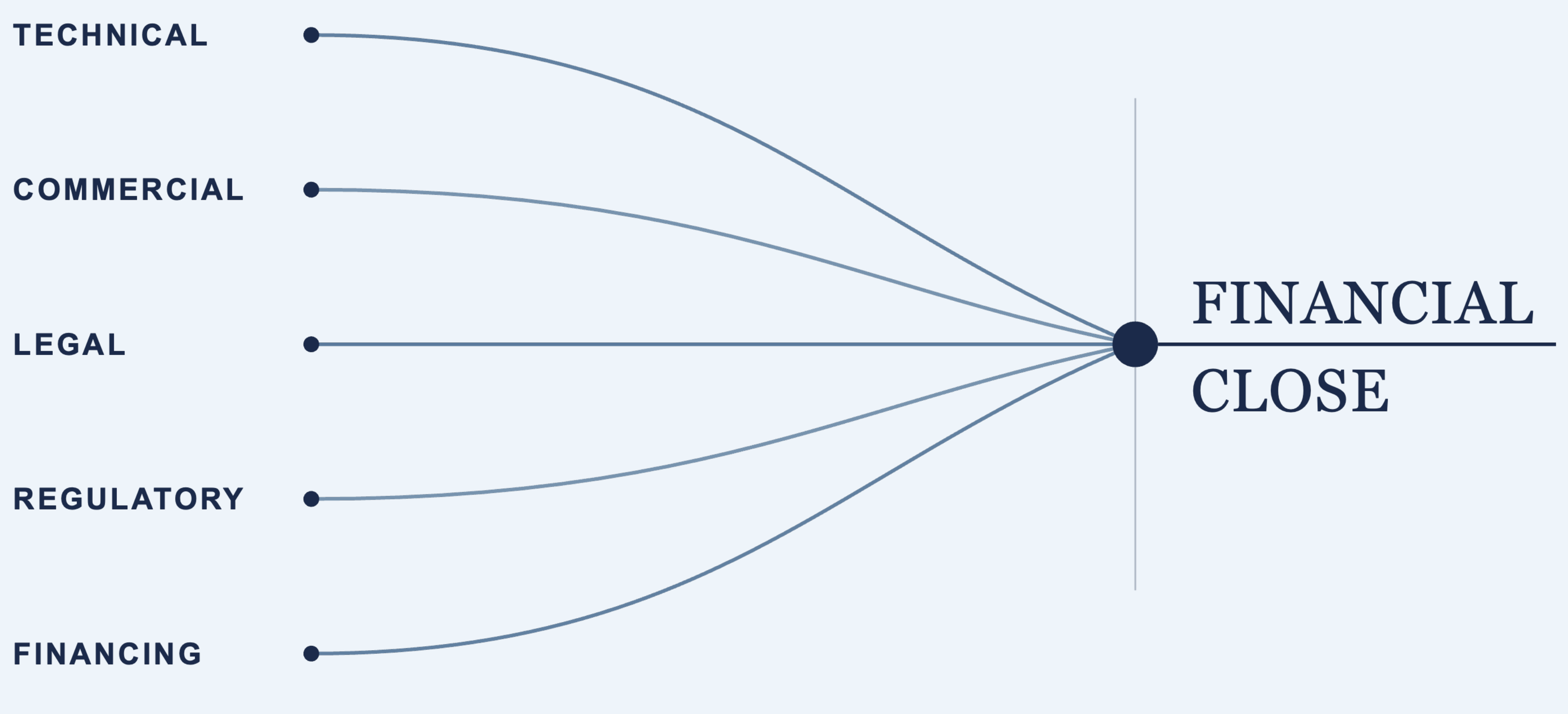
Why renewable energy projects stall before *Financial Close*.

The recurring issues that consistently delay complex infrastructure and renewable energy projects across Asia-Pacific.



Five workstreams, one arrival point. A project closes when all five reach it together.

