Fidelity's golden visa-backed fund lifts Transpower lending to $127m for grid upgrades

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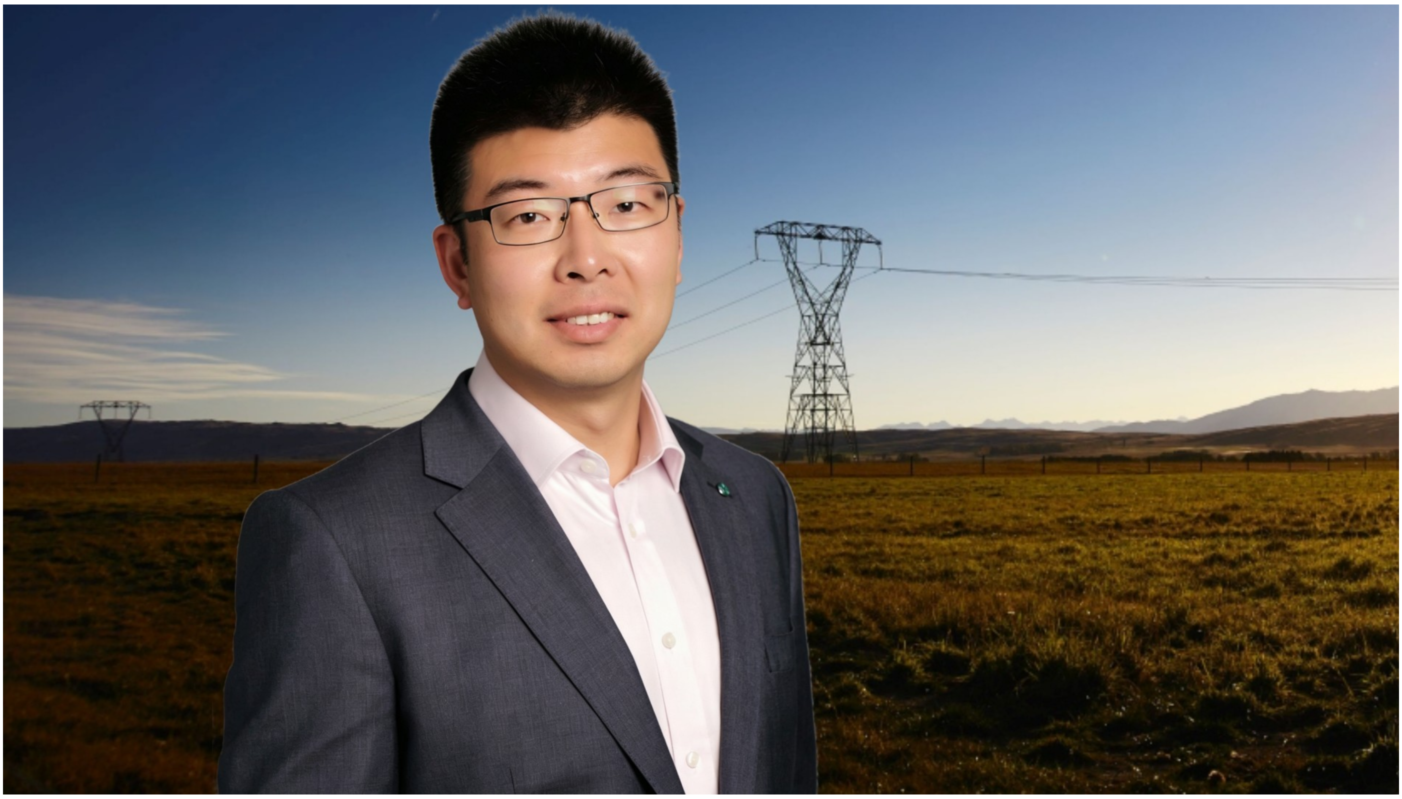

Fidelity Capital Partners managing director Eric Wei says golden visa money and infrastructure investment are a perfect match. (Image: BusinessDesk composite)

A golden visa-approved electricity infrastructure fund has made its second debt placement to Transpower, bringing its total lending to the national grid operator to $127 million.

