

Sarulla Geothermal PP, Indonesia

Second Geothermal Dialogue
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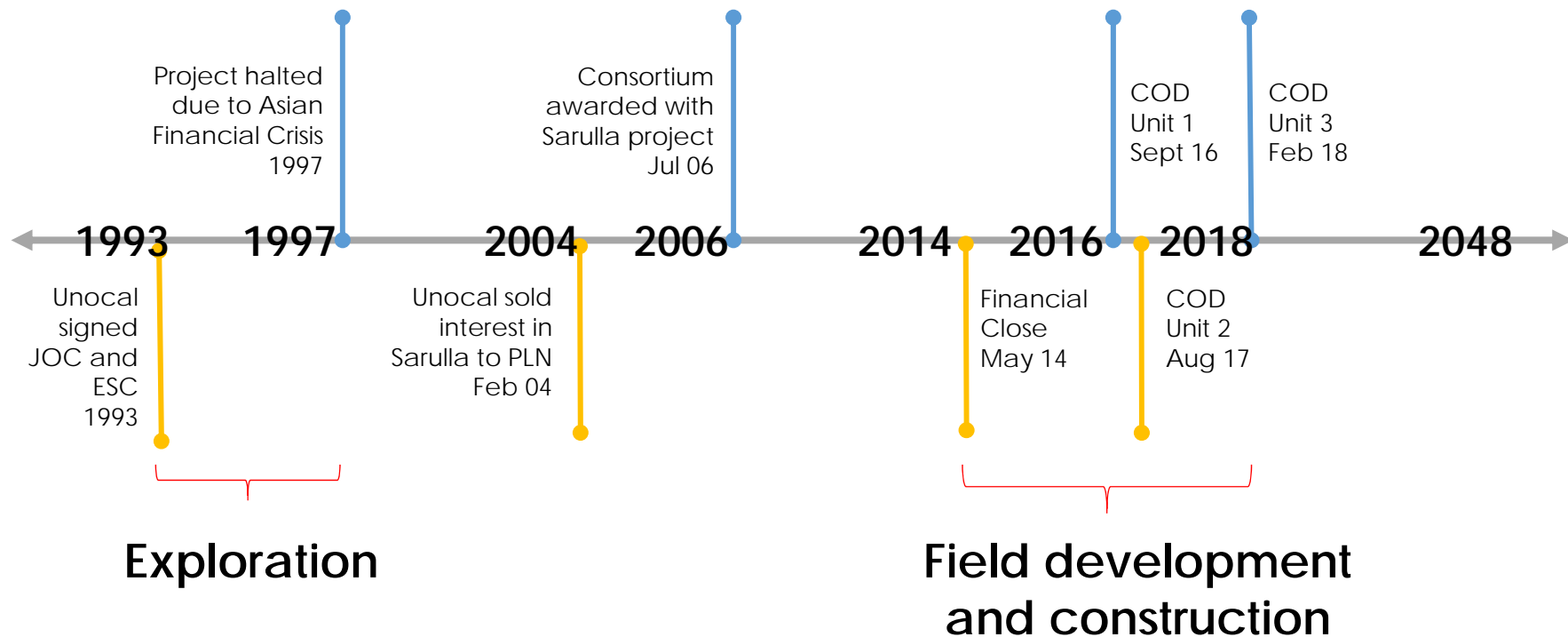
2 March 2015