SWIPE →

ISSUE 01

Technical uncertainty is still too high.

Lenders are not troubled by risk. They price risk every day. They are troubled by uncertainty, because uncertainty cannot be priced - and what cannot be priced gets deferred to the next credit committee.

Financial Close sits below the line — where uncertainty has been reduced, not eliminated.

WHERE IT ACTUALLY STALLS

- Design frozen in the board paper, but not in the drawings
- Geotechnical coverage that stops at the foundations and ignores access roads and cable routes
- A resource assessment carrying an exceedance assumption the lender's engineer will not accept
- Grid capacity confirmed in principle and nowhere in writing
- A construction methodology that assumes weather windows the site does not have

> *Financial Close is reached when uncertainty has been reduced to a level a lender can price. Not when it has been eliminated.*

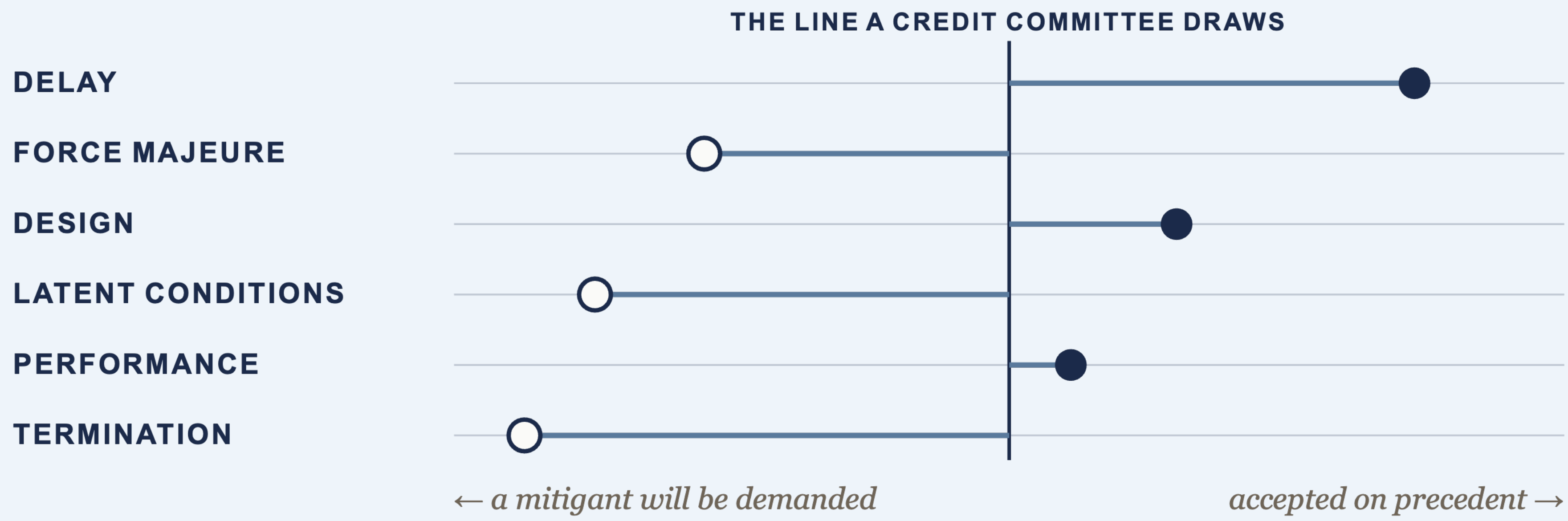
THE QUESTION TO ASK

What technical assumption would an independent lender's engineer challenge first, if they started tomorrow?

ISSUE 02

The risk allocation is not bankable.

Every project allocates risk. Not every allocation is financeable. The test is not whether the allocation is fair — it is whether a credit committee will accept it without demanding a mitigant the project cannot afford.



Six allocations, tested one by one against what a committee has financed before.