Fidelity Capital Partners has made an additional $70m private placement into Transpower debt, following a $57m placement in March.

The investment is from Fidelity's Sustainable Energy Fund; an Active Investor Plus-approved private credit fund focused on New Zealand electricity infrastructure.

The capital will help fund transmission upgrades and grid connections supporting about 845 megawatts of new renewable generation and battery storage, including Huntly battery storage, Te Mihi geothermal, Te Rahui solar and Kaiwera Downs wind.

It will also help pay for major transmission upgrades, including the 570km Cook Strait HVDC cable replacement and regional grid strengthening across the upper South Island and central North Island.

Transpower treasurer Chris Sutherland said Fidelity had been a professional and constructive funding partner.

"We welcome their continued interest in supporting critical infrastructure investment."

Attractive assets

Fidelity said the investment showed golden visa capital being directed into productive infrastructure, rather than passive assets, supporting grid resilience, electrification and NZ's energy transition.

Fidelity Capital co-founder Eric Wei said investors, particularly from Asia-Pacific, were attracted by long-term regulated returns, stable cashflows, tangible infrastructure assets, and making a positive social and economic impact where they can build lives.

"They want to make a life in NZ, and they really like the idea of contributing to the NZ economy, and also the resilience of NZ in this way," Fidelity infrastructure investment director Marco Eugster said.

Wei said Active Investor Plus (AIP) investors had a strong appetite for core infrastructure and regulated utilities, and electricity transmission was benefiting from interest flowing from the popularity of artificial intelligence.

"People want to get hands on this opportunity."

Since the fund opened about 10 months ago it had raised about $150m. It was an open-ended fund, which meant Fidelity could be a long-term funding partner, Wei said.

Fidelity says it is the first private credit fund specialising in electricity infrastructure.

Earlier this year the two private credit funds, Aotea Asset Management and Private Capital Group, opened infrastructure funds. Private Capital Group has now made its largest-ever investment, lending $135m for a development near Porirua.

Transpower and beyond

The private capital firm sees investment opportunities beyond Transpower, especially with regional electricity distribution businesses that face large capital expenditure needs and may have more limited access to capital markets.

"NZ has been a very small economy. What we see is patient capital goes to infrastructure. It's a perfect match."

Wei said the cost for regional lines companies to borrow from banks was high compared to Fidelity.

Fidelity could offer unsecured loans and flexibility. Wei said this was important, otherwise the lines companies could just go to a bank instead.

He said the private credit firm was actively talking to National Infrastructure Funding and Financing Ltd (NIFFCo), the Government's primary infrastructure agency and investor lead for both public and private capital investments.

Wei said NIFFCo had seen what Fidelity had done in transmissions and was discussing collaborating on financing other sectors, where it could even take equity stakes.

Golden visa overhaul

The golden visa scheme was overhauled by the Government first in early 2025.

It reduced the number of days required to be spent in NZ and the minimum investment required for those seeking residency via the investor category.

Under the two new visas, growth and balanced, investors could part with $5m under growth or $10m minimum under the balanced category.

In September golden visa holders were allowed to buy NZ homes, but only if they cost $5m or more.

In October, the Government said it would start accepting applications in November for a new business investor work visa, which allows foreign investors to gain residence by investing in established local businesses. There is a minimum investment threshold of $1m or $2m.

In May the rules were tweaked again, and from June 1 philanthropic investments were added to the growth category, capped at 20% of the total invested, or $1m.

Immigration Minister Erica Stanford said eligibility rules for charities to receive AIP money would be strengthened.

Latest numbers

From April 1, 2025, when the changes were made to May 24, $1.72 billion had been invested through the scheme; $1.21b committed through the growth category.

More than $515m has flowed to private credit funds.

Applications from the US numbered 252 of the total 730 received, with 294 applications approved and 299 approved in principle.

Applications from China were the second-largest group with 125, followed by Hong Kong at 95.

More than 45 new funds have been approved to take golden visa cash since April 1, 2025.

About the author

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Rebecca is an award-winning business journalist and business commentator. She is a former national business editor of Stuff and business editor of The Spinoff and was previously editor of the Western Leader and Nor-West News.

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