

Financing and insuring bioenergy developments

Carl Gurney, Renewable Energy Director



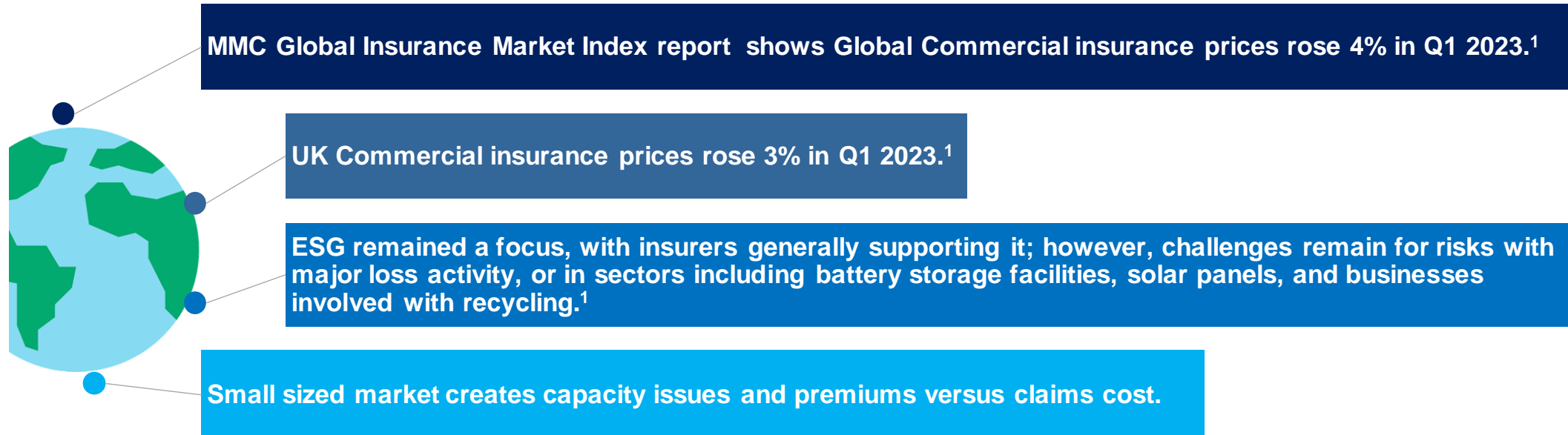
Introduction

- Marsh McLennan – 1871, 80,000 colleagues, net-zero, ESG.
- 20+ years with 17 years experience in Renewable Energy.
- Full team dedicated to power generation and infrastructure.
- Board member and steering groups.
- Consultations with Environment Agency.



Renewable Energy Market Conditions

Market conditions



Issues

- 1 Market Conditions
- 2 Small Sector
- 3 Global Conditions
- 4 Policies

¹ Marsh Global insurance market index Q1 2023

Project approach and what insurers want to see



Concept

- Review insurable risks and single points of failure.
- Corporate structure.
- Due diligence on supply chain including insurance broker and insurer.



Risk

- Lack of early engagement could render the project uninsurable this = not bankable.
- OCIP versus CCIP during construction.



Design

- Early broker/insurer engagement is key for feedback.
- Factor in the loss controls insurers will want to see.



Market

- There is little or no wriggle room on the loss controls and requirements they want to see.



Contracts

- Lease, EPC, O&M, funders etc. all need reviewing to ensure insurance requirements can be met.

Why engage experienced brokers early on?

“insurance is often seen as a necessary evil driven by either legal or contractual requirements. However if we are engaged early enough we can actually become, in addition to others, a real cost benefit.”



As well as early broker engagement being paramount, broker selection is also key. This is due to the complex risks these projects pose and therefore due diligence must be taken to ensure the broker selected has the necessary expert knowledge and understanding to help achieve the best outcomes.

Conclusion

- Tough market but capacity is there.
- Early engagement is key.
- Engage those with a proven track record.
- Take note of historic incidents.
- We're here to help.
- We can build quick but we must build safely for the long-term.

Questions?



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