WHERE IT ACTUALLY STALLS

- Delay, and whether the liquidated damages cap survives contact with the debt service reserve
- Force majeure, and whether relief actually flows through to the offtake
- Design responsibility where the Sponsor has already run the FEED
- Latent conditions, and who carries the geotechnical baseline
- Performance guarantees measured against the resource assumption, not the nameplate
- Termination, and whether the lenders' step-in rights are real

> *Risk sits best with the party who can manage it. Where it sits with the party who merely accepted it, the lender will find it.*

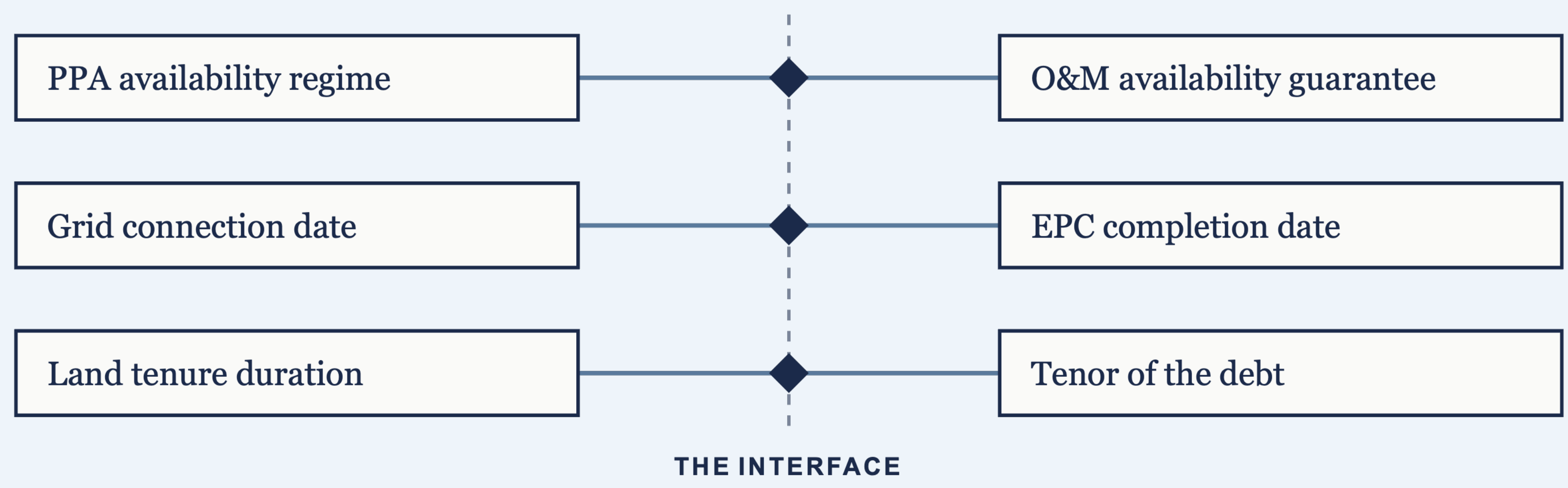
THE QUESTION TO ASK

Which single clause in our EPC contract would a lender's counsel mark first?

ISSUE 03

The project agreements do not agree with each other.

A project is not one contract. It is many, executed at different times by different advisers under different pressures. No single agreement fails a financing. They fail against each other.



Bankability is decided at the joins — three of the "standard" fifteen interfaces shown here as examples.

