



PPA STRATEGY FOR EXISTING AND NEW PORTFOLIOS

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CONFIDENTIAL

THE BLUEFIELD GROUP

International investment and asset manager

Bluefield pioneered the UK-listed 'permanent capital model' listing the Bluefield Solar Income Fund (BSIF) on the LSE in July 2013.

Combining M&A and Technical Asset Management expertise to provide a comprehensive solar specialist investment platform.



€1.8bn

Solar investment & acquisition experience of Bluefield team^{1,3}

€22bn

Energy & Infrastructure acquisition experience of Bluefield's Investment Committee^{1,2,3}

20,000MWp

Energy & Infrastructure transactions, development, technical asset management, O&M and construction^{1,2,3}

Ca. 500GWh

Solar energy power contracted by Bluefield team per year

145 acquisitions

More than 145 pan-European energy & infrastructure acquisitions^{1,2,3}

1,750 hours

Per year spent onsite inspecting Bluefield's portfolio³

+50 members

Bluefield's solar specialist team³

500MWp+

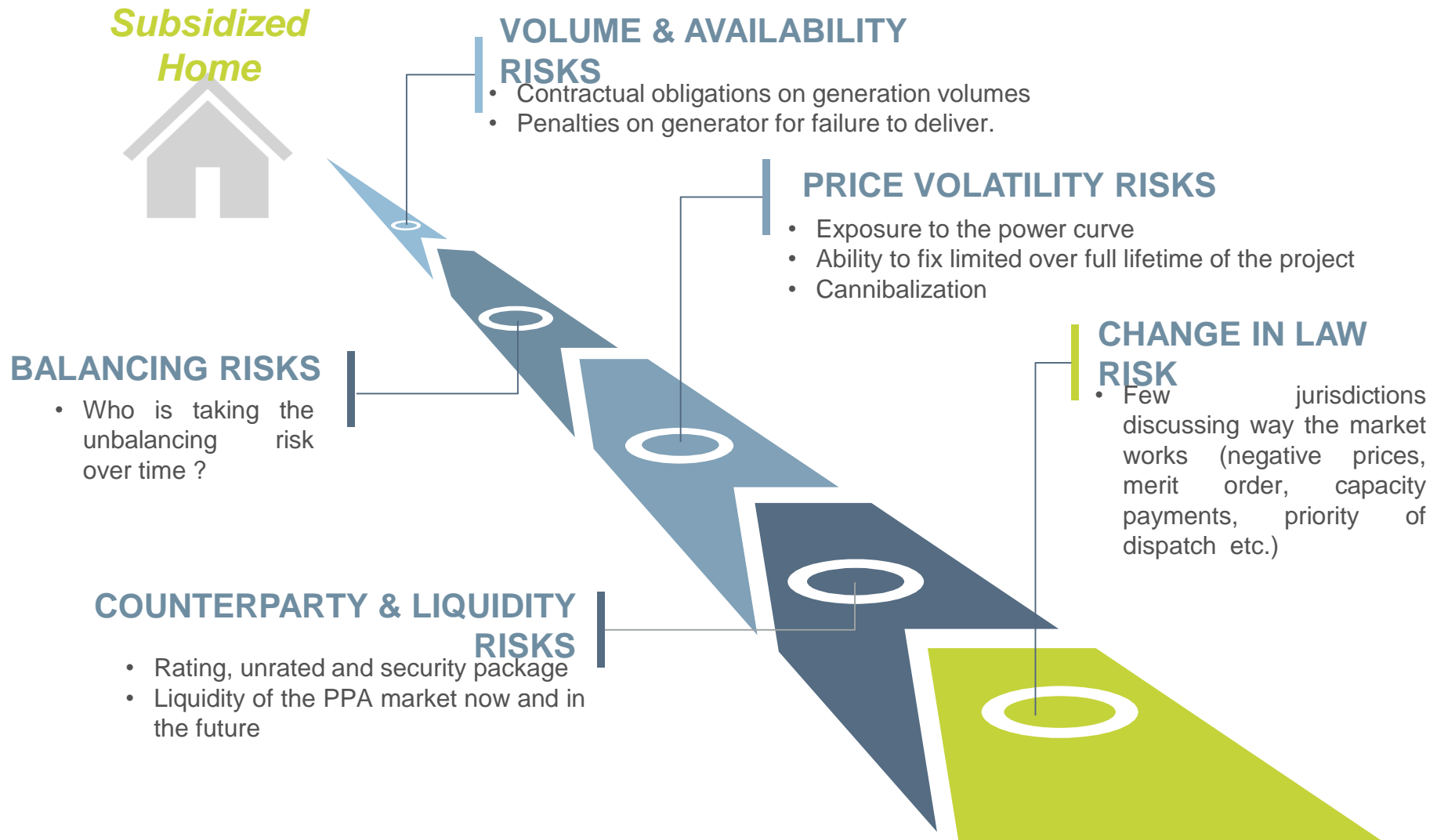
Operational assets managed in Bluefield funds



