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<http://www.bloomberg.com/news/2011-09-16/bnp-paribas-fund-sees-renewable-finance-costs-rise-on-debt-woes.html>

## BNP Paribas Fund Sees Renewable Finance Costs Rise on Debt Woes

**BNP Paribas (BNP)** Clean Energy Partners said the cost of borrowing for renewable energy projects rose in recent weeks after the eurozone debt crisis hit lenders, according to the U.K. investment fund's chief executive.

"We do see long-term debt pricing getting a little bit more expensive post-summer," said .... "Because banks are having more difficulty finding funds, the cost of liquidity is likely to go up and these may be passed on to borrowers," Bergsma said by phone.

The **European Central Bank** said yesterday that it will lend dollars to euro-area banks in a series of three-month loans after dollar-funding dried up for European banks and for French lenders in particular on concerns **Greece** is headed for a default.

Though the margins at which banks lend crept higher, the euro interbank offered rate, or Euribor, remains little changed, keeping the overall cost of financing stable, Bergsma said. The cost of finance in "solid" markets such as France is about 5.5 percent to 6.5 percent at tenors of 15 to 18 years and is available for good quality renewables projects, he said.

"It's very different from the crisis from two or three years ago, when it was hard to obtain financing," Bergsma said in an interview yesterday. "There's probably a little bit more confidence in the market than there was then."

French lenders top the list of Greek creditors with \$56.7 billion of holdings of private and public debt, a June report by the Basel-based **Bank for International Settlements** said. Paris-based BNP Paribas said in a Sept. 14 **presentation** on its website that its "exposures" to the sovereign debt of Greece, Ireland and **Portugal** were "manageable."

### **Funds Exceed Target**

Bergsma's fund raised 437 million euros (\$603 million) from insurers and pension funds in December, exceeding the target it set for investing in renewables such as wind, biomass and solar. Bergsma expects to have invested half the fund by the end of the year, declining to give the figure spent so far.

The fund is targeting as much as 150 megawatts of late-stage or built onshore wind projects in France, **Europe's** fourth-largest wind energy market by installed capacity. It could also double its solar projects in **Italy** from the 50 megawatts it now owns, Bergsma said. The fund owns about 130 megawatts total in the U.K., Ireland, France and Italy, he said.

The fund will seek debt from banks for its projects, Bergsma said from **London**. At the same time, clean energy stocks are slumping while governments such as Spain and Italy cut support for the industry. The WilderHill New Energy Global Innovation Index has lost 26 percent this year.

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