WHERE IT ACTUALLY STALLS

- PPA availability regime set against the O&M availability guarantee
- Grid connection date set against the EPC completion date
- Turbine or module supply warranties set against the O&M scope
- Land tenure duration set against the tenor of the debt
- Insurance programme set against both the lenders' requirements and the EPC obligations
- Direct agreements assuming a step-in the land documents do not permit

> *Bankability is decided at the interfaces between contracts, not inside any one of them.*

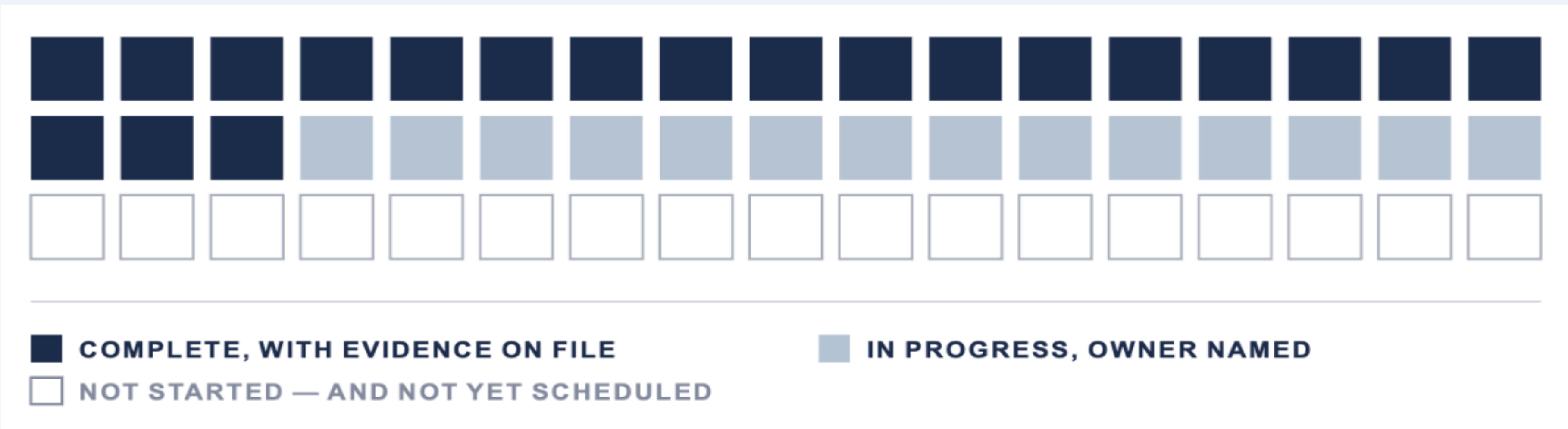
THE QUESTION TO ASK

Who on our team has read every project document, in one sitting, in the last three months?

ISSUE 04

Conditions precedent are managed reactively.

Conditions precedent do not cause delay. Discovering them late does. On most projects the CP schedule is drafted at term sheet, filed, and opened again eight weeks before the target close.



A live CP register, eight weeks out. Every square carries a name, a lead time and a dependency.

WHERE IT ACTUALLY STALLS

- A CP register owned by the project, not by counsel
- Every condition with a named owner, a lead time and a stated dependency
- Permits tracked against the issuing authority's actual processing reality, not the statutory period
- Land registration started well before it is needed
- Legal opinions scoped early — the qualification you cannot remove takes months
- Lender approvals sequenced against their own committee calendars

> *A condition precedent should never come as a surprise. When it does, it was never being managed.*

