

Sandbrook's debut billions

[Sandbrook Capital](#) closed out 2023 with a \$1.5 billion final close on its inaugural fund, [Sandbrook Climate Infrastructure Fund I](#). The \$1.5 billion represents the fund's hard-cap. It also raised an additional \$600 million in co-investment capital, according to a statement.

The fund was launched in November 2021 targeting \$1 billion, with the Connecticut-based manager having spun out from Riverstone Holdings.

The group plans to focus its investment mandate on North America and Europe, with the fund making 10 investments ranging from \$200 million to \$500 million, [according to affiliate title Buyouts](#).

The fund's existing investments are in Norwegian offshore wind turbine installer Havfram, German wind repowering group NeXtWind and Voltwise Power, a European standalone battery storage owner and operator.

Evolve transitions to private

[Stonepeak](#) has bought a majority of outstanding shares in Evolve Energy Transition, a Texas-based natural gas company, SEC documents reveal.

Stonepeak-related entities have bought shares equivalent to 83.4 percent of the outstanding common units, in a \$10 million transaction, a curiously low deal for the GP. About \$2.7 million will be paid in equity and the rest will be covered via an LCR loan agreement. That's a \$7.3 million loan with a 10-year lifespan and 9.25 percent interest.

Stonepeak already owned minority shares in the company from transactions dating back to 2015. It is unknown which funds provided the capital for prior transactions. Evolve owns an oil and natural gas gathering system in the Western Eagle Ford, as well as a 100 percent interest in a dry gas takeaway pipeline that connects to the Raptor Gas Processing Facility.

It's the [latest in a series of take-privates](#) for the firm, with Stonepeak last year carrying out two such deals in the transportation and logistics sector via its \$7.4 billion transaction with Textainer and \$1.2 billion LOGISTEC deal.

Prices take toll on Texas

The state of Texas has put the kibosh on a toll road PPP for the Houston-based State Highway 288 – 44 years ahead of schedule.

After widespread complaints that the tolls were too high, the Department of Transportation decided last week to buy back the toll way for \$1.7 billion from owner Grupo ACS, which bought the remaining 78.4 percent of equity in the toll road from its former partners ([InfraRed Capital](#), Shikun & Binui Concessions, [Northleaf](#), Clal Insurance and [Star America](#)) for €384 million in September 2023.

The deal reached financial close [in 2016](#). The terms then included a 52-year concession and an \$815 million budget to install four 10.5-mile-long toll lanes. The state of Texas received a \$26 million concession payment upfront. The consortium also took out a \$357 million TIFIA loan and issued private activity bonds worth \$298.6 million.

ACS will have six months period to renegotiate the concession before the buyback goes into effect. But, at this point, the “partnership” has certainly been taken out of PPP.

Tokenisation takes on infra

FIRSTavenue is seeking infrastructure GPs to tokenise portions of their funds and join a tokenised private fund marketplace, *The Pipeline* has learned.

According to Paul Buckley, FIRSTavenue's chief executive officer, the firm expects to bring infrastructure GPs into the fold by June – constituting the world's first tokenised private infrastructure funds. Tokenisation is where funds are digitally represented through blockchain.

"I've got a pipeline of GPs interested, that we're in dialogue with," he said. "In order for this market to develop, you want one of the bigger funds to come to market, one of the better brands."

FIRSTavenue is first advising GPs to take a risk with their balance sheet, via tokenising a portion of their own commitments, and then finally tokenise the commitments of their funds' anchor investors.

The move comes after the placement agent acquired a minority stake in Frictionless Markets, a Luxembourg-based digital securities firm, in November. The duo seeks private credit GPs to participate alongside infrastructure, too.

Pat Hourigan, chief executive of Frictionless Markets, added that the low level of default characteristics of infrastructure and credit and their regular cash distributions lends them well to the tokenisation theme.

A brave new world.

See you in court?

In January, the US Treasury released guidelines on how to claim 45V, the clean hydrogen production tax credit created under the Inflation Reduction Act. It... didn't go over smoothly.

Some players believed the rules would stunt industry growth, citing concern around its prohibition of the use of green energy sources over three years old and their requirement of hourly matching to those sources by 2028. Others supported these measures, claiming they combat rising emissions.

While the rules are still being finalised, not all industry players are waiting on them.

“We’re claiming the credit,” said Kathleen Barron, executive vice-president and chief strategy officer at US energy producer Constellation, at the BNEF Summit.

She was speaking to Constellation’s intentions to claim 45V credits on hydrogen produced from its nuclear fleet. She continued: “If we have to visit with the courts to sort out whether the final guidance is consistent with the statute [the IRA] or not, we’ve already had Senator Manchin offer to write an amicus brief.”

The jury’s still out.