

RENEWABLE ENERGY EXPERTS ADVISE ON FIRST PROJECTS TO CLOSE UNDER LARGE-SCALE SOLAR PROGRAMS

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News

Herbert Smith Freehills has advised Neoen Australia on the construction, operation and financing, and the Clean Energy Finance Corporation (CEFC) on the project financing, of three solar farms in New South Wales, with a total project cost in excess of A\$230 million.

The three projects are the first with debt financing to reach financial close under the CEFC's A\$250 million large-scale solar program and the Australian Renewable Energy Agency's (ARENA) A\$92 million large-scale solar round.

The projects are:

- Parkes Solar Farm, a 55 MW project 10km west of Parkes, NSW;
- Griffith Solar Farm, a 30 MW project south east of Griffith, NSW; and
- Dubbo Solar Farm, a 25 MW project east of Dubbo, NSW.

The projects are owned and developed by renewable energy developer Neoen, with the debt financing provided by the CEFC, along with funding from ARENA. Bouygues Construction Australia has been engaged as lead contractor for the construction and long-term operation and maintenance of each of the projects.

Herbert Smith Freehills advised on a number of aspects for each of the projects, including the long-term project finance debt facility, offtake arrangements, construction, long-term maintenance arrangements and grid connection.

The Griffith Solar Farm and the Parkes Solar Farm are each underpinned by power offtake agreements with ENGIE, while the Dubbo Solar Farm has been developed and project financed on a fully merchant basis.

The Herbert Smith Freehills' team was comprised of partners Elizabeth Charlesworth, Andrew Clark and Joel Rennie, executive counsel Alison Dodd, senior associate Tyson Carruthers, solicitors John Tawadrous, Josh Attard, Rhiannon Hough, Yun Yong, Arnica Mullins and Hiroko Ito.

Herbert Smith Freehills partner and Asia Pacific renewable energy specialist Toby Anderson said: "Our projects and finance teams have worked very closely with Neoen and CEFC to reach this milestone. Achievement of financial close was due to a huge level of work and commitment from all involved.

"The Australian renewables sector has seen significant growth over the past 12 months and the start of the year in particular has been extremely busy for the firm's renewables team. We have seen a number of our clients achieve significant project milestones and we are looking forward to continuing growth for the rest of the year," Mr Anderson said.

"Solar energy will be a particular focus due to both the CEFC's and ARENA's large-scale solar programs which will see hundreds of millions of dollars in funding provided to support the development of a significant number of solar projects."

Other advisors on the projects included Baker McKenzie (also advised the sponsors) and DLA Piper (advised ARENA).

Herbert Smith Freehills has the leading renewable energy practice in Australia, and the deal is another example of the strong work of the Renewable Energy Project and Project Finance Teams. Projects the teams have recently advised on include:

- advising Fotowatio Renewable Ventures on its new solar farm in Clare, NSW;
- advising AGL Energy Limited on the Silverton Wind Farm in western NSW;
- advising on the development and debt-financing of the Hornsdale 2 Wind Farm in South Australia; and
- advising the commercial lenders to the RATCH-Australia sponsored Mt Emerald Wind Farm.