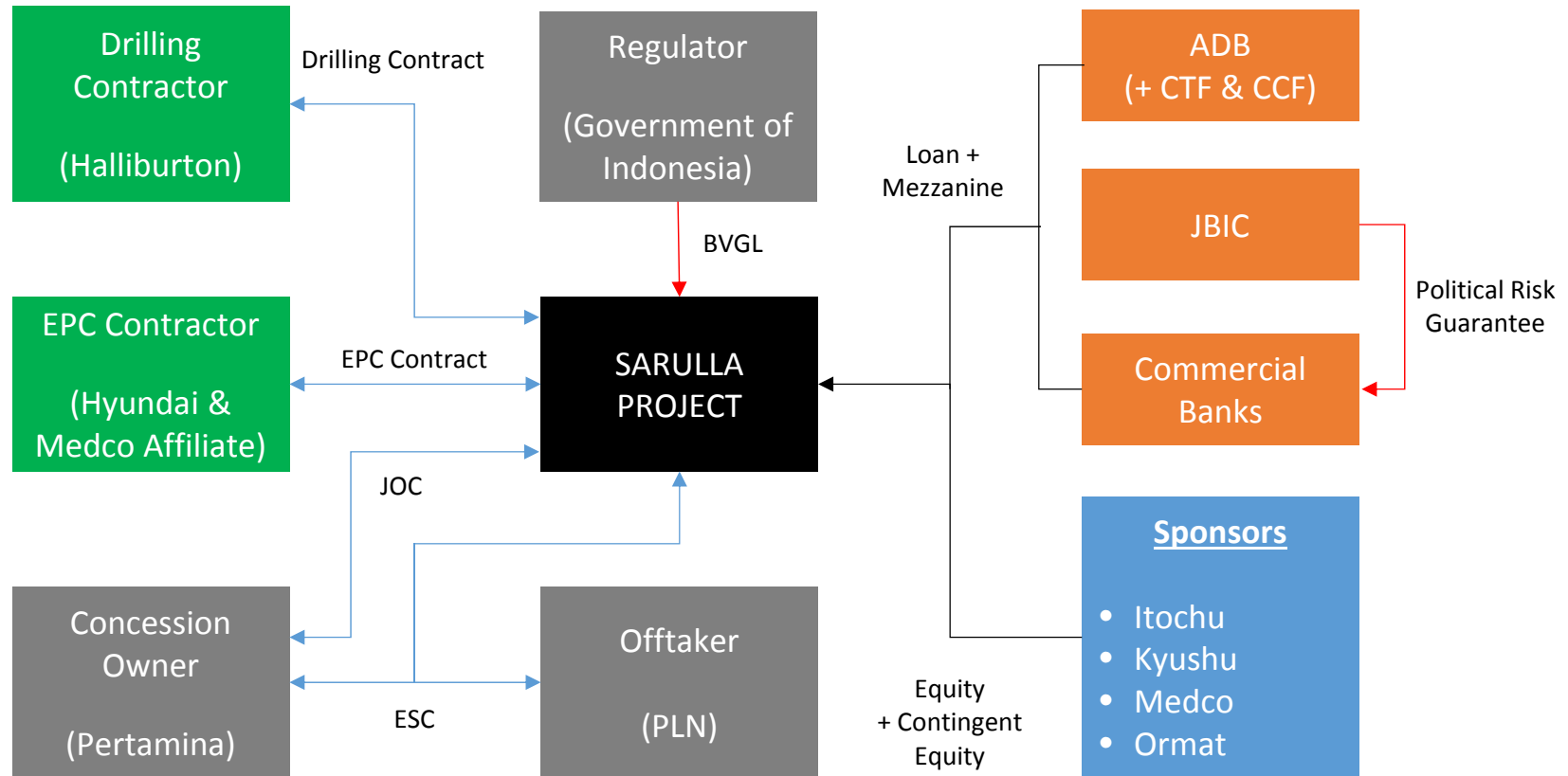
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Background of Sarulla

- Largest geothermal plant in the world (~320 MW)
- 20 years to reach financial close
- Falls under pre-Law 2003 regime