Solar PPAs – The transition

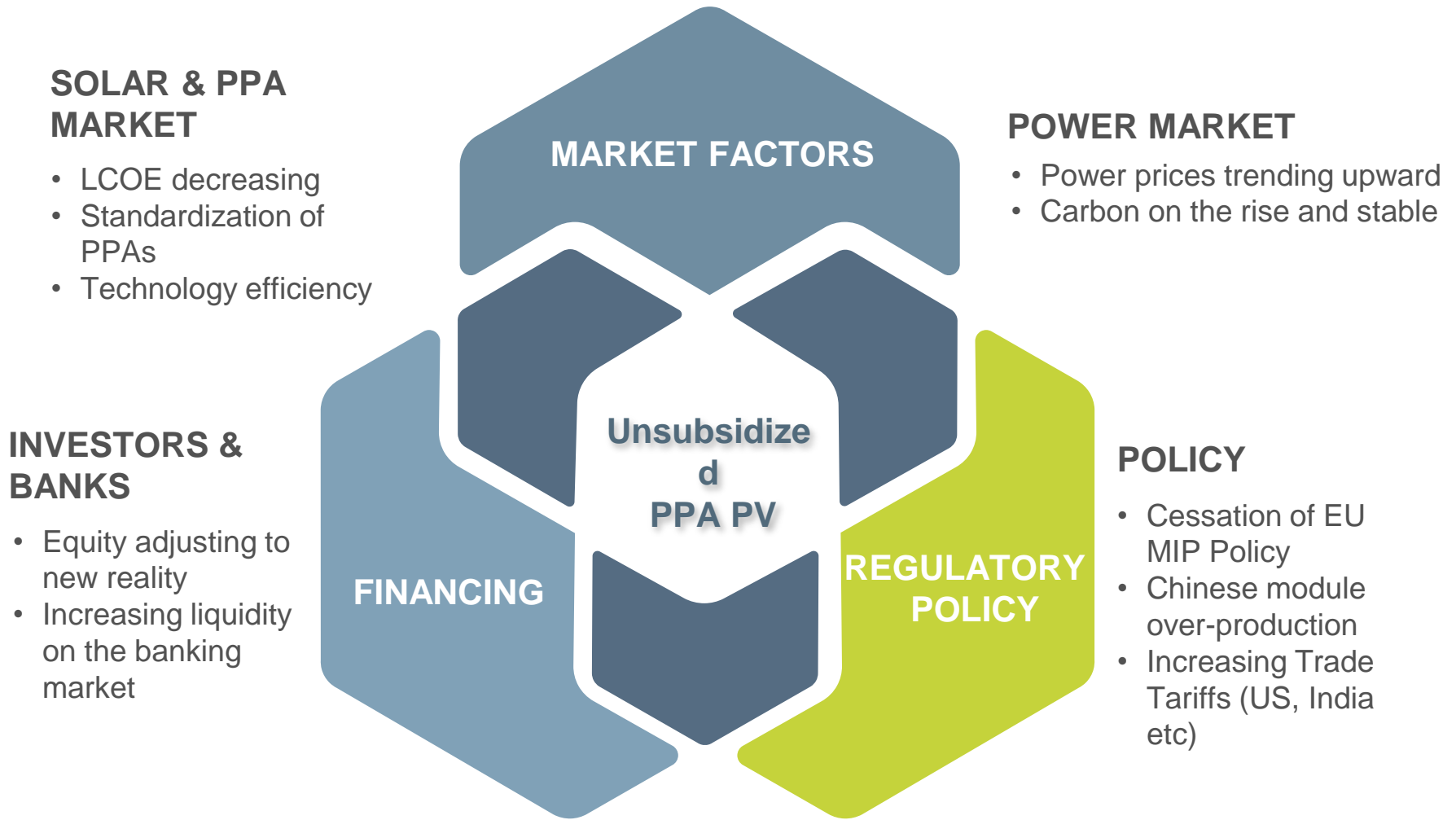
A NEW FRONTIER FOR SOLAR, FEEL UNSAFE BUT...

