



**International
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World Bank Group

Financing Wind Development: What Investors Look For

Sean Whittaker, P.Eng

International Finance Corporation (IFC)

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What Finance Community Looks For

- Long-term certainty and government commitment:
 - Need long-term targets with minimum procurement volumes
 - An “OK” policy for 10 years is better than a “Great” policy for 1 year!
- Robust procurements:
 - If auction, then solid bidding requirements to ensure that only serious bids will qualify - goal is to ensure no “race to the bottom” and low attrition
 - If Feed-In Tariff, then sufficient pricing with predictable adjustments
 - Size matters: if you want manufacturing, you’ll need high volumes
- Creditworthy counterparties & offtakers:
 - Financing risk is greatly reduced with creditworthy counterparties
 - Government can play an important role when utility is state-owned
- Attention to detail:
 - “Enabling” policies are extremely important - but often ignored!
 - Need policies around transmission access, turbine siting, permitting etc.

Select Case Studies

- Ecuador:
 - RE Law with reasonable price (11 cents/kWh)
 - Lack of creditworthy offtakers greatly limited impact of program
- Turkey:
 - Base Feed In Tariff set too low (7.8 cents/kWh)
 - Significant wind built anyway, thanks to attractive balancing market
- Brazil:
 - Auction produced very low prices (~ US 6 cents/kWh)
 - Will there be a high attrition rate?
- China:
 - Feed-In Tariff has pushed China to #1 position in five years
 - Issues around integration and interconnection were not thought out at start
- Mexico:
 - Initial success with auctions and self-supply scheme driving to 2.5 GW
 - Long-term signal lacking - will there be a market after 2013?-