

Business

SSE dumps waste plants to focus on a future built on green power

Emily Gosden Energy Editor

SSE has sold its interest in energy-from-waste power plants in West Yorkshire for £995million as it offloads assets to concentrate on power networks and wind farms.

The FTSE 100 utility group said yesterday that it was selling a 50 per cent stake in two operational plants at Ferrybridge and in a third plant under development at Skelton Grange.

The buyer is European Diversified Infrastructure Fund III, which is managed by First Sentier Investors. The business manages about €10 billion of utility, transport and energy assets.

The deal means that SSE has agreed £1.4 billion of sales towards its target of offloading £2 billion of assets by next autumn.

“The proceeds of these disposals will support the company’s plans to invest £7.5 billion in low-carbon energy infrastructure over the next five years, helping the UK to reach net-zero carbon emissions, as well as reducing SSE’s net debt,” the company said.

SSE, formerly known as Scottish and Southern Energy, was best known to the public as one of the “Big Six” household energy suppliers that dominated the market over most of the past decade. However, it offloaded its domestic supply unit to Ovo Energy at

Seabed robots get backing from BP

BP has backed a start-up company that plans to use autonomous underwater vehicles to carry out seismic surveys offshore (Emily Gosden writes).

Blue Ocean Seismic Services, or Boss, says that its devices, which look like miniature submarines, will cut the cost and environmental footprint of surveying the geology that lies beneath the ocean floor.

The company, based in Farnborough, Hampshire, has raised £10 million in a funding round from BP Ventures, the oil major’s venture capital division,

Woodside and Blue Ocean Monitoring.

Seismic surveys are used to identify oil and gasfields, as well as the potential for storing waste carbon dioxide underground.

Simon Illingworth, managing director of Boss, said that at present offshore seismic surveys were carried out by a boat towing sensor equipment or by deploying remotely operated vehicles from a boat to position sensors on the seabed and then move them to other locations.

Boss’s autonomous

vehicles “go off the side of the boat, they navigate themselves down to the seabed, sit on the seabed, then can move by themselves to the next position”, he said. “They can stay almost three months moving from place to place under water. You can have thousands of these out there and get a really good image.”

Erin Hallock, senior principal at BP Ventures, said: “Using Boss’s technology, we can gain a deeper understanding of geological formations, while reducing the environmental impact of data acquisition.”

the start of this year to focus on its regulated power networks business and on investing in wind farms.

It also owns gas-fired power plants and retains a division supplying gas and electricity to businesses. The group, based in Perth, reported adjusted oper-

ating profits of £1.5 billion in its financial year to March 2020. It has stakes in a series of offshore wind projects that will cost billions of pounds to build.

Gregor Alexander, 57, SSE’s finance director, said: “This sale marks a major step in our plans to secure at least £2 bil-

lion from disposals by autumn 2021. While these multifuel assets have been successful ventures for SSE, they are non-core investments and we are pleased to have agreed a sale that delivers significant value for shareholders while sharpening our strategic focus on our core low-carbon businesses.”

The two Ferrybridge plants can each generate up to 75 megawatts of power. The first started up in 2015 and can process 725,000 tonnes of waste a year, while the second began operations last year and can process 675,000 tonnes of waste. The proposed third plant at Skelton Grange is due to get the go-ahead next April and to start operating in 2025. It will be able to process 400,000 tonnes of waste and generate up to 45 megawatts of electricity.

Mr Alexander said: “Our disposal programme demonstrates how the company can create value from our assets and supports our plans to invest £7.5 billion over the next five years in the low-carbon infrastructure needed to stimulate a green economic recovery and help the UK transition to a net-zero future.”

John Musk, at RBC Capital Markets, said that the valuation for the sale “seems attractive” and the deal helped to improve its balance sheet outlook.

SSE’s shares rose by 22p, or 1.7 per cent, to £13.48 yesterday.