



Expertise... Agility... Innovation

As a leading global provider of weather risk management products, the Sompo Global Weather team is dedicated to customizing weather protection solutions to our clients' unique weather-driven challenges.

With a depth of experience borne out of innovating weather risk management products since the market's inception more than 15 years ago, we not only offer our clients WeatherLock® and CommodityFlex® products but also provide key analysis and transaction structuring services. Our ability to execute within a short timeframe enables our clients to move quickly on opportunities that require speed and precision in a dynamic marketplace.

Renewable Energy Products & Services

WeatherLock®

- WindLock®
- SolarLock®
- HydroLock®

ConstructionLock®

- Mitigates financial exposure to project completion delays due to weather
- Combines with production hedging to provide end-to-end project weather protection

Project Risk Management

- Production Simulation
- WeatherLock® Structuring/Pricing/Execution

Portfolio Risk Management

- Production Simulation for Refinancing
- WeatherLock® Structuring/Pricing/Execution for Asset Portfolios
- Overlay Hedges for Wind-Linked Bonds

Traditional Weather Protection Products

WeatherLock®

- TempLock®
- RainLock®
- SnowLock®
- RiverLock®
- WaveLock™

CommodityFlex®

- PowerFlex®
- GasFlex®
- OilFlex™

Sompo Global Weather Contacts

AMERICAS

Michael Grundmeyer | Director | Americas Origination
Sompo Global Weather
725 S. Figueroa Street, Suite 2100 | Los Angeles, CA 90017
+1.713.553.7444 | mgrundmeyer@sompo-intl.com

AUSTRALIA

Martin Malinow | President
Sompo Global Weather
750 Third Avenue | New York, NY 10017
+1.917.281.0701 | mmalinow@sompo-intl.com

EUROPE, ASIA AND AFRICA

Ralph Renner | Director
Sompo Global Weather
1st Floor, 2 Minster Court | Mincing Lane | London, EC3R 7BB
+44 (0) 207 337 2873 | rrenner@sompo-intl.com

SOMPO GLOBAL WEATHER

WindLock®

Financial Weather Risk Management



To learn more, visit us at:
www.sompo-intl.com



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The Challenge

A developer is attempting to secure debt financing for a new wind farm and believes they can get preferential terms from the bank to the extent they can demonstrate increased stability of cash flows and a greater probability of covering their annual debt service.

The Somp Global Weather Solution

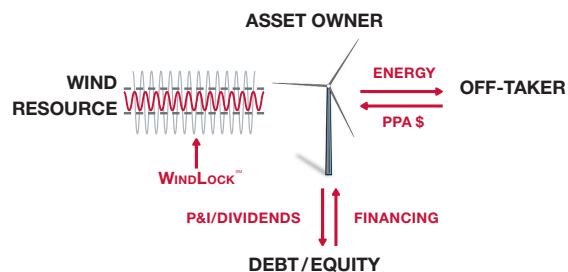
Sompo Global Weather works with the developer to structure a tailored ten-year WindLock® product, which protects against a shortfall in annual wind-driven production struck at the 90% confidence level, or P90. Given the increased certainty, the bank offers an increased loan size as well as a reduced Debt Service Reserve Account.

WINDLOCK® TERMS

Project Site	Northwestern France
Term	Ten annual periods, 1 January through 31 December, commencing in 2013 and ending 2022
Index	Cumulative Modeled Generation (CMG)—annual production estimated from hourly wind measured at the onsite anemometer and converted through the Power Curve
CMG Strike	340,000 MWh (pays below Strike)
Notional	100/MWh
Annual Limit	10,000,000
Total Limit	100,000,000
Annual Premium	1,100,000

Wind Variability Creates Financial Uncertainty for Project Stakeholders

The natural long-term variability and short-term intermittency of wind resources can lead to inefficiencies in operating and financing wind generation assets. These inefficiencies take the form of reduced PPA rates, higher debt costs, haircuts on financing amounts and grid integration penalties, and can place unnecessary pressure on wind developers, owners and financiers, potentially limiting the global expansion of wind energy.



To Address These Challenges, Sompo Global Weather Offers WindLock®

This customized financial product can help stabilize the cash flows associated with wind generation and provide greater long-term certainty around the initial wind resource assessment, leading to increased bankability and more attractive PPAs, as well as reduced financial impacts of ramp risk over the life of the project. Benefits include:

Guaranteed minimum cash flow

Create a wind-independent revenue floor to guarantee a minimum cash flow or project IRR

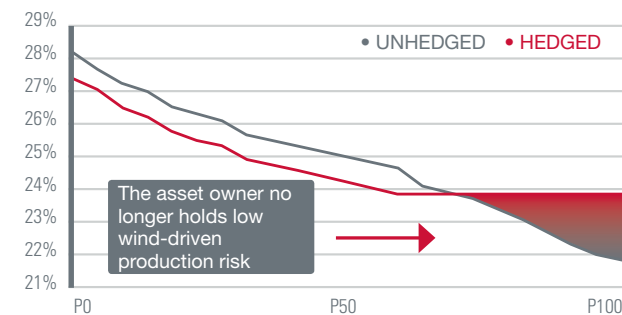
Improved bankability

Mitigate the impact of wind variability on project DSCRs to improve access to capital and reduce equity requirements

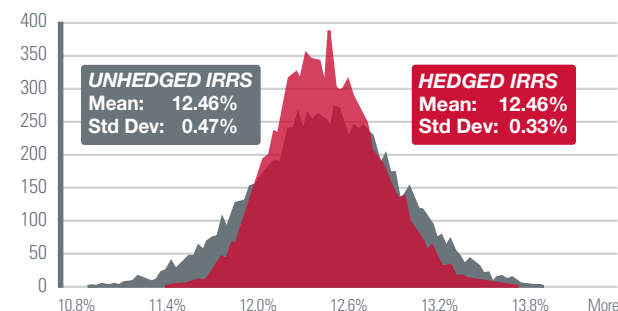
Expanded investor base

Package and protect entire asset portfolios through the guarantee of a minimum yield in low wind years.

WINDLOCK® ACTS AS A PRODUCTION FLOOR...



...AND INCREASES CERTAINTY OF RETURNS



Hedging With WindLock® Improves the Project Across a Wide Variety of Metrics

METRIC	UNHEDGED	HEDGED	CHANGE
Debt%	37.6%	41.3%	▲ 3.7%
Total Project Cost	€ 174.5 Mill	€ 174.5 Mill	Unchanged
Debt	€ 64.9 Mill	€ 71.2 Mill	▲ € 6.3 Mill
Equity	€ 109.5 Mill	€ 103.2 Mill	▼ € 6.3 Mill
DSRA	€ 3.6 Mill	€ 1.9 Mill	▼ € 1.7 Mill
DSCR @ P99	1.0x	1.0%	Unchanged
Equity IRR (Mean)	12.5%	12.5%	Unchanged
Equity IRR (Std Dev)	0.47%	0.33%	▼ 0.14%
Std Dev/Mean	0.37%	0.26%	▼ 0.11%

These risk scenarios are examples and actual coverage is subject to the specifics of each issued product.