

Central California Offshore Wind LLC

Company No: 15110

**Qualification to Hold Renewable Energy Leases and Grants
and Alternate Use Grants on the U.S. Outer Continental Shelf**

Financial Capabilities Submission

September 28, 2021

CONFIDENTIAL

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Chief Executive Officer



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TABLE OF ABBREVIATIONS

Abbreviation	Explanation
COD	Commercial Operation Date
CC-OSW	Central California Offshore Wind LLC
EDP	EDP-Energias de Portugal SA
EDPR NA	EDP Renewables North America LLC
EDPR	EDP Renováveis, S.A (also known as EDP Renewables)
OW	OW Offshore, S.L.
OW NA	OW North America LLC
OW Group	OW NA and its affiliates, including but not limited to OW
Sponsors	ENGIE and EDPR

1 INTRODUCTION

This document, in conjunction with Legal and Technical submissions, serves to qualify Central California Offshore Wind LLC (Company No. 15110, Approved July 17th, 2021) in an anticipated upcoming BOEM offshore wind energy area leasing auction in Morro Bay offshore California.

While this submission is on behalf of Central California Offshore Wind LLC, information is presented about the technical capabilities of its Sponsors to reflect the breadth of resources and assets that Central California Offshore Wind LLC, will make available for offshore wind development.

2 FINANCIAL CAPABILITY

Central California Offshore Wind LLC (CC-OSW) was formed by Ocean Winds (OW) to develop floating offshore wind projects within in the currently designated Morro Bay Call Area off the California central coast. Ocean Winds and its Sponsors, EDPR and ENGIE, are highly capable players in the offshore wind industry and bring significant experience with ongoing development and construction of more than 1 gigawatt (GW) of offshore wind to go into service between now and 2023, in France, The Netherlands, Portugal, and Scotland. OW brings further experience with project pipelines for offshore wind to go into service after 2023 in the United States, South Korea, and Poland. Through OW, CC-OSW has access to extensive U.S. and global supply chain networks further supporting our ability to develop, finance, install, and operate floating offshore wind projects in a safe, cost effective, and environmentally responsible manner.

CC-OSW's financial viability is ultimately based on the financial strength, experience, and credibility of its Sponsors further detailed in sections 2.2

2.1 Financing plan for CC-OSW

[REDACTED]

[REDACTED]

The actual development budget to reach the financial close milestone is subject to a great deal of variables such as the project size, site conditions, responsibility to deliver transmission infrastructure, technology of transmission (AC or DC), availability and quality of the historical site data, and support of stakeholders among others. [REDACTED]

2.1.1 Sources of funds

[REDACTED] Additionally, CC-OSW's Sponsors have a track record of co-developing and funding project development under joint ventures which represents an attractive option to limit risk and capital exposure during early development phases that are highly uncertain.

CC-OSW understands that, in order to reach financial close, there are a wide range of activities to perform and challenges to overcome. Depending on the project size (and site-specific factors), CC-OSW is open to developing a lease area over multiple phases. The generation capacity of each phase will depend on various factors, including the ability to find appropriate off-takers, the efforts to overcome supply chain bottlenecks, finding suitable port infrastructure, securing access to low-cost capital, and locating a suitable area to site balance of plant infrastructure.

2.1.2 CC-OSW's Financial Strategy

[REDACTED]

[REDACTED]

2.1.2.1 Pre-leasing Activities

The first project development phase consists of pre-lease activities. [REDACTED]

2.1.2.2 De-risking

The second project phase consists of de-risking activities. These activities include but are not limited to desktop studies on anthropogenic conditions and hazards, biological conditions, and environmental conditions and hazards, engaging with consultants and authorities to guide the process for Site Assessment Plan ("SAP") preparation, and stakeholder outreach.

2.1.2.3 Refinement

Once the SAP is approved, the project will enter the refinement phase. These costs will include, but are not limited to, site surveys (geophysical, geotechnical, marine benthic and biological, marine mammal and sea turtle, avian, bat, fisheries, navigational safety, acoustic analysis, and met ocean, among others), permitting activities, interconnection planning, and preparation of the Construction and Operations Plan (“COP”). Collecting and assembling data into a COP can take anywhere from two to six years, depending on the quality and availability of data already collected, among other factors.

2.1.2.4 Pre-construction

The next stage of development is pre-construction. During this phase, CC-OSW plans to conduct additional site characterization, as well as substantial foundational engineering, electrical engineering, and procurement. This development phase is expected to last about a year and would end once Financial Close has been achieved.

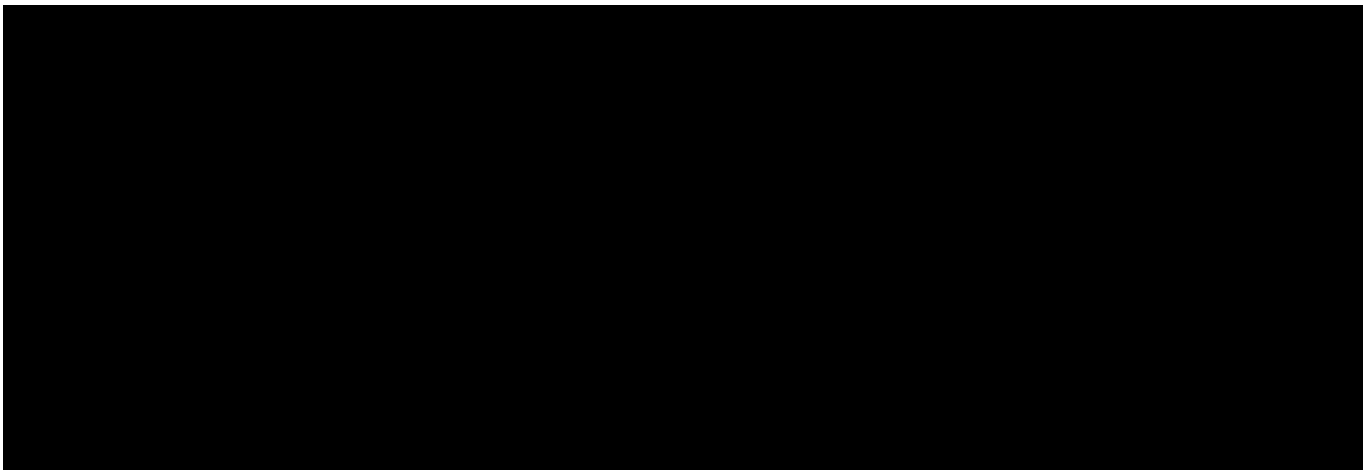
2.1.2.5 Construction, Operation, and Decommissioning

After a successful Financial Close, the construction phase begins. The level of capital expenditure remains uncertain at this stage and depends on multiple variables such as the size of the project and technological choices. This range of capital expenditures will include the costs for supply and installation of wind turbine generators, foundations, substations, array cables, transmission infrastructure, and port improvements. CC-OSW expects this phase to last from two to three years and culminate at the Commercial Operation Date (COD).

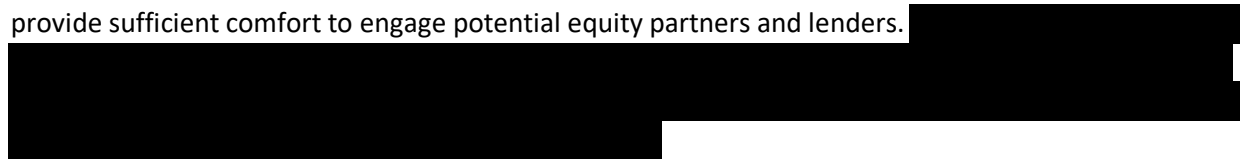
Once COD has been reached, the project will be in the operations phase for at least 25 years. Post-operations, the project will be decommissioned for approximately two years and removed.

2.1.2.6 Development framework

During the development stages of the project, CC-OSW will focus on creating conditions that will attract the equity and debt capital required for the construction phase. In particular, special consideration will be given to the following elements of the development framework:



CC-OSW’s experience has shown that the clear design and implementation of this framework will provide sufficient comfort to engage potential equity partners and lenders.



However, given the long lead-time to achieve financial close and the uncertainty regarding future financial market conditions, CC-OSW remains open and flexible about the ultimate financing strategy that it will pursue to fund these large capital expenditures.

