

Canadian money funds U.K. offshore wind farm

A major Canadian institutional fund manager is betting almost \$12-billion on the future of wind energy in partnership with DONG Energy of Denmark and two other companies.

La Caisse de depot et placement du Quebec last Friday inked an agreement to become a 25% owner of a 630 MW offshore wind farm in the U.K. by purchasing half of DONG's 50% share of what's known as London Array 1.

London Array 1 is the World's largest offshore wind farm and is located around 20km off the coasts of Kent and Essex on a 245 square km site. It covers an area of 90 square km and includes 175 turbines with a combined capacity of 630MW.

La Caisse describes itself as a financial institution that manages funds primarily for public and private pension and insurance plans. As at June 30, 2013, it held \$185.9 billion in net assets. As one of Canada's leading institutional fund managers, La Caisse invests in major financial markets, private equity, infrastructure and real estate globally.

DONG is one of the leading energy groups in Northern Europe. Our business is based on procuring, producing, distributing and trading in energy and related products in Northern Europe. DONG Energy has approximately 6,500 employees and is headquartered in Denmark. The Group generated DKK 67 billion (EUR 9.0 billion) in revenue in 2012, the company says.

According to a joint release, La Caisse paid a total of GBP 644-million (pounds Sterling) for the share. Each pound is worth \$1.83 Canadian dollar.

The other partners in the London Array are: E.ON (30 per cent) and Masdar (20 per cent). DONG Energy will remain the service provider of O&M services to London Array. Munich and Berlin-based Siemens AG is the turbine supplier.

Dusseldorf, Germany-based E.ON was formed in June 2000 by the merger of VEBA and VIAG, two of Germany's largest industrial groups, each with an impressive history in its own right, beginning with their founding in the 1920s.

At facilities across Europe, Russia, and North America, our more than 72,000 employees generated just more than EUR132 billion in sales in 2012. We have an ambitious objective: to make energy cleaner and better wherever we operate, E.ON says on its website.

Masdar is based in the United Arab Emirates. Chairman Ali Al Sayegh says in a website statement that the UAE has made a long-term and deeply strategic commitment through Masdar to invest in renewable energy and sustainable technologies. In fact, Masdar, which was established in 2006, is a key pillar in Abu Dhabi's much broader vision toward sustainable economic development and diversification, and the fostering of knowledge-intensive industries. Through Masdar, the emirate not only demonstrates responsibility as an oil and gas producer, but also extends its energy leadership into the vitally important field of renewable energy.

This strategic objective of Masdar reflects the company's position as a wholly owned subsidiary of the Mubadala Development Company, which was formed by the Abu Dhabi Government as one of the drivers for the realization of the emirate's economic vision. Masdar aims to make Abu Dhabi a source of renewable energy knowledge, development, implementation and sustainable development, Ali Al Sayegh says in the published statement.

The Ontario government backed off plans to approve offshore wind farms almost four years ago in the face of public opposition, most notably by residents of the Scarborough Bluffs.

By Wes Keller