

KGAL and Edison sign power purchase agreement for 150 MW solar park in Italy

Grünwald, 10.10.2023 – KGAL Investment Management has signed a 10-year power purchase agreement (PPA) with the Italian utility Edison for its “Tuscania” solar park, an asset held by the KGAL ESPF 4 fund. “Tuscania” is located in the Lazio region and, with its 150-megawatt capacity, is one of the largest solar parks in Italy. Electricity production is scheduled to start in the second half of 2024, following completion of the construction phase. The solar park will produce approximately 240 gigawatt hours of electricity per year and thus avoid more than 100,000 tonnes of CO₂ emissions annually.

KGAL has been active in the Italian renewable energy market since 2010. Its portfolio includes more than 30 solar parks and hydropower plants. Further solar parks and wind farms, with a total capacity of more than 500 MW, are in the planning phase or under construction. “Italy is one of the most important markets in our European renewable energy portfolio. The country scores highly due to its strong solar radiation, wind conditions, and the political will to drive the expansion of renewable energies,” says Katrin Werner, Head of Project Implementation Sustainable Infrastructure at KGAL. “Much of the electricity produced by our ‘Tuscania’ plant will go to our contractual partner Edison at a fixed price over a 10-year period. For KGAL ESPF 4 investors, the PPA represents an attractive, long-term source of income. In addition, we are pleased to support Edison, as one of Italy’s leading electricity suppliers, in its ambitious decarbonisation plans.”

“Thanks to this agreement we have made it possible to create a strategic infrastructure for the energy transition and the achievement of the 2050 decarbonisation targets”, commented Fabio Dubini, Executive Vice President Gas & Power Portfolio Management & Optimisation at Edison. “We at Edison have an important organic development plan to increase green installed capacity from the current 2 GW to 6 GW by 2030, accompanied by the goal of increasing renewable production to 40 per cent. With agreements like this one with KGAL we offer an important stimulus to the market in bringing new renewable megawatts on the ground and at the same time we make our portfolio more competitive and diversified”.

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KGAL was advised on contract terms by the law firm Green Horse and is implementing the project in collaboration with Comal SpA, CR Project Service Srl and Nousfera Lab Srl.

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KGAL is a leading independent investment and asset manager with a managed investment volume of more than €16 billion. The focus of its investments is on long-term real capital investments for institutional and private investors in real estate, sustainable infrastructure and aviation. The pan-European group was founded 55 years ago and is headquartered in Grünwald near Munich. 353 employees contribute to achieving sustainably stable earnings, taking into account return and risk aspects (as of 31 December 2022).

EDISON is a leading energy company, with 140 years of history and records that make it Europe's oldest operator in the sector. The company, which started operations in Milan in December 1883, ushered in the beginning of a new era through the country's electrification process, making a tangible contribution to Italy's social, cultural, economic and industrial progress. Today Edison employs over 5,500 people, operating in Italy and Europe in renewable and low-carbon production, natural gas procurement and sales, sustainable mobility, and through Edison Energia and Edison Next in energy, environmental and value-added services for customers, companies, territories and Public Administration. The Group is at the forefront of the energy transition challenge, consistent with the UN Sustainable Development Goals and European decarbonisation policies.

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