

Financing the Swiss energy transition using the PPP model of Innergia Group and the digital platform cosmofunding

- Innergia Group enters into exclusive partnership with Vontobel's cosmofunding

Swiss municipalities will have a strong need for financing over the next 30 years. This is because they will have to implement and finance the energy transition in response to the climate strategy adopted by the Federal Council. Innergia Group, which is supporting municipalities through the energy transition process with a new public-private partnership model, will exclusively work with Vontobel's financing platform cosmofunding in Switzerland in the future. The first financing has already been successfully completed through cosmofunding.

Innergia Group has signed an exclusive partnership with Vontobel and the cosmofunding platform to promote financing of the energy transition among Swiss municipalities. Innergia Group offers the public sector a unique and innovative solution in which a public-private partnership structure can be used to implement infrastructure construction, operations, and financing necessary for the energy transition and the achievement of local climate neutrality. In this process, a private company is founded for each municipality, which specializes in financing and implementing technically complex infrastructures.

In order to achieve climate neutrality by 2050, Swiss municipalities will have to invest millions over the next 30 years, which in many cases will exceed their debt limits. Innergia Group's PPP model offers a solution in which the special purpose vehicle finances the infrastructure through a fixed-interest bond guaranteed by the public sector. The model is in line with the laws and rules of public finance and the HRM2 accounting regulations. With Rossinière, Innergia Group was able to win over the first municipality to realize its energy transition projects. Other Swiss municipalities are expected to follow suit, and Innergia Group anticipates a financing requirement of CHF 11 billion per year.

First specific project financed

The political municipality of Rossinière has decided to develop sustainable infrastructures that allow the production and distribution of renewable energies using local resources (wood). To achieve this goal, Rossinière has decided to collaborate with Innergia Group and use their newly developed PPP model. The first stage of financing by the newly established special purpose vehicle InfraRoss SA, guaranteed by the Municipality of Rossinière, involved InfraRoss SA taking over the existing wood-district heating infrastructure from the municipality of Rossinière and in this phase immediately connects some strategic consumers to renewable energies, thereby doubling sales generated by this municipal heating infrastructure. The first bond issue (private placement) of InfraRoss SA, which was placed through its exclusive partnership with Vontobel's financing platform cosmofunding, attracted considerable interest: The issue volume was placed with institutional investors within a few minutes.

Innergia's PPP model has been scientifically validated by Professor Schoenenberger of UniNE, who specializes in public finances:

Professor Schoenenberger: "The innovative Innergia PPP model proposed by Vontobel and Innergia can accelerate the implementation of the energy transition by using the local renewable resources of the municipalities because of the model's benefits for the public sector. This new business model has the potential to change the existing paradigm for future utility investments in Switzerland."

Frédéric James Gentizon, Chairman of the Innergia Group: "Many see climate change as a challenge with few tangible answers. Our newly developed PPP model contributes to achieving sustainable improvement of the climate towards climate neutrality for our future generations at the community level."

Since its launch at the end of 2018, cosmofunding has successfully financed more than CHF 12 billion (as of September 2021) in a wide variety of products from public bonds to private placements in a variety of segments from the public sector to small to large corporate financing and secured real estate financing. Stefan Pomberger, Head of cosmofunding: "In times of high investment demand, we are very pleased to offer our institutional investors on cosmofunding access to another attractive and, in particular, sustainable sector of investment opportunities with PPPs, secured by the public sector."

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Vontobel

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Innergia Group

The Innergia Group was formed in 2018 to develop an innovative public-private partnership model for achieving a decentralized energy transition at municipalities' level. This model is being successfully adopted by the first Swiss municipalities. The Innergia Group plans to grow a volume of private placements from CHF 80 million by the end of 2022 to over CHF 1 billion by 2030.

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