

DETERMINATION OF MERGER NOTIFICATION M/23/043 – STATKRAFT / TAURBEG AND MHB WIND FARMS

Section 21 of the Competition Act 2002

Proposed acquisition by Statkraft Ireland Limited of sole control of Taurbeg limited and MHB Wind Farm (Holdings) Limited and its wholly-owned subsidiary, MHB Wind Farms Limited.

Dated: 8 September 2023

1. On 22 August 2023, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed acquisition whereby Statkraft Ireland Limited (“Statkraft”) would acquire sole control of: (i) Taurbeg Limited (“Taurbeg”); and (ii) MHB Wind Farms (Holdings) Limited (“MHB”) ,and its wholly owned subsidiary MHB Wind Farms Limited (“MHB Subsidiary”).
2. The Proposed Transaction is to be implemented pursuant to a share purchase agreement (“SPA”) dated 19 August 2023 between Statkraft, Taurbeg, and MHB Subsidiary.
3. The Authorised Officers contacted the Commission for Regulation of Utilities (the “CRU”) in relation to the Proposed Transaction. The CRU did not raise any concerns with the Authorised Officers regarding the Proposed Transaction.
4. The business activities of the undertakings involved are:
 - Statkraft
 - Statkraft is a global company in the energy market operations, with 5300 employees in 21 countries. Statkraft’s main aim is to build, own, and operate renewable energy projects that seek to develop and generate hydropower, wind power, solar power, gas-fired power, and supplies district heating.

- Statkraft entered the Irish market in 2018. Its operations in the State include developing, building, owning, and operating renewable energy projects. It owns, operates, and develops multiple renewable energy assets in the State. These include a wind farm, two solar projects, and two storage batteries.
- Statkraft also provides asset management services to renewable energy projects.
- Taurbeg:
 - Taurbeg is a subsidiary of The Renewables Infrastructure Group Limited, which is a UK investment company that specializes in investing in and gaining revenue from assets that generate energy from renewable sources.
 - Taurbeg is a wind farm located in Co. Cork and it consists of 11 wind turbine generators, substation, electrical cabling, ancillary infrastructure, and access roads.
 - The electricity produced in Taurbeg is sold to the Integrated Single Energy Market (“I-SEM”) via a third-party. The third party manages the electricity trading on I-SEM.
- MHB
 - The parent company of MHB Subsidiary, which is owned by MHB, is The Renewables Infrastructure Group Limited as well.
 - MHB has two wind farms; one is located in Co. Cork and the other in Co. Kerry. Both consist of 9 and 6 wind turbines, respectively, substation, electrical cabling, ancillary infrastructure, and access roads.
 - The electricity produced in the MHB wind farms are sold to the Integrated Single Energy Market (“I-SEM”) via a third-party. The third party manages the electricity trading on I-SEM.

Assessment

5. After examination of the notification, the Commission has considered that the Proposed Transaction falls within the scope of paragraph 2.1 of the Simplified Merger Notification Procedure Guidelines for assessing certain notifiable mergers or acquisitions under section 18(1)(a) of the Act since:

- i. Statkraft, Taurbeg, and MHB are active in the same product and geographic markets, but their combined market share is less than 15% in any potential market in the State; and
 - ii. Statkraft is active in a market which is upstream or downstream to a market that MHB is active, but the market share of each party in each market is less than 25%.
6. In the light of this, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

7. Clause 12 of the share purchase agreement contains non-compete obligations on the Sellers.¹ The duration and the scope of the non-compete obligations do not exceed the maximum duration acceptable to the Commission. The Commission considers these restrictions to be directly related to and necessary for the implementation of the Proposed Transaction, insofar as they relate to the State.²

Determination

8. The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby Statkraft Ireland Limited would acquire sole control of Taurbeg Limited and 100% of the issued share capital of MHB Wind Farms (Holdings) Limited, and its wholly-owned subsidiary MHB Wind Farms Limited, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Ibrahim Bah
Director
Competition Enforcement and Mergers

¹ The Sellers are defined in the SPA as The Renewables Infrastructure Group (UK) Investments Limited and Wind Farm Holdings Limited.

² In this respect, the Commission follows the approach adopted by the European Commission in paragraphs 20 and 26 of its “Commission Notice on restrictions directly related and necessary to concentrations” [2005] OJ C56/03. For more information see: [http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)