



HERBERT SMITH FREEHILLS ADVISES ON PLATFORM REFINANCING OF HORNSDALE WIND FARM

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News

Herbert Smith Freehills has advised on the \$650 million consolidated platform refinancing of Stages 1, 2 and 3 of the Hornsdale Wind Farm, located about 200km north of Adelaide in South Australia.

The wind farm, which comprises 99 wind turbines with a total capacity of 309MW, was the first multi-staged, separately project-financed wind farm in Australia. All three stages of the project – on which the firm advised in 2015, 2016 and 2017 respectively – are now complete and in operation.

The firm advised both the incoming lenders and the exiting lenders on all aspects of the refinancing.

This innovative refinancing brought together the three stages of the project under a single combined platform financing arrangement with varying tenors of debt being provided by an all-international group of lenders consisting of Korea Development Bank, Mizuho Bank, Natixis and Société Générale. The restructuring and consolidation of the financing in this way has allowed the wind farm to secure long tenor debt on favourable terms.

The wind farm is majority owned by French renewable energy producer Neoen Australia, together with leading international infrastructure investor John Laing. Siemens is responsible for providing long-term operation and maintenance services to the project.

Each stage of the project benefits from a separate 20 year feed-in-tariff for the supply of power to the Australian Capital Territory (ACT), each awarded under the ACT Government's reverse wind auction program. The project made a significant contribution towards the ACT Government meeting its target of having 100% of its electricity supplied by renewable energy sources by 2020.

The Herbert Smith Freehills teams were led by partners [Elizabeth Charlesworth](#) and [Andrew McLean](#), with support from senior associate Gabby Herron-Cartwright and solicitors [Hiroko Ito](#), Dave Thomas and Jacinta Dzarir.

Ms Charlesworth said, “The successful refinancing of the landmark Hornsdale Wind Farm on a platform basis represents the evolution of the Australian renewables market.

“While the sector is still experiencing growth, this transaction shows that onshore wind is increasingly being seen as a stable and mature asset class capable of delivering stable long term returns for both debt and equity.

“This refinancing also shows that despite recent challenges in the market, the appetite is still there for good projects with solid fundamentals. Refinancings such as this one can deliver significant value to both debt and equity, and we expect to see a number of these platform style financings in the coming year as investors look to consolidate their portfolios and capitalise on the benefits that come with economies of scale,” Ms Charlesworth said.

This deal is another example of Herbert Smith Freehills’ market-leading full service renewables team, who have recently advised on a number of other significant transactions in the Australian renewable energy industry, including advising:

- The financiers on the \$616 million standalone project financing for Tilt Renewables’ 270 MW Snowtown 2 Wind Farm in South Australia.
- Kiamal Solar Farm Pty Ltd and Total Eren (Sponsor) on the A\$338.8m project financing of the 256 MWac Kiamal Solar Power Plant, Victoria, Australia.
- The refinancing of the project finance facilities for Collgar Wind Farm in Merredin, Western Australia.
- National Australia Bank Limited on the long term A\$160 million ‘Samurai’ refinancing of the Hallett 1 Wind Farm.