2.2 Company Profile & Ownership Structure

Figure 2 details the ownership and relationships of the business entities involved in CC-OSW.

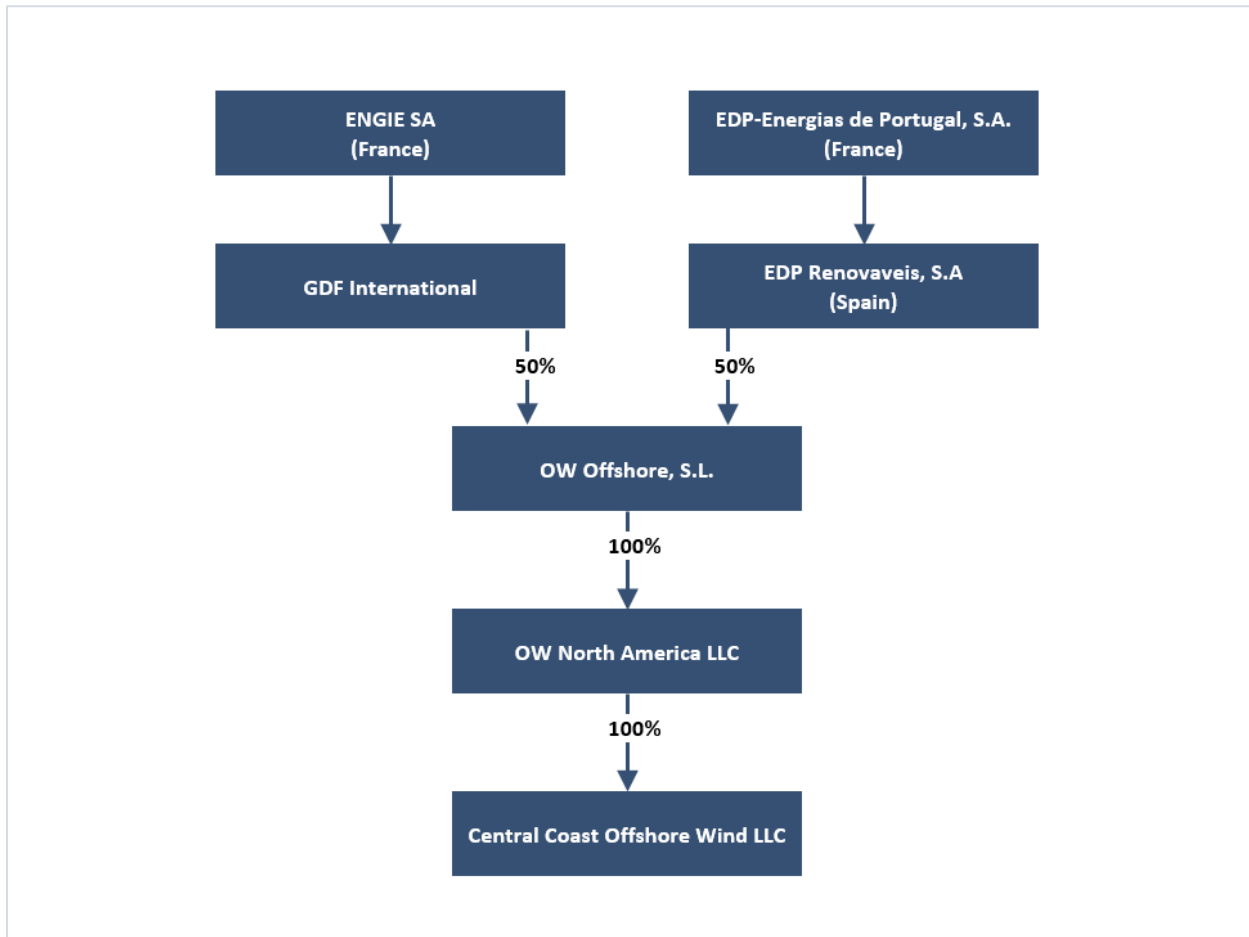


Figure 2: Central California Offshore Wind LLC Ownership Chart

2.2.1 Central California Offshore Wind LLC

Central California Offshore Wind LLC (CC-OSW) is a limited liability company organized under the laws of the State of Delaware. CC-OSW was formed by OW to develop floating offshore wind projects within the currently designated Morro Bay Call Area off the California central coast.

2.2.2 OW North America LLC

OW North America LLC (OW NA) is a limited liability company organized under the laws of the State of Delaware. OW NA was established to develop fixed and floating offshore wind projects in the US market including the Mayflower Wind Project that holds BOEM lease OCS-0521.

2.2.3 OW Offshore, S.L.

OW Offshore, S.L., is a company duly incorporated and existing under the laws of Spain, with its registered office at C/ Cardenal Marcelo Spínola, 42, 9th floor, 28016-Madrid (Spain). OW OFFSHORE, S.L., is registered with the Commercial Registry of Madrid under volume 40643, sheet 50, page M-721242, and with Spanish tax identification number (NIF) B-74344334.

Ocean Winds is an offshore wind developer and the result of a joint venture of EDP Renewables and ENGIE. Both companies share the vision in which renewables, particularly offshore wind, play a key role in the global energy transition. Ocean Winds is a global leader in floating offshore wind including the pioneering 25 MW WindFloat Atlantic Project off Portugal which began operation in 2020. With 1.5 GW under construction and 4.0 GW under development, Ocean Winds' mission is to make offshore wind one of the main sources of renewable energy by delivering more efficient and sustainable wind energy solutions. OW is a global player, bringing together the expertise and development capacity of both companies.

2.2.4 ENGIE S.A.

ENGIE S.A. (ENGIE) is a French multi-national organization focused on low-carbon energy and services. As of the end of 2019, ENGIE was the largest independent power producer in the world in installed capacity. They were also the largest producer of onshore wind and solar in France. With 170,000 employees worldwide. By the end of 2021, ENGIE will have 100 operating onshore wind farms worldwide for a total of 33 GW installed.

2.2.5 EDP Renovaveis, S.A.

EDP Renováveis, S.A. ("EDP Renewables" or "EDPR") is a leading global renewable energy company that develops, builds, owns, and operates power plants that generate electricity using renewable energy sources. EDPR operates in Europe, North America, and South America, and currently owns and operates wind and solar farms in 18 countries: Belgium, Brazil, Canada, Chile, Colombia, France, Greece, Hungary, Ireland, Italy, Mexico, Poland, Portugal, Romania, Spain, the United Kingdom, the United States of America and Vietnam. It has on- and off-shore wind, solar, and energy storage projects in various stages of development and construction in several markets, and it is actively engaged in expanding its activities into other countries and technologies. With more than 11.5 GW of installed wind capacity until December 31, 2020, EDPR is ranked fourth in the world based on net installed capacity of wind and is consistently ranked in the top three in terms of sector growth. EDPR has been listed on the NYSE Euronext Lisbon Stock Market since its initial public offering on June 4, 2008.

2.2.6 Energias De Portugal

Energias de Portugal, SA ("EDP Group" or EDP) is a vertically-integrated utility company with a firmly established position in the global energy market. Headquartered in Lisbon, Portugal, EDP is the largest generator, distributor, and supplier of electricity in Portugal, the third largest energy company in the Iberian Peninsula, and the largest Portuguese corporation by market capitalization (over \$15 billion). EDP holds, through its various constituent businesses, significant electricity and gas operations in

Europe, Brazil, and the United States. Worldwide, EDP has more than 23.6 GW of installed electricity generation capacity and 10.8 million electricity and gas clients.

EDP is currently the fourth largest wind power operator worldwide by capacity through its controlling stake in EDPR. In March 2021, EDP was distinguished for the tenth consecutive year as one of the most ethical companies in the world by the Ethisphere institute. It is one of nine utilities in the Energy & Utilities sector, and the only Portuguese company to be included in the ranking.

EDP is a world leader in the 'Utilities Industry: Electricity, Water and Sanitation, and Gas' category in the Dow Jones Sustainability World Index (DJSI World) and the Dow Jones Sustainability Europe Index (DJSI Europe). In 2020, EDP achieved a score of 88, Several indicators have contributed to the company's excellent ranking, including its environmental performance - scoring 94 points (one more than in 2019), EDP has ranked second in this category. EDPR has thus maintained its position in the World Index for the 13th consecutive year. This reflects international recognition for the excellent performance of the sustainability strategy defined and implemented within the EDP group.

