MOTT MACDONALD

Lenders TA’s Views – Foundation Design

01 October 2019

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Mott MacDonald and offshore wind

- Global presence
- Engineering services for over 89GW of wind (incl. onshore)
- Strong SEA presence over the last 10 years with offices in the region including Tokyo and Taiwan and plans to further expand in the region
- OE, LTA roles for pioneering Japanese project firsts
- Deep knowledge and understanding of the market and culture

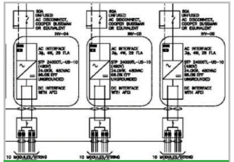

Technology assessment


Energy yield analysis


Feasibility & technical studies


Project & programme management


Detailed design


Electrical engineering


Finance & acquisition due diligence


Construction & operation monitoring


Environmental & social impact studies

Planning & permitting

Agreements & contracts review

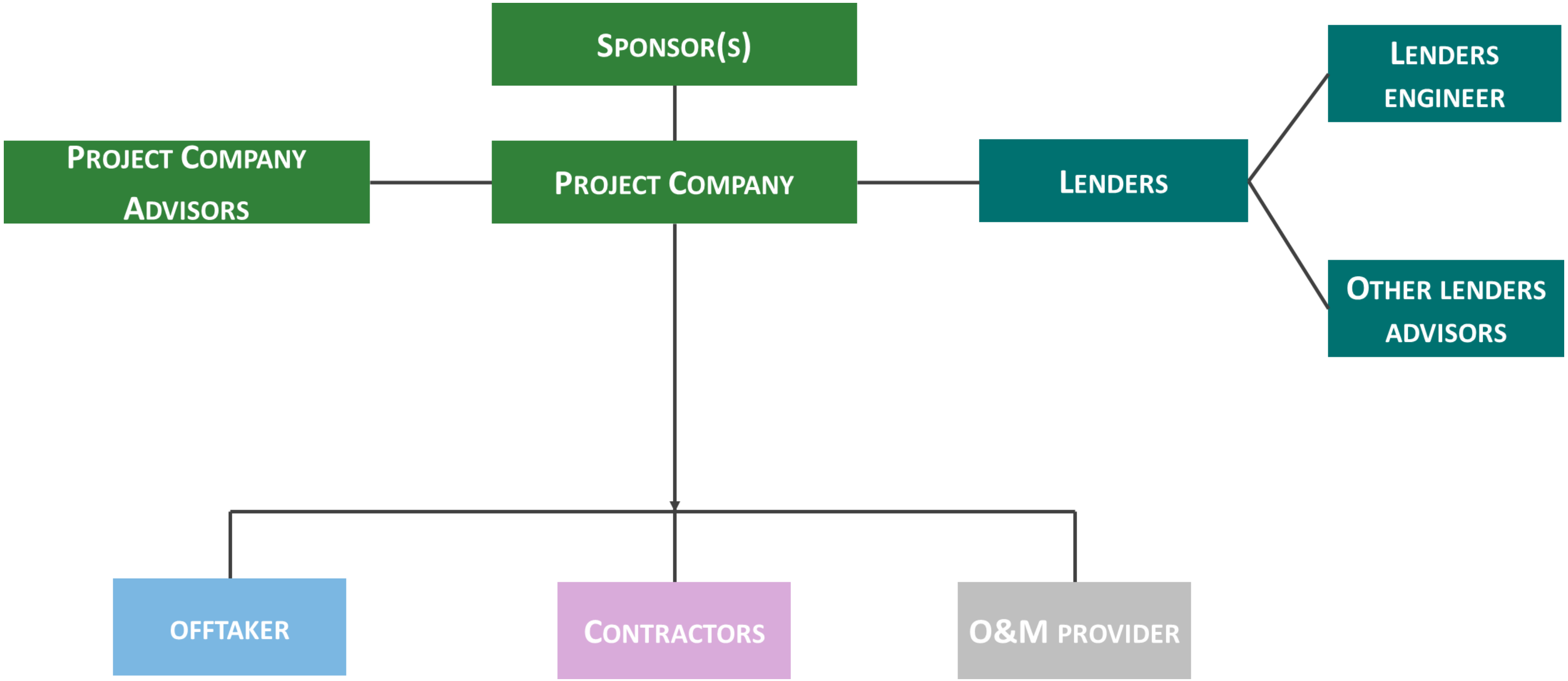

Market & strategic advice

Tendering & procurement advice

Risk assessment


Bankability studies

Project Structure



Financing options

1

Balance Sheet

Sponsor provides all funding

Sponsor retains control of the project

No external parties to answer to

Sponsor must be cash rich

Sponsor takes full risk

2

Corporate Financing

Lenders provide loan to Sponsor

Sponsor will provide collaterals

Lenders direct access to Sponsor's assets

No work for TA

3

Project Finance

Lenders provide loan (60-80%) to SPV (no-recourse to Sponsor)

SPV has no assets

Sponsor may not have all the cash

Sponsor may wish to share risk/do more

Lenders charge more!

4

Refinancing

Sponsor funds building of the project

Lenders provide loan at completion for the construction costs

Recycling of cash

Lenders carry no construction risk

