



INFRASTRUCTURE | ENERGY | PROJECTS

Infrastructure Risk 2021

Virtual Event

December 9th 2021 - The Proximo Virtual Event Platform

An exclusive, invitation-only event.

Please email david.samuel@proximoinfra.com to Sponsor or to apply to join.

Pricing and allocating risk is at the heart of successful financings for energy and infrastructure assets. But risks are varied and evolve over time. Quantifying them, and successfully mitigating them, can present challenges even for experienced governments and lenders.

Risks are usually grouped according to the sectors and jurisdictions in which they are present. But many risks present common challenges wherever they are present - and can be mitigated with readily-available tools.

Proximo plans on holding a one-day virtual event that will provide a masterclass in the various categories of risk that are present on energy and infrastructure financings - and how to mitigate them. The event will be essential viewing for developers and governments that want to make sure that their assets are resilient to external shocks. It will also be essential viewing for lenders that want to ask developers the right questions.

The event will be organised by the following risk categories, each with its own session:

- Construction risk
- Political risk
- Credit risk
- Market risk

Ending the event will be a session modelled on Proximo's market-leading Deal or No Deal game show format where a panel of experts look at how a developer of a hypothetical deal covers off each of these risk categories.

The event is the first of a potential series of events focusing on each risk category, as well as the core of a potential course in risk management in project, energy and infrastructure finance.

Virtual sessions - 45-60 minutes each

Session 1: Construction risk - Insure, enhance, or bond?

- The evolution of cost and schedule management on complex construction contracts - what price turnkey solutions?
- How government procurement and permitting rules can impact construction risk management
- Available products - letters of credit, completion bonds, on-demand policies
- How to investigate and monitor construction contracts and schedules

Session 2: Technology performance risk - Manufacturers vs contractors

- Why technology risk has moved outside the scope of EPCs
- Lessons from wind and solar for emerging renewables technologies?
- Is the solution better insurance or more expensive debt?
- Exploring the use of modularity, flexible construction versus full warranties plus LT O&M

Session 3: Political risk - New frontiers and products

- Has PRI proved its worth over a politically unsettled period?
- Have policy lengths made private PRI competitive with DFI enhancement?
- Bespoke and partial policies for specific risks
- To what extent does the market move away from “classic” risks (war, expropriation) and towards softer risks (contract frustration, regulatory and change of law issues)?

Session 4: Counterparty risk - Cover the offtake?

- Should the market in insurance against offtake risk be larger?
- What advantages do partial guarantees offer over full wraps?
- DFI enhancements of emerging markets offtakers - room for innovation
- To what extent can CDS or other derivatives help manage corporate PPA exposures?
- Can and should curtailment/dispatch risk fall under these types of cover?

Session 5: Market risk - More than hedging

- What will the energy transition mean for lenders' need to handle commodity price risk?
- How price risk might migrate further from offtakers towards intermediaries.
- Could the major commodities firms establish a larger presence in the project and infrastructure finance market?

- Does a period of volatility spell trouble for developers' and governments' interest rate risk management?
- Revenue risk on user charge financings (toll roads, airport, rail) - does covering ramp-up risk offer all the protection a lender would need?

Session 6: Credit risk - New frontiers and products

- What has happened to the volumes of credit insurance for project finance bank debt over the last 2 years?
- Are the main drivers of purchase decisions regulatory or economic?
- How has insurance fared against alternative risk management tools (CDS, CLOs, first-loss insurance, secondary sales)
- What limiting factors, if any, still need to be overcome for the market to expand further?

Session 7: There's Always A Deal

- A twist on Proximo's ground-breaking Deal or No Deal format
- Risk management specialists look at how to get three tricky deals over the finish line by reviewing their risk profile in some main categories - construction, offtake and market
- Is cost the main consideration, or is lending market knowledge - and knowledge of risk management products - equally useful?
- The audience will pick the deal that has successfully managed its risks the best