2.3 Credit rating

CC-OSW as a business entity is wholly owned by OW NA. Neither CC-OSW nor OW NA are rated entities but are backed by the strength of the rated entities ENGIE and EDP, whose credit ratings are below.

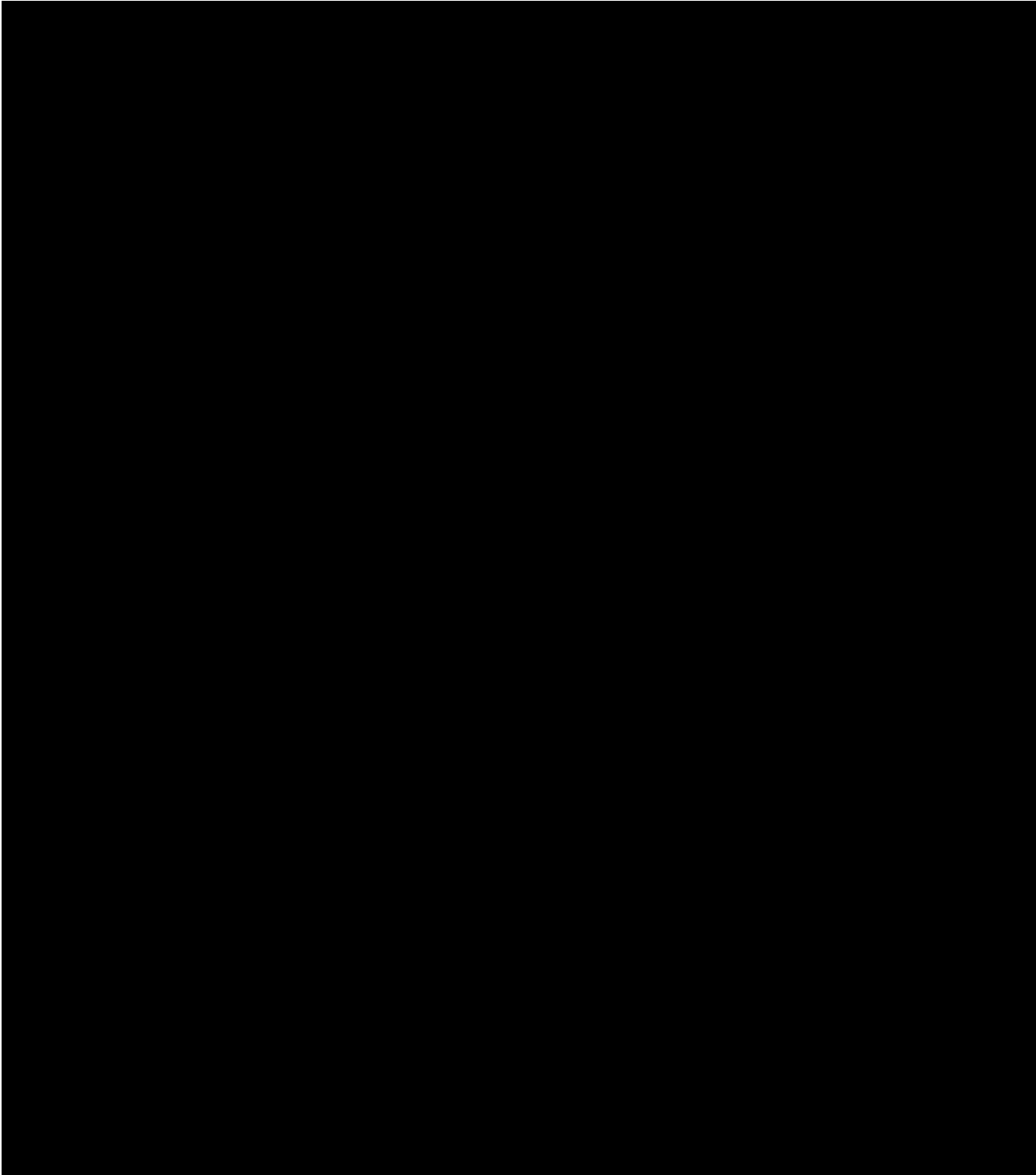
[REDACTED]

[REDACTED]

3 BANK REFERENCES

CC-OSW is a newly formed entity and relies on its Sponsors for financial support until such a time as it is producing energy and generating revenue.

