



# OPIC's Role in Renewable and Clean Energy Investments

Overseas Private Investment Corporation

2nd Annual Green Trade Network Summit  
A forum for SMEs to participate in "Green" projects  
*Monterey Bay International Trade Association*

September 25, 2009  
Santa Cruz, California



# OPIC Snapshot

- U.S. government agency established in 1971 to support U.S. investment in emerging markets
- Focus on development in 150 emerging markets and transition countries
- Fill market gaps by providing commercial support through:
  - Long term project financing (up to 20 years)
  - Political risk insurance
  - Investment funds leverage

# OPIC'S Commitment to Renewable and Clean Energy

- Clean Energy Finance Group begun in late 2007
- Political Risk Insurance products geared to RE project needs (incl. Carbon Credits)
- Six Global Renewable Energy Investment Funds in process
- Greenhouse Gas Initiative



# Recent Projects

- **Clean Manufacturing:** \$30 million in financing for environmentally friendly metal recycling project in Turkey – Phase II will include autoproduction of electricity
- **Solar Energy:** Financing for 2 MW grid-connected photovoltaic project in India
- **Sustainable Forestry:** Financing to chip fallow rubber trees in Liberia for export for biomass power plants
- **Biomass Power:** Financing for 35 MW biomass power plant in Liberia



# Recent Projects

- **Wind Energy:** Political risk insurance for installation of wind turbines in India
- **Financial Services:** Financing for non-profit investing in small scale clean energy projects worldwide
- **Energy Efficiency:** Financing for compact-fluorescent lights manufacturing facility in India
- **“Green” housing:** Financing for solar energy home systems in Sri Lanka *and* 50 “green” homes in Poland



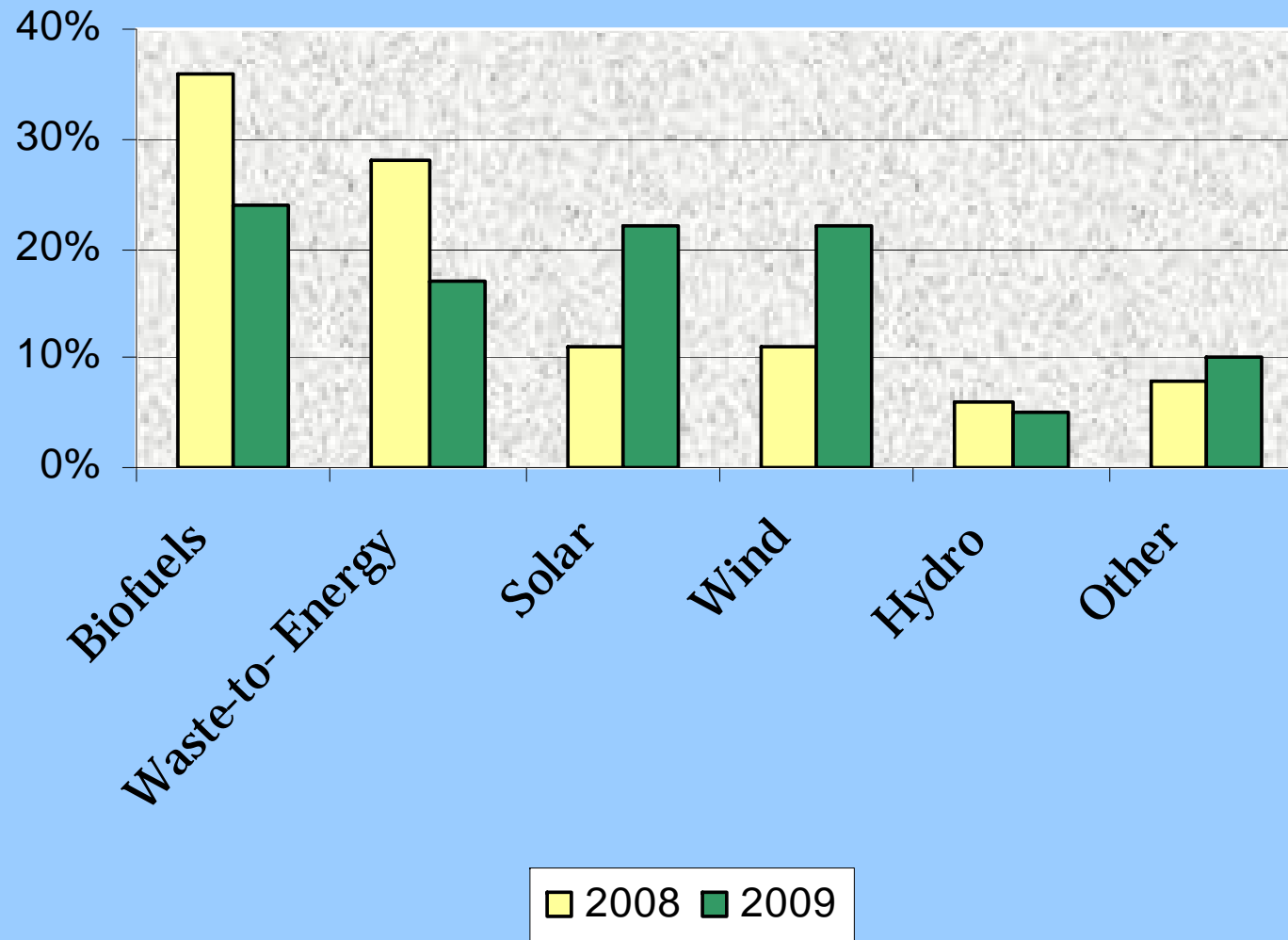
# Recent Projects

- **Bio Mass:** Financing for small power facilities fueled by rice husks in rural India.
- **Hydro Power:** Financing for 8 MW hydro power plant in Kosovo
- **Hydro Power:** Political risk insurance for mini-hydro facility in Sri Lanka

