

Prime takes Lightyears stake ahead of solar rollout

Eamon Rood - Wed, 27 Mar 2024



Prime Energy has taken a 10.4 per cent stake in Lightyears Solar after completing a \$6 million capital raise for the renewables developer.

Lightyears says the funding will help deliver three community-scale solar farms in Wairarapa and Canterbury, with a combined capacity of 18 megawatts.

Fresh capital will also help to grow its engineering and construction arm, and to expand into new areas including batteries, says co-founder and development manager Matt Shanks, pictured at right above with Prime chief executive Michael Skates, signing a power purchase agreement last year.

Construction is underway on the 4.5 MW Waingawa project near Masterton and a 7.2 MW facility in Ashburton. A similar-sized farm in North Canterbury is in its final consenting phase.

“The power produced from these farms is enough to power nearly 4000 homes with renewable energy and will also help alleviate energy poverty around New Zealand,” says Shanks.

“Along with our already operational Waiuku Solar Farm, Lightyears will have a 20 megawatt portfolio of solar farm assets on completion of these projects, and we have 60 MW of projects commencing construction in 2025.”

Investor backing

Prime specialises in retailing to businesses whose power consumption is highest during the day, and is ideally suited for solar.

It has an offtake agreement for all electricity generated from Lightyears' upcoming projects, and already buys power from the 2.5 MW facility in South Auckland under the power purchase agreement the two companies reached in late 2023.

“We are seeing a growing appetite and direction from customers to not only find comfort that the energy they consume is renewable, but to see exactly where it comes from, and that it is changing the status quo,” says Skates.

“The New Zealand electricity market desperately needs to increase its renewable generation capacity to be able to decarbonise the country, and Lightyears Solar is the tip of the spear in doing so, via its unique, community-scale farms.”

Prime led the capital raise with Hoku Group, a private investment firm founded by chair and trustee Rowan Simpson.

The company's investments include music-learning software Melodics, and Stickybeak, a rapid customer feedback platform. Returns support the non-profit Hoku Foundation, which funds social programmes like the Aotearoa Food Rescue Alliance and the Grandparents Raising Grandchildren charity.

Securing \$6 million in additional investment is a vote of confidence, following the Waiuku commissioning, Shanks says. It also supplements a \$25 million debt facility from New Zealand Green Investment Bank.

"We're really grateful to our investors for having faith in us and we're looking forward to taking these projects through to operational stage this year," he says.

Growth paths

Auckland-based Lightyears has 160 MW of solar in development and aims to bring 80 MW online over 2025/26.

The company builds, owns and operates smaller-scale farms at the community and distribution level. It's looking to build larger plants as well, and has two 15 MW projects in the pipeline.

Shanks tells *Energy News* the company is doing more engineering, procurement and construction work for the commercial and industrial market. This involves installing on-site facilities of around 1.5 MW for businesses, which fund and retain ownership of the assets. Lightyears has operations and maintenance contracts for many of these clients as well.

Shanks says this is a growth area for the company and it expects to hire staff to increase its capacity for project delivery.

Lightyears directly employs 10 people in Auckland who largely handle planning and design, and uses contractors for construction. The company has considered hiring staff based in other regions and Shanks says this remains an option.