

# Highview Power deal: factsheet

Deal Information	
Deal announced	June 2024
Sector	Energy storage
Location	Trafford, Greater Manchester
Counterparty	Highview Power <sup>i</sup>
Total financing	£325m
UKIB finance	£165m
Product	Debt and equity

## Geography

■ HA ■ Catchment



## Summary

Highview is constructing its first commercial-scale Liquid Air Energy Storage (LAES) asset in the UK (50MW discharge and 300MWh of storage) at Carrington in Greater Manchester. The project will also include stability island, which will provide stability services such as; reactive power, inertia and short-circuit level to the grid at all times. This is critical to allow for the long-term replacement of fossil fuel-based power plants for system support and help reduce curtailment costs.

## Sector context

Energy storage is crucial in supporting the integration and rollout of intermittent renewables onto the grid needed to meet government's ambition to decarbonize the UK's power grid by 2035. The government's Smart Systems and Flexibility Plan (2021) highlights the important role storage will play in the transition to net zero, by reducing the curtailment of renewables and providing wider stabilization to the grid. The need for long-duration energy storage and auxiliary services is crucial to uphold system stability, including inertia and short-circuit level (SCL), and to regulate voltage in critical areas such as reactive power.

National Grid forecasts that up to 29GW of storage could be needed by 2030 and up to 51GW by 2050 – a huge increase on the approximate 5GW currently on the system. If we're to reach the level of storage deployment needed, significant investment is required.

## Impact and additionality

The project will create positive impact by supporting the grid with 50MW/300MWh of long duration, the first LAES project on a commercial scale. Integrating long-duration energy storage (LDES) into the grid is imperative to complement the more established short-duration market. The stability island in Carrington will provide the grid with 1.65 Gigavolt amps (GVA), which is estimated to help national grid ESO achieve significant emissions and cost savings compared to alternative methods (e.g. fossil fuels) if they participate in the stability pathfinder.

The investment is expected to create and support up to 380 FTEs across construction and operations at the Carrington site in Trafford, Manchester, in line with the Bank's mandate to boost regional and local economic growth.

Through this investment, UKIB is supporting the scaling of a First-of-a-Kind (FOAK) technology at a commercial scale in the UK and accelerate investment in nascent long-duration technology critical to Net Zero by undertaking risk to demonstrate technical and commercial viability. UKIB have also supported the company in preparing for their first major project financing.

## ESRG considerations<sup>ii</sup>

The project was assessed for ESRG risks in accordance with UKIB's ESRG framework. Liquid air energy storage (LAES) has the highest ESG rating among LDES technologies, excelling in both emissions' intensity and environmental footprint. Highview has an ESG framework, and they will further develop their ESG strategy to include process and tools to measure key sustainability indicators.

Impact metrics	
5	# deals in the storage sector
£513m	Total investment in storage sector
C380 <sup>iii</sup>	Jobs (created and supported)
8.5m tCO <sub>2</sub> e <sup>iv</sup>	Emissions avoided
£152m	Private finance mobilised

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<sup>i</sup> Pennine Place, 2A Charing Cross Road, London, WC2H 0HF

<sup>ii</sup> By partnering with us, companies agree to follow ESG best practice guidance and report on their: Environmental, social, resilience and governance (ESRG) approach: we will assess how projects manage their direct and indirect environmental and social impact, the resilience of their projects and the robustness of their ESRG governance structures. Material climate and environmental-related

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financial risk: we will check projects have incorporated the relevant recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD) and the International Sustainability Standards Board.

<sup>iii</sup> Jobs are across construction and operations. 194 Jobs attributable to UKIB based on proportion of finance.

<sup>iv</sup> The calculation includes emissions saving from the Carrington LAES battery site and Carrington stability Island.