

# **ACCIONA Energía**

**A global operator  
in renewables  
unique in the sector**

**The developer's  
experience in INDIA**



## Four lines of business with the common link of sustainability

**33,000+ employees**

In 30+ countries on the **5 continents**

**€6,499m turnover**

And net investment of **€340m**

**€1,087m EBITDA**

73% generated by the **Energy Division**

**In the main sustainability indexes**

Dow Jones (DJSI) and FTSE4Good



*Data at 31.12.2014*

## POSITIONING **factors**

1

**Only in renewables**

In the main technologies

2

**Throughout the value chain**

Proven reliability and customized solutions

3

**A global company**

In +20 countries

4

**The longest experience**

20 years in a sector with many new actors

## KEY **figures**

Sales

**€2,200m**

EBITDA

**€788m**

Owned capacity

**8,502 MW**

Production

**21.5 TWh**

International presence

**+20 countries**

Workforce

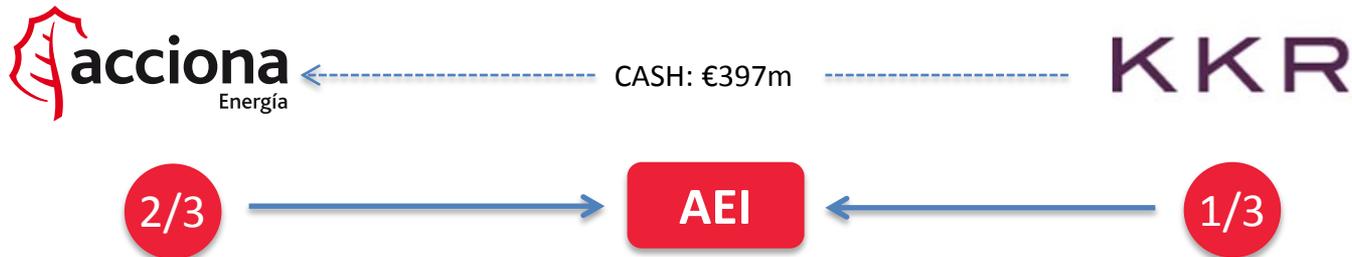
**2,807**

*Data at 31.12.2014*

## Worldwide presence



## Partnership with KKR: ACCIONA Energia Internacional (AEI)



- **2.3 GW net operating renewable capacity** (94% wind, 6% solar)
- 55 assets in **14 international markets**, 5 continents
- **€120m annual cash** distributable to partners
- Enterprise value: ~ **€2,600bn** (50% equity – 50% net debt)

**Long-term strategic partnership** between a value-driven financial investor and an experienced industrial leader **to consolidate and develop** one of the world-largest renewable portfolios and **accelerate growth of the AE's international pipeline** (~3GW being developed)

# AE Presence in India: Wind



- **Local presence**

Acciona Energia India established in 2007  
Local (Indian) team of 13 people in Bangalore

