

Paper for proposed presentation at the Copenhagen Offshore Wind 2005 conference

Titel:

“Solutions for financing of offshore wind projects”

Corresponding topic at the conference:

“Business and market – Offshore wind energy on market conditions/Finance and insurance”

Speaker:

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WPD AG is Germany's leading developer, operator and sponsor of windfarms (implemented projects of 830 mio Euro/620 MW, operation of about 50 windfarms). The company is developing offshore projects in both the North and the Baltic Sea. WPD's offices are located in Bremen, London and Stockholm.

Financing of offshore wind projects is facing big challenges. The investment sums for the wind farms are larger as usual and the technology for both the turbines and the foundations is not fully proven yet.

However, even if experiences with this financial volume are unknown for wind power it is common business for the financial community to adapt big projects to the capability of the financial market. Thus, banks and institutional investors are moving into the market setting up standards.

WPD has through its London office discussed different models with the market players. As founder member of the German Offshore Foundation WPD has a good overview regarding the offshore projects in the market. Through its own capabilities WPD has made experiences with different approaches financing offshore projects.

The presentation will highlight the existing possibilities from the German closed-end funds (Part 1) through financing by balance sheet (Part 2) to real project finance (Part 3). As case study WPD will tell about the deal with Vattenfall acquiring WPD's Swedish Kriegers Flak project.

Wind and technical risk assessments, turn-key products and O & M concepts and its influence on the financial structure of the project will be examined (Part 4).

Finally the presentation will shift the point of view regarding the presented models between the involved parties (Part 5): What is important for the creditors? What is the goal of an institutional investor? How are utilities acting? How to gain most from the developer's perspective?