

KEYNOTE INTERVIEW

Ready to build for a new era



Sosteneo Infrastructure Partners' Chris Deves explains why the firm favours a greenfield approach to the energy transition journey

As an investment theme, the energy transition has undeniably evolved in recent years. There's been a noticeable shift from being primarily focused on decarbonisation and allaying climate change to becoming more aligned with security concerns and economic resilience.

In Europe, this has widened the array of energy transition opportunities available for investors and with it the routes that these can be accessed. Chris Deves, partner and head of investor relations at energy transition specialist Sosteneo Infrastructure Partners, discusses why the firm prefers a greenfield approach, as well as the benefits of engaging with assets earlier in their lifecycles.

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Q In what ways are investors looking at the energy transition differently, specifically within a European infrastructure context?

Investors are increasingly looking at European energy assets as part of the region's defence and security agenda. Geopolitics in the past few years has made that shift very noticeable. If your country relies on imported energy, that means strategic risk. The economic impact can be sharp when energy systems are disrupted. Europe

has taken that lesson very seriously and we're entering a phase where clean energy systems' resilience and security considerations are increasingly interconnected.

Inherently, renewable energy generation is also more decentralised. This means nations must use storage solutions and enhance their grid networks to best integrate renewable energy capacity, and reliably so. This is also playing out at the corporate level, where we see assets such as data centres requiring greater investment from an energy security perspective. Reliability is part of their value proposition, which opens the door to bespoke energy solutions.

This all creates a durable opportunity for investors. Capital is going to

keep flowing to the parts of the system that Europe must address if it wants genuine energy independence. That's why the theme sits quite naturally within an institutional infrastructure allocation. This opportunity centres on essential infrastructure that strengthens European security while also delivering attractive returns to LPs.

Q Within this changing lens, is the result a widening spread of opportunities?

Definitely. In many ways, what we're talking about here is like a separate transition within the wider energy transition. If earlier chapters were about making renewables cost competitive, then deploying renewables at scale, we've now reached a pivotal moment: the system itself needs to catch up. Much of today's energy architecture remains, for the most part, designed around the old paradigm of centralised baseload power. This means we see more opportunity in enabling infrastructure like batteries and grid interconnections that help integrate renewable generation effectively.

By way of example, Great Britain is now zero coal and has made a significant shift towards wind and solar generation. Yet a fundamental mismatch remains, with surplus renewable power concentrated in Scotland while the majority of demand sits in the south of England. This locational and time-of-day imbalance between supply and demand is not unique to the UK; it's a persistent and structural feature across several major European countries.

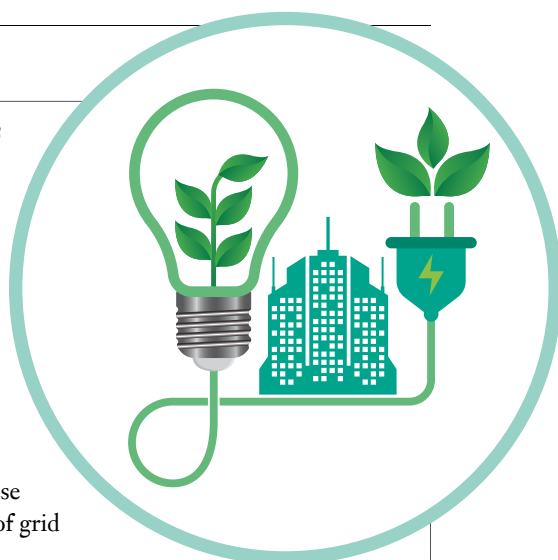
There's nuance though, in areas such as battery storage. We want to play batteries in a way that delivers an infrastructure-style return, which means contracting out the battery solutions. You need some IP to do that. We've got batteries in three different geographies, each with a different contracting structure, but they're all targeting stable and visible cashflows.

Q What are the benefits of prioritising greenfield sites?

For us, we want to invest in a site after development risk has been largely mitigated. This means a permit is in place and the asset's construction is ready to get going. Development risk can involve very long lead times and high mortality risk. Only a certain number of projects see the light of day, and these can be extensively delayed because of grid bottlenecks and the like.