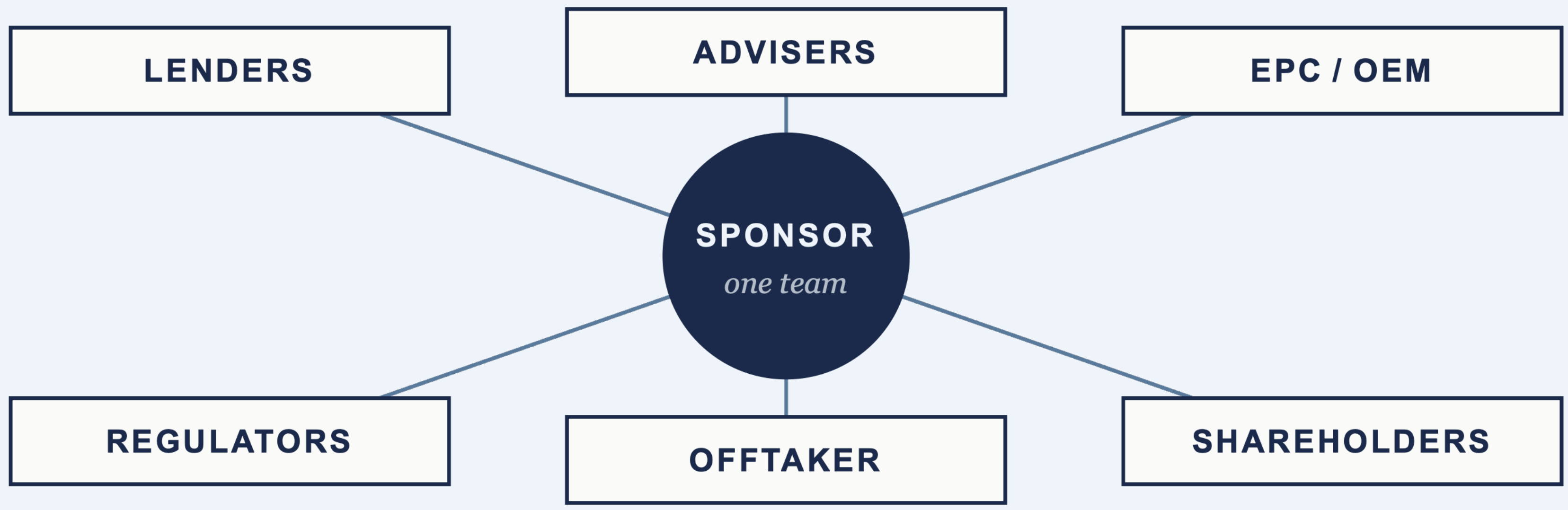
THE QUESTION TO ASK

What is the longest lead item on our CP schedule, and who owns it by name?

ISSUE 05

The Sponsor is under-resourced for an integration exercise.

Financial Close is an integration exercise conducted under deadline by parties with different incentives. It needs one person whose entire job is to hold the whole picture. On stalled projects, that person usually does not exist.



Six counterparties, six programmes, one Sponsor holding the centre.

WHERE IT ACTUALLY STALLS

- Lenders, and their technical, legal, insurance and model advisers
- The EPC contractor, and the OEMs standing behind it
- Environmental and social consultants working to lender standards, not local minimums
- Regulators and agencies that do not answer to one another
- The offtaker and the grid operator, on separate programmes
- Shareholders, and the approvals they have not yet scheduled