3.1.1 [REDACTED]n

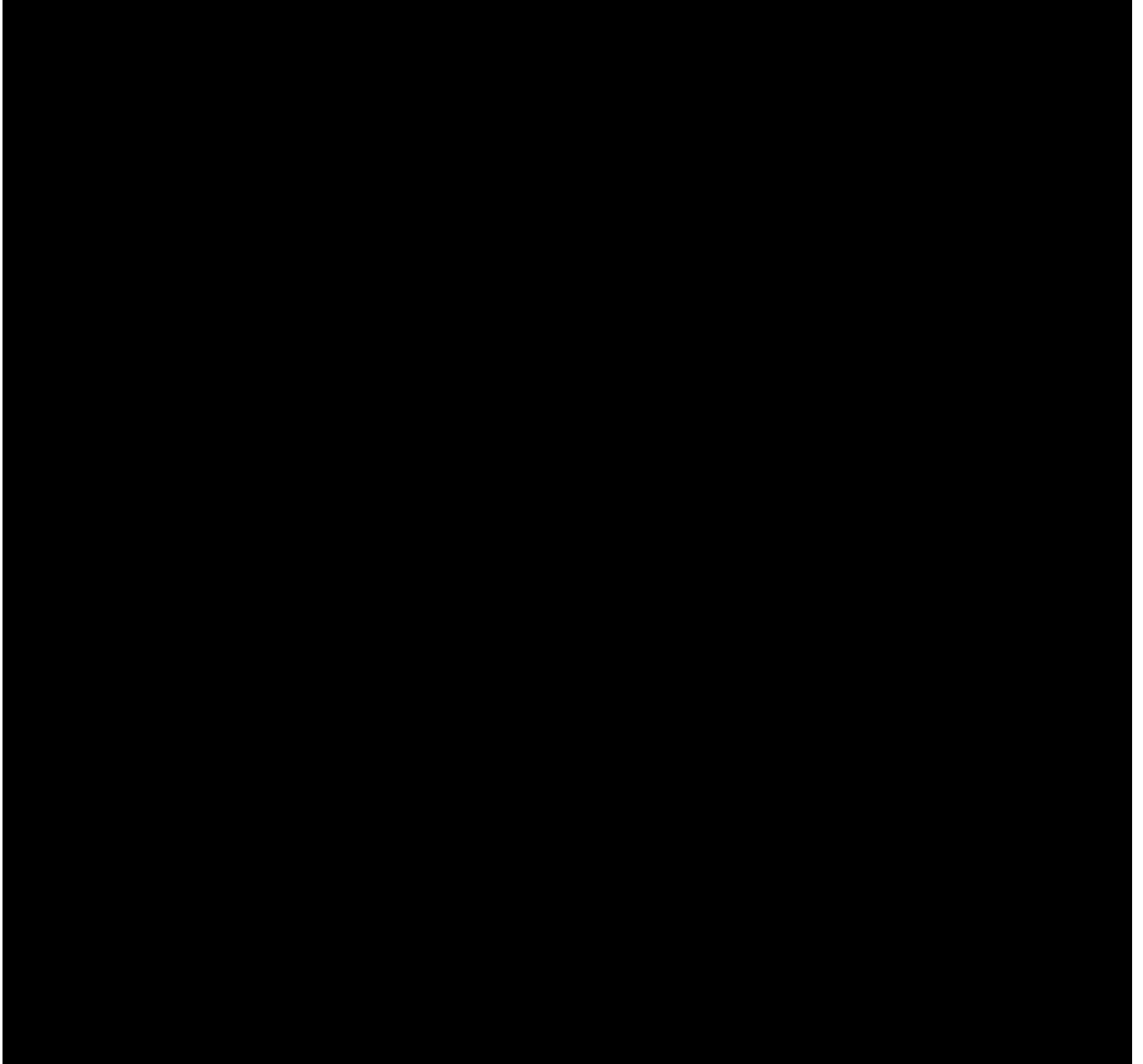


4 AUDITED FINANCIAL STATEMENTS

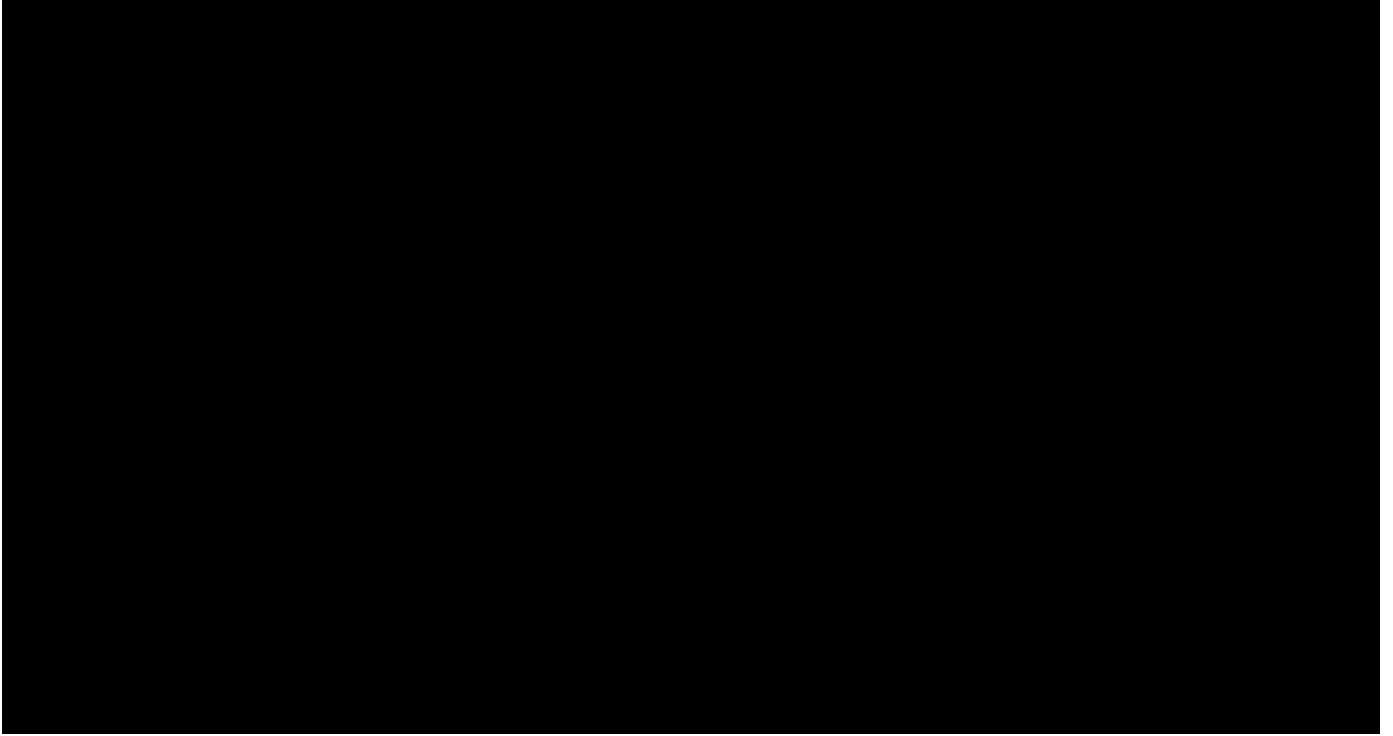
While CC-OSW is a new corporate entity, it is backed by Sponsors that have financial records going back several decades.

4.1 OW

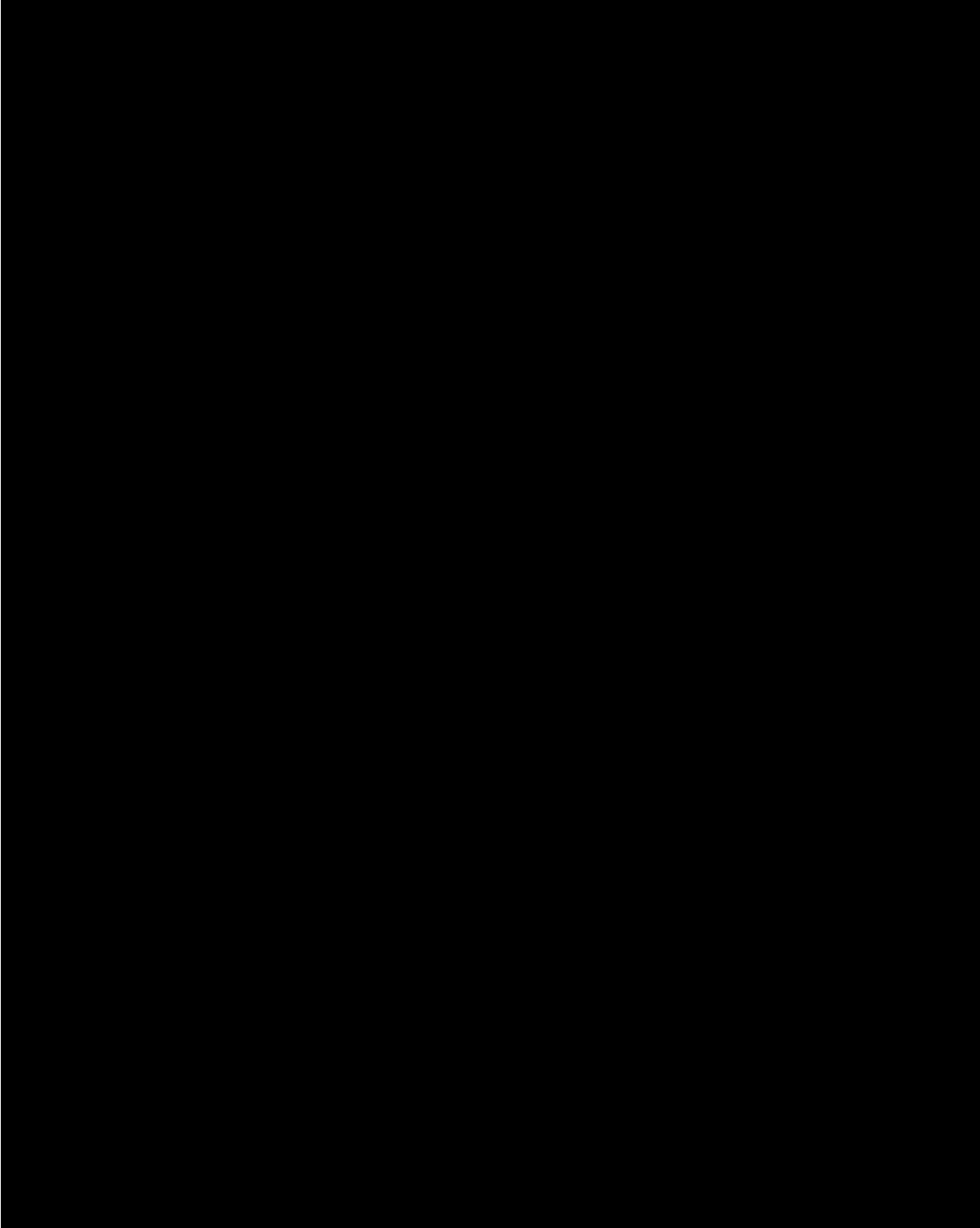
OW's audited financial statements are currently not publicly available and key sections are provided in the sections below.



