

# Evaluating, Structuring and Financing Power Projects

## In a disruptive environment

27 - 28 June 2018 | Mandarin Orchard Hotel, Singapore

### Key Learning Outcomes

- Key risks and mitigants
- Financial evaluation
- Capital structuring decisions
- Choice of financing instruments and the use of Corporate Financing or Project Finance
- Key commercial elements of the main commercial and finance documents to facilitate funding of project specific transactions

#### PLUS! Hands-On and Practical

Each session has Dedicated Case Studies and Group Exercises.

Please see course outline for details.

### Who Should Attend

This training programme will be relevant to personnel involved in the financial evaluation and structuring of Power projects or Power companies in organisations such as

- IPPs and Power Utilities across Fossil Fuels and any form of Renewables
- Contractors
- Equipment Suppliers
- Banking / Finance
- Government departments
- Consulting / Legal
- Development Finance Institutions
- Fund Managers investing in the Power Sector
- Corporates entering into long term power supply agreements

### Course Director

**Malcolm Sullivan** has had a career in the financial services industry and financial training for over 40 years. He has provided tailored Project Finance training programmes for a range of corporates, financial institutions including Development Finance Institutions covering Project Finance in general as well as specific areas such as PPP and Infrastructure Finance and Renewable Energy.

## Attend in a team and save more!

**2+1 Offer!** See registration page for details!



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with Inhouse Training



Special Group  
Savings Available



All participants receive  
a Course Certificate



# Evaluating, Structuring and Financing Power Projects

## About the Course

Given the rapid changes in the power generation sector, there is increased need to assess the financial viability of power projects, and to structure their financing, whether on a Project Finance or Corporate Finance basis, so that the projects meet the objectives of all key stakeholders.

This two-day seminar will cover key aspects of the various power project finance options for different power sectors. From project evaluation, understanding lender criteria, assessing business risk, through to structuring the financing arrangement, all aspects will be addressed from practical perspectives.

There will be a heavy emphasis on a structured "step by step" review of a core case study, supplemented by an overview of selected additional financings as a method of learning. Case studies will be based on examples from both international and Asian markets and will cover both fossil fueled and renewable energy power generation projects, as well as considering the main issues in the use of Corporate or Project Finance.

## What past participants have said about our Power Sector Courses:

*"Useful, Well Designed, Well Planned"*

~ Peng Lixin, Investment advisor, Hunan Xiangtuo International Investment Company Limited

*"Good presentation, Good professor, Good Place"*

~ Young Tae Kang Engineer, CGN Yulchon Generation Co Ltd

*"Conducive group size, Good mix of participants, Trainer is very knowledgeable"*

~ Shawn Lee, Business Development MGR, Keppel Fels Limited

## About the Course Director



**Malcolm** has had a career in the financial services industry and financial training for over 40 years.

Malcolm started his career with National Westminster Bank (now part of RBS) before moving to Mellon Bank NA, a major regional US bank (now part of Bank of New York Mellon). At Mellon Bank, Malcolm held several credit analysis and account management positions in London, focusing on large UK corporates and UK subsidiaries of US corporations. After 11 years at Mellon Bank, Malcolm joined Swiss Bank Corporation (now UBS) in London.

Since 1992 Malcolm has been primarily focussed on training in the areas of Corporate Credit Analysis, Financial Restructuring, Project, Infrastructure and Structured Debt Finance, such as Real Estate Finance and Asset Securitisation. He has designed and delivered tailored and public courses in more than 60 countries. In these areas, he has worked with a wide range of corporate and investment banking firms; Development Finance Institutions; public sector organisations; Export Credit Agencies; and several major corporations. Participants on courses run by Malcolm range from recent graduates to experienced line managers, and in areas as diverse as bond sales and trading to credit research and Relationship Management positions in financial institutions, as well as project engineers and professional advisers and public sector employees in Project Finance.

In Project Finance, Malcolm has run numerous public training programmes on a global basis. He has also provided tailored Project Finance training programmes for a range of financial institutions including Development Finance Institutions covering Project Finance in general as well as specific areas such as PPP and Infrastructure Finance and Renewable Energy.

Malcolm is the co-author of "Financial Products: A Survival Guide" published by Euromoney Publications in 1996.



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# COURSE OUTLINE

Course Registration: 8:30am  
Course Commencement: 9:00am  
Course Conclusion: 5:00pm

**Explanation of Timings:** These times act as a guide and may be modified slightly on the depth of class discussion and whether assessments are being conducted.

**Course Programme:** This program is a guide and may be altered to better address participant requirements on a consensus basis.

## 2-DAY COURSE OUTLINE

### DAY 1

#### SESSION 1

##### AN OVERVIEW OF KEY ISSUES IN THE FINANCING OF POWER PROJECTS

- Overview of activity in Project Finance in the Power Sector
- Project Finance vs. the financing of projects
- The Project Finance “route map” - an overview of the key issues in evaluating and structuring a Project Finance transaction
- An overview of the process in a Project Finance transaction and the principal issues to consider including the motivations of the main parties involved in the transaction
- Lessons of experience in the Power sector – what can be learned from past problem projects

**Exercise / discussion: Review of a Project Finance in the Power sector to illustrate key aspects of the transaction and how it was financed**

#### SESSION 2

##### RISK EVALUATION IN PROJECT FINANCE

- Trends in power prices and changes in the relative economics of fossil based vs Renewable Energy projects
- Key risks – construction, operating, counterparty and financial
- Risks associated with different types of power projects – generation, transmission, distribution
- Typical approaches to risk allocation
- Risk issues of particular relevance to Renewable Energy projects – involvement of government in terms of tariff support and investment incentives, and impact of auctions for Renewable Energy projects in selected markets