- **86 MW in operation (in Karnataka)**

Anabaru + Arasinagundi (2008) → 29,7MW  
Tuppadahali (2011) → 56,1MW

- **Over 230 GWh of annual production**  
above country average

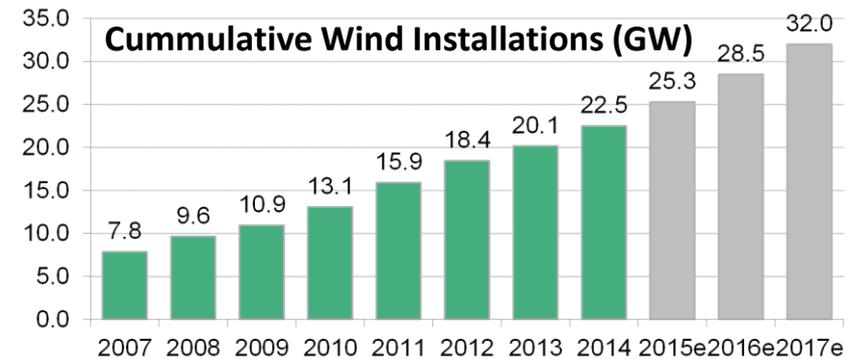
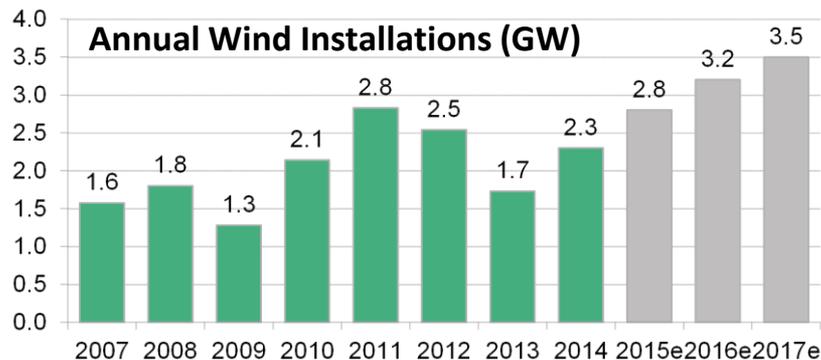
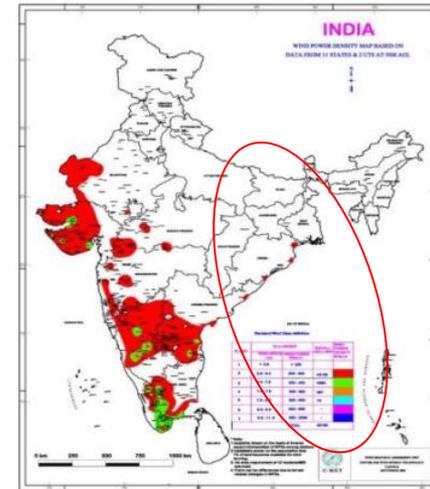
- **Greenfield Development since 2012**

Government Orders in several states  
Own met mast campaigns since 2012



# Market Outlook in India

- **Ambitious new targets** announced by Modi's New Government, targeting 24/7 power for all by 2019; the targets for renewable energies are:
  - Build 100GW of solar capacity by 2022 (current capacity is ≈3,3GW)
  - **Add 40GW of wind by 2019 (8GW every year)** (2,3GW added in 2014, and 2,8GW expected in 2015)
  - Increase the share of Renewables from current 6% to 15% by 2019
- These targets need comprehensive actions plans, yet to be fully developed, such as:
  - Grant scheme for 20GW of solar parks, and development of “ultra-mega” solar parks >500MW
  - **Restoration of federal incentives: GBI (in 2013), accelerated depreciation**
  - **Improving financial conditions: lower SBI rates, push to extend loan tenors, higher leverage**
- Also, a number of states are expected to revise their wind tariffs upwards during 2015:
  - Karnataka, already increased to 4,50 INR/kWh from current 4,20 INR/kWh
  - Andhra Pradesh + Telangana, expected to reach ≈5,00 INR/kWh, from current 4,70 INR/kWh
- Medium wind resources, located mainly in western/southern states



# AE Development experience in India

## Positive

- Permitting Process
  - But maintaining international standards
- Favorable Legislation
  - Fixed FiT at state level
  - GBI at federal level
  - Tax incentives
- Increasing energy demand
  - And specific renewable targets
- Low Capex & Opex
  - Available top providers with local manufacturing
- Private PPA increasingly attractive
  - Opens shorter tenors but higher returns

## Challenges / Opportunities

- Land acquisition is challenging
  - Lack of land registries
  - Private vs. public/forest land
- Non-Recourse Financing
  - In general available from local banks
  - But high SBI base rates
  - And tenors much lower than FiT duration (10 years vs. 20 years)
- Grid Stability & Utilities track record
  - Need more investments in grid infrastructure in areas with good wind potential
  - Ensure payment terms

# Conclusions

**India is a highly attractive market for Renewables, with high grow demand and stable policies to encourage aggressive targets for Wind and Solar**

**Special attention to the selection of areas of development, overlapping wind resources with FiT & grid availability; critical to rely on local experienced teams**

**Following announced targets for Wind and Solar, Government needs to ensure financing conditions are improved in the short term (base interest rates, increased leverages and tenors)**