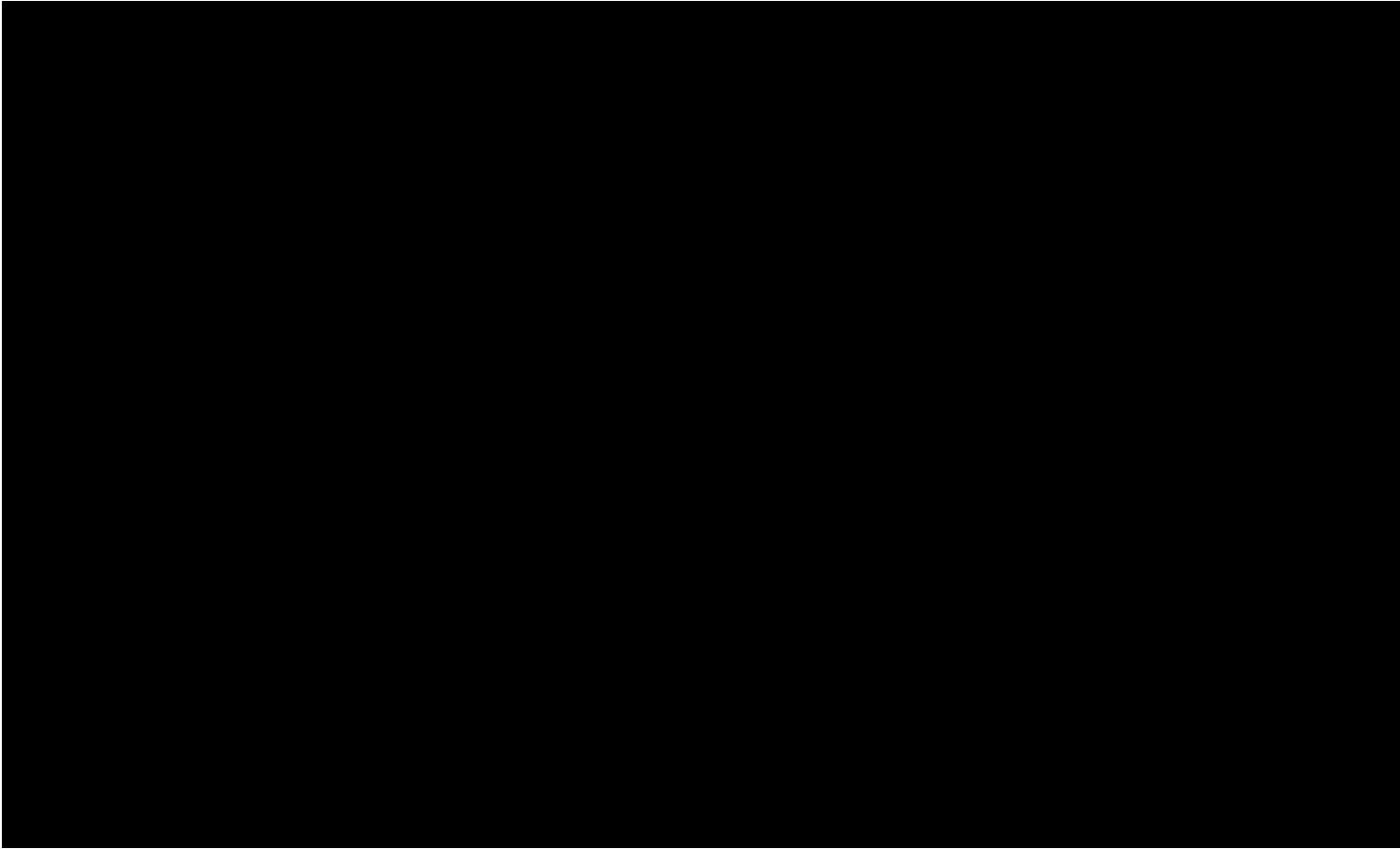
4.1.2 Ocean Winds Consolidated Statement of Comprehensive Income



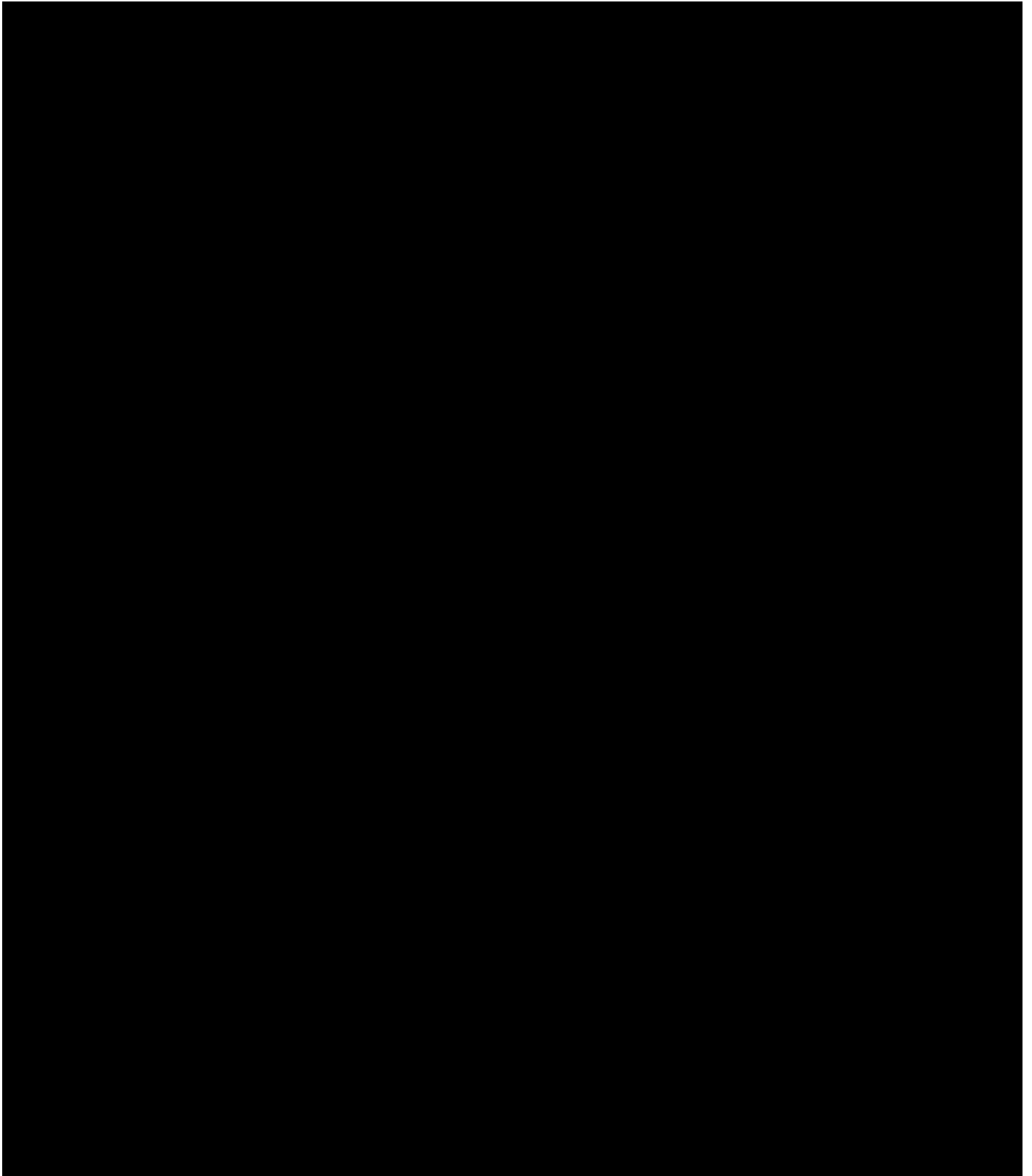
4.1.3 Ocean Winds Consolidated Statement of Financial Position

