INTERVIEW

Below is an interview with Tarun Agrawal conducted by New Project Media (NPM), published on their platform on December 10, 2024.

Ampyr Solar Europe expects to close on up to three asset acquisitions by Q1 2025; targets 1 GWp of operating and under construction assets by the end of next year

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by Amanda Jasi

Ampyr Solar Europe (ASE) is in exclusive acquisition talks for multiple developments and expects to close on at least two or three near-RtB solar projects between now and Q1 2025, CEO Tarun Agrawal told NPM.

Agrawal did not identify specific assets, but said they range between 50–75 MW and 100–125 MW depending on the country. ASE focusses on developing solar PV and co-located batteries in Germany (40–45% of ASE's portfolio), the UK (30–35%), and the Netherlands (10–15%).

The acquisitions approaching a close are amongst multiple conversations that Agrawal said are constant for ASE.

"Acquisition is the constant theme at ASE," said Agrawal. The developer looks to obtain assets at various stages of development to further its pipeline, but focusses primarily on ready-to-build or fully permitted projects.

"Currently we see a fairly deep and liquid market for assets which are permitted," he added. "We continue to be engaged in several discussions across all the three countries, on assets which are either permitted or under construction, or even assets which are operating."

The developer finances its acquisitions through an existing holdco facility.

"We have a holdco facility which enables us to fund our development [and] acquisition," said Agrawal. The EUR 400m debt facility was provided by ASE's corporate level capital partner CarVal in Q1 2022.

For construction, ASE relies on facilities from Rabobank and NORD/LB (Norddeutsche Landesbank Girozentrale). The EUR 200m framework project finance from Rabobank supports construction in the Netherlands, while a similar EUR 200m facility from NORD/LB – announced in November – is focused on projects in the UK and Germany.

In this regard, Agrawal noted that construction capex for solar PV panels has seen pretty stable EPC pricing at between EUR 350,000 / MWp to EUR 400,000 / MWp, driven by a stable supply chain.

"But that is only the solar PV component, there is still the transmission line and there's still the substation, and those costs can vary," added Agrawal. "The attributes of transmission lines can depend on the distance, substation depends on the capacity, and that can be variable depending on the project."

For BESS it is more difficult to give a per MW figure.

"It depends on how many hours of storage you have and how you intend to use it," said Agrawal.

"If you use the BESS, more frequently – that means you do more than one cycle per day – then the cost of the BESS would increase. If you use it less, it reduces. How long do you want the BESS to be, 10 years, 15 years, and multiple other factors."

But on average, Agrawal said ASE is seeing costs in the range of EUR 175,000 / MWh to EUR 200,000 / MWh.

Projects under construction

Currently, ASE has 500 MW of assets at various stages of construction and expects 100 MW to enter operation in Q1 2025, and another 50–75 MW in Q2 2025.

Around 85% of the projects under construction are solar, and the remaining portion accounts for co-located batteries which are part of a newer strategy for the developer.

These projects will soon bolster an operating portfolio of 50 MW of solar, as ASE looks to have 1 GWp of solar either operating on under construction in 2025.

Agrawal noted that ASE's 1 GWp goal is not far past the horizon. On top of the operating portfolio and projects already under construction, the developer has 350 MW in the final stages of permitting, with the permit expected over the next couple of quarters, and another 150 MW for which permitting is expected in the second half of next year.

Overall, ASE's pipeline, including projects for which they are scouting land and beyond, stands at 7 GW.

Around 40%, or around 2.8–3 GW, is under active development. This means the projects have surpassed the first stage of development permitting and have secured land and grid.

The active development portion includes the projects under construction.

Agrawal explained that ASE anticipates growth of solar in all the markets it currently operates which will enable it to add further capacity to its portfolio moving forward.

From 2026 onwards the developer intends to deliver 750–800 MW of capacity annually, operating or under construction. "That is what we are building this organisation for, and that is our medium term target," Agrawal said.

Furthermore, the developer may diversify into new markets and technologies such as standalone batteries.

Market focusses

As ASE targeted initial delivery of 1 GWp in operation or under construction, the developer chose to focus on a few, limited markets to ensure it was not “spread too thin”, Agrawal explained.

It opted for Germany, the UK, and the Netherlands primarily due to the stability of the power markets and the regulatory environments.

“All these three markets enjoy fairly stable and robust subsidy regimes, whether it’s EEG in Germany, SDE in the Netherlands, or CfD in the UK,” said Agrawal. “Plus Germany being the largest of the markets in Europe provides us with enough capacity to be able to scale to the first gigawatt.”

In the UK, Agrawal said that ASE plans to enter most permitted projects into the CfD scheme.

Meanwhile in Germany, though the government-backed EEG regime is robust, there are limitations on capacity for entry, as well as restrictions on the classifications of land that can qualify for entry.

“Hence in Germany we have pretty active corporate PPA engagements,” Agrawal said. “We talk to multiple corporates all the time and we bolt the corporate PPAs on top of the EEG for our German assets.”

Similarly, ASE’s projects in the Netherlands benefit from the SDE scheme as well as corporate PPAs.

These contracts will put ASE’s projects in a good position for sale, with divestment a constant area of analysis and discussion for the developer.

“As more and more assets come into operations, organisations like ourselves [with] the capital structure that we have – which is more oriented towards development and construction – we are not the natural holders of these assets in the long term,” said Agrawal.

Raising capital to hold assets in the long term may be a strategy that ASE considers in future, but in the near-term Agrawal said it will work to find the right long-term home for its operating assets.