

KGAL concludes power purchase agreement with Shell for solar PV park near Magdeburg

Grünwald near Munich, 11.03.2025 – KGAL has concluded a ten-year power purchase agreement (PPA) with Shell Energy Europe Limited (Shell) for its 60-megawatt Calvörde Ost solar park near the German city of Magdeburg. Under the agreement, Shell will purchase the entire electricity production of the project. KGAL acquired Calvörde Ost at an early stage for the KGAL ESPF 5 renewable energy fund in 2023 and brought it through development and construction to grid connection as planned. Thanks to the value added, the project exceeds the return targets of KGAL ESPF 5.

Calvörde Ost has been feeding green electricity into the grid since autumn 2024. “With the PPA, we have now reached another important milestone,” says Katrin Werner, Head of Performance Management at KGAL. “We are securing attractive long-term cash flows for our investors.”

The solar park is expected to generate almost 60,000 megawatt hours of green electricity per year. This will supply around 29,000 households and avoid 39,000 tonnes of CO₂ emissions.

Due to excellent cooperation with the project developer on Calvörde Ost, KGAL has further expanded its local involvement and also invested in the Calvörde West (40 MW) and Grauingen (20 MW) solar parks. Their grid connection is planned for autumn 2025.

Successful fund strategy

The Calvörde Cluster is a prime example of the core-plus investment approach of the KGAL ESPF 5 impact fund, which was launched in 2021 and targets double-digit returns, focusing on investments right from the development phase. To date, the fund has exceeded its ambitious return target.

KGAL was legally advised by LPA on the transaction.

Please quote KGAL when using the images.

KGAL is a leading independent investment and asset manager with an investment volume under management of around 15 billion euros. Its investments focus on long-term real capital investments for institutional and private investors in real estate, sustainable infrastructure and aviation. The group, which operates throughout Europe, was founded in 1968 and is based in Grünwald near Munich. 393 employees contribute to achieving sustainably stable returns, taking into account return and risk aspects (as at 31 December 2024).

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