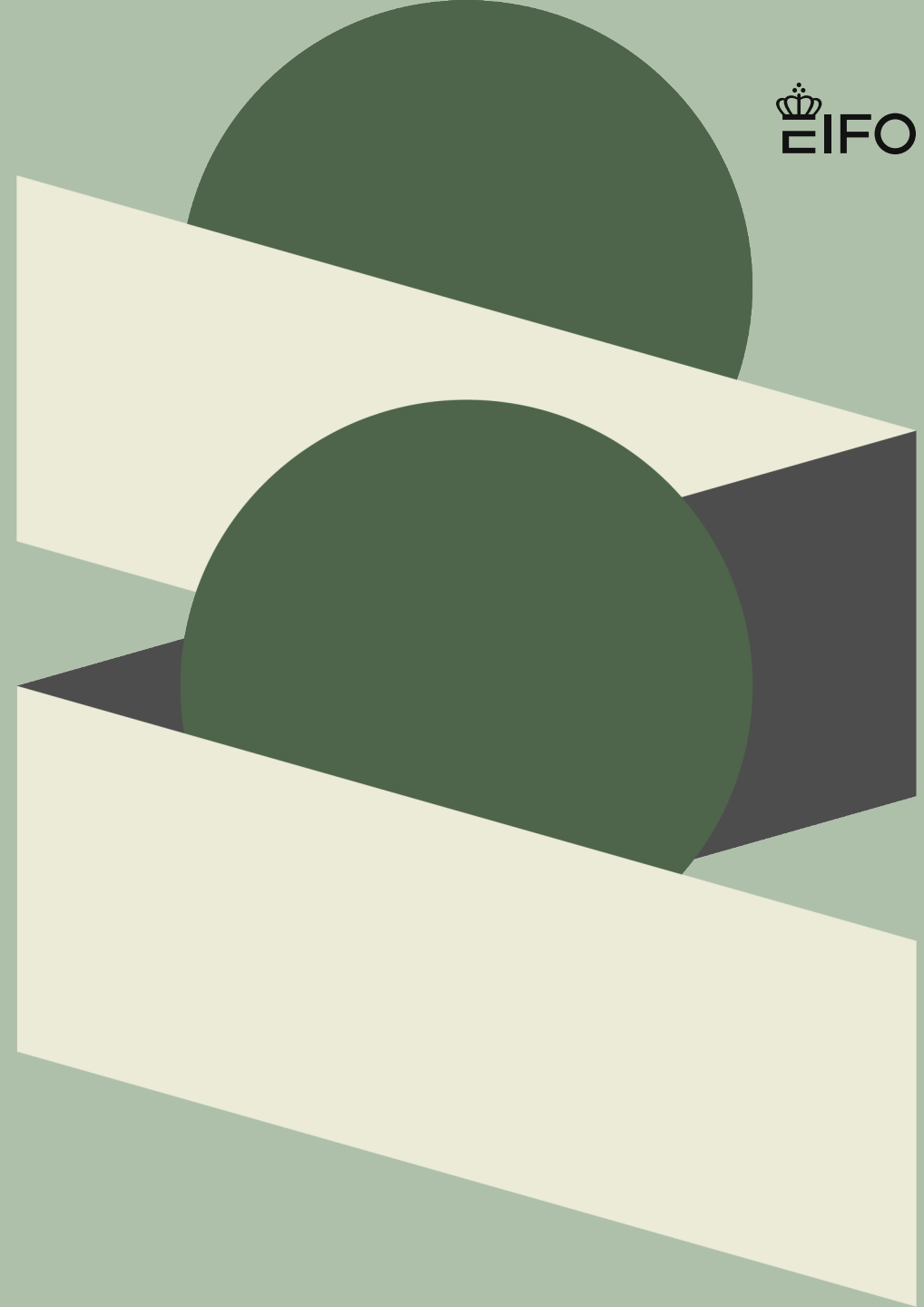


# Lessons Learned in CCS Infrastructure Financing

Christian Dahl Winther



# About EIFO

- Long experience in corporate- and project finance
- Flexible, reliable and well connected
- AAA-rated
- Reduce banks' risk exposure up to 80% of senior debt
- Long guarantee tenors and sculpted repayment profile
- Full due diligence risk
- We operate on commercial terms
- We review risks the same way that banks do



# Key risks and mitigants for bankability of infrastructure projects

## Risks in financing infrastructure




- Big projects, large debt
- Long repayment periods
- Technologically complex plants
- Delays and cost overruns during construction
- Many involved parties across several jurisdictions
- Political influence in market development
- (Market) price of commodity subject to regulation
- Transport volume uncertain over extended timeframes
- Non-compliance with ESG standard or public opposition

## Mitigating factors for bankability

- Strong counterparties with good credit ratings
- Experienced developers and reputable advisors
- Proven track record of suppliers and warranties
- Experienced sponsor and lender group
- Commitment by other operators to develop supporting infrastructure
- Consistent and predictable regulatory frameworks
- Market transparency and visibility in carbon prices
- Hedging of revenue volatility
- Long-term transport agreements

# Financing CCS is riskier than industry and offshore wind

Risk	Industrial plant	Offshore windfarm	CCS
Construction	Highly proven EPC	Multi-Contracting	Limited expertise for integrated plant
Technology	Proven at scale	Innovations often evolve proven technology	Mostly proven technology but at limited scale (capture, transport, storage)
Operations	Performance guarantees available	Performance guarantees available	Limited availability of plant and value chain performance guarantees
Market	Liquid global commodity market	Established electricity market	Highly volatile market price and uncertain will to pay green premium
Financing	Strong appetite	Strong appetite for most markets	Limited commercial appetite resulting in need for ECA financing

-  Low risk
-  Medium risk
-  High risk

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