lazard acted as M&A advisors to Blackstone on the transaction having been in dialogue with Invenery for more than 4 years prior to making the investment.

As a minority common equity investment, without affirmative controls, Blackstone and Invenery needed to align early on a long-term business plan, and mutual trust was critical.

They had to find the right mix of negative controls without any fear of losing the nimbleness that had made this private developer with a visionary founder successful. The long-standing relationship made this possible.

The bilateral nature of the transaction – with no formal M&A process (no sell-side advisers were engaged) – introduced additional complexity. This required all parties to be flexible and work closely together in developing the structure and arriving at a value upon which all parties could agree in a timely manner.

Thank you for printing this article from IJGlobal.

As the leading online publication serving the infrastructure investment market, IJGlobal is read daily by decision-makers within investment banks, international law firms, advisory firms, institutional investors and governments.

If you have been given this article by a subscriber, you can contact us through www.ijglobal.com/sign-up, or call our London office on +44 (0)20 7779 8870 to discuss our subscription options.