

LAW FIRM TRIO ADVISES ON LARGEST PV FINANCING IN EUROPE TO DATE

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Garrigues, Linklaters and Watson Farley & Williams have advised on Q-Energy's €732m refinancing of three solar plants in Spain



Q-Energy, a global platform investing in renewable energy, has closed a non-recourse debt refinancing of three concentrated solar power plants in Spain, with a total installed capacity of 120 MW, for a total amount of €732 million.

Located in Andalusia, the three solar thermal plants have been operating since 2011 and have a salt storage system that allows them to produce electricity throughout the day, even at times when there is no solar resource (at night or on cloudy days), guaranteeing the supply of programmable and manageable renewable energy. Two of them are parabolic solar thermal power plants (Valle 1 & 2) and the third uses tower technology (Gemasolar).

The latter was the first commercial solar thermal power plant built in the world with central tower receiver technology and molten salt storage system, making Spain a pioneer in this technology. With a 120 MW capacity, the three plants are capable of generating 330 GWh per year, supplying energy to more than 100,000 homes.

Q-Energy acquired 100 per cent of the three plants in December 2020 from a consortium formed by SENER, a leading Spanish multinational engineering and technology company, and Masdar, one of the world's leading renewable energy companies and a subsidiary of Mubadala Investment Company.

The financing consists of a long-term bank debt in which BNP Paribas, Sabadell and Santander have acted as Global Coordinators, Bookrunners and Mandated Lead Arrangers (MLA). The banking syndicate consists of eleven banks in total, both Spanish and international, and the insurer AXA as an institutional investor. In addition to BNP Paribas, Sabadell and Santander, the banks that complete the syndicate are: Abanca, Bankinter, CA-CIB, Caixabank, Intesa, Liberbank, Société Générale and Unicaja. AXA, CA-CIB, CaixaBankia, Intesa and Société Générale also acted as MLAs.

An interest rate derivative was also arranged with BNP Paribas and Santander as arrangers. Santander also acted as financing agent.

This transaction is the largest solar thermal financing transaction in Europe to date and is another sign of the great appetite and liquidity that continues to exist in the Iberian solar market. The large number of lenders involved in the financing is another sign of this trend. This is despite the complexity of the process, mainly due to the size of the transaction, the scarcity of deals involving this in this technology and the short period of time in which the transaction was closed.

On this deal, Q-Energy was advised by Garrigues (Legal documentation), Linklaters (Tax) and Chatham Financial (interest rate hedging). The financiers were advised by Watson Farley & Williams (Legal documentation), G-Advisory (technical due diligence), Willis Tower Watson (Insurance Due Diligence), and Ernst & Young (Financial Due Diligence and model audit).

Garrigues advised Q-Energy with a Madrid office team formed by Commercial partner Marcos Botella (pictured left) and B&F senior associate Raúl Suárez.

Linklaters provided Tax advice to Q-Energy with Tax partner Alejandro Meca (pictured centre) and Tax managing associate Blanca Hernanz.

WFW acted as Legal advisor to the financiers with a team led by Finance partner Rodrigo Berasategui (pictured right), along with Finance senior associate Jacobo Hermidas, and Regulatory counsel Luis González.