



PRESS RELEASE

31st May 2023

Statkraft, Foresight and Progressive Energy launch Grenian to deliver Green Hydrogen

- **Statkraft, Foresight and Progressive Energy form Grenian Hydrogen Limited, a new joint venture company**
- **Grenian has an initial 200MWe development portfolio of seven projects, 100MWe of which are currently in the engineering and consenting phase; these include the Cheshire Green Hydrogen project, recently shortlisted by government for support through the first Hydrogen Allocation Round (HAR1)**
- **Grenian has signed initial commercial terms with Accelera™ by Cummins, the zero-emissions brand of Cummins Inc., to provide the core electrolyser technology for the initial projects**

Statkraft, Europe's largest generator of renewable energy; Foresight, the sustainability-led alternative assets investment manager; and HyNet founding partner, Progressive Energy, have formed a joint venture company, Grenian Hydrogen, to develop electrolytic (or 'green') hydrogen projects in the UK.

The partnership draws upon the unique skills and experience of each organisation and offers a bankable solution to major manufacturers seeking to switch away from natural gas to decarbonise operations using hydrogen. Grenian will make the transition seamless for customers by designing, building, owning and operating hydrogen production facilities and will leverage Progressive's experience in running commercial-scale hydrogen demonstration projects, for example at Unilever's Port Sunlight manufacturing plant, to support the conversion of sites to be 'hydrogen ready'.

Foresight, as one of the UK's leading investors in Green Hydrogen, will continue to lend its extensive sector expertise in line with its broader sustainable infrastructure strategies.

The flagship 30MWe Cheshire Green Hydrogen (CGH) at Peel's Protos site near Ince has been short-listed by Government for a 15-year Low Carbon Hydrogen Agreement (LCHA). Front End Engineering



Design (FEED) studies and consenting are underway for both CGH and four other projects: in St Helens in Liverpool, Winnington and Middlewich in Cheshire, and Stretford in Manchester. Three of these are also supported by Strand 1 (Round 1) of the Government's Net Zero Hydrogen Fund.

Grenian has also recently submitted Strand 1 (Round 2) bids to support funding of engineering work in relation to two larger 'mini-cluster' projects in Wrexham and Speke (Liverpool). Both of these projects will supply multiple users via local pipeline networks from 'central' electrolytic hydrogen production plants. These local networks may ultimately connect into the larger hydrogen distribution network being developed by Cadent as part of the HyNet project.

Grenian will generate electrolytic hydrogen with power contracted from renewable generation within Statkraft's portfolio. In some cases, local behind-the-meter power will also be sourced, via private wire arrangements, from both new and existing local wind, solar and biomass generation. To meet the requirements of the LCHA, all power used by Grenian electrolyzers will be temporally matched with specific renewable generators.

Grenian has signed an initial commercial agreement with Accelera™ by Cummins, the zero-emissions brand of Cummins Inc. (NYSE: CMI), to supply the core electrolyser equipment for the new production plants. Accelera manufactures a patented PEM (Proton Exchange Membrane) technology, which has a strong track record of commercial operation and is able to offer improved performance when directly coupled to renewables compared with traditional alkaline technology.

Today's announcement follows the signing of an initial collaboration agreement by the three partners in October 2022.

Adam Baddeley (of Progressive Energy), Chief Executive of Grenian Hydrogen said:

"We've been working with Statkraft and Foresight for 18 months now and it's great to formalise the company and launch our new brand. The diverse skills of each partner means that Grenian brings something unique to industrial hydrogen users, which is not offered by the wider market."

"Progressive is delighted to be leading the development of the initial suite of projects on behalf of Grenian and is already driving the expansion of the portfolio with larger-scale"



projects, which will be competitive in later auction-based hydrogen allocation rounds run by Government.”

Matt Kelly, Vice President Hydrogen UK at Statkraft UK said:

“We are pleased to bring our experience in renewables development and energy markets to Grenian. With many companies already sourcing green energy to meet their electricity needs, this is the next step towards complete decarbonization of industry with clean, renewable hydrogen produced locally and flexibly.”

Chris Holmes, Partner at Foresight, added:

“Foresight is delighted to be part of this initiative. We firmly believe in green hydrogen’s potential as a key lever in aiding the energy transition, as evidenced by our other commitments in this sector. The UK’s Hydrogen Strategy and the recent Powering Up Britain announcements, through their combination of policy initiatives, have now accelerated the critical role that green hydrogen will play in the next phase of the UK’s energy transition. This presents an opportunity for Grenian Hydrogen to deliver a much needed low-carbon solution for UK businesses and households”.

ENDS

Notes

The UK Government’s Hydrogen Strategy, published in August 2021, called for 5GW of hydrogen production capacity by 2030. In the Energy Security Strategy, published in April 2022, this target was increased to 10GW, of which at least half is to be green hydrogen.

To help support deployment of its projects, Grenian is participating in the Government’s Hydrogen Allocation Rounds (HARs), which will provide 15-year revenue support for green hydrogen production. The first of these (HAR1) closed in October 2022 and the second (HAR2) closes in Q4 2023. The intention is for the initial portfolio of projects to be operational across the mid-late 2020’s.



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About Progressive Energy

Progressive Energy has significant experience in project origination, development and implementation with extensive experience of overcoming the technical and commercial challenges associated with bringing new technologies to market. The team is passionate about decarbonising the economy by creating meaningful and deliverable projects.

Progressive Energy translates innovative technologies, such as hydrogen and carbon capture and storage (CCS), into concepts and ideas all the way through to their deployment to make a material difference to climate change.

Progressive Energy originated and continues to integrate the development of the HyNet industrial cluster.

For more information, visit www.progressive-energy.com

About Statkraft

Statkraft is a leading company in hydropower internationally and Europe's largest generator of renewable energy. The Group produces hydropower, wind power, solar power, gas-fired power and supplies district heating. Statkraft is a global company in energy market operations. Statkraft has 5300 employees in 21 countries.

Statkraft is at the heart of the UK's energy transition. Since 2006, Statkraft has gone from strength to strength in the UK, building experience across wind, solar, hydro, storage, grid stability, EV charging, green hydrogen and a thriving markets business.

We've invested over £1.3 billion in the UK's renewable energy infrastructure and facilitated over 4 GW of new-build renewable energy generation through Power Purchase Agreements (PPAs).

Across our UK businesses we employ over 450 staff in England, Scotland and Wales and play a key role in helping the global business reach its goal of 9 GW of developed wind and solar power by 2025.

For more information, visit www.statkraft.co.uk



About Foresight Group (“Foresight”)

Foresight Group was founded in 1984 and is a leading listed infrastructure and private equity investment manager. With a long-established focus on ESG and sustainability-led strategies, it aims to provide attractive returns to its institutional and private investors from hard-to-access private markets. Foresight manages over 350 infrastructure assets with a focus on solar and onshore wind assets, bioenergy and waste, as well as renewable energy enabling projects, energy efficiency management solutions, social and core infrastructure projects and sustainable forestry assets. Its private equity team manages eleven regionally focused investment funds across the UK and an SME impact fund supporting Irish SMEs. This team reviews over 2,500 business plans each year and currently supports more than 250 investments in SMEs. Foresight Capital Management manages four strategies across seven investment vehicles with an AUM of £1.3 billion.

Foresight operates in eight countries across Europe, Australia and United States with AUM of £12.2 billion*. Foresight Group Holdings Limited listed on the Main Market of the London Stock Exchange in February 2021. <https://www.foresightgroup.eu/shareholders>

*Based on Foresight Group unaudited AUM as at 31 March 2023