

# WIND PROTECTION



Energy clients that own wind assets are exposed to volatile weather conditions. Specifically, if wind speed is lower than expected, generation capacity is typically reduced. Weather Risk is an increasing cause of concern for investors, lenders and developers of infrastructure projects. The program is designed to offset the loss of revenue in these circumstances.

## PROGRAM HIGHLIGHTS

- Single-trigger policy designed to respond when production is lower than expected due to lack of wind resources.
- Ability to recover payout for every megawatt-hour lost.
- Generally quicker reimbursement versus standard insurance because loss measurement is based on objective index.
- Flexibility
  - May include one or several locations.
  - Period of cover can be adapted to insured's needs (from a few days to multi-year).

## Who it's for

Wind asset owners and customers with long-term power supply agreements whose output or income is correlated with measurable weather conditions.

## What you get

- Customized solution that can offer the potential benefits of more stable earnings and more efficient use of working capital.
- Potentially improved risk/return profile of the wind project.
- Protection against financial distress.
- Lucid settlement of payout.

## RESPONDING TO WEATHER AND ENERGY-RELATED RISKS

As part of the renewable energy offerings, Marsh's industry experts have the capability to work with you in structuring a transparent and verifiable set of parameters that are highly correlated with your exposures. In addition, Marsh's renewable energy experts can help in estimating the quantum of risk for each considered insurance structure, allowing you to implement the solution which best suits the individual project requirement of risk transfer.

To establish the most adequate cover, it is necessary to analyze the:

- Threshold which will trigger the protection.
- Impact on the Insured's results if the protection is triggered.

Marsh Renewable Energy experts will work towards getting the compensation agreed in advance with the insurers per missing GWh during a defined period.

Renewable Energy specialized products have numerous benefits, including the potential for protected earnings from the wind farms – allowing for more efficient use of equity – and generally predictable cash flows, which the investors and financial markets value.

Renewable Energy - India structures solutions respond to:

- Weather and commodity risks from temperature, precipitation, wind, humidity, and sunlight, either standing alone or in combination with exchange-traded commodities such as energy and agricultural products.
- Agricultural risks - yield, revenue and input hedges;
- Power price and outage risks - contingent power price options; and
- Specialty products such as energy efficiency and geothermal exploratory risks.

Renewable Energy generation is accompanied by the inherent unpredictability of this power source and financial risk this poses.

This risk not only affects renewable energy producers but also an ever-growing number of stakeholders along the value chain.

Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer, and Oliver Wyman.

This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. The information contained herein is based on sources we believe reliable, but we make no representation or warranty as to its accuracy. Marsh shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein.

Any statements concerning actuarial, tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as actuarial, accounting, tax, or legal advice, for which you should consult your own professional advisors.

Any modeling, analytics, or projections are subject to inherent uncertainty, and the Marsh Analysis could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change.

Marsh makes no representation or warranty concerning the application of policy wordings or the financial condition or solvency of insurers or re-insurers. Marsh makes no assurances regarding the availability, cost, or terms of insurance coverage.

Copyright © 2018 Marsh Inc. All rights reserved. Compliance IND 20181106-D.

For more information about Renewable Energy Products, contact:

ANUJ PRATAP SINGH  
Practice Leader - Infrastructure Practice  
+91 7838734442  
anuj.p.singh@marsh.com

GAUTAM PANT  
Renewable Energy Leader  
+91 8588823969  
gautam.pant@marsh.com