

# Apollo Funds to Acquire 50% Stake in Broad Reach Power from EnCap

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- *Apollo Funds and existing EnCap-led shareholder group also commit to invest up to \$400 million of new equity to accelerate Broad Reach Power's growth and expansion plans*
- *Transaction marks first sale for EnCap Energy Transition Fund I*
- *Extends Apollo's energy transition activity with premier, vertically integrated platform*

NEW YORK and HOUSTON, Nov. 22, 2021 (GLOBE NEWSWIRE) -- Apollo (NYSE: APO) and EnCap Energy Transition Fund I ("EETFI") today announced that funds managed by Apollo affiliates (the "Apollo Funds") have agreed to acquire a 50% stake in Broad Reach Power LLC ("Broad Reach"), a leading utility-scale energy storage and renewable energy platform in the US. The Apollo Funds will acquire the stake from existing investor EnCap Investments L.P. ("EnCap") and its co-investment partners Yorktown Partners and Mercuria Energy. EnCap and its co-investment partners will retain the other 50% stake and, together with the Apollo Funds, commit to invest up to \$400 million of additional equity to fund Broad Reach's continued expansion and growth pipeline.

Broad Reach is a leading energy storage platform in the US, applying advanced energy storage technology and power market analytics to improve the performance of renewable and power generation facilities. The company has more than 1.4 gigawatt hours of storage assets in operation or under construction and controls a 21-gigawatt (GW) portfolio of utility-scale wind, solar and energy storage power projects across the country.

"At Apollo we have been highly active in the energy transition, and we are thrilled to join EnCap in this investment in Broad Reach, which in our view is the premier energy storage leader in the US," said Geoff Strong, Senior Partner and Co-Head of Infrastructure and Natural Resources at Apollo. "Broad Reach has a scaled, high-performing platform that is well positioned for strong continued growth, particularly as the shift to more intermittent clean energy increases volatility and drives demand for energy storage."

Broad Reach CEO Steve Vavrik said, "Apollo is a world-leading investor with the expertise, capital and motivation to invest in a wide range of energy transition companies, and we are excited to welcome them to Broad Reach alongside EnCap, Yorktown Partners and Mercuria Energy. We view this as a significant vote of confidence in Broad Reach and our exciting growth prospects, as we continue to execute on our long-term goal to supply the nation with clean, reliable and affordable power."

Corinne Still, Principal at Apollo, commented "This transaction unites Apollo with a terrific shareholder group that has demonstrated significant conviction, commitment, and success in building a large and nimble clean energy platform. We look forward to collectively supporting Steve and his team in their future growth."

"Broad Reach has emerged as a disruptor in the dramatic transformation of the US electricity sector. We believe this transaction both validates the value created by EnCap's sponsorship of Broad Reach and allows us to continue to participate in its dominant position in the market," said EnCap Energy Transition Managing Partner Shawn

Cumberland, also chairman of the Broad Reach board of directors. “Apollo is a sophisticated and experienced energy transition and power industry investor and will be an extremely valuable member in the expanded partnership to accelerate Broad Reach’s growth.”

EnCap has been one of the most aggressive pioneer investors in the fast-growing US battery storage business. EnCap’s energy transition platform established Broad Reach in 2019 by bringing together professionals with extensive experience in battery storage systems and proven developers with long track records in renewables. The acquisition by the Apollo Funds will also represent the first sale by EnCap’s \$1.2 billion Energy Transition Fund I. In addition to Broad Reach, EETFI controls a robust portfolio that includes Catalyze Energy (distributed commercial and industrial solar plus batteries), Solar Proponent (large scale solar), Triple Oak Power (wind power) and Arbor Renewable Gas (clean fuels), among others.

For the Apollo Funds, this extends a long track record of investing in or lending to companies supporting the clean energy transition. Most recently this includes committing more than \$820 million of funding to NextEra Energy Partners’ for its stake in a renewable energy generation portfolio; forming a new venture with Johnson Controls to provide sustainability and energy efficiency services; investing in US Wind, an offshore wind developer; forming a joint venture to accelerate the growth of renewable energy royalties company Great Bay Renewables; investing in Stagecoach Royalty, a renewable energy land royalties platform; acquiring a majority stake in Arlington Valley, a utility scale solar asset; acquiring Tullahennel, a wind power asset in Ireland; and investing in sustainable bioenergy producer AS Graanul Invest.

The transaction is subject to customary closing conditions and expected to be completed by year-end 2021. White & Case LLP served as the legal advisor and Citi served as the sole financial advisor to EnCap and Broad Reach. Kirkland & Ellis LLP served as legal counsel to the Apollo Funds.

### **About Broad Reach**

Broad Reach Power is a leading utility-scale storage platform in the United States. Based in Houston, the company owns a 21 GW portfolio of utility-scale solar and energy storage power projects in Montana, California, Wyoming, and Texas which give utilities, generators and customers access to technological insight and tools for managing merchant power risk so they can better match supply and demand. For more information about the company, visit [www.broadreachpower.com](http://www.broadreachpower.com).

### **About Apollo**

Apollo is a high-growth, global alternative asset manager. We seek to provide our clients excess return at every point along the risk-reward spectrum from investment grade to private equity with a focus on three business strategies: yield, hybrid and equity. Through our investment activity across our fully integrated platform, we serve the retirement income and financial return needs of our clients, and we offer innovative capital solutions to businesses. Our patient, creative, knowledgeable approach to investing aligns our clients, businesses we invest in, our employees and the communities we impact, to expand opportunity and achieve positive outcomes. As of September 30, 2021, Apollo had approximately \$481 billion of assets under management. To learn more, please visit [www.apollo.com](http://www.apollo.com).

### **About EnCap Investments L.P.**

Since 1988, EnCap Investments has been the leading provider of venture capital to the independent sector of the US energy industry. The firm has raised 22 institutional investment funds totaling approximately \$38 billion and currently manages capital on behalf of more than 350 US and international investors. EnCap Energy Transition platform is led by four Managing Partners, each with 25-30 years of experience in renewables and power. For more information, please visit [www.encapinvestments.com](http://www.encapinvestments.com).

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