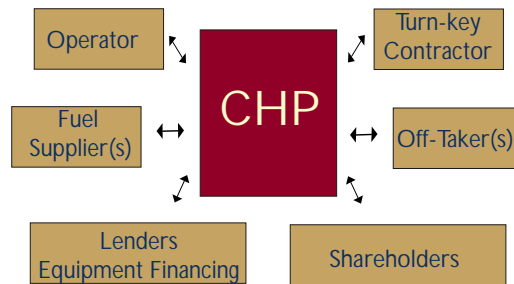


## Key Investment Areas: Combined Heat and Power (CHP)



**Combined Heat and Power (CHP)** means the simultaneous generation of heat and electricity in a single plant. CHP generation can be used for district heating or industrial processes.

### The benefits of CHP include the following:

- High operational efficiency facilitates competitive energy generation and a sustainable return on investment.
- Lower risk alternative; typically heat and electricity is sold locally using long-term contracts. Due to high fuel efficiency, CHP viability is less sensitive to fuel price fluctuations than traditional generation processes.
- CHP plants can utilise a great variety of fuels, including biomass, industrial and municipal waste.
- Due to its high efficiency, CHP generation is environmentally more sustainable than separate heat and power production.

### Private Energy Market Fund's role in CHP ventures

Combined Heat and Power is one of the key investment areas for Private Energy Market Fund.

PEMF as a capital provider can provide the following benefits:

- During the business planning phase PEMF can provide expertise on technical design and commercial structuring of the CHP venture.
- PEMF has gained experience in structuring CHP ventures; particularly in balancing operational, financial and ownership interests.
- PEMF has expertise in developing innovative funding schemes.
- PEMF has a good network within the CHP industry, and therefore has access to potential industrial partners.
- PEMF is an active but neutral partner, preferring a minority shareholder position.