From safe harbor of subsidized projects to market based PPAs



... VERY POSITIVE FACTORS

Positive factors are piling in to make PPA based PV projects attractive





Solar PPAs Risks & Mitigation: Lessons from existing portfolios

MITIGATION OF KEY PPA RISKS

Lesson from existing portfolio and beyond: from PPA v1.0 to PPA v2.0

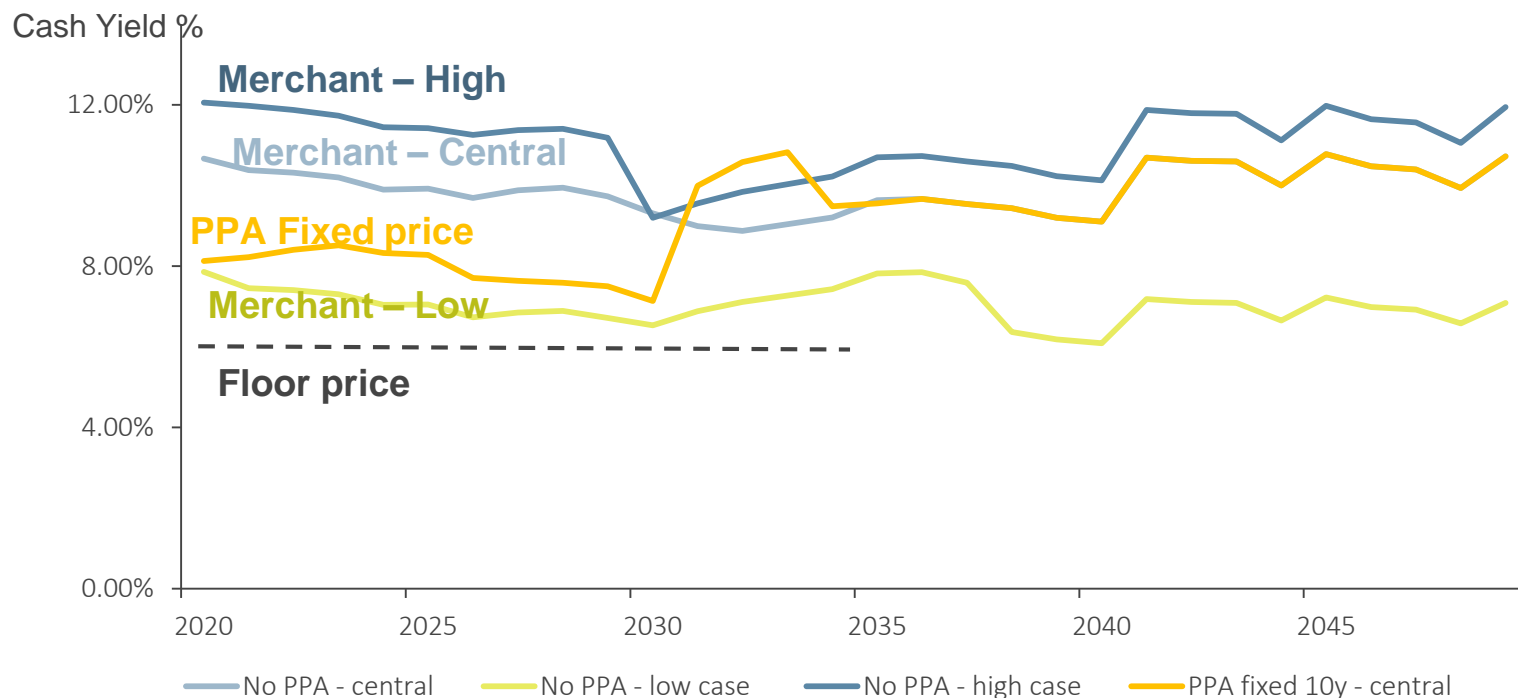


FINANCIAL IMPACT OF RISK MITIGATION MEASURES (1/2)

Project cash yields (unlevered cash flows)¹

Project cash flows under tight project finance terms

- Floor price is probably useful only for bank leverage purposes,
- It translates in large discounts on fixed and merchant splits for investors,
- As a result, projects cash yield compress during the first stage of the investment.



