Fundamentals of Project Financing



Akin Gump

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1

Why Project Finance?

- · Small Balance Sheet
- · Efficient Use of Tax Incentives



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Project Lifecycle



Construction



- Site Control
- Permitting
- Interconnection
- Offtake

- EPC
- BOP + Supply
- Maintenance
- · Asset Management

3

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Substantial Completion
Mechanical Completion Project Lifecycle Development Construction Operations Akin Gump © 2019 Akin Gump Strauss Hauer & Feld LLP

Development Financing - Pre-NTP

DEBT FINANCING

- · Borrower: Developer
- · Use of Funds: Development costs
- Full Recourse

- JOINT VENTURE
- DEVELOPMENT FOR HIRE

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5

Construction Debt - NTP

- · 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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