

Project Finance Documentation

October 13 - 14, 2020 | 7:45 AM - 2:45 PM (PDT) | Digital Access

DAY 1: Tuesday, October 13, 2020:

7:50-8:00 *Introduction and Opening Remarks*

8:00-8:30 **Session 1: Key Concepts of Renewable Energy Project Finance— Who are the Players, what do They Need in 2020, and How Does a Project Financing Deliver Those Outcomes?**

In our introductory session, instructors will provide a comprehensive overview of the core agreements and issues that must be addressed to create a workable contractual framework for constructing, operating and financing renewable energy projects today.

- Who are the players - sponsors, lenders, tax equity investors, hedge providers?
 - What are the current requirements (return, pricing, etc.) for each group to support a renewable project financing?
 - What are the limits to the risk appetite in each group? How has this changed in 2020?
- Key characteristics of renewable project finance structures that work in today's environment

James Berger, Partner, NORTON ROSE FULBRIGHT US LLP

8:30-8:45 *Live Q&A*

8:45-8:55 *Break*

8:55-9:45 **Session 2: The Important Role of Tax Incentives in Renewable Financings**

Tax incentives play a critical role in project financing today, and must be properly documented in the contractual framework. This presentation will discuss:

- ITC
 - Overall requirements
 - Recent changes in rules
 - Sensitive issues that must be properly documented
- PTC
 - Overall requirements
 - Recent changes in rules
 - Sensitive issues that must be properly documented
- MACRS, bonus depreciation
 - Overall requirements
 - Recent changes in rules
 - Sensitive issues that must be properly documented
- What is the possible evolution of these incentives in the next Administration/Congress?

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9:45-10:00 *Live Q&A*

10:00-10:10 *Break*

10:10-11:15 **Session 3: Tax Equity Structures Part 1– Contemporary Partnership Flips**

This session will detail how today’s partnership flips work, the current issues in these types of transactions, and the critical issues that must be addressed in documenting these transactions.

- How today’s partnership flips work
- Strengths and weaknesses of these types of transactions
- Critical issues that must be addressed in documenting these transactions.

Amanda Rosenberg, Partner, NORTON ROSE FULBRIGHT US LLP

11:15 – 11:30 *Live Q&A*

11:30-12:00 *Lunch*

12:00-12:25 **Session 4: Tax Equity Structures Part 2 – Contemporary Sale Leasebacks and Pass-through Leases**

This session will detail how today’s contemporary sale leasebacks and pass-through leases work, the current issues in these types of transactions, and the critical issues that must be addressed in documenting these transactions.

- Basics and key points of sale-leasebacks
- Basics and key points of pass-through leases
- Strengths and weaknesses of these types of transactions including risk allocation issues
- Key differences between structures
- Critical issues that must be addressed in documenting these transactions.

Amanda Rosenberg, Partner, NORTON ROSE FULBRIGHT US LLP

12:25-12:40 *Live Q&A*

12:40-12:50 *Break*

12:50-2:05 **Session 5: Modelling Tax Equity Deals**

Tax equity modeling and analysis has become increasingly complex and can be a source of confusion for stakeholders. As efficient monetization of tax credits remains the driving force behind these complicated structures, it is critical to have a clear understanding of their function in transactions. This featured presentation, delivered by an industry professional working actively and extensively on the preparation of tax-basis, project and fund-level financial

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projections, will detail how to model Tax Equity deals to help participants prepare dynamic and transparent representations of:

- Partnership Flips
- Sale-Leasebacks
- Inverted Leases

Steven Varady, *Principal*, NOVOGRADAC

2:05-2:20 *Live Q&A/Day 1 Wrap Up*

DAY 2 Wednesday, October 14, 2020:

8:00-8:45 **Session 6: Project Documentation & Issues and their role in transactions**

Project financings are built from a web of project agreements, and these must be understood, negotiated and documented properly to ensure the successful construction and operation of the project. These agreements provide an opportunity to shape the nature and course of project financings from conception all the way through development and operations. This session will walk participants through each of the critical project documents, explain their role in the financings and highlight the issues that are critical in contemporary renewable energy financings.

- 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

James Berger, *Partner*, NORTON ROSE FULBRIGHT US LLP

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8:45-9:00 *Live Q&A*

9:00-9:10 *Break*

9:10-10:20 **Session 7: Strategizing, Negotiating and Documenting Debt Financing and Hedging**

This session will discuss how to create a project strategy for utilizing and maximizing the benefits of debt financing and hedging as well as the key issues in documenting each instrument:

- Types of debt, key issues vis a vis provider, and critical issues to address with each:
 - Bank debt vs institutional debt
 - Mezzanine/sub debt
 - Construction vs. term loan
- Types of capital commitments
 - Underwritten, best efforts basis, syndicated loans
 - Market flex and club deals
- Sizing of debt
 - Fully amortizing vs. mini-perm
- Hedging
 - Interest Rate hedging
 - Commodity hedging
 - Congestion and basis risk and shape risk hedging

James Berger, *Partner*, NORTON ROSE FULBRIGHT US LLP

10:20-10:35 *Live Q&A*

10:35-11:05 *Lunch*

11:05-11:35 **Session 8: Security Documents**

Security plays an important role in project financing and problems encountered in perfecting security can often necessitate changes in how a project is to be structured. Therefore, it is crucial for lenders to ensure that valid and effective security interests are taken over the appropriate assets. This session will review the key documents and issues related to security in Project finance. Examine:

- Purpose of Security/Collateral
- Documentation Involved
 - Security Agreements
 - Pledge Agreements
 - Guaranty Agreements

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- Mortgages
- Depositary Agreement
- Other Issues
 - Perfection
 - Uniform Commercial Code
 - Intercreditor Issues
 - Depositary Agreement Waterfall

James Berger, *Partner*, NORTON ROSE FULBRIGHT US LLP

11:35 – 11:50 *Live Q&A*

11:50-12:00 *Break*

12:00-12:10 **Session 9: Introduction to Term Sheet Exercise**

In this session, Instructors will introduce the independent term sheet exercise to help you put into practice some of the key terms and conditions of financings learned throughout the class.

12:10 to 1:10 ***Independent Review of Term Sheet***

During this hour, participants will independently review a real-life term sheet. The group will then come together for explanation from the instructors.

1:10-1:40 **Session 10: Group Review of Term Sheet-Project Finance in Practice**

Instructors will walk-through the term sheet to illustrate key provisions, primary terms and conditions, and major points of principle.

1:40- 2:00 *Live Q&A & Closing remarks*

2:05 *End of Master Class*