



Ariel Green

**TECHNOLOGY
PERFORMANCE INSURANCE**

PV Solar Plant Performance

SUPPORTING INCREASED PENETRATION OF SOLAR PV

The dramatic growth of solar PV deployment is driven by infusion of capital from institutional investors eager to take advantage of strong returns in a growing market. As the market matures, so does its complexity, with more sophisticated technologies, tighter profit margins, consolidation, defaults and insolvencies all impacting project success.

Investment in this sector depends on the ability of the technology to perform consistently and thus provide reliable, long-term returns. However, the liabilities associated with the performance risks of solar photovoltaic (PV) technologies have grown too large to be covered by the balance sheets of most suppliers. The result is an unprotected volatility risk for institutional investors that invest in solar PV projects.

PROTECTING THE TECHNOLOGIES THAT PROTECT THE ENVIRONMENT

Ariel Green offers Technology Performance Insurance (TPI) including backstops for performance and product warranties. Our products are customized to meet commercial demands, with adaptable coverage structures designed to protect stakeholders across the entire clean tech value chain. They are also long-term and non-cancelable to provide certainty for project developers and asset owners, as well as their financial backers. Ariel Green is driven by its overriding goal of protecting the technologies that protect the environment.

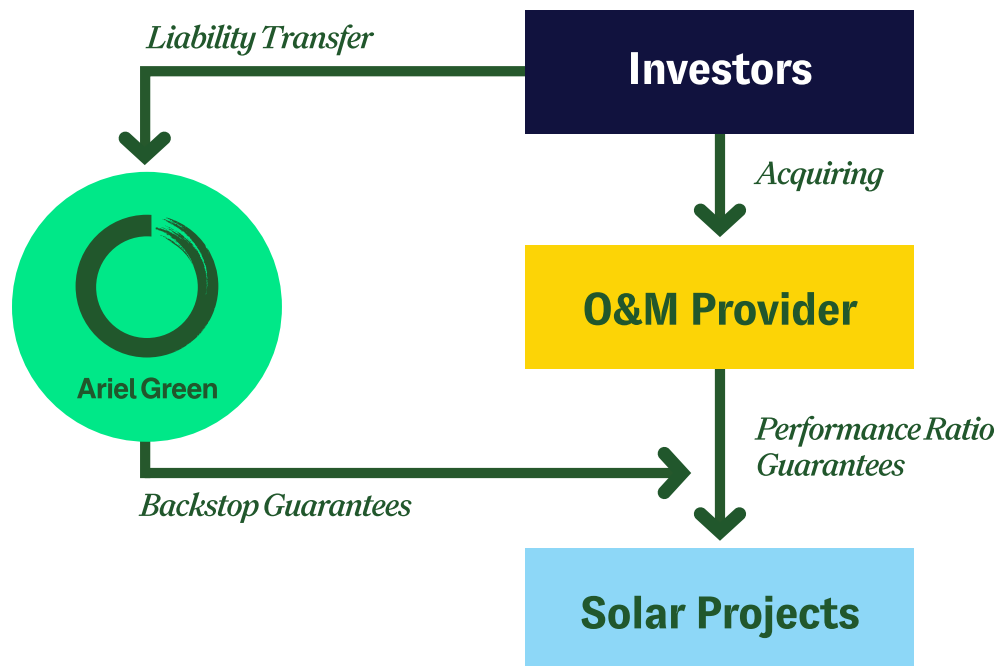
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Case Review

This case study examines an investment group planning to purchase a leading operations and maintenance (O&M) provider that services a multi-GW portfolio of commercial solar PV plants. To proceed with the transaction, the solar PV plants' owners require assurances that the newly formed O&M entity will uphold the same performance ratio guarantees. Such assurances pose a significant liability to the acquiring investment group's balance sheet. This is where Ariel Green's Technology Performance Insurance made a significant difference.

THE CLIENT

The client is the lead investor of the group seeking to acquire the solar PV O&M provider. The subject risk pertains to the ongoing long-term liabilities originating from performance ratio guarantees. These guarantees are linked to commitments made by and value proposition of the O&M service provider, all of which will be assumed in the event of the acquisition.



THE CHALLENGE

The complex, outstanding liabilities of the O&M provider presented a significant obstacle to the planned sale to investors. To ensure the performance of PV assets and provide protection for equity investors a risk management solution was needed. Ideally, one that would guarantee the same level of performance ratios to solar projects, mitigate existing liabilities, and be backed by an investment-grade balance sheet.

THE SOLUTION

To address this challenge, Ariel Green's solar technology experts worked closely with the project lead to analyze the underlying risks and propose multiple Technology Performance Insurance (TPI) options to transfer these risks to the insurer. Several months of discussion and collaboration resulted in customized, comprehensive coverage that wrapped all underlying performance ratio guarantees and obligations, thereby enabling the acquisition. All of this was supported by Ariel Green's robust credit and prompt claim payment ability through Lloyd's Syndicate 1910.