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FACT FIND - CHP (Combined Heat & Power)

Key Questions

- What is the purpose of the installation?
- What is the CHP plant replacing?
- Do you currently use oil or LPG?
- Full technical details of the CHP Plant and installer
- Full breakdown of costs for the CHP System, hard costs, soft costs, and civils
- What are the supplier's payment terms?
- What are the expected savings on fuel by switching to CHP?
- Details of Feed stock agreements
- Details of contracted revenue with 10-year financial forecast/spreadsheet/economic analysis (CAPEX and OPEX) showing all the different revenue streams available, detailing payback ROI and IRR. Typically, our funder would sensitise from year 1 to 10 years based on anticipated performance capacity of the plant.
- Does the customer have a fixed term contract for the fuel if so; who with and for how long?
- If not, what research has the customer done regarding purchasing fuel local to them?
- Does the customer have a service and maintenance agreement in place?
- If so who with and for how long?
- Does the customer have any additional insurance in place for the CHP plant?
- Serviceability needs to be evident from existing business activities however, we can look to take up to 50% of the projected financial benefit via Energy Sales & Savings should there be a shortfall on serviceability of 1* 1x DSCR V .CF

Refinance

- How long has the system been operational for?
- How was the install funded, Cash or funded by bank (details of charges etc.)
- Confirmation of the installation cost and the Net book value
- Details of the system and the installer
- Overall cost savings and revenues generated since the installation.
- Performance data to demonstrate consistency of the technology compared to what was projected preinstall.

Key policy highlights

- The plant must be fully installed and operational prior to payout.
- Can fund new and used projects up to maximum debt term of 7 – 10 years (project cannot be older than 5 years at inception)
- Can lend 90% of the overall cost of the project including installation cost.
- Serviceability has to be evident from existing business activities.
- Shortfall can be covered by 50% of Energy Sales & Savings
- If the land where the plant is situated is leasehold, then a landlord's waiver would be required.
- If we are funding a new SPV then a XCG would be required from a trading business

*DSCR – (Debt Service Cover) v CF (Cash Flow)