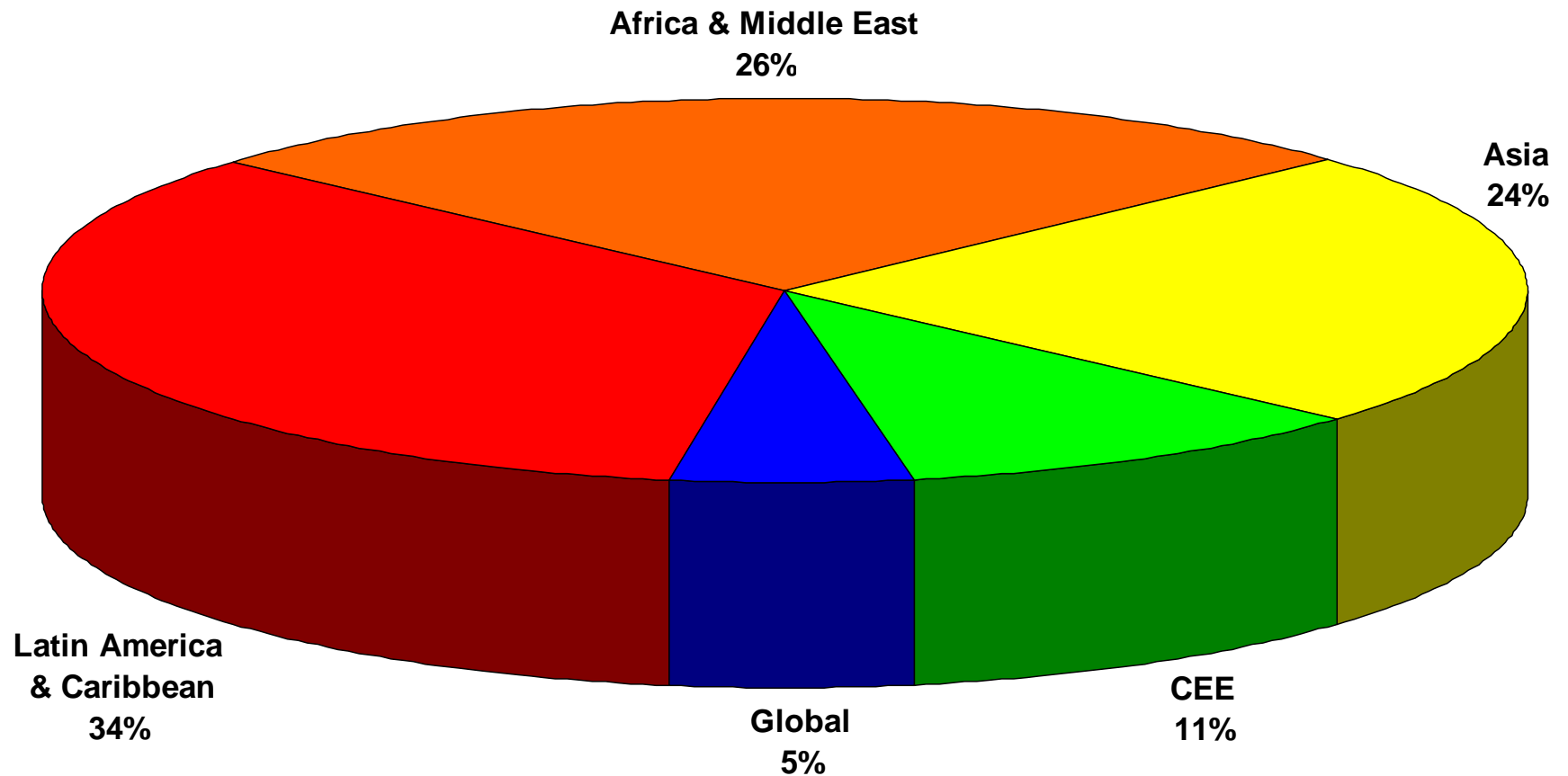




# April 2008 vs. April 2009 OPIC Tracked Deals by Sector



# OPIC Renewable Energy Finance Projects Tracked by Region



# OPIC Finance at a Glance

- Requirement: 25% U.S. ownership in the local project company
- Tenors 3-20 years
- Loan sizes \$100,000 - \$250 million
- Leverage up to 75%
- Principal grace period during start-up
- Deal-by-deal structuring; project financing

# OPIC Project Financing Criteria

- A solid business plan
- Sufficient equity
- Financially and commercially-sound project producing an adequate cash flow
- Track record of success in the same or similar industry
- Proven technology



# OPIC Insurance At a Glance

- Inconvertibility
- Expropriation
- Political Violence
  - Assets
  - Business Income
- Breach of Contract



# Eligibility for OPIC Insurance

The insured must be:

- U.S. citizens
- corporations, partnerships, or other associations created under the laws of the U.S. *and* at least 50% owned by US citizens;
- foreign corporations that are more than 95% owned by U.S. citizens

# Key Features of OPIC Insurance

- Coverage for U.S. equity holders or US debt providers
- Policy terms up to 20 years
- Low premium rates are locked in
- May be canceled by insured, but not by OPIC
- Up to \$250 million in coverage per project

# Investment Fund Support



- Leverage for funds
- Fund managers make investment decisions
- Can work in conjunction with OPIC Finance and Insurance

- 28 current OPIC Investment Funds
- \$505 million committed for 6 renewable energy funds to mobilize \$1.6 billion worldwide.

# Conclusion

- Priority focus on Renewable Energy and Clean Energy investments
- Strong track record in mobilizing capital for developing markets
- Continued support in difficult markets



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