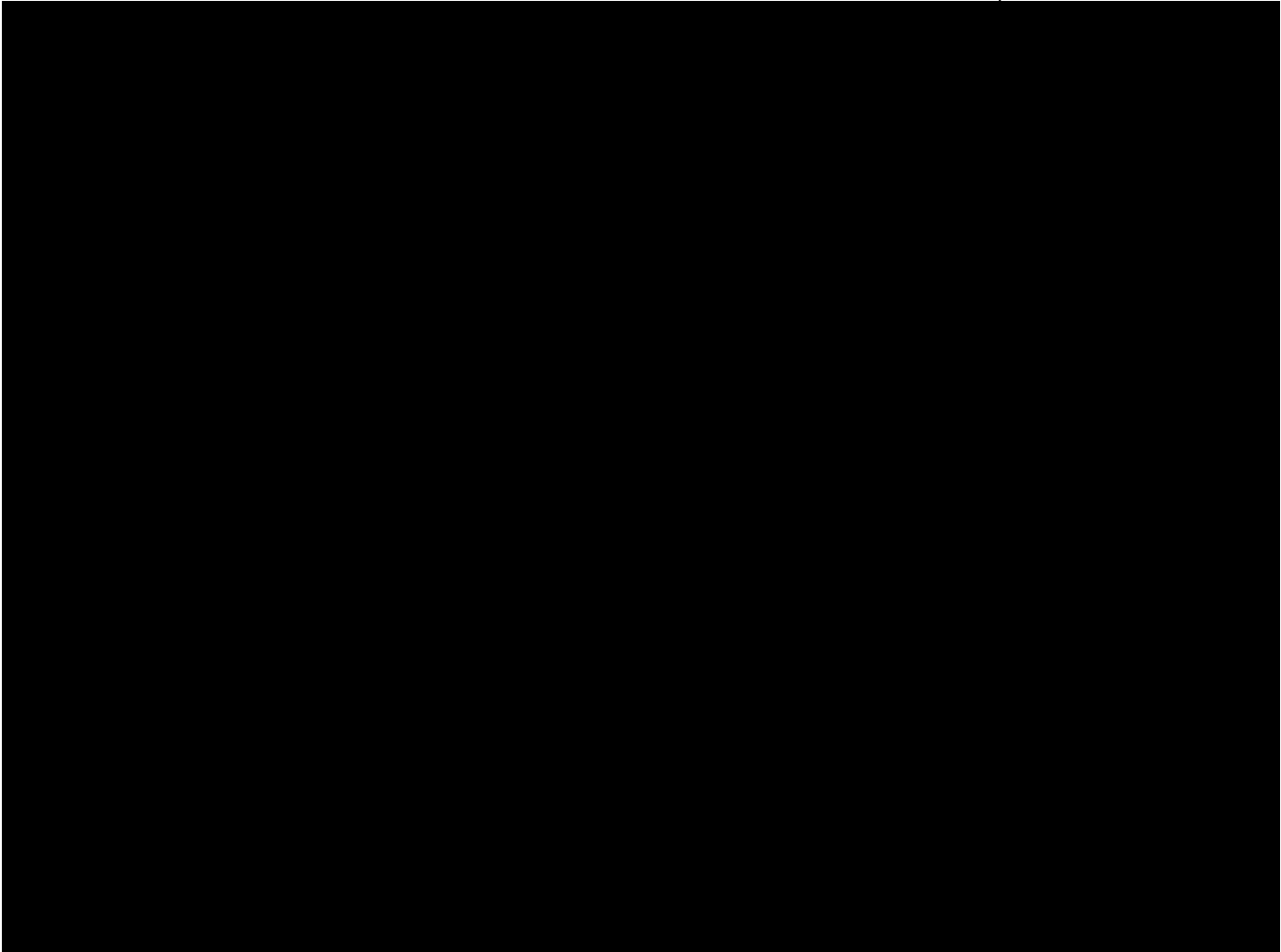


4.1.4 Ocean Winds Consolidated Statement of Changes in Equity



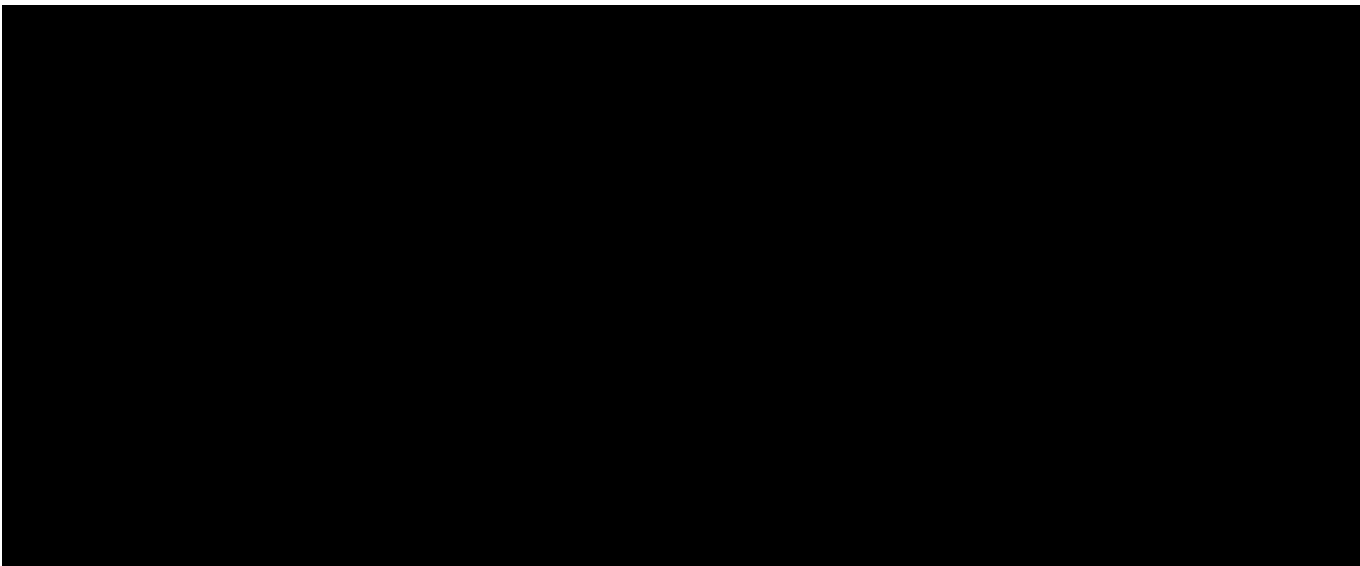
4.1.5 Ocean Winds Consolidated Statement of Cash Flows





4.3 ENGIE

ENGIE's fiscal year 2020 audited financial statements are available on pages 24 to 30 at the following link:



5 APPENDICES

5.1 Offshore Wind Projects

5.1.1 SeaMade

The SeaMade Project consists of two concession zones in the Belgian North Sea: Seastar and Mermaid. Both projects are situated in a large zone of nine wind farm projects near the Dutch border. Seastar is situated 40 km from the shore and covers an area of 19.54 km². The sea depth varies between 22 m and 38 m. Seastar will have 30 wind turbines and a total capacity of 252MW. The 235MW, 28 wind turbine Mermaid wind farm covers an area of 16.7km² 54km from shore. The depth at this site varies between 24.4 m and 39.5 m. The project is under construction and full commissioning of the 487 MW wind farm is expected by the end of the year.

- Location: Belgium

█ [REDACTED]

- Location: Belgian North Sea

- Capacity: 487 MW

- [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

5.1.2 KF Wind

KF Wind is developing two offshore wind projects in the Ulsan region of the country, offering a combined capacity of up to 1,000MW. The KF Wind project is in 200m waters 70km from shore and will use floating platforms, a technology that OW is a world leader in following the construction of WindFloat Atlantic in Portugal and its experience in the development of other floating wind farms in France.

- Location: Ulsan Korea

- [REDACTED]

- Capacity: up to 1,000 MW

- [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

5.1.3 East Blue Power

East Blue Power (“EBP”) is developing an offshore wind project in the Ulsan region of the country, with a capacity of up to 500MW. The EBP project is in 200m waters 70km from shore and will also use floating platforms, a technology that OW is a world leader in following the construction of WindFloat Atlantic in Portugal and its experience in the development of other floating wind farms in France.

- Location: Ulsan Korea

[REDACTED]

- Capacity: up to 500 MW

[REDACTED]

5.1.4 B-Wind Polska and C-Wind Polska

OW is developing two offshore wind projects in Poland. The project sites are located in Poland's Baltic Sea Exclusive Economic Zone, approximately 23km offshore. The total planned capacity of B-Wind Polska and C-Wind Polska is estimated at 400MW from a site measuring 90km². Since its acquisition in January 2019, the company's efforts focus on covering key development activities: namely, offshore wind measurement campaigns, grid connection, environmental surveys and site investigations.

- Location: Poland

[REDACTED]

- Capacity: estimated 400 MW

[REDACTED]

5.1.5 Moray East

Moray East is a highly competitive offshore wind project which was granted consent (1,116MW) in 2014 by the Scottish Government. In 2017 it won a 950MW contract for difference at competitive auction which set the price of power generated at £57.50 per megawatt. Moray East was the first part of the Moray Firth Zone to be developed, and the first of the Round 3 projects to apply for (2012) and receive (2014) consent. Construction on the project started in winter 2018, with commencement of the onshore works.

