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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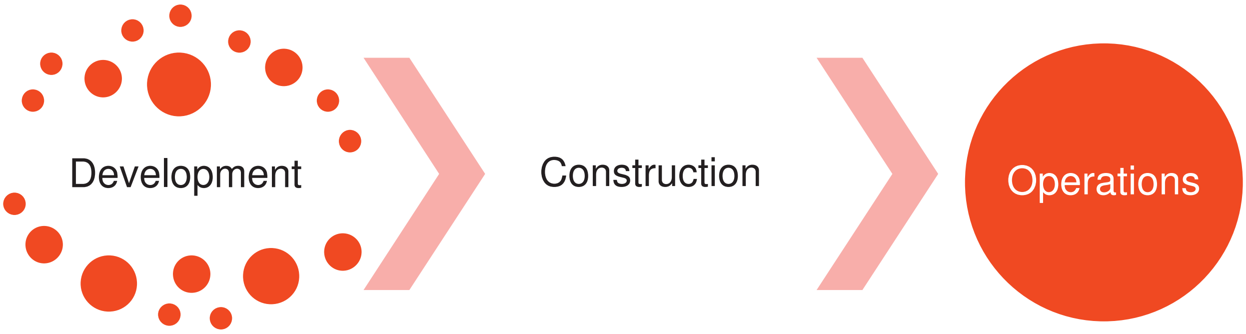
Project Lifecycle

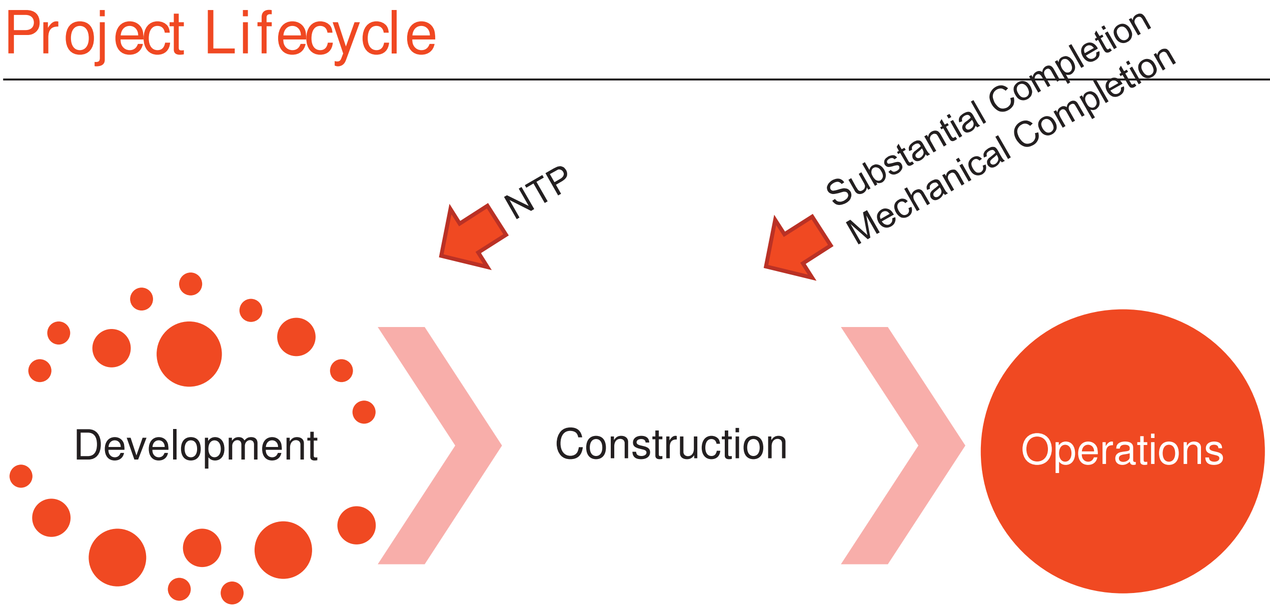


- Site Control
- Permitting
- Interconnection
- Offtake

- EPC
- BOP + Supply

- Maintenance
- Asset Management

Project Lifecycle



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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Title search: Fundamentals of Project Financing

Also available as part of the eCourse
Answer Bar: Navigating a Renewable Energy Project

First appeared as part of the conference materials for the
15th Annual Renewable Energy Law session
"Renewable Energy Financing Essentials"