



Ariel Green

**TECHNOLOGY
PERFORMANCE INSURANCE**

Solar Plant Performance

CONTEXT AND OBJECTIVE

This case study examines Clairvest investment group that purchased Sunpower's O&M business, a leading operations and maintenance (O&M) provider that serviced a multi-GW portfolio of commercial solar PV plants for the largest IPPs. To proceed with the transaction, the solar PV plants' owners required assurances that the newly formed O&M entity, NovaSource, will uphold the same performance ratio guarantees. Such assurances posed a significant liability to the acquiring investment group's balance sheet. This is where Ariel Green's Technology Performance Insurance enabled the acquisition when taking the liabilities on the insurer's balance sheet.

THE CHALLENGE

The complex, outstanding liabilities of Sunpower O&M 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.

"We're excited to partner with Ariel Green to offer this product to our customers. Our laser-focused field teams, supported by a robust spare parts strategy with performance guarantees backstopped by the groundbreaking Ariel Green insurance product, provide customers with a high degree of confidence their assets will perform and generate maximum revenue."

Jack Bennett
CEO of NovaSource



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