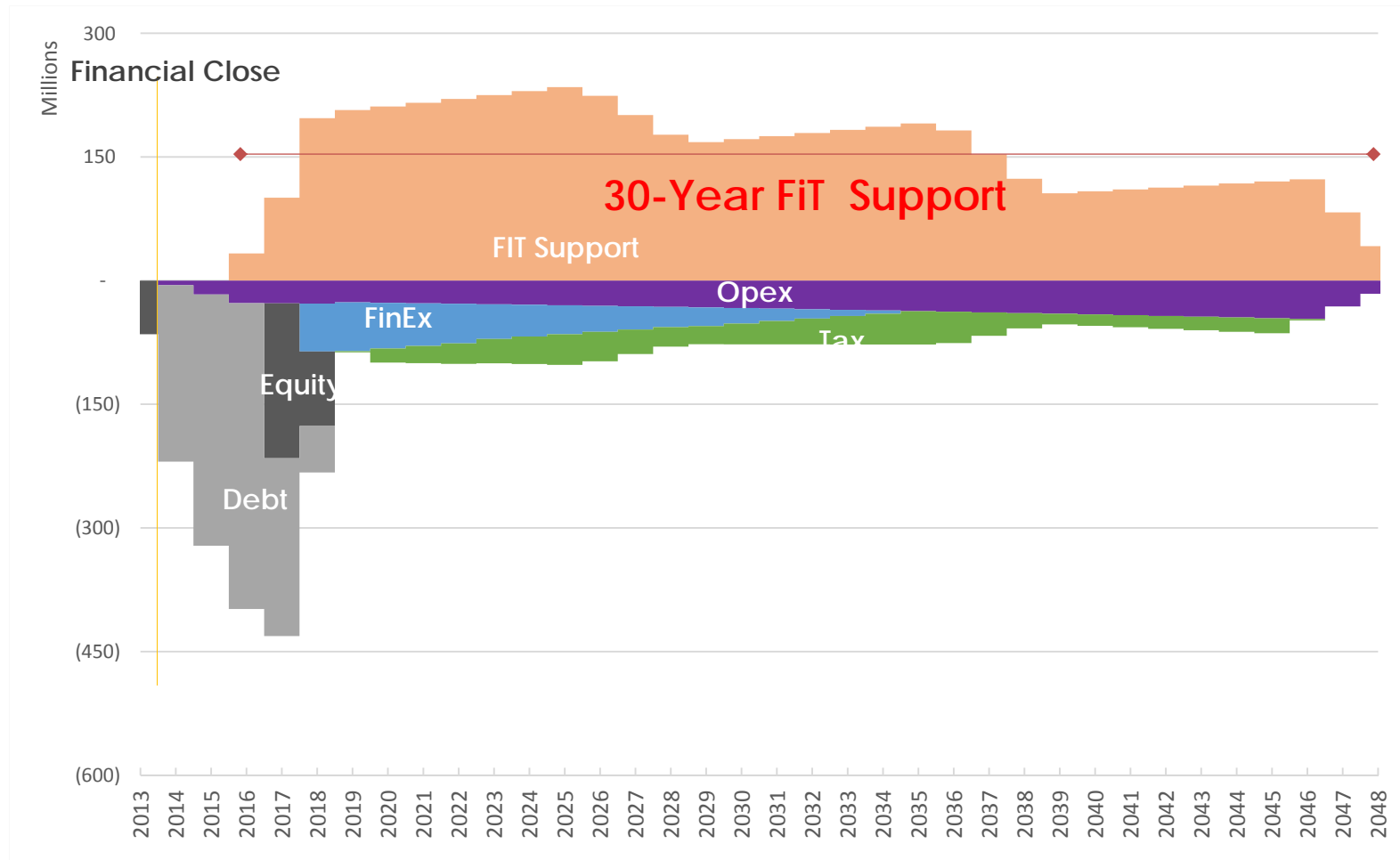
Project Structure



Financing Structure

<i>Debt</i>					
JBIC	Loan	Public	492 mn	30.4%	
ADB	Loan	Public	250 mn	15.4%	
Commercial banks	Loan	Private	329 mn	20.3%	
CTF & CCF	Mezzanine	Public	100 mn	6.2%	
<i>Equity</i>					
Itochu, Kyushu, Medco & Ormat	Equity	Private	~ 350 mn	21.6%	
<i>Other</i>					
Pre-Completion Revenue			~ 100 mn	6.2%	
Total Project Cost			~ 1.6 bn		

