

Vital Energi Advances Asset Ownership Strategy Following £175M Nordic Bond Success

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Vital Energi, a leading provider of energy infrastructure solutions, has successfully acquired the Port Clarence biomass facility in Teesside, marking a significant milestone in the company's strategic asset ownership growth plans.

The acquisition follows Vital Energi's successful raise of £175 million through a Nordic Bond issue. The bond, one of the largest Sterling-denominated Nordic Bond raises in the UK energy infrastructure sector, demonstrates strong international investor confidence in Vital Energi's track record, expert teams, and growth strategy. The facility has been acquired from Nuveen Infrastructure / Glenmont Infrastructure.

Strategic asset ownership journey

Port Clarence represents the next phase of Vital Energi's evolution from energy solutions provider to significant asset owner, following the successful commissioning of the Drakelow energy-from-waste facility. Vital Energi will further invest in the optimisation of the Drakelow EfW plant to improve its productivity and returns, ensuring it continues to deliver robust operational and financial performance as part of the company's growing portfolio.

Drakelow processes up to 169,000 tonnes of Refuse Derived Fuel (RDF) and produces up to 18MWe electrical capacity, whereas Port Clarence will produce over 30MWe upon completion - a substantial step-change in scale and ambition. The energy generated by both facilities will be exported back to the national grid.

“This acquisition demonstrates our commitment to owning and operating critical energy infrastructure assets,” said Ashley Malin, Managing Director at Vital Energi. “Following the success of Drakelow, Port Clarence represents our next strategic milestone in building a diverse, long-term portfolio of energy assets that deliver both environmental and economic benefits.”

Site transformation

The Port Clarence facility, which has remained dormant since 2019, will be converted from a biomass plant to process RDF, addressing a critical need for processing residual waste within UK waste infrastructure. The conversion will transform what had been a series of stalled development attempts by previous operators into operational infrastructure.

The facility will process up to 320,000 tonnes of residual waste per annum under a 10-year 270,000 tonnes fuel supply agreement with N+P, with fuel sourced from their Hartlepool facility and strategic supply chain partners. This will significantly reduce both landfill disposal and the export of waste materials.

Project delivery and timeline

With construction over 90% complete, the project benefits from existing grid connections and all required environmental consents are already in place. The conversion is expected to be completed within 18 months, with first waste anticipated in Q4 2026 and full operational capacity by Q1 2027.

Economic impact

The project will create over 30 long-term skilled positions during the operational phase, with local contractors including Eastgate Engineering and BrandSafway already engaged in supporting the conversion works. The facility will contribute baseload renewable energy generation to the national grid, supporting UK energy security objectives.

Financial flexibility and future growth

Unlike many competitors operating under restrictive institutional investor mandates, Vital Energi’s Nordic Bond structure maintains financial flexibility for future strategic investments and partnerships.

“This financing approach allows us to continue pursuing opportunities that align with our growth strategy while maintaining the ability to work with diverse funding partners on future projects,” added Ashley. “As we approach our 25th anniversary, this represents both a culmination of our journey and a platform for continued expansion.”

The transaction was completed with legal advisory support from Squire Patton Boggs, DLA Piper, and Thommassen, with operational partnerships including N+P and Able Ports.