



Investing in Urban Sustainability

The Role of Clean, Modern Energy Technologies

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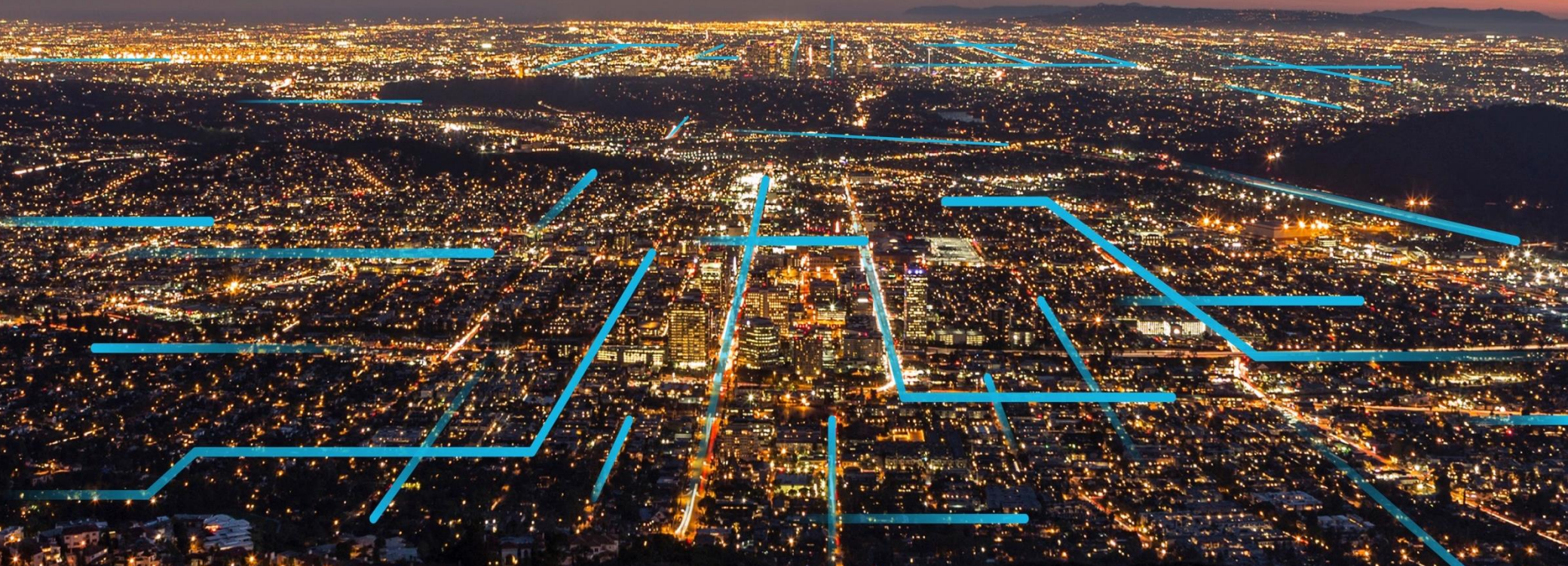
Financing Smart Sustainable Cities Forum Liechtenstein

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Cities in the 21st Century

- Rising urban populations
- Engines of economic growth
- Increased demand for energy
- High (and growing) CO2 emissions
- Perfect environment for energy and climate innovation



GE's Financial Solutions

Financial advice – *every case is different!*

1 Trade finance

- Bank guarantees
- L/Cs
- Deferred payments
- Forfaiting

6 Project investments

- GE or 3rd party
- Equity
- Mezzanine/Junior debt
- Strategic investments
- Arranging take out

2 Export-Fin/Pol. Banks

- Government agency; sourcing driven
- Hermes, OeKB, US Exim,
- Policy Banks (OPIC, KfW...)

Right financing mix is key

5 Risk mitigation

- Insurance for:
 - ✓ Expropriation, currency risk, war
 - ✓ Political & credit risk
- Credit default swaps

3 Project finance

- SPV, no or limited recourse
- Cash-flow based financing
- Frequently requires ECA/ policy banks

4 Lending/Leasing

- Commercial, vendor, distributor finance
- Asset-backed
- Structured, operating lease

Most relevant options for cities

- **Larger investments:** Project Finance (#3, #2)
- **Smaller investments:** Lending/Leasing (#4)
- **“Bridge” financing:** Trade Finance (#1)

3 key factors: regulatory environment, technology and market trends



Special experience in renewables

Cumulative global investments since 2004

73%
Wind

19%
Solar

191 projects
~16 GW
\$9B cumulative investments

61 projects
~2 GW
\$3B cumulative investments

Products

- Structured project equity
- Development capital
- Project debt
- Capital markets services
- PPA services



Case Study: Merkur Offshore Wind

GE EFS invested in + led to financial close 396MW offshore WF in Germany



Transaction

- 396MW offshore WF in German North Sea
- **~US\$1.8bn total project costs**
- GE EFS purchased share of project in early 2015 to become co-sponsor alongside DEME.
- GE EFS and DEME conducted equity process to **secure ~\$400m equity investment** from Partners Group and Infrared Capital Partners.
- Project raised **~US\$1.3bn of non recourse debt** and reached financial close in July 2016.