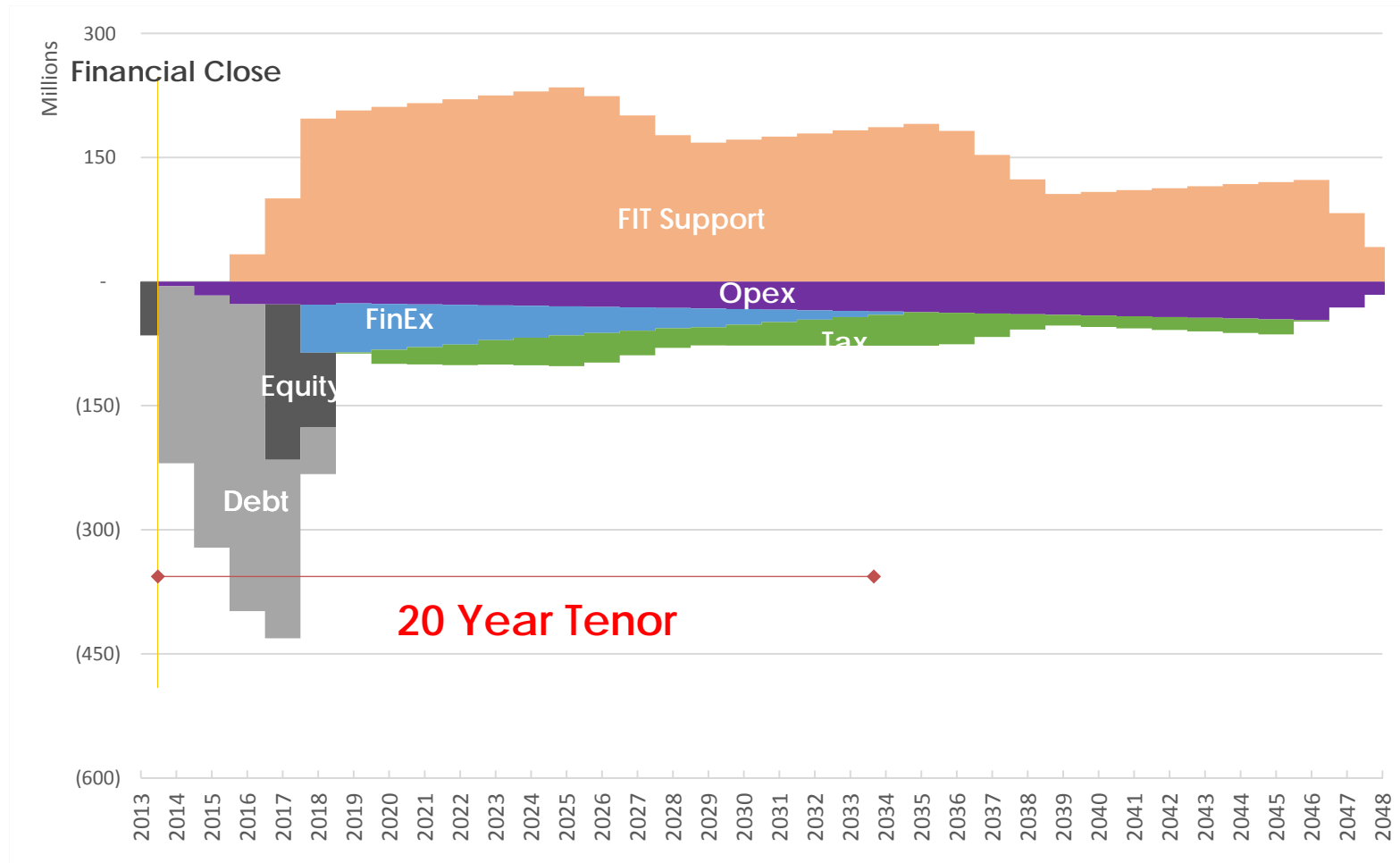
Government provides certainty to developers and lenders with long term Feed-in-Tariff



Note:

This graph is produced by CPI based on CPI's own assessment, public data and interviews with Sarulla stakeholders.

