

KGAL gets green light for three large-scale solar PV projects in Italy

Grünwald, 09/06/2022 - The approved solar parks located in the Lazio region and in Sicily will have a total output of approximately 380 megawatts (MWp). They will be successively connected to the grid from the first quarter of 2024. Together with other projects, KGAL is developing solar and wind parks with a total capacity of more than 1.2 gigawatts in the highly attractive Italian market. Institutional investors of the funds KGAL ESPF 4 and KGAL ESPF 5, which is currently being marketed, will participate in these promising investments.

The combination of strong solar radiation and above-average electricity prices make Italy one of the most attractive markets in Europe for solar PV projects. In addition, the Italian government has encouraged the expansion of renewable energy generation with the introduction of legislative initiatives in the past year. In doing so, the share of green energy within the total energy consumption is set to rise rapidly from 20 percent in 2020 to 30 percent in 2030. "The approval procedures have become much simpler and faster," explains Michael Ebner, Managing Director of Sustainable Infrastructure at KGAL Investment Management. "KGAL, which is one of the largest solar PV investors in Italy, is benefiting from the growing momentum with its renewable energy funds and is, in turn, making a significant contribution to achieving the expansion targets."

Among the KGAL projects that will soon go under construction is Tuscania, one of the largest solar parks ever approved in Italy with a capacity of 150 MWp. Just 30 kilometres away, KGAL has also achieved ready to build status for the Vitorchiano solar park which has around 90 MWp. The location of these two plants between the north of Italy and Rome is strategically advantageous, as higher electricity prices can be achieved in this region. The third approved solar park, Pietra Monreale, which has an installed capacity of 140 MWp, is being built in Sicily offering strong solar radiation. In addition to electricity generation, the land surrounding this so-called agricultural solar park will also be used for farming purposes such as olive and fruit cultivation.

Green electricity for 600,000 households

The Pietra Monreale solar park is part of KGAL's extensive project pipeline in Sicily, which will be expanded to 700 megawatts of installed capacity in several sections over the next few years. KGAL ESPF 4 accounts for one part of this pipeline, while its successor KGAL ESPF 5 accounts for the remainder. This new KGAL impact

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fund also recently acquired a majority stake in Italian project developer Baltex Progetti, which has a solar and wind pipeline of more than 300 megawatts of capacity. Altogether, these Italian projects have a development potential of more than 1.2 gigawatts - theoretically being able to supply around 600,000 households with green electricity.

"KGAL ESPF 5, which had its first closing last December, continues to pursue the very successful Core+ strategy of its predecessor, but also complies with the even stricter ESG criteria for SFDR Article 9 funds," explains Florian Martin, Managing Director with responsibility for institutional clients at KGAL Investment Management. "Within a matter of months, the fund management team was able to allocate more than 50 per cent of the fund's initial capital to four projects. Following the successful launch of the fund, investor interest in KGAL ESPF 5 remains strong."

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