> *A Sponsor can outsource advice. It cannot outsource integration.*

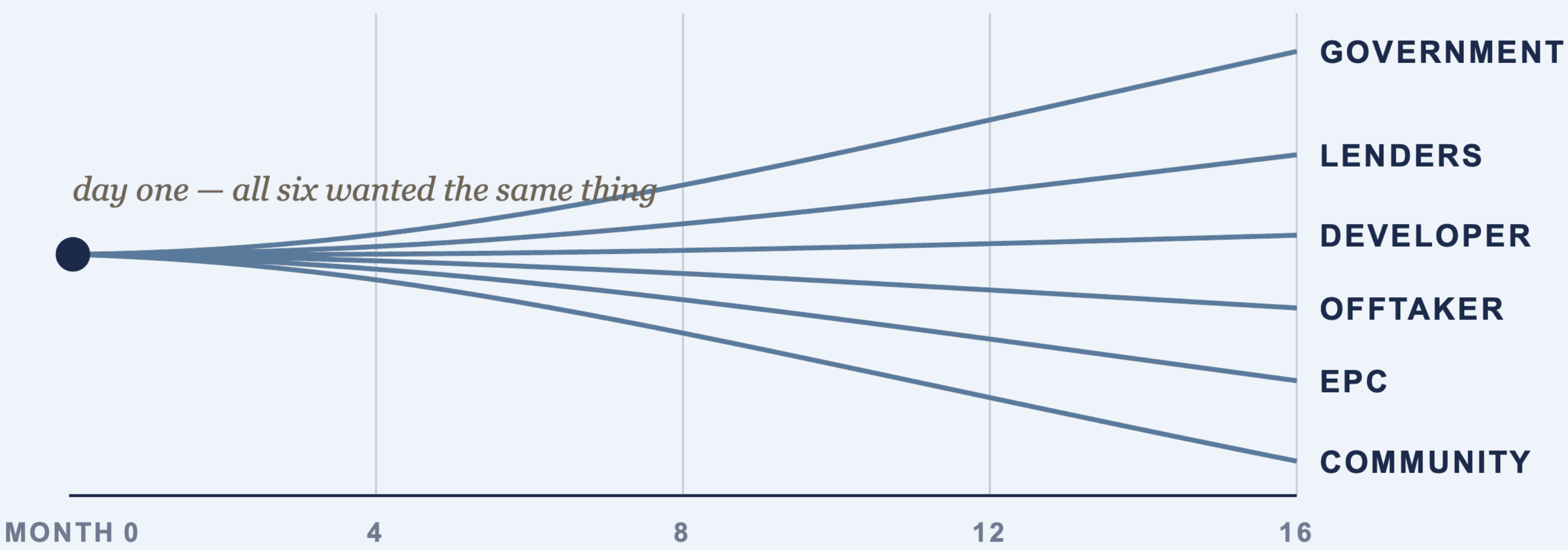
THE QUESTION TO ASK

If Financial Close slipped by a month tomorrow, who would be accountable for it?

ISSUE 06

The parties stop wanting the same thing.

At the start, every party wants Financial Close. By month four they want different versions of it. The divergence is normal and predictable. Leaving it unmanaged is neither.



Divergence is not a failure of goodwill. It is what time does to six mandates.

WHERE IT ACTUALLY STALLS

- The developer wants to close before the tariff or the equipment price moves
- The lenders want certainty, and will trade time for it every time
- The EPC contractor wants a risk position it can price without contingency
- The offtaker wants energy on a date it has already announced publicly
- Government wants the approval sequence respected, whatever it costs the programme
- The community wants the engagement it was promised at consultation

> *Alignment is negotiated once. Misalignment is negotiated continuously, and always on the critical path.*

THE QUESTION TO ASK

When did we last put every party in one room and ask what each of them actually needs?

ISSUE 07

Financial Close is treated as a financing milestone.

It is not. Financial Close is the moment the market audits four years of development decisions. Projects that close efficiently do so because the work was done — not because the negotiation went well.

A relatively short period of negotiation against years of decisions.

WHAT THE PROJECTS THAT CLOSE CLEANLY HAVE IN COMMON

- Engineering mature enough to survive an independent review without a caveat
- Contracts a credit committee has seen the like of before
- A CP register that has been live since term sheet
- One person accountable for the whole, not six accountable for parts
- Issues raised when they were inconvenient, rather than when they were urgent
- A Sponsor team that has done this before, in this jurisdiction

> *Financial Close is the outcome of disciplined development. It is not a negotiation that rescues undisciplined development.*

THE QUESTION TO ASK

If the lenders' advisers opened diligence on Monday, what would they find first?

THE TAKEAWAY

Financial Close requires five forms of readiness.

01 **TECHNICAL**

Is the project defined well enough to be priced?

02 **COMMERCIAL**

Do the contracts agree with each other, and will a credit committee accept them?

03 **REGULATORY**

Are the approvals substantially in hand, with every long-lead item named?

04 **FINANCIAL**

Are the conditions precedent live, owned and tracked — not filed?

05 **ORGANISATIONAL**

Is one person holding the whole picture?

A project reaches Financial Close when all five are ready at once. It stalls when four are.