

# Project Financing for Energy

## The Foundations of Finance for Sustainable Energy

### Introduction

Because energy initiatives require a large amount of resources, financial decisions are crucial to the organization's long-term success. There are a lot of strategic options available to the government and businesses, all vying for the same limited funding. These options include diversifying, expanding into new markets, developing alternative energy sources, and locating new resources. Delegates will leave this training session on the financing of energy projects with the fundamental information and abilities needed to make wise financial decisions about energy projects.

### Objectives

**After completing this training programme on financing energy projects, participants will be able to:**

- Examine the different project funding options and provide wise advice.
- Oversee project finance agreements.
- Manage your financial expenses and provide suitable financing options.
- Assess energy initiatives and adhere to financial regulations
- Effectively manage project risk

### Training Methodology

**With the use of a range of tried-and-true adult learning teaching and facilitation strategies, participants in this Financing of Energy Projects training course will receive in-depth instruction on the topics included in the training course outline. Methodology used in training courses consists of:**

- An assessment of actual case studies from the energy industry
- Presentations via videos
- Talks and conversations in groups
- Exercises
- Personalised delivery techniques
- Participants will be urged to actively relate the course's concepts and competencies to the unique requirements of their place of employment.

### Organizational impacts

**The organisation will benefit from sending staff members to this Course N Carry training session in the following ways:**

- Well-informed employees who stay up to date on new developments
- Enhanced risk mitigation
- Employees versed in the newest instruments and methods
- Enhanced output from employees who are better equipped to satisfy client needs
- A stronger culture of risk and finance

## **Personal Impact**

**Attending this training session on financing energy projects will provide the participant with the following benefits:**

- Enhanced comprehension and knowledge
- The capacity to use newly acquired abilities
- Current information
- Knowledge and expertise in risk management, finance, and law
- The capacity to advance their careers and positions

## **Who should attend?**

**Though a wide range of professionals can benefit from this training, the following will be especially noted:**

- Project managers and finance managers
- Individuals that are interested in making financial decisions
- Line managers that have to make financial decisions as part of their job
- Those operating within financial limitations

## **Course Outline**

### **Day 1**

#### **A Summary of the Main Energy Projects and Funding Plans**

- The Energy Sector: Important Issues for Upcoming Financing
- Conventional Finance Methods Used in Government Financing
- Public Equity/Share Debt: Bonds and Loans
- Project Funding
- Finance for Private Equity and Venture Capital

## Day 2

### Project Funding

- Project finance: what is it?
- The Organisation of Energy Project Financing Plans
- Partners in Special Purpose Vehicles (SPVs) for Project Finance Programmes
- Finance: Recourse and Non-recourse
- The Function of Credit Letters and Bonds/Guarantees

## Day 3

### The Price of Loans

- The Price of Loans
- The Effect of Dividend Policy on Financing Expenses
- Theory of Arbitrage Pricing, WACC, and CAPM
- Handling Shifts in the Finance Cost
- Swaps of Interest Rates
- The Effect of Credit Ratings on Cost

## Day 4

### Assessment of Projects and Financial Contracts

- Comparing Project Finance, Evaluation, and Appraisal with Traditional Balance Sheet
- Ratio analysis and financial assessment of energy projects
- Covenants and Agreements on Loans;
- Ratios for Covering Debt Service
- Assessing Cash Flow Forecasts and Risk-Based Financing Costs

## Day 5

### Analysis of Financial Risk

- Choosing and Putting into Practice a Risk Management Plan
- Recognising, Assessing, and Managing Risk
- Risk Analysis: Technical, Feasibility, and Environmental
- Simulation Analysis and Sensitivity Analysis

- Controlling Monetary Risks