



State of Rhode Island
Office of the General Treasurer

Energy Capital Partners VI (“ECP VI”) Staff Recommendation
March-2026

RECOMMENDATIONS:

- [Rhode Island Employees Retirement Systems Pooled Trust](#): **Approve a commitment of up to \$30 million to ECP VI.**
- [Rhode Island OPEB System Trust](#): **Approve a commitment of up to \$2 million to ECP VI.**

ASSET CLASS: Private Real Assets (ex-Real Estate)

SUB-STRATEGY: Infrastructure

ALLOCATIONS:

- [Rhode Island Employees Retirement Systems Pooled Trust](#): The target allocation for Private Real Assets (ex-Real Estate) is 4% and the actual allocation as of 2/28/2026 is 4.1%. Pacing plan for 2026 vintage is \$110 million to 3-4 primary funds per year at \$20-40 million per fund. Pending approval of this recommendation, ERSRI’s 2026 commitments will be \$30 million.
- [Rhode Island OPEB System Trust](#): Effective January 1, 2023, the target allocation for Private Real Assets (ex-Real Estate) is 4% and the actual allocation as of 2/28/2026 is 1.7%. Pacing plan for 2026 vintage is \$11 million committed across 3 to 4 primary funds. Pending approval of this recommendation, OPEB’s 2026 commitments will be \$2 million.

AGSIP IV INVESTMENT STRATEGY & TARGET FUND SIZE:

- [Investment Strategy](#): ECP is a private equity firm founded in 2005 and headquarters in Summit, New Jersey. ECP targets opportunities across the electricity and sustainable infrastructure landscape, including natural-gas-fired power generation, renewable energy such as wind, solar, geothermal, hydro, battery storage, and power solutions supporting data centers, AI, and cloud infrastructure. The firm also invests in sustainability-focused sectors like carbon capture, low-carbon and renewable fuels, environmental remediation, recycling and waste management, beneficial reuse, waste-to-energy, water and wastewater systems, and downstream infrastructure tied to power generation. ECP VI will target 10 to 15 companies / platforms with controlling interests primarily in North America and opportunistically in Europe (especially in UK where ECP had success). ECP VI targets a net 15-18% net return over the 10-yr fund life.
- [Target Fund Size & Timeline](#): ECP VI is targeting to raise \$5 billion, a slight increase from ECP V at \$4.4 billion. The Fund expects a final close at the end of Q2 2026, and the GP anticipates committing the greater of 2% of aggregate LP commitments or \$100 million.

PORTFOLIO FIT:

- [Rhode Island Employees Retirement Systems Pooled Trust](#): The ERSRI Private Real Assets (ex-Real Estate) is part of the Inflation Protection bucket and is meant to exhibit inflation hedging characteristics. Current portfolio has eight managers with more than 40% concentrated in two managers. Increasing manager diversification is key priority for ERSRI heading into 2026. ERSRI’s exiting fund commitments invest broadly across transportation, utilities, digital infrastructure and social infrastructure. ECP VI is complementary to ERSRI’s existing portfolio, and it serves as a dedicated power-focused fund to the existing broad-based infrastructure allocation. Pending

approval of a \$30 million commitment to ECP VI, ECP would represent 4% of exposure (NAV + unfunded commitments), as of 2/28/2026, in Private Real Assets (ex-Real Estate).

- **Rhode Island OPEB System Trust:** The OPEB Private Real Assets (ex-Real Estate) portfolio is in the process of ramping up to its target allocation through commitments made in tandem with those from ERSRI. Pending approval of a \$2 million commitment to ECP VI, the fund would represent 8% of exposure (NAV + unfunded commitments) as of 2/28/2026, in Private Real Assets (ex-Real Estate).

MERITS:

- **Growing Demand & Strong Track Record in Recent Vintage:** Demand for electricity has been flat in the last two decades and is now projected to grow more than 2% annually. The growing demand is not driven by a single sector but multiple sectors including data centers, electrification of buildings and transportation, and onshore industrial. ECP has strong track records since its 2014 vintage fund and has moved away oil & gas exploration and production and projects with long construction timelines.
- **Experienced Team & Refined Strategy Over Time:** ECP has deep expertise in power generation and energy infrastructure and has been investing through multiple energy transitions environment. It's one of the largest private owners of U.S. power capacity with strong recent returns. ECP has offered and successfully raised meaningful co-investment capital and can scale up to larger deals with a medium fund size. ECP has meaningfully evolved its approach since early fund losses — exiting midstream and concentrating Fund VI on electricity and sustainability infrastructure.

Risks:

- **DPI Yield from Financing Activities:** ECP has outperformed its peer universe on a Distributed Paid-In (DPI) basis. Proceeds from financing activities and portfolio companies' operating income have been used to fund distributions to LPs prior to a full exit. ECP has also used NAV facilities to accelerate distributions during a period of limited liquidity.
 - **Mitigant:** Debt growth across portfolio companies has lagged revenue and enterprise value (EV) expansion. Portfolio companies have an overall decrease in leverage despite absolute debt level increase. ECP has indicated that NAV facility would be limited to supporting portfolio company capital needs, rather than funding distributions to Limited Partners (LPs).
- **Development Risk:** ECP I (2006-vintage) had high loss ratio and poor performance. Long-dated development projects with limited long-term contracting had negatively impacted Fund I portfolio. Lack of long-term contracts was intentional as the market was widely projecting natural gas prices to rise.
 - **Mitigant:** ECP VI will pursue acquisition of existing assets (including de-risked new constructions), late-stage development and projects with short construction periods (<2 years). ECP doesn't expect to develop projects with long construction timelines.