- Location: Moray Firth, Scotland

[REDACTED]

- Capacity: 950 MW

[REDACTED]

- [Additional Information](#)

5.1.6 Moray West

Pursuant to the award of exclusive rights in 2010 to develop offshore wind energy in Zone 1, Moray West is yet in development, having procured grid interconnection rights and is currently awaiting key construction permits to secure offtake agreements.

- Location: Moray Firth, Scotland
- [REDACTED]
- Capacity: Up to 750 MW
- [REDACTED]
- [REDACTED]
- [REDACTED]

5.1.7 Mayflower Wind

In December 2018, Mayflower Wind was awarded the federal offshore lease area OCS-A 0521, which is located over 30 miles south of Martha’s Vineyard and 20 miles south of Nantucket. The lease area has the potential to generate over 1,600 megawatts (MW) of low-cost clean energy, or enough to power over half a million homes. Mayflower Wind executed a 20-year power purchase agreement in January 2020 for 804 MW with the Massachusetts electric distribution companies, after successful selection under the Commonwealth of Massachusetts’ Section 83C II solicitation. We expect to deliver clean energy from the project by the mid-2020s.

- Ownership: Joint venture between Shell and Ocean Winds
- Location: Massachusetts
- Capacity: estimated 1600 MW
- Operating status: Acquired site control in 2018, Acquired offtake agreements with Massachusetts utilities for 804MW so far in 2019
- [REDACTED]

5.1.8 French Offshore Wind Projects

OW has been awarded 1GW with two bottom-fixed commercial projects (each 496 MW) and one pilot floating project (30 MW),

Tréport

- [REDACTED]
- Location: Normandy, France
- Capacity: 496 MW
- [REDACTED]
- [REDACTED]

Noirmoutier

- [REDACTED]
- Location: Normandy, France
- Capacity: 496 MW
- [REDACTED]
- [REDACTED]
- [REDACTED]

Les Eoliennes Flottantes du Golfe du Lyon

- [REDACTED]
- Location: Leucate, France
- Capacity: 24 MW
- [REDACTED]
- [REDACTED]
- [REDACTED]

5.1.9 WindFloat 1

The WindFloat 1 Project encompassed the design and construction of a demonstration unit using a commercial 2MW floating wind turbine. The unit was installed near Aguçadoura and connected to the grid at the end of December 2011. This was the first offshore wind project in the world that did not require the use of heavy-lift equipment offshore. It is also the first offshore with floating wind turbines in the open Atlantic and the first to deploy a semi-submersible structure that supports a multi-megawatt floating wind turbine. The WindFloat 1 operated for five years and produced more than 17GWh of power at swells of up to 7m and survived swells of 17m.

- Location: Porto, Portugal
- [REDACTED]
- Capacity: 2 MW
- [REDACTED]
- [REDACTED]

5.1.10 WindFloat Atlantic

WindFloat Atlantic is the world's first semi-submersible floating wind farm and consist of three floating wind turbines with a 25MW capacity located off Portugal's north coast, about 20km from Viana do Castelo, where the water is up to 100m deep. The project will generate enough energy to supply the equivalent of 60,000 users per year, saving almost 1.1 million tons of CO2.

- Location: Porto, Portugal
- [REDACTED]
- Capacity: 25 MW
- [REDACTED]
- [REDACTED]

• [REDACTED]

5.1.11 Redwood Coast Offshore Wind

Redwood Coast Offshore Wind LLC (“Redwood”) is a [REDACTED] joint venture of Ocean Winds (“OW”) and Aker Offshore Wind (“AOW”), in collaboration with the Redwood Coast Energy Authority, to develop a commercial scale floating offshore wind farm off the coast of Humboldt County, CA.

- Location: Humboldt County, California
- Ownership: Ocean Winds, Aker Offshore Wind
- Capacity: 120-160 MW

5.2 Industrial Plan Experience

CC-OSW Sponsors have unique experience from its offshore wind development in Scotland where it serves as a developer for the Moray East project. The Moray East project is part of a broader offshore industrial development that will require the creation of a new substation South of New Deer, Scotland. This is a major engineering project, which started with enabling works such as establishing access from the public road network, stripping topsoil and associated heavy earthworks, and undertaking appropriate drainage arrangements. Three Super Grid Transformers, 6 Shunt Reactors and, a 220kv Harmonic Filter have been installed. Oscar Diaz served as project director for Moray East, leading and managing the business plan and bringing all pieces of the supply chain together up until the project reached financial close.



Figure 3: Moray East Substation Site - March 2019



Figure 4: Moray East Substation Site - February 2020

5.3 Offtake Experience

Once the lease is acquired, CC-OSW will manage and be accountable for project development and will benefit directly from its Sponsor's unique offtake record of accomplishment in the US.

CC-OSW, through EDPR, leverages an experienced, in-house power marketing and energy sales team that is solely focused on originating commercial off-take for the company's renewable energy projects, monetizing both the energy and green attributes produced therefrom, and working to mitigate, such as through energy price hedging strategies, any associated risk.



To date, EDPR has signed hundreds of MWs of PPAs with voluntary buyers in the past four years and has extensive experience in managing the settlement process. This includes a recent 204 MW offtake agreement with Amazon Web Services in July 2021. More Information is available [HERE](#).

5.4 Examples of Project Financing

5.4.1 ENEOP Consortium in Portugal

In July 2005, the Portuguese Government issued an invitation to bid for connection concessions to the public grid totaling 1,500 MVA. The invitation was limited to the wind power sector and constituted the largest tender of its kind in Europe moment to date. Bidders were given flexibility on the location and size of the wind projects used to fulfil these capacity requirements.

The interest from wind farm promoters was high and they immediately set up consortiums in order to participate. The “Eólicas de Portugal” (ENEOP) Consortium, whose members included EDPR, Enel, and Generg (NovEnergia and GDF Suez Group), finally won the concession corresponding to the tender. The project developed by ENEOP involved the construction and operation of 50 wind farms representing a total installed capacity of 1,200 MW, mainly located in the north of Portugal. The whole project entailed an investment of over €1.7 billion between 2007 and 2012 and generated over 1,800 new direct and indirect jobs.

To cover the industrial and technological dimension of the project to be developed, ENERCON, a company acknowledged worldwide for incorporating in its wind energy converters into the most advanced technological solutions, also joined the consortium. In order to comply with tender requirements, the consortium had to prepare a set of projects, properly instructed, that involved negotiations with landowners, elaboration of wind resource studies, definition of provisional wind farm layouts, definition of possible grid connection solutions, and checking of technical and economic feasibility.

Consortium sponsors secured the funding in January 2010 for its first group of projects (23 wind farms totaling 480 MW and later extended to include an additional 60MW) through a non-recourse financing with the multilateral European Investment Bank (“EIB”) and a consortium of Commercial Banks, using a portfolio approach. This deal set a precedent in Portugal and Europe in terms of the ability to coordinate a group of international Sponsors with a range of multilateral and international commercial banks.

In 2012 ENEOP implemented a similar structure for the second group of projects, totaling 376 MW, securing secured a project finance structure also with the EIB. For the remaining MW, Sponsors financed the project through shareholder loans, demonstrating a strong capacity to develop this significant investment with their own corporate funds.

EDPR demonstrated with ENEOP its strong capacity to develop joint ventures with other wind developers in order to present a competitive business case. In this environment, the constant dialogue with public power entities was a key aspect for succeeding. The importance for Portuguese economy of this public-private partnership was emphasized by several public entities, namely by the Ministry of Economy and Innovation. Strategically, it represented the implementation of a new industrial partnership highly focused on innovation and R&D activities

5.4.2 Moray East Offshore Wind Farm

In 2009, Moray Offshore Renewables Ltd won the rights to develop offshore wind generation in Zone 1 (The Moray Firth) of the UK’s third round of offshore wind licensing. After initial examination of the zone, it was found that there were fewer constraints to development in the east than in the west, so the zone was split into two parts: the Eastern and Western Development Areas. This allowed development of Moray East to commence in 2010 (further detailed in section 5.1.5). Moray East received consent from the Scottish Government to construct and operate 1.1 GW of offshore wind generation in 2014. Planning permission in principle was granted by Aberdeenshire council for the onshore electrical infrastructure to connect the windfarm to the UK’s national electricity transmission grid.

