

**Carlyle Group LP**

## Carlyle to sell power producer Cogentrix Energy in \$3bn deal

Private equity group Quantum Capital will buy owner of natural gas power plants



Cogentrix owns 11 natural gas power plants in markets across the US © Cogentrix Energy

**Jamie Smyth, Maria Heeter and James Fontanella-Khan** in New York 6 HOURS  
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Carlyle is selling one of the largest portfolios of natural gas power plants in the US for \$3bn, amid a surge of investor interest in the energy sector linked to the soaring demand for electricity from digital networks.

The US private equity firm will sell Cogentrix Energy to Quantum Capital Group, a Houston-based private equity group focused on energy investments. An announcement is expected on Monday.

The Financial Times reported in June that Cogentrix had hired boutique investment bank Lazard and law firm Latham & Watkins to [explore a sale](#).

Cogentrix, which is headquartered in North Carolina, owns 11 natural gas power plants in some of the most energy-hungry markets across the US, including Texas, Pennsylvania and the New England region.

[Carlyle](#) initially bought the power producer from Goldman Sachs in 2012 for an undisclosed sum. It has roughly doubled Cogentrix's assets since then by purchasing new power plants and expanding its business.

Wil VanLoh, Quantum's founder and chief executive, said it was unusual to get the chance to buy a large portfolio of gas power plants in markets experiencing such growth in power demand.

"Electricity demand is rapidly increasing thanks to explosive growth in data centres and AI, the reshoring of manufacturing, and the electrification of everything. This is an opportunistic purchase and we plan to support the growth of the business," he told the FT.

The transaction marks the latest in a flurry of dealmaking in the utility sector, where [electricity demand is rising](#) after two decades of stagnation.

Investors have been seeking opportunities to acquire and invest in power plants, partly driven by expectations that demand for power will soar due to the expansion of data centres and digital infrastructure needed for artificial intelligence, potentially straining the energy supply.

Global Infrastructure Partners, Canadian pension fund CPP Investments and Brookfield have all backed multibillion-dollar transactions in recent months as investors bet a once-staid sector will now offer better returns.

Carlyle's divestment of Cogentrix to Quantum is unlikely to dim the private equity group's [interest in the energy sector](#). In 2021 Carlyle founded Copia Power, a renewable energy company building solar farms and battery storage assets across the US.

Pooja Goyal, chief investment officer of Carlyle's infrastructure group, said the AI boom could not happen without stable and reliable power to energise the data centres built by technology groups.

"The biggest bottleneck right now is power generation capacity, as well as transmission and distribution capacity," Goyal said. "So we will continue to be very active in those areas through our existing portfolio companies, as well as new investments that we make."



