

# Renewable Energy Project Valuation

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The renewable energy boom shows no signs of abating, and neither do the long-term risks for developers, investors and portfolio owners. The competition to acquire projects and the shortening tenor for utility and corporate power purchase agreements (PPAs) is causing the profitability of projects to depend more on non-contracted revenue and the merchant tail. The success of investment decisions and project financings in the current market relies on accurately evaluating market and project risk over a long horizon—an increasingly challenging task that can create tension between sponsors, regulators, and debt and equity investors.

The **Renewable Energy Project Valuation Master Class** will conduct a deep dive into valuation approaches in today's market, and how to use them to meet IRS, investor and regulatory requirements. It will step through the rigorous application of valuation approaches, helping develop a depth of understanding and appreciation of how to incorporate market volatility in valuations that rely on varying forward energy price projections provided by competing market sources and often spotty market transaction data. It will:

- Provide information and perspectives on current market conditions, M&A activity, financier sentiment and investor risk appetite. The course will provide a discussion of how each of these is affecting the value and bankability of various classes of projects
- Step through the rigorous application of valuation approaches, discussing their strengths, weaknesses and common pitfalls in their use
- Discuss how legal and IRS requirements affect cost segregation, and how to avoid changes in depreciated value that can reduce revenue flows
- Examine how to assess the value of projects that depend on non-contract revenue and sources of yield beyond energy
- Show how to incorporate risks frequently encountered in both BTM and utility-scale projects, including interconnection issues, construction delays, VPPAs, curtailment and basis risk, hedges, and site control
- Discuss how to reconcile the sometimes-disparate results coming from different valuation approaches and methods of modeling market volatility to reach the most accurate conclusion possible

This Master Class will be taught by senior renewable energy project valuation professionals from Marshall & Stevens, a recognized leader in valuation services, including over \$50 billion of

renewable energy projects valued over the past 10 years. The class will also feature presentations by highly-respected renewable energy project attorneys and top industry investors to provide their perspectives of asset valuation in the current market.