

# HERBERT SMITH FREEHILLS ADVISES ENGIE AUSTRALIA & NEW ZEALAND ON ESTABLISHMENT OF THE AUSTRALIAN RENEWABLE ENERGY TRUST

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News

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Herbert Smith Freehills has advised International Power (Australia) Holdings Pty Limited (a joint venture between ENGIE and Mitsui trading as ENGIE Australia & New Zealand) (“**ENGIE ANZ**”) on its establishment of the Australian Renewable Energy Trust (“**ARET**”), and the sell-down of a 75% stake in ARET to the Infrastructure Capital Group-managed Australian Renewables Income Fund (“**ARIF**”).

Under the ARET structure, ENGIE ANZ will exclusively develop a pipeline of Australian renewable energy assets focusing on onshore wind and solar PV for future acquisition by ARET. ENGIE ANZ will be responsible for all development activities in respect of each pipeline asset up to financial close, including feasibility assessment, offtake agreement procurement, negotiation of project contracts and project financing. ENGIE ANZ and related entities have also been ‘pre-qualified’ to provide construction, operation and maintenance, offtake, asset management and vehicle management services to ARET and the projects that ARET acquires.

This transaction aligns with ENGIE ANZ’s strategic goal of accelerating the construction of a significant portfolio of Australian renewable energy assets and is consistent with similar investment vehicles established by ENGIE in France, Mexico and India, which collectively have 3.5 GW+ of solar and wind capacity (across operational and development assets) held in strategic partnerships with Predica, Tokyo Gas and Edelweiss Infrastructure Yield Plus, respectively.

ENGIE ANZ and ARIF, as ARET investors, have made an initial equity commitment of \$400 million over a period of four years, providing for the potential development, acquisition, construction and operation of \$1.2 billion in new projects. The seed asset of the ARET platform is the operating 119 MW Willogoleche Wind Farm.

The Herbert Smith Freehills team was led by partner [David Ryan](#) and executive counsel [Neena Aynsley](#), supported by senior associates [Christina Wheeler](#) and [Josh Singer](#) and associate Michael Trent. Project financing advice was provided by partner [Jon Evans](#), senior associate [Nadine Kilpatrick](#) and solicitor Ellen Gandy.

ENGIE ANZ was also advised by Natixis / Azure Capital and KPMG. ARIF was advised by Gresham, PwC and Ashurst.

David Ryan commented: “We are delighted to continue our longstanding relationship with ENGIE ANZ and we are particularly pleased to support it in such an important strategic transaction for its Australian renewables business. The transaction is another important step in the continuing transition of the Australian electricity market to decarbonisation. It was a real pleasure working with the ENGIE ANZ team.”

The transaction highlights the strength of Herbert Smith Freehills' renewables transaction and project finance practice, which has topped the Australian renewables league tables for the past five years.

## MEDIA CONTACT

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