

Christopher Osborne

From: Taryn McHenry
Sent: 29 April 2014 12:39
To: Christopher Osborne
Subject: FW: UK Green Investment Bank: NI AD opportunities in farming sector

Hi Chris,

Ronit contacted me today about this. What are your thoughts on our potential involvement in this?

All the best

Taryn

Taryn McHenry

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Communications Manager
Ulster Farmers' Union

Tel: 02890 370 222

Mob: Personal information redacted by the RHI Inquiry

Web: <http://www.ufuni.org>



From: Ronit Wolfson [mailto:Ronit.Wolfson@greeninvestmentbank.com]
Sent: 29 April 2014 11:02
To: Taryn McHenry
Subject: UK Green Investment Bank: NI AD opportunities in farming sector

Hi Taryn,

Thanks for your time on the phone, it was good to talk to you.

As discussed, we are looking at hosting an event in Northern Ireland (provisionally 2nd June) to announce an investment into a farm-scale anaerobic digestion project in County Tyrone. We expect this to be the first of several.

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This would be a media event, with NI media invited to attend. Trade media would also be invited, but attendance is unlikely given that they are mostly based in England.

Provisionally, the event would include:

- UK Green Investment Bank
- NI Govt Ministers - tbc but likely Agriculture & Rural Development / Environment
- Foresight (our fund managers)
- KMPG (who work on behalf of PAR)
- PAR Renewables' farmers
- Invest NI (tbc)
- DEFRA (tbc)
- Ulster Farmers' Union

The format would be agreed, but would be likely to include a tour of the farmers' land / the site of the AD plant, speeches, photos and media interviews.

I would really like to invite a wider group of farming industry stakeholders, ideally with UFU's help.

The objective of the event would be to raise awareness of the opportunities for anaerobic digestion within the NI farming community.

I have attached a (very rough!) draft of a press release below, which should hopefully give you a flavor of the deal.

Would be great to get your thoughts.

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About the Green Investment Bank (GIB)

The UK Green Investment Bank was launched in November 2012. With £3.8 billion of funding from the UK Government, it is the first bank of its kind in the world. It is a "for profit" bank, whose mission is to accelerate the UK's transition to a greener economy, and to create an enduring institution, operating independently of Government.

www.greeninvestmentbank.com

Best wishes,

Ronit

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Green Investment Bank and Foresight help Northern Ireland farmers boost their income and become more environmentally friendly

The UK Green Investment Bank plc (GIB) and Foresight Group are working to help farmers in Northern Ireland become more sustainable and create an additional source of income.

They have today announced investment into a project, planned to be the first of many, to construct an anaerobic digestion plant in Cookstown, County Tyrone. The plant will be run and used by a group of three local livestock farmers, who have developed the project alongside their adviser, KPMG.

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Anaerobic digestion is a natural process in which micro-organisms break down organic matter into biogas and digestate. This means that it is an efficient way for farmers to deal with the large volumes of waste created by livestock farming. The biogas is then turned into electricity, which can be used on-site or sold to the national grid. The digestate is used as fertiliser which can be spread on farmland.

The main benefit of anaerobic digestion for farmers is that electricity, which can be sold to the national grid, can be generated from a waste product without depriving the soil of essential nutrients.

Shaun Kingsbury, Chief Executive, UK Green Investment Bank, said:

"We need to change how we look at waste, as a valuable resource which can be used again. Anaerobic digestion is a great opportunity to provide a boost to the local agricultural economy, whilst also reducing greenhouse gas emissions.

Anaerobic digestion is one of the most promising renewable energy technologies in Northern Ireland, with the potential for it to grow by over XX% [RW1] in the coming years. There are sources of finance out there for the farming community to tap into, and we are working hard at GIB to help make that capital more readily available."

There are currently seven operational anaerobic digestion plants in Northern Ireland, with another c. 130 in development or planning, most of which are small scale and based on farms.

While the UK-wide anaerobic digestion market in general is showing strong growth, the Northern Ireland market in particular is now one of the most attractive anaerobic digestion locations in Europe, thanks to enhanced government support and ideal environmental conditions (e.g. strong silage production capabilities).

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The Cookstown project is being financed by GIB via its Foresight-managed fund, UK Waste Resources and Energy Investments (UKWREI) alongside local leading engineering solutions provider Williams Industrial Services Ltd (part of WIS Group), who will also build and maintain the plant. Both parties are investing c. £1.5m.

The farmers manage around 1,240 acres of land between them, which could produce over 40,000 tonnes of waste each year. This includes slurry, silage and other farm waste. Of this, 18,500 tonnes will be used to power the anaerobic digestion plant. The 4,000 MWh energy expected to be produced by the plant each year will be sold into the national grid, and the farmers will use the digestate as fertiliser.

It will also have a significant green impact, by reducing greenhouse gas emissions, as organic waste emits greenhouse gases if left to decompose on the land.

The farmers have a long history of cooperation and already pool machinery and infrastructure. Speaking on behalf of the group, PAR Renewables, Rodney Sloan said:

"We took the decision to develop an on-farm anaerobic digestion plant over three years ago, pooling the resources across our three farm enterprises. While we received planning permission nearly two years ago, the lack of suitable funding in the market has delayed the project's development and we are therefore delighted to have worked with the GIB, Foresight, KPMG and Williams Industrial Services to secure a funding package tailored specifically to our project's requirements.

As well as representing a significant investment into the local Cookstown area, the plant will support construction and operational jobs, while supplying renewable energy into the local electricity grid"

Philip Kent, Senior Investment Manager, Foresight Group, said:

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Foresight is pleased to have worked with the GIB, KPMG and Williams Industrial Services to develop a platform for the deployment of small scale anaerobic digestion facilities, which we hope will be applied to multiple projects across Northern Ireland over the coming months. The Cookstown project represents an excellent example of farmers working in co-operation to deliver a fundable proposition and we will be working closely with them as the project progresses through construction, accreditation and enters operations.

Russell Smyth, Associate Director, KPMG (Belfast), said:

Despite being one of Northern Ireland's most promising renewable technologies, local farmers and developers have to date found it challenging to secure appropriate funding. KPMG is therefore delighted to have supported the development of this dedicated funding platform, which has been developed from the ground up to meet the specific needs and objectives of Northern Ireland farmers and developers. We now look forward to rolling this funding solution out across our wider client base.

INSERT NI MINISTER QUOTE

INSERT INVEST NI QUOTE

INSERT DEFRA QUOTE

John Toner of WIS Group said we are delighted to be working with along with Foresight, GIB, KPMG and Par Renewables to deliver the first GIB funded plant in N Ireland. Anaerobic Digestion represents a tremendous and sustainable revenue opportunity not only for the NI Agricultural Community but also the wider UK agricultural sector. We are very pleased to have been selected as the Technology of Choice, and exceptionally proud that the investment in this project will continue to support local Northern Ireland jobs.

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Ronit Wolfson
Media Manager

UK Green Investment Bank plc | Atria One | Level 7 | 144 Morrison Street | Edinburgh | EH3 8EX |

Phone: 0330 123 2134

Mobile: Personal information redacted by the RHI Inquiry

www.greeninvestmentbank.com

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