

Unlocking value in the energy mid-market

Investors targeting energy transition infrastructure are increasingly exploring the mid-market, where deep sector expertise and early-stage engagement enable the development of high-impact, financially compelling real assets.

By Raphaël Lance



As the energy transition accelerates, infrastructure investors are seeking opportunities that combine long-term financial performance with measurable climate impact. In this search, the mid-market is gaining increasing attention. Comprising projects that are often smaller in size, earlier in development, or more complex in structure, this segment remains less crowded, yet strategically important for achieving energy and climate targets.

Mid-market infrastructure relevant to the energy transition includes areas such as battery storage, electric vehicle charging, decentralised energy systems, and renewable hydrogen. These sectors are

technologically dynamic and capital-intensive but still fragmented, often requiring tailored capital solutions and close collaboration with local developers. For investors with domain expertise and a willingness to engage early, the segment offers opportunities to deploy capital where it can have both financial and environmental relevance.

A less crowded, undercapitalised segment

Large-scale operational infrastructure assets, particularly in mature renewable energy, have become increasingly competitive. Capital inflows have driven up valuations, compressing yields and narrowing the scope for active value creation. By contrast, the mid-market remains undercapitalised, in part because many projects fall outside the mandate or capacity of large institutional investors. Their scale, developmental stage, or lack of standardisation

can deter participation by generalist capital.

This has created inefficiencies that are structural rather than cyclical. Many assets are originated by local actors who possess the technical or regulatory knowledge to develop viable projects but lack access to long-term equity partners. For those investors who can navigate this space with discipline and insight, the mid-market offers entry points at more attractive valuations and the ability to influence outcomes more directly.

The advantage of sector focus

Deep specialisation in a specific sector or set of technologies enhances an investor's ability to assess risks, identify value drivers, and support execution. Whether it is the revenue structure of a battery storage asset, the utilisation profile of EV infrastructure, or the cost dynamics of emerging hydrogen supply

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chains, sector focus allows for more informed investment decisions.

In addition, investors with a long-standing presence in a given field often develop strong relationships with developers, local authorities, and technical partners. These networks are critical to accessing proprietary or bilateral transactions. They also help to ensure alignment throughout the investment lifecycle, from initial structuring to operational optimisation and eventual exit or refinancing.

Creating value from early engagement

Many of the most compelling mid-market opportunities arise before the project reaches a shovel-ready or operational stage. By engaging early, investors can participate in shaping the asset's technical and financial structure, influence ESG criteria, and help secure commercial agreements. This phase of involvement is especially valuable in newer market segments, where standardised models have yet to emerge.

Early-stage engagement also allows for risk sharing and alignment with developers. Investors can perform more detailed due diligence, structure bespoke financing solutions, and provide input on technology selection or permitting strategies. These interventions can materially improve the project's viability and resilience, while supporting long-term value creation. At the same time, this stage entails exposure to planning, regulatory, and construction risk. A structured and phased

approach to investment, supported by milestones and technical validation, can help mitigate these risks while retaining upside potential.

Working with local developers

Mid-market energy transition projects are often initiated by smaller developers, industrial partners or municipalities that operate with deep local knowledge but limited access to institutional funding. These counter-parties play a vital role in originating high-quality projects, navigating local constraints, and building stakeholder support.

Strategic partnerships with such actors can provide investors with an ongoing deal flow, early access to projects, and opportunities to co-develop or scale successful models. Rather than acting as passive financiers, investors in this space often function as strategic partners, helping to bridge expertise and capital to accelerate execution. In many cases, these partnerships can evolve into platform strategies, whereby a common template, be it legal, technical, or financial, is applied across multiple projects. This replication improves efficiency, enhances transparency, and allows for institutional scaling over time.

Addressing critical needs in the transition

While large-scale renewable energy projects have absorbed the bulk of investment flows over the past decade, many enabling technologies remain underfunded. Grid-scale storage, green hydrogen,

and distributed energy systems are not peripheral, they are essential to building a flexible, integrated and decarbonised energy infrastructure.

Mid-market investments in these sectors can play a catalytic role. By allocating capital to technically viable but financially underserved assets, investors help fill a structural financing gap. Moreover, these assets often deliver co-benefits: enhanced energy resilience, local job creation, and progress towards national or regional decarbonisation targets. However, the diversity of asset types, counterparties, and regulatory environments means that standardised investment frameworks remain limited. Investors must often tailor their approach to the specific context, balancing repeatability with responsiveness.

Taken together, when mid-market projects are carefully selected, thoroughly assessed, and actively supported, they can deliver robust financial performance alongside material environmental benefits. Early engagement, technical input, and long-term alignment all contribute to de-risking investments and enhancing their operational and impact outcomes.

For investors who combine sector expertise with a pragmatic, hands-on approach, the mid-market presents a distinctive opportunity: to invest in the enabling infrastructure of the energy transition, while capturing alpha through active value creation in overlooked segments of the real economy. ■



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SUMMARY

Mid-market infrastructure remains underexplored and inefficient, offering attractive entry points.

Sector specialisation improves access, risk assessment and alignment with project developers.

Early involvement in project development allows investors to shape structure and sustainability profile.

Collaboration with local developers unlocks differentiated opportunities in emerging transition sectors.

While large-scale renewable energy projects draw mainstream attention, the mid-market presents a pathway to combine financial returns with meaningful contribution to climate goals.