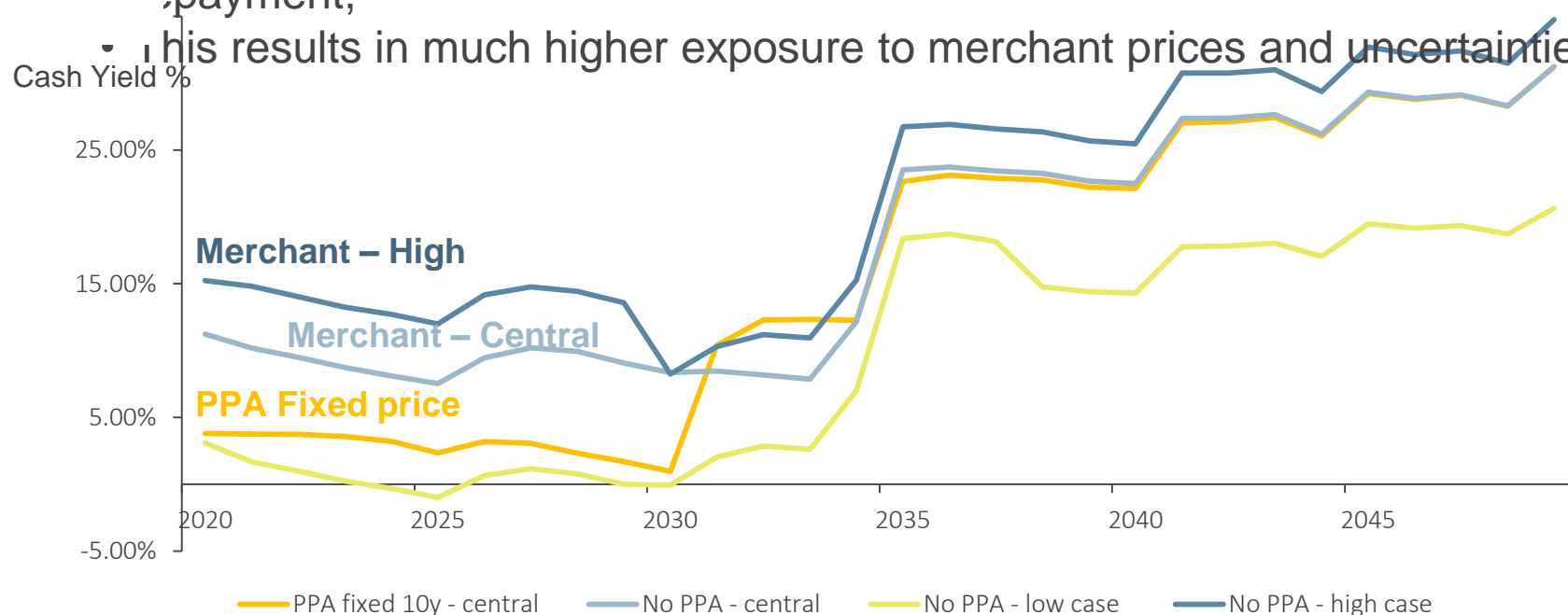
FINANCIAL IMPACT OF RISK MITIGATION MEASURES (2/2)

Equity cash yields (assumed 50% project leverage & no tail)¹

Contradictory, PPA fixing results in higher exposure to merchant risk

If power prices are fixed over the duration of the debt tenor with no merchant tail:

- The benefit of leverage for equity investors is only seen after principal repayment,
- this results in much higher exposure to merchant prices and uncertainties.



SUMMARY: CONTRACTING PPAS

Focus on key contractual terms

Volume

- % contracted volumes (generally based on P90 and between 70%-90%) and shape risk



Availability

- Minimum plant's availability obligations
- Notification obligation



Price

- Price formula (fix, cap & collar, floor, discount to market price, intra contract fixing)
- intra contract fixing rules



Build out

- Timing of price fixing and hedging (related penalties) for construction assets



Security

- Security requirements for both contracting Parties (amounts, terms and security package)



Change In Law

- How change in Law is defined
- How change in risk profile is allocated following a change in law



Thank you !



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