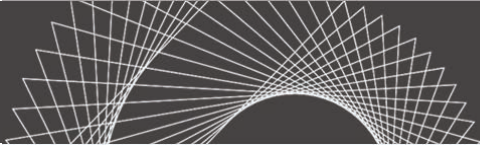


Fundamentals of Project Financing



Akin Gump
STRAUSS HAUER & FELD LLP

January 2019

CLE Presentation for 15th Annual Renewable Energy Law Conference

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Why Project Finance?

- Small Balance Sheet
- Efficient Use of Tax Incentives

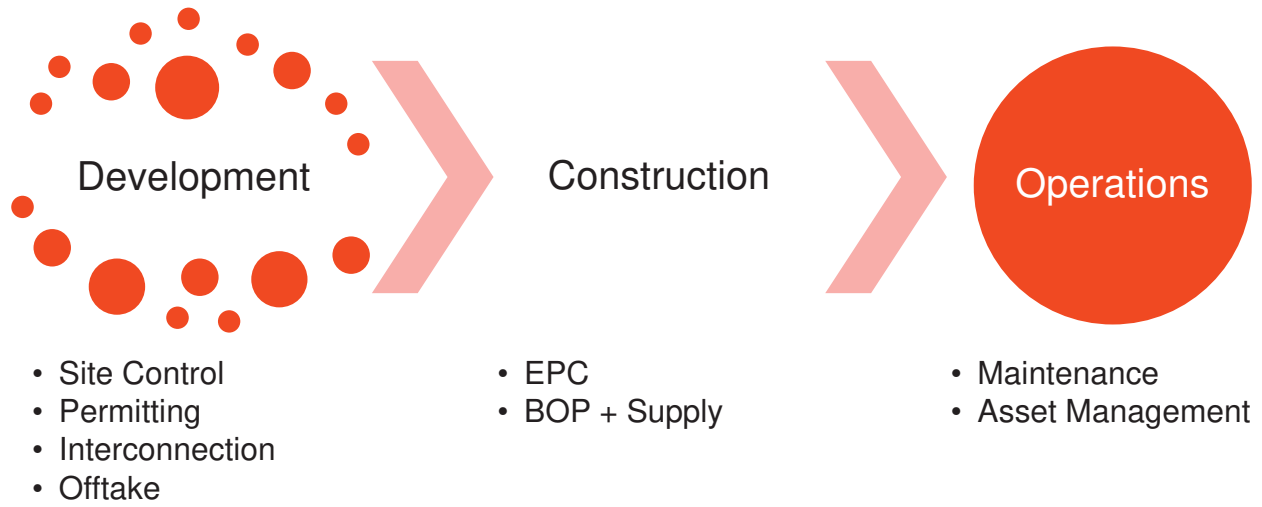


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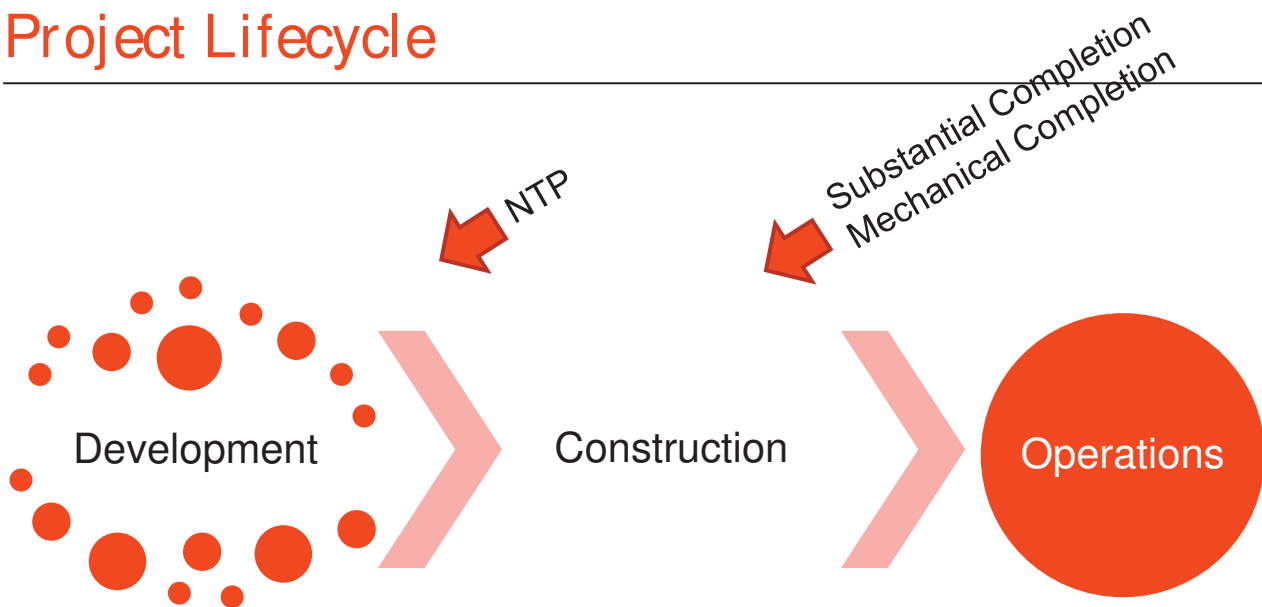
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Project Lifecycle



3

Project Lifecycle



4

Development Financing – Pre-NTP

DEBT FINANCING

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

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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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[2020 Renewable Energy Law eConference](#)

First appeared as part of the conference materials for the

15th Annual Renewable Energy Law session

"Renewable Energy Financing Essentials"