

WFW ADVISES ON US\$3BN TAIWANESE OFFSHORE WIND FARM PROJECT FINANCING

21 FEBRUARY 2020 • PRESS



Watson Farley & Williams (“WFW”) has advised a large syndicate of international and Taiwanese commercial banks, life insurance companies and cover providers, including export credit agencies (“cover providers”), on the project financing of the Changfang and Xidao Taiwanese offshore wind projects being developed by Copenhagen Infrastructure Partners (“CIP”), Taiwan Life Insurance Co., Ltd. and TransGlobe Life Insurance Inc. (the “Taiwanese life insurance companies”). The loans, which will be used to fund the construction stage of the projects, is the largest debt package raised in the Taiwanese offshore wind market to date.

The multi-phase Changfang and Xidao projects, located 13-15km off the coast of Changhua County, Taiwan, will have a total joint installed capacity of approximately 600 MW on completion, comprising a total of 62 turbines. Commissioning for the first phase of up to 100 MW is scheduled for the end of 2021 and the second phase of up to 500 MW is scheduled for the beginning of 2024. The Changfang and Xidao projects are majority owned by CIP and a minority stake is owned by the Taiwanese life insurance companies.

The market-leading transaction included advising on complex, multi-tranche, multi-currency financing arrangements, including cover provider-supported pieces, with an estimated debt of approximately US\$3bn (NT\$90 billion). WFW also advised on the multi-contracting construction and operations strategy from a bankability perspective.

The syndicate of lenders comprised 21 international and Taiwanese commercial banks, consisting of: MUFG Bank Ltd. (also financial adviser to the project), ABN AMRO, Crédit Agricole Corporate and Investment Bank, CTBC Bank, Deutsche Bank, DBS Bank, EnTie Commercial Bank, E-SUN Commercial Bank, Hong Kong and Shanghai Banking Corporation, JPMorgan, KDB, KGI Bank, KFW, Mizuho Bank, Natixis, OCBC, Santander, Société Générale, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation and Taipei Fubon Bank, as well as the Taiwanese life insurance companies and a member of the CIP group (each of whom provided sponsor senior debt). Financing cover was provided by seven cover providers: Atradius (Netherlands), EKF (Denmark), GIEK (Norway), KFW (Germany), K-SURE (South Korea), NEXI (Japan) and UKEF (UK).

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The cross-border WFW Projects team that advised on the transaction was led by Partner Evan Stergoulis (London) and Senior Associate Adam Smith (London), working closely with Partner Daisy East (London). They were supported by Senior Associate Michael Folsom (Hong Kong) and Associates Tom Harrison-Cripps (London), Adam Blythe (Singapore), Oliver Sikora (London), Stephanie Sijie Li (Singapore) and Edmund Poon (Hong Kong). Partner Tom Jarvis and Senior Associate David Jacob handled tax aspects of the deal.

Partner Jon Thursby (Singapore) provided expertise on the bankability review of the construction and operations contracts, while Partner Rob McBride (London) and Senior Associate Marta Pink (London) advised on hedging-related matters.

Evan commented: “This was a highly complex, multi-tranche financing at the forefront of the Taiwanese offshore wind market, which also included advising on construction and operations arrangements, as well as a challenging co-borrower structure involving the cross guaranteeing of financial liabilities. It is one of the first few, and the largest, Taiwanese offshore wind farm project financings to complete to date in this flourishing region for offshore wind. I’m delighted that we were able to use our cross-border network of offices to effectively advise and support our clients on successfully closing this ground-breaking transaction in one of the world’s most dynamic and developing offshore wind markets. This transaction amply demonstrates WFW’s eminent standing as one of the world’s leading legal advisers in the renewable energy space, including in the rapidly developing Asia-Pacific region”.

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