CASE STUDY

INDUSTRIAL ENERGY EFFICIENCY UPGRADES FOR LEADING DUTCH DAIRY PRODUCER

CONFIDENTIAL

Case Study: Delivering permanent energy reductions for Dutch dairy producer through industrial efficiency upgrades

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PROJECT INFORMATION

End customer	Dutch dairy producer
Project location	32 projects across multiple sites in NL, DE, BE
Technology	Industrial Energy Efficiency installations including heating, cooling, LED lighting, boiler replacements
Business model	Energy Performance Contracts
Project tenor	4-10 years
Impact	20-40% energy savings (depending on technology)

ENCORE Efficiency is a German Energy Service Company (ESCO) specialised in industrial energy efficiency projects. It enters long-term energy performance contracts (EPCs) with large corporates for their EE projects. Customers pay a fixed monthly fee over the project tenor, removing any upfront investment costs for the installations while energy savings are guaranteed by Encore through EPCs.

Solas Capital has arranged a long-term financing agreement with ENCORE to purchase receivables/bonds from the ESCO's existing and future projects. Solas takes over the credit risk of the customers who agree to pay irrespective of the performance of the projects. The majority of the ENCORE portfolio consists of 32 projects implemented for a leading Dutch dairy producer across multiple of its manufacturing facilities, supporting their decarbonisation journey.

Contracted cash flows backed by investment grade off-taker, delivering €40.5 million in energy cost savings

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IMPACT HIGHLIGHTS

967’000 MWh primary energy savings achieved across 32 projects

192’000 t GHG emissions savings from reduced fossil fuel demand

EUR 40.5M energy costs savings generated for the company

Note: Project impact figures are measured across the investment period

INVESTOR HIGHLIGHTS

Liability-matching cash flows

Fully contracted, amortizing revenue base with high cash yield

Investment-grade off-take

Exposure to credit-worthy private credit multi-financing deals

EU-taxonomy eligibility

Delivering verified GHG reductions and energy savings, contributing to industrial decarbonisation and competitiveness

Solas Capital's commitment and structuring know-how are indispensable for us at ENCORE Efficiency when it comes to investing in projects and thus supporting our customers from industry and commerce on their "Path to Zero". Solas Capital fills a strategically highly important financing gap left by traditional financial institutions. For ENCORE Efficiency, Solas came at exactly the right time in the energy efficiency market. We are grateful for this fruitful cooperation.

Peter Eilers, Managing Director of ENCORE Efficiency

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SOLAS CAPITAL

We bridge the energy efficiency funding gap!

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