Shared ops risk

Technical DD - What does it all mean?

1
Constructability
Can it be built within budget and time?

2
Operability
Will it work and will it continue to work?

3
Risk allocation
Which party is carrying what risk and at what premium

4
Energy projections
Use of right inputs, tools, competency of consultant

5
Losses/ Availability
Are assumptions reasonable?

6
Capex
Within benchmarks and appropriate for risk allocation?

7
Opex
Within benchmarks and appropriate for risk allocation?

8
Quality
Can it be built with **acceptable** quality?

9
H&S
Are there reasonable provisions?

10
Environment
Compliance with standards for E&S

Lenders

What they want is to finance the project but protect their interests

Lenders care about downside as it will affect the ability of the project to repay the loan

Approach is risk-identification and mitigation

Lenders **DO NOT** benefit from a project performing above expectations – so they do not care for upside

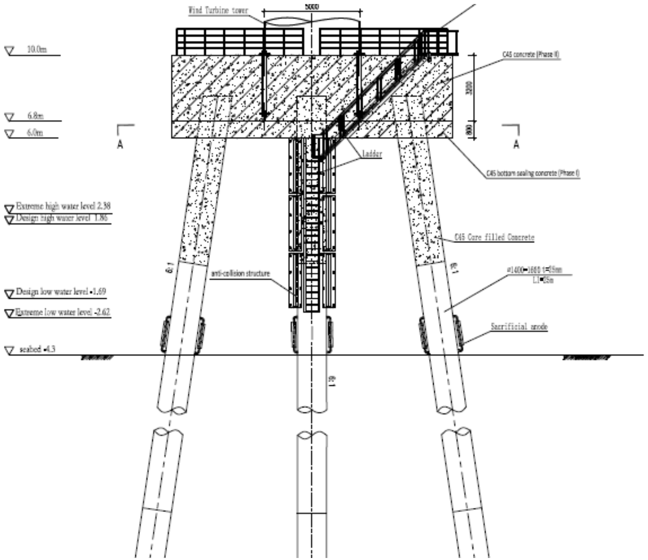
We remain independent

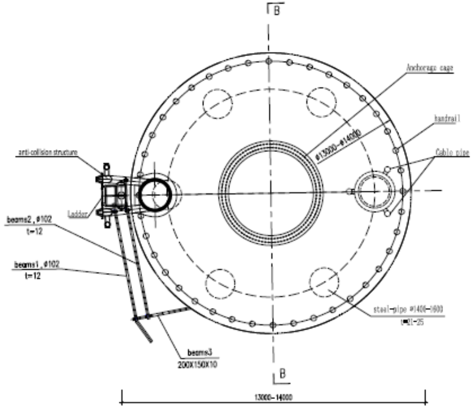
We get paid by the Sponsors so they are also the client!

Lenders

- Often appointed by Sponsors well before Lenders are approached -> make the project bankable
- Duty of care is always to the Lenders but the Sponsors will appoint us in the future as well (some exceptions)
- We are the dealmakers
- Lenders have loads of projects seeking money; we need to get this one to get to the top of the pile
- Standard projects – Lenders typically have done their own dd and expect us to confirm all is ok
- New projects (technology/geography) – Lenders expect a lot more scrutiny and more opportunity for us to add value

Some Anecdotes





Plan Drawing (A–A) 1:100

Questions?