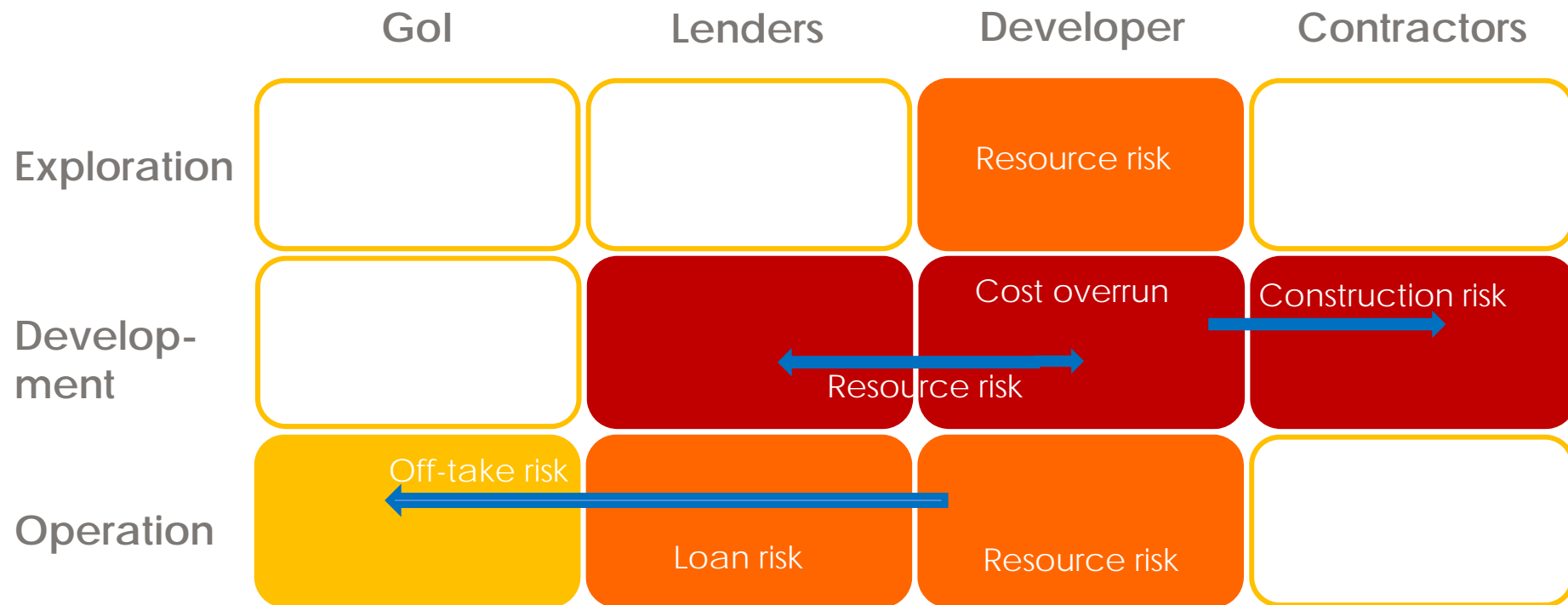
Lenders provide loan with competitive market rates and long tenor



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Sarulla's lenders had a surprising appetite for risk



Sarulla GPP: Early Takeaways

Challenges

- Resource risks
- Tariff at low-end range & access to financing at suitable rates and tenors



Responses

- Detailed due diligence & resource analysis and coordinated drilling & construction program
- 30-year offtake, 20-year Government Guarantee (BVGL) +JBIC's Political Risk Guarantee

Discussion Points

Project Context:

- Is the **financial structure scalable and replicable** to other projects in Indonesia / other regions of the world?
- What is the **role of international public financial institution** to ensure feasibility of this type of project and to scale-up geothermal development?

Policy Context:

- What can be improved to **increase private sector's participation** in geothermal development in Indonesia going forward?
- How do recent **regulatory/Feed in Tariff changes** impact future development in Indonesia?

Thank You!



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