With a greenfield approach, we're looking at infrastructure that helps with the scaling up of the energy transition. By investing around the ready-to-build stage, development risk is behind us, but there's still substantial value creation runway ahead of us – navigating construction, contracting the revenues, arranging the project finance and optimising operations.

Expertise is required to take these themes forward. Case in point, at Sosteneo we were relatively early movers in European battery storage because we had a lot of operational experience in Australia where storage is already extensively embedded in grid operations. We were able to bring almost a decade's worth of experience around grid-scale batteries with us, which gave us conviction early on to invest ahead of the curve and underwrite storage opportunities in Europe just as the sector comes of age here.



“Investors are increasingly looking at European energy assets as part of the region’s defence and security agenda”

Q How do LPs view these assets?

The message from LPs has been pretty consistent. They continue to want less correlation, defensive returns and stable cashflows, all of which has to be tied to some sort of critical or essential service. LPs want infrastructure to stay true to those principles, but increasingly to give them access to themes that will shape the next decade.

Over the last cycle, there was a strong pull among GPs towards platform building, growth equity, asset-light strategies. These are all valid approaches but come with different risk-return profiles. These rely more heavily on exits. When exit windows tightened, as they have in the last few years, distributions fell away

and capital velocity slowed down. In response, many LPs pivoted back to tangibles. They want to once again be closer to the assets. This has been particularly pronounced in clean energy, where the industry for a while had gorged itself on developer stakes and pipelines. Operating in that way, and further from the assets themselves, presents a different set of risks.

At Sosteneo, we're unapologetically asset heavy. We invest in physical opportunities at or near ready to build, and this squares directly with the experience of our leadership – and the market opportunity.

Q How challenging is waiting on opportunities to progress through the pipeline and become ready to build?

There's no shortage of opportunities, as the ready-to-build stage represents an inflection point in capex needs. And we have long-standing relationships with a broad network of developers, industrials and energy players to ensure the top line of our investment pipeline remains full.

There is, of course, an alternative to investing earlier in the lifecycle, which involves acquiring land, securing grid connections and executing extensive local development work to progress a project from concept to ready-to-build. However, mortality risk in this part of the market is high, with many projects written off well before they approach construction. While earlier-stage involvement can be rewarded, it also means direct exposure to these risks, with inherently more volatile returns.

To make that work, you also need a very different kind of business with resources and a structure designed to engage with a much wider array of opportunities much earlier on. In that approach, you're essentially in the business of making bets. This is why

“A more complex issue is the fact that Europe is essentially trying to rewire its system while keeping it running”

we're very happy to come in a little later. This gives us more confidence in what we're underwriting and, in our view, is more consistent with delivering infrastructure-style investment characteristics.

Q As capex cycles intensify, what role does specialist capital play alongside utilities?

There's an interesting dynamic in the market right now. Utilities want to keep investing in clean energy, but many are balance sheet constrained. And often these are listed companies that have made commitments to their shareholders to de-lever. Despite this, building out clean energy assets remains important to their direction of travel.

This opens up opportunities for specialist capital providers, like Sosteneo, to become a partner of choice. We're not investing elsewhere in developer companies or IPPs, meaning there's no competitive tension. We're about asset delivery and ownership, which creates a lot of positive alignment.

Q What are some of the biggest challenges and opportunities you see in 2026?

On top of the opportunities I've already mentioned, we're closely watching which technologies are maturing to the point that we can access them in a genuine infrastructure format. Biomethane is a good example of this.

On the challenge side of things, there are a few layers. The first is around practicality, and permitting remains the biggest bottleneck in Europe.

We've seen some encouraging progress, but the pace undoubtedly needs to accelerate. A more complex issue is the fact that Europe is essentially trying to rewire its system while keeping it running. That requires co-ordination across markets, regulators, system operators and also private capital providers.

There's an ongoing mindset shift within private capital itself. Some investors became overly exposed to development pipelines that didn't materialise, and it coloured their view of the sector. We want to bring these LPs back into the conversation and share with them why we're so confident about what we see in Europe.

Here, the core technologies are already established, and alternative solutions are becoming more investable. The urgency around the need to invest in the energy transition from a resilience and security perspective also dovetails nicely with other growth sectors like data centres. This all forms a good foundation going into 2026 and beyond. ■