Result

- First commercial scale deployment of 6MW GE Haliade turbine, and first offshore wind project in Germany to utilize multi-contract structure.

Benefits to developer

- Financial close; **maximization of project value**
- Comprehensive GE offering including equity investment + 3rd party debt and equity raising/structuring expertise.



Case Study: Ararat Wind

**27% STAKE
IN
240-MW
ARARAT
WIND FARM**

OPPORTUNITY

- 240-MW Ararat Wind Farm, \$450 million project
- 3rd-largest wind farm in Australia
- Shareholders: Partners Group, RES, OPTrust, and GE
- Help GE grow its presence in the region

RESULT

- Uses 75 x GE 3.2-103 wind turbines
- Shows value of GE Store and GE's ability to collaborate to deliver important energy infrastructure, financing and policy support

The Ararat wind farm will be capable of producing sufficient renewable energy to meet the electricity needs of 123,000 homes a year in Victoria.

Introducing GE Current

Our approach to Smart Cities

Sensor-enabled Technology
flexible, customizable tech solutions

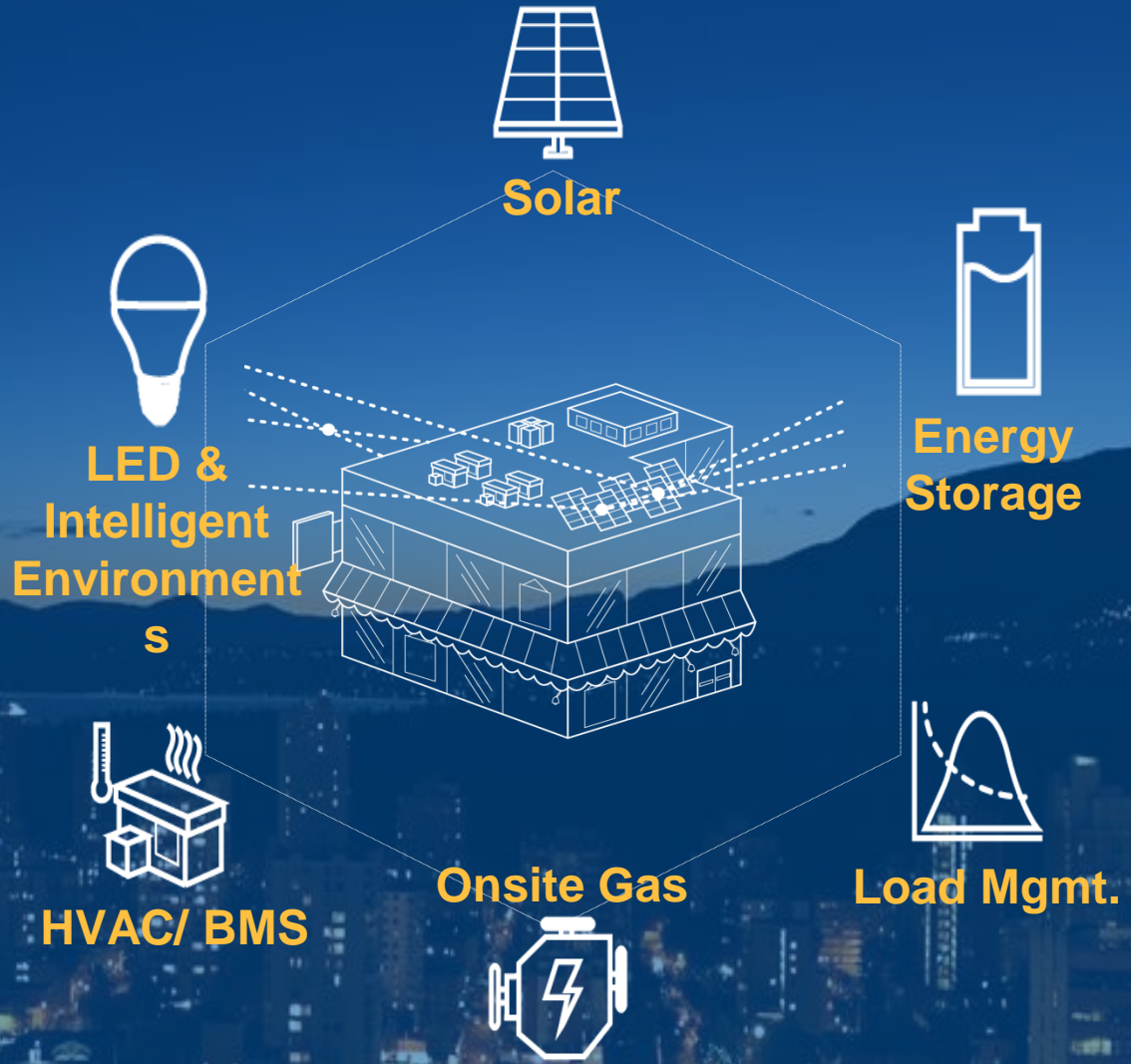


Software & Services
dashboards, analytics & apps for continually improved performance

Solution Financing
including PPA's



GE Capabilities
to design, build, manage tailored solutions to meet your needs





Imagination at work