**Exercise: participants review background on a project and prepare a summarised “risk assessment” based on the risks and mitigants in the project**

#### SESSION 3

##### THE PROJECT FINANCIAL STATEMENTS AND REVIEW OF KEY ASSUMPTIONS - ISSUES TO CONSIDER AND APPROACH

- Key elements in the structure of Project Finance spreadsheets
- Review of a generic Project Finance spreadsheet to identify potential key influences on project viability
- Determining what is realistic in terms of projected financial performance – use of benchmarks and sources of information
- Lessons from the past – what can be learned from past transactions about the value of forecasts and feasibility studies

**Exercise: reviewing the underlying assumptions – participants review background on a case study project to assess the underlying assumptions, and how they might affect the project cash flows and the key influences on the Project IRR**

### DAY TWO

#### SESSION 4

##### CORPORATE FINANCING VS OTHER DEBT FINANCING ALTERNATIVES

- Some of the key factors in choice of debt financing methods
- Decisions impacting the use of debt financing techniques at different stages of the operation of a power project
- Potential use of securitisation for power related projects

**Exercise: review of the financing structure of a corporate in the Power sector to illustrate their debt financing structure**

#### SESSION 5

##### SOURCES OF DEBT FINANCING IN PROJECTS AND DEBT CAPACITY – PROJECT FINANCE

- Rationale for Project Finance vs. other debt financing techniques
- Using projected cash flows as a basis for assessing debt servicing capacity
- Export Credit Agencies and Development Banks; bank debt vs. bonds; senior vs. subordinated debt
- Interest and foreign exchange management issues in Project Finance

- Review of selected Project Finance transactions – risk and return in structuring Project Finance transactions
- Credit enhancement techniques

**Exercise: review of a case study project to assess the debt servicing capacity and factors that influence the debt servicing capacity of the project**

#### SESSION 6

##### HOW EQUITY INVESTORS ASSESS PROJECTS - FINANCIAL YARDSTICKS USED BY INVESTORS

- Different types of equity investors in Power projects and their typical approach to achieving returns
- An overview of the main project investment appraisal techniques and influences on Capital Structuring decisions
- A brief review of the principles for calculating corporate cost of capital and use as a basis for evaluating project returns
- Understanding the equity investor’s approach to achieving returns from the project company, including operating relationships with the project company, and cash extraction through re – financing

- Summarised review of a corporate involved with the Power sector to illustrate their approach to capital allocation and how the business and company valuation has evolved as a result of disruptive change in the Power Sector

**Case study - developing a capital structure to balance the requirements of debt and equity providers**

#### SESSION 7

##### DOCUMENTATION AND STRUCTURING ISSUES IN PROJECT FINANCE

- Rationale and structure of loan documentation
- Key covenants and potential complications
- Construction contracts and cost overrun guarantees
- Intercreditor issues, including senior vs. subordinated debt
- Third party credit support and security issues for debt financiers, including critical commercial issues in Concession agreements, offtake agreements, tariff support, completion and cost overrun agreements, and shareholder agreements

**COURSE SUMMARY AND REVIEW**

# Evaluating, Structuring and Financing Power Projects

## 5 EASY WAYS TO REGISTER



MAIL the attached registration form with your cheque to  
**IBC Asia (S) Pte Ltd**  
 c/o Informa Regional Business Services  
 111 Somerset Road, TripleOne Somerset #10-05, Singapore 238164



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- Yes! I/We Will Attend **Evaluating, Structuring and Financing Power Projects**  
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FEE PER DELEGATE	EARLY BIRD RATE Register and Pay on or before 25 May 2018	NORMAL RATE Register and Pay after 25 May 2018
<input type="checkbox"/> 2 Day Training Course	SGD 3,295 (SAVE SGD 200)	SGD 3,495
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- Special Group Discount pricing is applicable to groups of 2 or more delegates from the same organisation registering for the same event, at the same time. Fee stated is the discounted price PER DELEGATE. Only one discount applies - either the early bird rate OR the Special Group Discount.
- All fees stated include luncheons, refreshments and complete set of documentation. It does not include the cost of accommodation and travel.
- A 7% Goods & Services Tax (GST) is applicable to all Singapore based companies for Singapore venue.

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### HOTEL INFORMATION

#### Mandarin Orchard Singapore, by Meritus

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### PAYMENT TERMS

Payment must be received 10 business days prior to the event. To take advantage of discounts with an expiry date, registration and payment must be received by the cut-off date.

- Payment by bankers draft or cheque in S\$ or US\$ should be made in favour of "IBC Asia (S) Pte Ltd" and mailed to: IBC Asia (S) Pte Ltd c/o Informa Regional Business Services 111 Somerset Road, TripleOne Somerset #10-05 Singapore 238164  
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### CANCELLATIONS / SUBSTITUTION

Should you be unable to attend, a substitute delegate is welcome at no extra charge. Cancellations must be received in writing at least 10 business days before the start of the event, to receive a refund less 10% processing fee per registration. The company regrets that no refund will be made available for cancellation notifications received less than 10 business days before the event

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Attendance will only be permitted upon receipt of full payment. Participants wishing to register at the door are responsible to ensure all details are as published. IBC assumes no further liability or obligation, beyond the refund of the paid registration fee, in the event of postponement or cancellation by IBC.

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