In September 2017, Moray was awarded with a 15-year Contract for Difference (CfD) for the delivery of 950 MW of offshore wind generation at €64.92/MWh (in real 2012 terms). The contract was awarded by the UK’s Department for Business, Energy & Industrial Strategy (“BEIS”).

From 2009 to 2017, OW funded the Moray East with its own corporate resources, making significant investments for all the permitting, licensing, wind measurement campaigns, and construction requirements. This development phase included the selection of all partners and suppliers for the different stages of construction and operation.

From the very beginning, OW intended to finance Moray East under a project financing structure. Due diligence with multilateral and commercial banks was performed in these years in order to properly assess the most competitive financial structure to win the auction.

Prior to the auction, OW closed in July 2017 an asset rotation for the project with global energy player ENGIE. ENGIE took 23% of the project equity and enabled OW crystalizing part of the value generated since EDPR obtained the lease award in January 2010. With the formation of OW, they have maintained the strategy to continue rotating the project equity of its offshore assets and in the long term own a project stake below 50% during the asset operation. The project is now a part of OW's portfolio and is moving towards the construction phase. Completion and commencement of commercial operation is expected in 2022.

This tender increased OW's growth options in offshore wind in an attractive market, thereby enhancing and diversifying the company's long-term profitable growth options while maintaining a balanced risk profile. This auction demonstrated the real progress in cost reduction, and our result shows how affordable offshore wind can be compared to other technologies. Additionally, it confirmed the ability of OW to deliver a competitive financial structure including the structuring of an equity and debt project financing and incorporating innovative financial solutions in terms of Senior Debt, but also in terms of hedging currency, inflation, and interest rate risk, among other aspects.

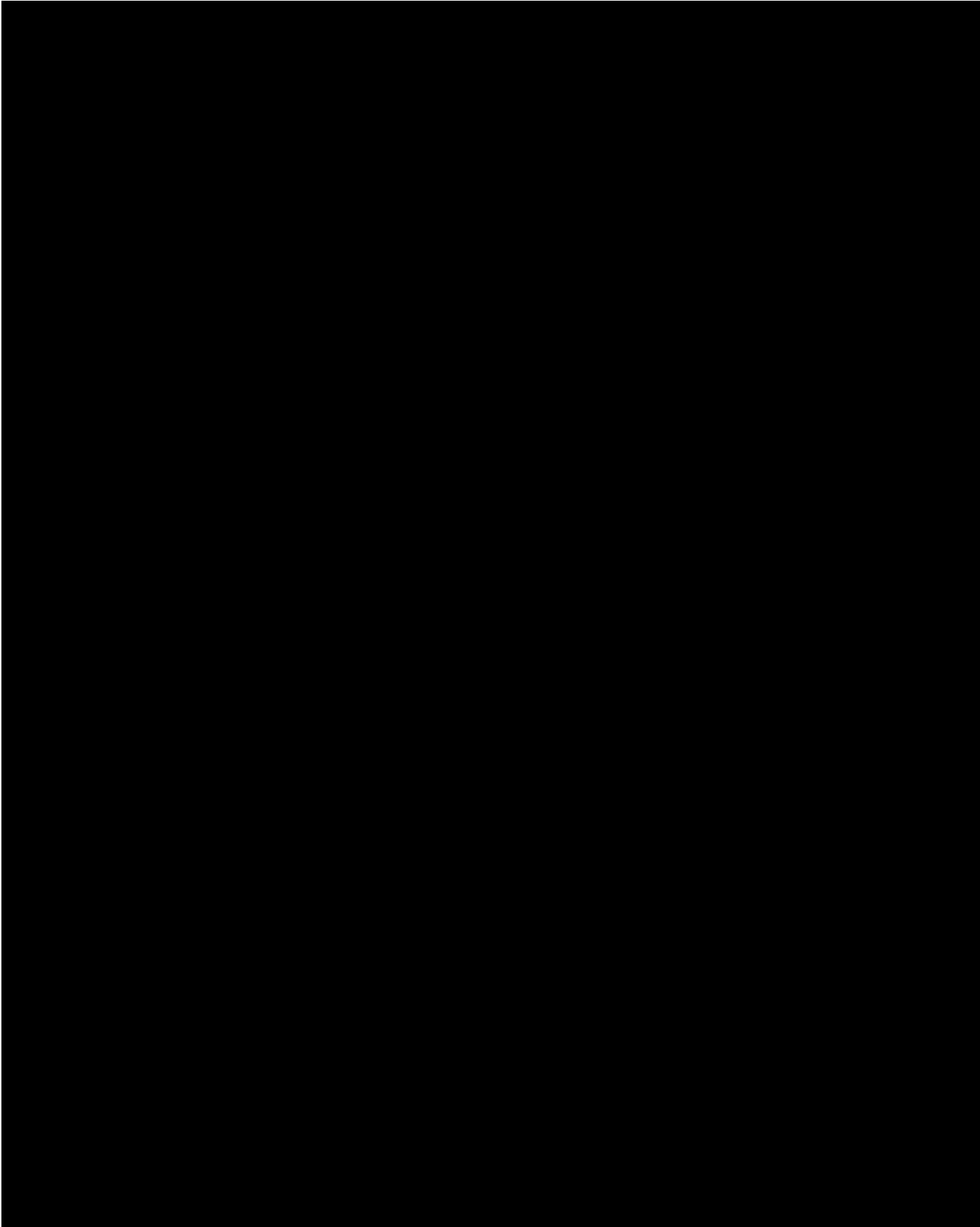
5.4.3 Tax Equity in the US

The tax equity structures are complementary with the self-funding business model and in particular with the asset rotation strategy in order to finance the profitable growth of the business.

In order to fund its land-based assets in the US, OW's affiliate EDPR NA, employs tax equity partnerships to monetize the federally available tax benefits (in the form of either Production Tax Credits or Investment Tax Credits) and Modified Accelerated Cost Recovery System (MACRS) depreciation. Tax equity partners provide a commitment at the start of construction or at early stages of construction, and the final closing typically occur at or around the commercial operation date of the project. The use of tax equity in the US enables an efficient utilization of the tax benefits provided by the project, otherwise unusable, therefore improving projects' economics.

In a simplistic view, tax equity investors contribute a sizable part of the initial project investment, receiving in return almost all of the Production Tax Credits (PTCs) granted to the project for first 10 years of operation along with the benefits from the accelerated depreciation. Tax equity partners maintain major decision rights, income share, and cash share of the subject Project for approximately 10 years or until they reach their required return; after which they will switch to minority investors with limited rights and on average a 5-10% stake in the Project.

[REDACTED] Tax equity partners (generally large financial institutions) are selected through a competitive Request for Proposal (RFP) process, which occurs approximately 12-15



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

5.5.3.4 Track-record in Due Diligence processes

The project financing also requires the ability to justify and convince external advisors of all kinds about the project performance. CC-OSW has the technical, legal, and financial skills to follow the external analysis performed by the advisors in relation to the bankability of the project. CC-OSW incorporates this assumption of the obligation to follow an external Due Diligence process at some point before Financial Close on its business model from the very beginning of the development phase.

This process also incorporates the importance of two significant issues in the development of any kind of renewable energy project, but even more with offshore wind: the insurance package and the environmental review of the project. CC-OSW will lean on a specialized internal team from its Sponsors in charge of all insurance for their renewable assets all over the world that produces internal insurance policies, contracts the policies with insurance companies, and manages them during the construction and operation of the wind farm. CC-OSW Sponsors also have specialized departments with a focus on the potential environmental impact of its projects. Managing and reporting properly is a key aspect in project financing, especially when inviting multilateral or commercial banks that follow the Equator Principles.

Such experience with technical, legal, insurance, environment and social, and financial due diligence processes and external advisors are crucial in order to demonstrate CC-OSW's ability to reach financial close in large offshore wind projects. CC-OSW Sponsors acquired these financial capabilities thanks to its deep experience in the renewable energy industry, structuring several project financing deals.