



## NAVIGATOR PROJECT FINANCE: ACCIONA ENERGY CASE STUDY

### World leader in renewable energy

ACCIONA Energy is the largest developer, owner and operator of wind farms in the world, with completed plants producing some 5,400 megawatts of power in 13 countries, either owned by ACCIONA or built for third parties. Other plants currently under construction will collectively produce a further 1,128 megawatts upon completion.

The company's mission is to demonstrate the technical and economic viability of a sustainable energy model. They invest in the development and management of sustainable infrastructures, services and renewable energies, including small hydro, biomass, solar and thermal energy, and the marketing of biofuels.

In Australia, ACCIONA Energy owns and operates a 66 megawatt wind farm at Cathedral Rocks in South Australia (jointly owned with Roaring 40s) and upon completion, the 192 MW Waubra Wind Farm currently under construction in Victoria will be the largest wind farm in the Southern hemisphere. They also have

*"Navigator's approach is to design models that are easy to use and cost-effective to operate - the structural integrity of their models is a definite plus."*

*James Harkness,  
General Manager, Finance, ACCIONA Energy*

an active portfolio of other wind farm sites under development, with power from the sites sold into the national power grid.

ACCIONA Energy is the only fully-vertically integrated player in the Australian renewable energy market, identifying and developing their own wind farm sites, providing the turbines, and operating and maintaining the wind farms.

*"We find Navigator very responsive – whenever I require something they are quick to turn it around and assist in whatever way they can."*

*James Harkness,  
General Manager, Finance, ACCIONA Energy*

### A financial model to evaluate new projects

ACCIONA Energy required a wind-farm-specific financial model for its Australian operations. It needed to be a generic model, which would be flexible enough to meet a variety of purposes, and suitable for different stakeholders including its Investment Committee.

James Harkness, ACCIONA Energy General Manager, Finance explained, "ACCIONA Energy needed a model with the flexibility to provide project evaluation and comparison, a model to assess financing options, as well as investment evaluation and comparison. The



## At a Glance

**Client:** ACCIONA Energy

**Industry:** Renewable Energy

**Geography:** Australia, with headquarters in Melbourne and Spain

**Challenges:** Develop a financial model specific to the wind farm industry that is adaptable for a variety of purposes and stakeholders

**Solution:** A dynamic financial model, with flexibility to adapt to a variety of situations

**Benefits:** A model that can be used on an ongoing basis to evaluate potential projects, investments, financing options and purchasing proposals

model also needed to evaluate purchasing proposals from retailers to determine the return on investment of proposed deals.”

### A specialist with the right approach

ACCIONA Energy first made contact with Navigator Project Finance as a result of a recommendation. The final decision was based on a number of factors as James explained, “Navigator are project finance specialists. Modelling can be a funny game – often modellers develop a particular style and may think their way is the only way. That’s where Navigator’s approach is sound. They will happily incorporate our requirements into their framework to deliver the best possible model for our needs.”

*“Navigator is open and easy to deal with – they share their methodology. Their training courses are also very good.”*

*James Harkness,  
General Manager, Finance, ACCIONA Energy*

James commented that it was Navigator’s structure and approach to designing models which promoted the good fit between the companies. “Navigator’s approach is to design models which are easier and more efficient to operate, therefore making them straightforward to use, and more cost-effective on an ongoing basis.”

Navigator’s industry knowledge also set them apart. James explained, “Navigator had previous experience in the development of wind farm models and an overall understanding of the industry and related contracts, all of which assisted with the design process.”

### Partnering with a specialist delivers ongoing benefits

In addition to requiring a flexible generic financial model, there was a tight timeframe for the delivery of the model. James said, “We needed to develop the model in a short timeframe, and Navigator was able to turn the model around quickly. Overall, it was a smooth process.”

James continued, “The Navigator team is very responsive, and always turns things around as quickly as we need them. Navigator also provides ongoing customisation and enhancement of the model – it’s great to have that ongoing support.”

James highlighted another of Navigator’s strengths as their openness regarding their modelling approach and structure. He explained, “They are upfront and easy to deal with. They are open, will share their methodology, and provide tips. Their training courses are also very good.”

### A financial model for the future

ACCIONA Energy now has a bespoke financial model for their wind farm projects in Australia, with the model regularly being used to assess and approve investment opportunities. James said, “We send the financial model to head office in Spain for all our investment cases. Our Head Office Finance Team is now familiar with our model, and it is integral to their evaluation process when considering our investment cases. Our intention is to use the model on an ongoing basis as ACCIONA Energy continues to expand within Australia.”

## About Navigator Project Finance

Founded in 2004, Navigator Project Finance Pty Ltd (Navigator) is the project finance modelling expert. Headquartered in Sydney, Australia, Navigator is raising the global benchmark in financial modelling services to the project finance sector. Navigator designs and constructs financial models for complex project financings, offers training courses throughout the Middle East, Asia and Europe, and conducts independent model reviews of project finance transaction models. Navigator delivers fast, flexible and rigorously-tested project finance services that provide unparalleled transparency and ease of use.

Customers include market leaders such as Deutsche Bank, ANZ Investment Bank, Lend Lease, Oxiana, Mirvac Property, Westpac and the Commonwealth Bank of Australia, together with leaders from the finance, mining, property, utilities, banking, chemical and infrastructure sectors.