

WIND FARM FINANCING



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Agenda



- Sector Challenges
- Funding
- Risks
- Key Considerations
- Conclusion



Sector Challenges



- **REFIT**
- **Single Electricity Market**
- **Grid Connection**
- **Planning**
- **Turbine Delivery**
- **Increasing Capital Costs**
- **Deposit payments:**
 - **Grid connection / Turbines**



Funding

Sources of Funding:

- Sponsor
- BES
- 3rd Party
- Bank Debt

Key Funding Parameters:

- Base Case P90
- Gearing
- Debt Service Reserve Fund
- Major Maintenance Reserve Fund
- Repayment Capacity
- Pricing



Funding cont'd



Security:

- Project Finance – usually Non-Recourse to Promoters
- In-depth Bank Due Diligence
- Charge / Assignment over all Project Assets & Documents



Risks



- **Wind**
- **Construction**
- **Technology**
- **Grid Connection**
- **Operational**



Key Considerations



- **Knowledgeable Promoters**
- **Strong Technical & Financial Advisors**
- **Good Wind Regime**
- **Offtake Arrangement**
- **Proven Technology**
- **Timely Grid Connection**
- **Robust Contracts**
- **Insurance**



Conclusion



- **Maturing Sector**
- **Changing Market**
- **Increased Transaction Complexity**





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