

HERBERT SMITH FREEHILLS ADVISES INTERGEN ON NEW 300 MEGAWATT GAS FIRED POWER PLANT

28 February 2018 | London
Deals and cases

Global law firm Herbert Smith Freehills advised longstanding client InterGen on the development and project financing of its 300 megawatt Spalding open cycle gas turbine (OCGT) development project in Lincolnshire, England.

InterGen won a fifteen-year capacity market agreement, at £22.50/kW per annum, to construct a 300MW OCGT at its existing Spalding site at the T-4 capacity market auction in December 2016. The expansion is on land adjacent to the existing power station and will generate enough electricity for approximately one million homes. The OCGT plant is targeted to be operational in 2019.

The £100 million, Spalding OCGT development is the first, and only, large-scale thermal plant with a 15 year capacity market agreement to be project financed.

[Sarah Pollock](#), partner, said: "We are delighted to have supported InterGen on the development and financing of this market leading project. Our cross disciplinary team advised on all aspects, including project development, construction, planning, real estate, environment and financing. It demonstrates that the capacity mechanism will support project financing of large-scale projects where the auction price delivers sufficient certain cashflow."

[Matthew Job](#), partner, added: "We are very pleased to have worked on the first large scale project finance deal supported by capacity market revenue. With the recent auction having delivered a lower price than expected, it is not clear how much new build the capacity market will bring forward, but we expect this financing to set the terms and approach for future deals as and when they come round."

Consilium Advisory acted as Interger's financial adviser. Linklaters advised the lender group comprised of Santander and Nord LB.

ABOUT HERBERT SMITH FREEHILLS

Operating from 27 offices across Asia Pacific, EMEA and North America, Herbert Smith Freehills is at the heart of the new global business landscape providing premium quality, full-service legal advice. The firm provides many of the world's most important organisations with access to market-leading dispute resolution, projects and transactional legal advice, combined with expertise in a number of global industry sectors, including Banks, Consumer products, Energy, Financial buyers, Infrastructure & Transport, Mining, Pharmaceuticals & Healthcare, Real estate, TMT and Manufacturing & Industrials.

www.herbertsmithfreehills.com

Follow us on Twitter [@HSFPRESSOFFICE](https://twitter.com/HSFPRESSOFFICE)

© HERBERT SMITH FREEHILLS LLP 2021