Tuesday, November 5, 2019

Project Finance Structures and Debt

Chair: Jim Berger

Registration & Continental Breakfast begins at 8:30

Renewable Energy Project Finance—Key Concepts

- Project Finance basics
- Who are the players (sponsor, lenders, tax equity investors, hedge providers)
- Key characteristics of renewable project finance structures

Introduction of Sample Project Finance Transaction

Break

Project Documentation & Issues and their role in transactions

- Main Project Documents
  - EPC (solar)
  - TSA and BOP (wind)
  - PPA
  - Interconnection
  - O&M
  - Ground Lease
- Issues
  - Curtailment
  - Performance
  - Completion
  - Guarantees
  - Warranties
  - Force Majeure
  - Change of Law

Debt Financing and Hedging
• Types of Debt
  o Bank debt vs institutional debt
  o Mezzanine/sub debt
  o Construction vs. term loan
• Types of capital commitments
  o Underwritten, best efforts basis, syndicated loans
  o Market flex and club deals
• Sizing of debt
  o Fully amortizing vs. mini-perm
• Hedging
  o Interest Rate hedging
  o Commodity hedging

Group Luncheon

Security Documents
• Purpose of Security/Collateral
• Documentation Involved
  o Security Agreements
  o Pledge Agreements
  o Guaranty Agreements
  o Mortgages
  o Depositary Agreement
• Other Issues
  o Perfection
  o Uniform Commercial Code
  o Intercreditor Issues
• Depositary Agreement Waterfall

Break

Case Study: Financing Agreement
• Components of a Financing Agreement
  o Lending Provisions/Procedures
  o Conditions Precedent
  o Representations
Example: Case Study - Sample Financing Agreement from a Renewable Energy Project Loan

Q&A

Day 1 ends at 5:15 pm

Wednesday, November 6, 2019

Tax Equity  
Chair: Amanda Rosenberg

Continental Breakfast begins at 8:30

The Important Role of Tax Incentives in Renewable Financings
  ● Tax benefits
    o ITC
    o PTC
    o MACRS, bonus depreciation

Break

Tax Equity Structures
  ● Types of tax equity structures
    o Partnership flip
    o Sale-leaseback
    o Pass-through lease
  ● Key differences between structures
  ● Risk allocation

Course Contact:
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Group Luncheon

Case Study: ECCA
- ECCA
  - Commitment
  - Conditions Precedent

Case Study: LLCA
- LLCA
  - Governance
  - Allocations
  - Distributions
  - Transfers
  - Cash Diversions
  - Indemnity

Combining Back-Leverage Debt and Tax Equity
- Cash Sweeps
- Change of Control and Transfer Restrictions

Break

Trends in Renewable Energy and Debt and Tax Equity Transactions
- Renewable Energy Generally
  - Tax Reform and Tariffs
  - Storage
  - Corporate PPAs
  - Offshore Wind
- Debt Trends
- Tax Equity Trends

Q&A

Course Ends at 5:00 pm