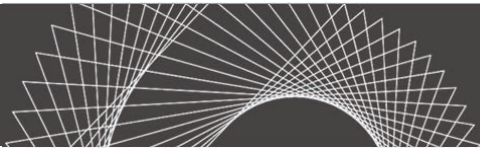


# Fundamentals of Project Financing



**Akin Gump**  
STRAUSS HAUER & FELD LLP

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CLE Presentation for 15th Annual Renewable Energy Law Conference

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## Why Project Finance?

- Small Balance Sheet
- Efficient Use of Tax Incentives

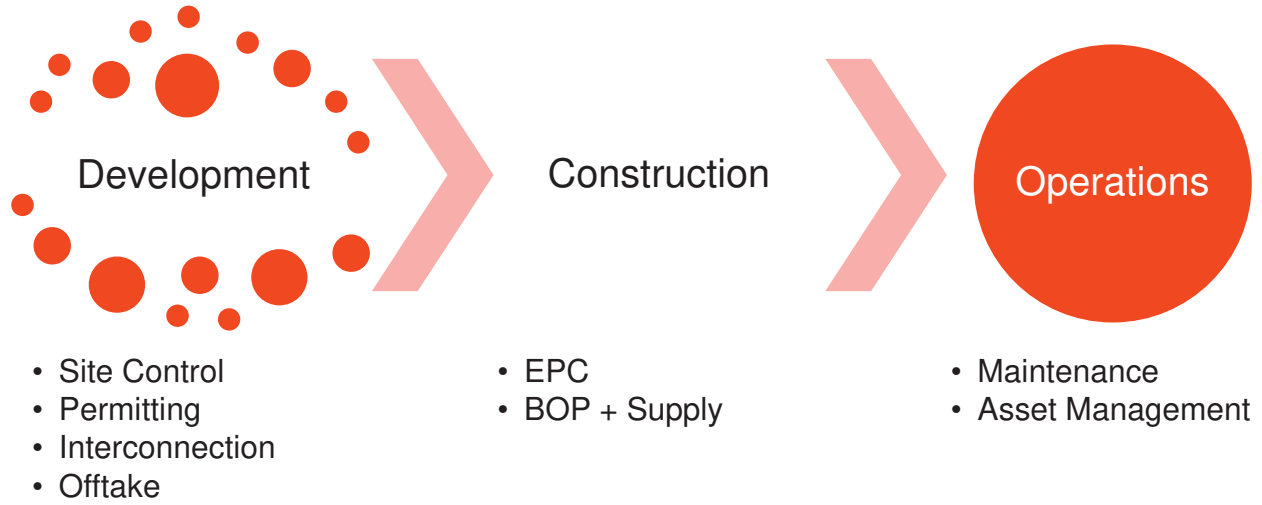


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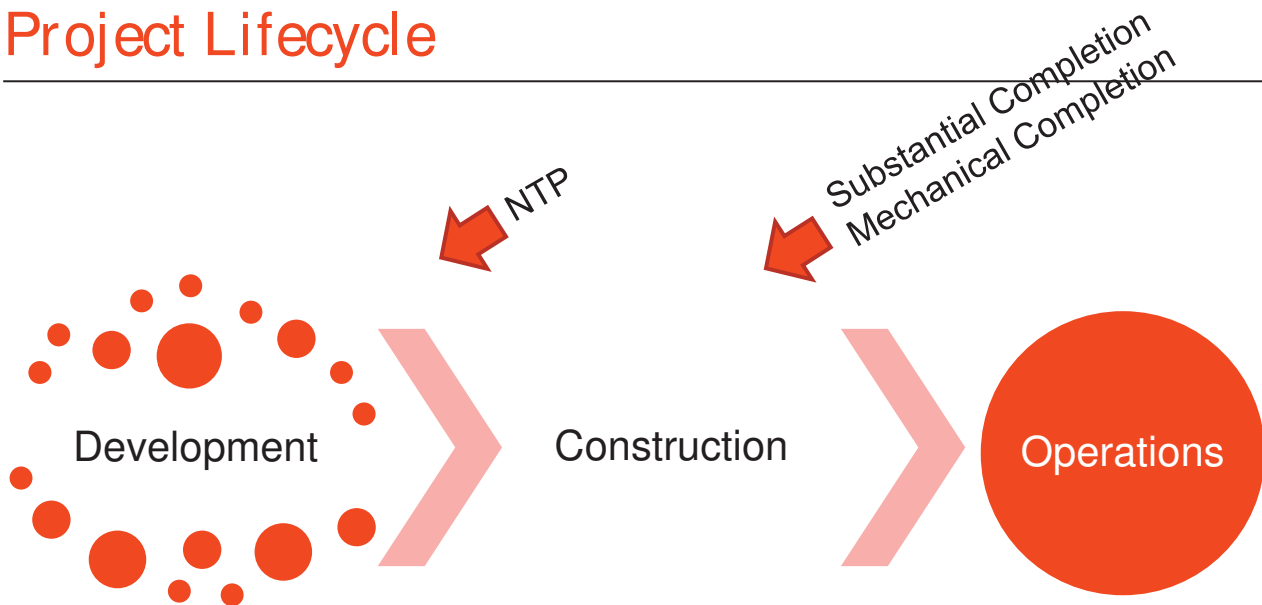
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# Project Lifecycle



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# Project Lifecycle



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# Development Financing – Pre-NTP

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## DEBT FINANCING

- Borrower: Developer
- Use of Funds: Development costs
- Full Recourse
- JOINT VENTURE
- DEVELOPMENT FOR HIRE

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# Construction Debt - NTP

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- Borrower: Project Company
- Use of Funds: Construction Costs
- Collateral: All Assets of Project Company
- Non-recourse
- Term: Short-term
  - Tax Equity Bridge: Repaid at completion of construction with funds from Tax Equity investor
  - Cash Equity Bridge: Repaid at completion of construction with funds from sponsor
  - Converted into long-term debt



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15<sup>th</sup> Annual Renewable Energy Law session

"Renewable Energy Financing Essentials"