



Hybrid Energy Solutions (HES) “Global Power Solutions from Renewable Resources”

## **Proposal & Business Plan Summary Renewable Projects**

### **1. Executive summary**

- Summarize important points
- Discuss the importance of the project to the country
- Explain how and why Investor can assist the project

### **2. Project description**

- Describe project in detail
- State why it is important to undertake the project
- Discuss how much support has been obtained from the government, lending institutions, and other investors.

### **3. Feasibility study**

- Talk about the software been used in detail
- Establish the technical, financial, economic, and environmental and social viability of the project
- If necessary, feasibility study should be prepared by a reputable consultant or consulting firm.

### **4. Background on sponsor(s)**

- Discuss ownership and management structure
- Describe sponsor's experience in project development in home country or abroad with emphasis on projects in developing countries, if any
- Provide financial history, include audited financial statements for the last three years, financial plans and projections, and copies of any recent filings with securities commissions

### **5. Project ownership structure**

- Discuss the proposed ownership and management structure of the project
- Explain the legal, tax, and other advantages of the proposed structure
- Describe cost and incentive structure for contractual arrangements with any separate management company

### **6. Project's implementation arrangements**



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- Explain the implementation and contractual arrangements for the project, including the construction and supervision methodology
- Provide the draft construction contracts
- Provide a bar chart showing major scheduled achievements and completion for each of the major components of the project
- Detailed description of liquidated damage provisions and performance bond requirements.

## **7. Project operations**

- Describe the operational arrangements
- Provide copies of the contractual agreements
- Discuss availability and training of operational staff, expected efficiency levels of operation, incentive and penalties for performance, maintenance plans, and reporting systems

## **8. The market**

- Describe the market and marketing arrangements
- Provide draft off-take concession and/or purchase agreements
- Discuss price sensitivity and market risks
- Provide current and projected markets
- Discuss credit-worthiness of customer(s)

## **9. Environmental and social aspects**

Infrastructure projects: Provide a site-specific environmental and social impact assessment report, highlighting environmental and social impacts and mitigating measures, prepared by an acceptable consulting firm. Provide environmental and social management plans including resettlement plan, Indigenous Peoples plan, gender action plan, among other social plans.

Capital Markets projects: Establish an environmental and social management system to ensure investments comply with INVESTOR's (world bank, Asian Development bank, Energy Development Funds) environmental and social requirements.

## **10. Cost estimates**

- Provide cost estimates analyzed according to major cost category and local and foreign currency cost.



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- Include detailed taxes and duties, development expenses, working capital requirements, and interest payments during construction.

#### **11. Financing plan**

- List the various sources of financing of the project, and include amounts, currency, and terms of the debt and equity investments, security arrangements and status of financing commitments
- Describe the source of finance for contingencies and cost overruns
- Discuss escrow and retention arrangements
- Explain the dividend policy as well as any proposed restrictions on payout
- Discuss how you want INVESTOR to assist the project (propose an equity, debt, guarantee or financing arrangement)

#### **12. Financial model**

- Provide financial projections for the project covering the period from financial closing through final maturity of the proposed INVESTOR financing
- Submit two copies of the financial model (one on diskette and one as hardcopy)
- Include balance sheet, profit and loss statement, cashflow statement, and detailed assumptions
- Use an integrated model that will allow for sensitivity analysis of critical elements of the project
- Calculate the economic, financial rates of return, and return on equity investments.
- Payment Process to Equity investors

#### **13. Risk analysis**

- Analyze the risks in implementing and operating
- Discuss the mitigating measures that will be undertaken and identify the party that will bear and/or pay for the mitigating measures

#### **14. Permits and licenses**

- List all permits and clearances required for implementing and operating the project, the issuing authority, and the date of issue or expected date of issue