

RENEWABLES EXPERTS ADVISE ON STAGE 3 OF THE HORNSDALE WIND FARM

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Herbert Smith Freehills has advised on the construction, operation and financing of Stage 3 of the Hornsdale Wind Farm, located about 200km north of Adelaide in South Australia.

This follows on from the successful achievement of financial close and the commencement of construction of Stage 1 and Stage 2 of the Hornsdale Wind Farm (together totalling 200MW of capacity) on which the firm advised in 2015 and 2016 respectively.

The firm advised on a number of aspects for the third stage of the project, including the long-term project finance debt facility, construction, long-term maintenance arrangements and grid connection.

The third and final stage will add a further 35 wind turbines, totalling 109MW of capacity, to the first multi-staged, separately project financed wind farm in Australia. Once complete, the project will boast 99 wind turbines with a maximum capacity at the point of interconnection to the National Electricity Market of 309 MW.

Like Stages 1 and 2, Stage 3 of the wind farm is majority owned by French renewable energy producer Neoen Australia, which, together with leading international infrastructure investor John Laing and local partner Megawatt Capital Investments, have secured a long-term senior debt financing package from international financiers. In addition, construction and long-term operating and maintenance contracts have been secured with Siemens, who will also supply the wind turbines for the project.

Each stage of this landmark project is underpinned by 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. Stage 3 achieved a price of A\$73 per MWh and will, together with Stage 1 and Stage 2, make a significant contribution towards the ACT Government's target of having 100% of its electricity supplied by renewable energy sources by 2020.

The Herbert Smith Freehills team was led by partner Elizabeth Charlesworth and executive counsel Alison Dodd, with support from senior associate Rupert Baker and solicitors Yun Yong, Josh Attard, Anna Lam and Arnica Mullins.

Elizabeth Charlesworth said: “The achievement of Financial Close on Stage 3 of the Hornsdale Wind Farm represents a new level of innovation and achievement in the development of renewable energy projects in Australia. Neoen, its equity partners and their financiers should be congratulated for achieving one of the final milestones in this landmark multi-staged wind farm development.

“The Australian renewables sector has seen continued growth over the past 6 to 12 months, with a large number of renewables projects achieving significant project milestones in the last two months alone and a number of others already in the pipeline. We look forward to continuing to assist developers and financiers throughout this year, which is shaping up to be a significant one in the renewables space,” 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:

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