Hornsdale Wind Farm has secured financing for stage 2

- John Laing, investor in Hornsdale Wind Farm Stage 1 and Stage 2, strengthen its partnership with Neoen;
- Siemens is building the Wind Farm, supplying the turbines and providing long-term operations and maintenance of the project;
- The project is underpinned by a 20-year contract to sell power to the ACT;
- Hornsdale Wind Farm Stage 2 is financed by International banks KfW IPEX-Bank GmbH and Societe Generale, with Investec providing a Junior loan to the holding company.

Leading French renewable energy firm Neoen, leading international infrastructure investor John Laing, and local partner Megawatt Capital Investments, have reached financial close for the 100MW, second stage of the Hornsdale Wind Farm project.

Hornsdale Wind Farm is a 105 turbine multi-staged project, majority owned and managed by Neoen, and located near the South Australian town of Jamestown, 200km north of Adelaide. Siemens will supply and erect 32 wind turbines, in addition to the first stage of the project, which also comprises 32 turbines and is well advanced through construction. Siemens will also complete associated project works and will maintain the wind farm under a long-term maintenance contract.

Hornsdale Wind farm has been twice awarded a 20-year contract to supply green energy to the ACT, with the second stage achieving a record low price of $77 per MWh, thanks to its excellent wind resource, important synergies with the first stage, and an optimal finance/equity structure.

The Hornsdale Wind Farm is significantly contributing to the Territory realizing its target of having 100% of its electricity supplied by renewable sources by 2020, and Stage 2 of the project will further create job opportunities in the ACT, and see Neoen continue to expand its presence in Canberra.

The South Australian Government has provided consistent encouragement and assistance to the project since its inception in 2010, while strong local support has also been forthcoming from the Northern Areas Council and the local Community in Jamestown and its environs. In addition, the project will generate more than 250 jobs during construction in South Australia.

For the second time in less than a year, Neoen has secured a long-term debt facility from KfW IPEX-Bank GmbH and Societe Generale. This financing package aligns the interests of the owners, the ACT Government, and Siemens.
Neoen’s develop-and-hold approach is enhanced by such financing and benefits from the stability and continuity created by the debt tenor and amortization profile, in line with the asset life. Societe Generale acted as sole hedge provider and in a first of its kind provided a contingent hedge 3 months prior to financial close to fix interest rates and assist Neoen with a smooth closing process.

The sponsors were advised by Green Giraffe (financial advisor), Baker & McKenzie (legal advisor) and Herbert Smith Freehills (legal advisor). KFW IPEX-Bank GmbH and Societe Generale were advised by Herbert Smith Freehills and Investec by King and Wood Mallesons as legal advisors.

Franck Woitiez, Managing Director of Neoen Australia, commented that: “Neoen, as a Developer, Investor and Asset owner, has the recipe to bring together high quality, complex and innovative projects. We like Australia, and we want to build more than 600MW of Renewable Energy projects by 2020.

Hornsdale Wind Farm is for Neoen an example of what the Company can achieve: bringing together Financiers, Offtakers, EPC and Partners and repeatedly deliver its promises.”

Justin Bailey, John Laing, Managing Director, Primary Investments - Asia Pacific, said: “Renewable energy remains an important growth sector for John Laing globally and we are very proud to be partnering again with Neoen to provide renewable energy to the ACT Government. The second stage of the Hornsdale Wind Farm demonstrates our expanding renewables investment in Australia and is another example of John Laing’s increasing commitment and standing in the Asia Pacific market. Along with its portfolio of wind, solar and biomass renewables projects in the UK and Europe, this demonstrates our strong expertise in the renewables sector across our geographies.

Siemens Australia Head of Energy David Pryke said the project demonstrated a win-win for all stakeholders: “The second stage of the Hornsdale wind farm is good for the economy, good for the environment and, importantly, good for both the ACT and the local community. I’m delighted that Neoen entrusted Siemens to build and maintain the Hornsdale wind farm stages 1 and 2, and through this project we will demonstrate what can be achieved when combining Siemens’ global technology with the ACT’s commitment, Australia’s natural resources and Neoen’s vision.”

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