ESG:

- **ESG:** ECP is categorized as an ESG **Integrator**. ECP adopted its responsible investment policy in 2017 and enhanced it in 2021 by forming a more robust ESG committee and developing an ESG roadmap. Since then, ECP has been publishing an annual Responsible Investing Report. A mandatory ESG template is required in the final investment committee memo, and it's used to identify areas for improvement during ECP's ownership. About 1/3 of ECP VI's capital is expected to be deployed in natural gas generation optimization, ~1/3 is expected into renewable energy and the remaining in sustainability infrastructure.
- **DE&I:** ECP promotes diversity, equity, and inclusion both at the firm and within portfolio companies. ECP's Chief Talent Officers leads talent management, recruitment and diversity, equity and inclusion efforts. ECP supports portfolio companies to participate industry and trade organizations that promote the advancement of women and

minority professionals. ECP has created a new position – Director of Learning and Development in 2024 to support internal growth and development at the firm and within portfolio companies.

- **FEES:** Fee terms are in line with industry standards.
 - **Management Fee & Carry:** The management fee is 1.5% on committed capital during the investment period and 1.5% on invested thereafter. Carry is 20% on the whole fund basis (European Style) after an 8% hurdle.

Appendix 1: ERSRI Prior Fund Exposure

This section is left blank intentionally. ERSRI has no current exposure to ECP Fund Series.

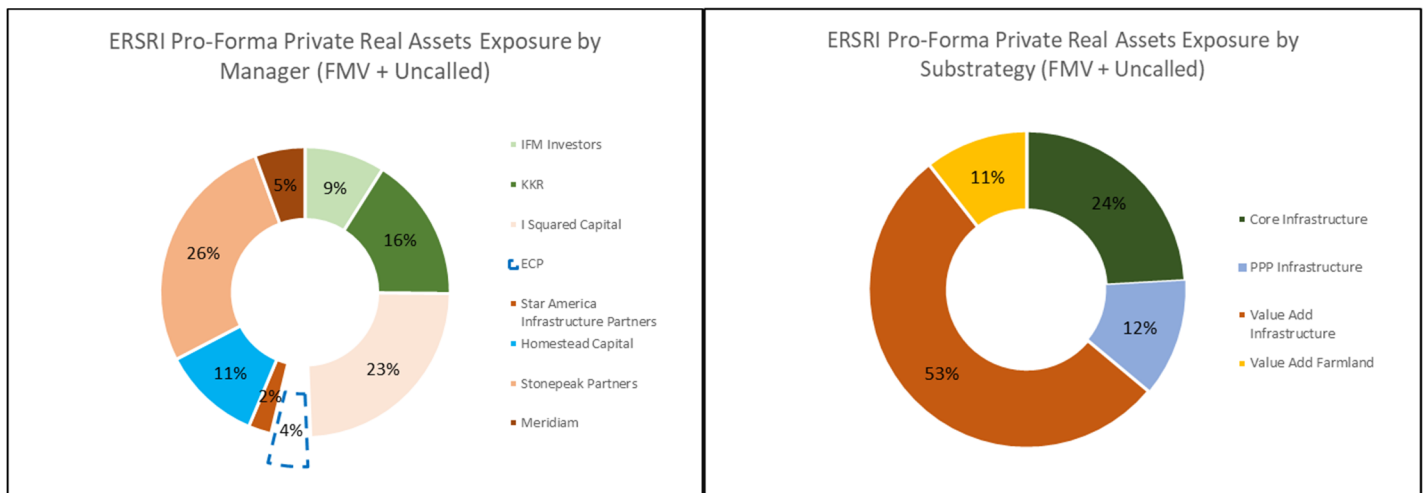
Appendix 2: ERSRI Prior Fund Performance

This section is left blank intentionally. ERSRI has no current exposure to ECP Fund Series.

Appendix 3: ERSRI Private Real Assets (ex-Real Estate).

Manager**	Asset Class	Strategy	Structure	Sectors	Market	Geography
IFM Investors	Infrastructure	Core	Evergreen	Diversified	Large	Global
KKR	Infrastructure	Core	Evergreen	Diversified	Large	Global
ISquared Capital	Infrastructure	Value-add	Close-ended	Diversified	Middle-Large	Global
Stonepeak Partners	Infrastructure	Value-add	Close-ended	Diversified	Middle-Large	North America
Meridiam	Infrastructure	Value-add	Close-ended	PPP	Middle-Large	North America
Aberdeen Partners	Infrastructure	Value-add	Close-ended	PPP	Small-Large	Global
Star America Infrastructure Partners	Infrastructure	Value-add	Close-ended	PPP (no energy)	Middle	U.S.
Energy Capital Partners	Infrastructure	Value-add	Close-ended	Energy	Middle-Large	U.S. & Europe (UK)
Homestead Capital	Infrastructure	Value-add	Close-ended	Prem and Row Crop	Middle	U.S.

Appendix 4: ERSRI Portfolio Fit



Appendix 5: OPEB Portfolio Fit

