

Press release

AXA IM Alts enters UK battery energy storage sector with strategic investment to support the UK energy transition

-500MW Coalburn 1 battery storage project in Scotland will play a crucial role in optimising the grid to enable increasing renewable energy rollout-

AXA IM Alts, a global leader in alternative investments with €186 billion of assets under management^[1], has acquired, on behalf of clients, a 50 per cent stake in Coalburn 1, a 500MW battery energy storage system (“BESS”) from Copenhagen Infrastructure Partners (“CIP”). The project, located in South Lanarkshire, Scotland, will be AXA IM Alts’ debut investment in the UK energy storage sector, aligning with its strategy to invest in transformative infrastructure that accelerates the low carbon transition. Once commissioned, the asset will be the largest of its kind in Europe^[2].

Coalburn 1 is one of three transmission-connected BESS assets being developed by CIP in Scotland, which collectively will have a total power capacity of 1.5GW and will be able to store and supply the grid with a total of 3GWh of electricity, enough to supply 4.5mn households for two hours. CIP will continue to lead project delivery, with completion expected in early 2026 once Coalburn 1 becomes operational.

Battery storage is critical to enable a reliable and sustainable energy system, as the UK transitions towards renewable energy sources, including solar and wind, which are inherently intermittent. As well as enhancing energy security, BESS will be vital in meeting the UK Government’s targets of a fully decarbonised power market by 2035 and net-zero greenhouse gas emissions by 2050^[3]. Battery energy storage systems, which can charge when electricity prices are low and discharge during periods of high demand, provide flexibility to the grid, enhancing resilience, whilst also offering key ancillary services and a consistent power supply.

Located in Scotland, which contributes a large proportion of the UK’s renewable electricity production, and with a direct connection to the electricity transmission network, Coalburn 1 is strategically placed to support further renewables integration in the system by alleviating grid constraints and reducing costly curtailments to further optimise the efficiency of Scotland’s renewable energy output, which is projected to contribute a significant portion of the UK’s renewable energy by 2030.

The project’s revenues are underpinned by a 10-year offtake agreement, providing it with a source of secured revenues, alongside two Capacity Market contracts of 15-year (300MW) and 7-years (75MW). In addition, the project benefits from several long-term operational, asset management and maintenance-based contracts with tier 1 counterparties.

With €15 billion in assets under management^[4], infrastructure is an AXA IM Alts strategic priority, emphasising its critical role in accelerating the transition to a carbon-neutral economy and meeting increasing investor demand for yield-generating markets that offer diversification and reduced volatility. This investment aligns with our strategy focused on three key themes shaping 21st-century infrastructure: decarbonisation, electrification and digitalisation. Our goal is to acquire essential, low-carbon companies on behalf of our clients and to establish long-term partnerships with leading operators.

Mark Gilligan, Head of Infrastructure, AXA IM Alts, commented: *"Our investment in Coalburn 1 marks a significant milestone as we enter the UK energy storage market, reinforcing our commitment to supporting the transition to a zero carbon economy. Battery storage infrastructure is critical to achieving national energy security and unlocking the full potential of renewable energy, and we look forward to working with experienced leaders of the sector to deliver resilient, long-term value for communities, our investors and the environment."*

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Source 1: AXA IM Alts data (unaudited) as of 31 December 2024

Source 2: Financial Times, article 'Scotland to host 3 biggest battery energy storage systems in Europe' by Simeon Kerr, published on January 8, 2025

Source 3: GOV.UK. Powering Up Britain: Net Zero Growth Plan

Source 4: Including Infra Equity and Infra Debt- AXA IM Alts data (unaudited) as of 31 December 2024

Press Contacts

AXA IM Alts

Jocelyne Tamssom, Head of Communications

Margaux Marie, Communication Manager

Tel: +33 1 44 45 96 62

PressOfficeAXAIMAlts@axa-im.com

FTI Consulting Inc.

Richard Sunderland, Richard Gotla, Ollie Harrison, Josie Tyers

Tel: +44 20 3727 1000

AXAIMAltsRA@fticonsulting.com

About AXA IM Alts

AXA IM Alts is a global leader in alternative investments with €186 billion of assets under management^[1] comprising c.€81 billion of primarily private real estate, over €93 billion of private debt and alternative credit, as well as c.€12 billion in Infrastructure and private equity. We take a 360° approach to real estate & infrastructure investing with €126 billion of assets under management in direct opportunities, held indirectly through debt and listed equities and via long term private equity investments into operating platforms. ESG is fully integrated into our investment decision making processes with our responsible investment approach anchored by the three key pillars of decarbonisation, resilience and building tomorrow. AXA IM Alts employs over 980 people located in 17 offices around the world and serves the needs of over 640 clients from Europe, North America, Asia Pacific and Middle East. We are the number one property portfolio and asset manager in Europe, and one of the largest worldwide^[2]. AXA IM Alts is a business unit of AXA Investment Managers.

1 Source: AXA IM Alts data (unaudited) as at 31 December 2024.

2 Highest-ranked Real Estate Manager in the European Union according to IPE's Global Top 150 Real Estate Investment Managers, based on total value of real estate assets under management, November/December 2024

About AXA Investment Managers

AXA Investment Managers (AXA IM) is a leading global asset manager offering a diverse range of global investment opportunities in both alternative and traditional asset classes. Through our products we aim to diversify and grow portfolios, while delivering long-term investment performance and value for clients.

AXA IM manages approximately €879 billion in assets, of which €493 billion are categorised ESG-integrated, sustainable or impact. As an established player in responsible investing, we adopt a pragmatic approach with a view to provide long-term value to our clients, our employees and the broader economy.

Part of the AXA Group, a worldwide leader in insurance and asset management, AXA IM employs over 3,000 employees and operates from 24 offices in 19 countries globally.

All figures, as at end of December 2024

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