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The Next Steps in Scaling Finance for Energy Access: Syndicating Deals between Multiple Lenders

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Webinar Panelists

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David Battley	SunFunder
Willem Nolens	SolarNow

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Sean

Hello, everyone. I'm Sean Esterly with the Clean Energy Solutions Center and welcome to today's webinar, which is jointly hosted by the Clean Energy Solutions Center and the UN Foundation's Energy Access Practitioner network in collaboration with SunFunder. Today's webinar's focused on the next steps in scaling finance for energy access—syndicating deals between multiple lenders. And before we begin, I just want to go over some of the webinar features. You do have a couple of options for audio.

You may either listen through your computer or over your telephone. If you choose to listen through your computer, please select the "Mic and Speakers" option in the "Audio" pane. That will help eliminate the possibility of feedback and echo. And, if you choose to dial in by phone, please select the "Telephone" option and a box on the right side will display the telephone number and audio pin that you should use to dial in. If anyone's having any technical difficulties with the webinar, you may contact the GoToWebinar's help desk at 888-259-3826.

Now, if you'd like to ask a question—which we encourage you to do at any point during the webinar—simply type your question into the "Question" pane and we'll receive those. If you're having difficulty viewing the materials through the webinar portal, you'll be able to download PDF copies of the presentations through cleanenergysolutions.org/training. Also, we'll be posting an audio recording of the presentations to the Solutions Center training page within a few days of the broadcast, and we will also be adding it to the Solutions Center YouTube channel where you will find other informative webinars as well as video interviews with thought leaders on clean energy policy topics. And finally, one important note of mention is that the Clean Energy Solutions Center does not endorse or recommend specific products or services. Information provided in this webinar is featured in the Solutions Centers' resource library as one of many best practices/resources reviewed and selected by technical experts.

And today's agenda—webinar's agenda—centered around the presentations from our guest panelists Jem Porcaro, Willem Nolens, and David Battley, who have joined us to discuss the role of syndicated lending for scaling finance for energy access. Before we go into the presentations, I'll just provide a quick overview of the Clean Energy Solutions Center and then following the presentations, we'll have the question and answer session where the panelists will address the questions submitted by the audience. And then finally, at the end of the webinar, you'll receive a prompt to fill out a very brief survey, and we thank you in advance for taking a moment to respond to that. And I'd like to give an overview of the Clean Energy Ministerial and Clean Energy Solutions Center now. The Solutions Center was launched 2011 under the Clean Energy Ministerial.

The Clean Energy Ministerial is a high level, global forum to promote policies and programs and it _____ clean energy technology to share lessons learned and best practices and to encourage the transition to a global, clean energy economy. There's currently 24 countries, along with the European commission, that are members, covering about 90 percent of clean energy investment, and 75 percent of global greenhouse gas emissions. And this webinar today is being provided by the Clean Energy Solutions Center, which focuses on helping government policy makers design and adopt policies and programs that support the deployment of clean energy technologies. This is accomplished through support and crafting and implementing policies related to energy access, no-cost expert policy assistance, and peer-to-peer learning and training tools, such as this webinar. And the Clean Energy Solutions Center is co-sponsored by the governments of Australia, Sweden, and the United States, with in-kind support of the government of Mexico.

And the Solutions Center provides several clean energy policy programs and services, including a team of over 60 global experts that can provide remote and in-person technical assistance to governments and government supported institutions, no-cost virtual webinar trainings on a variety of clean energy topics, partnership building with development agencies in regional and global organizations to deliver support, and an online library containing over 5,000 clean energy policy related publications, tools, videos, and other resources. The primary audience is made up of energy policy makers and analysts from governments and technical organizations in all countries. We also strive to engage with the private sector NGOs in civil society. And finally, the Solutions Center is an international initiative that works with more than 35 international partners across its suite of different programs. Several other partners are listed above and include research organizations like Arena and

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IEA, programs like SE for ALL, and regionally focused entities such as the Eco-Os Center for Renewable Energy and Energy Efficiency.

I just want to highlight one of the marquee features that the Solutions Center provides, which is the no cost expert policy assistance known as Ask an Expert. Ask an Expert service matches policy makers with 1 of the more than 50 global experts selected as authoritative leaders on specific clean energy finance and policy topics. So, for example, in the area of energy access, we're very pleased to have Lyndon Prearson, managing director of Cap Projects, serving as one of our experts. So, if you had a need for policy assistance in finance for energy access—or any other clean energy sector—we encourage you to use this valuable service. And again, the assistance is provided to you free of charge.

So, if you have a question for our experts, please simply submit it through our simple online form at cleanenergysolutions.org/expert . And we also invite and encourage you to spread the word about this service to those in your networks and organizations. So, now, I'd like to provide some introductions for today's panelists. First up today is Jem Porcaro, a senior director of energy access at the UN Foundation. Jem provides leadership management and project support to the foundation's energy access work with a particular focus on its involvement in the UN sustainable energy for all initiative.

And then, following Jem, we'll hear from Willem Nolens. Willem has been a social entrepreneur for almost 20 years, with a focus on micro finance and renewable energy in Africa. He transformed the award winning Rural Energy Foundation into Solar Now, and has been the CEO since inception. And our final speaker is David Battley, who's spent almost a decade working in corporate debt origination in London and a further five years working with both the charity SolarAid and SunnyMoney as part of the senior management team. David joined the SunFunder team in August 2015.

And so, with those introductions, I'd like to turn things over to Jem Porcaro.

Jem Thanks, Sean. Can you hear me?

Sean Yes, we can. Yep. And see your slides. Perfect.

Jem Great. Fantastic. Thanks again for that introduction. And again, my name is Jem Porcaro. I'm the senior director of energy access.

I lead the UN Foundation's energy access program here based in Washington, D.C. Thanks to everyone for joining. Again— appreciate the partnership with Clean Energy Solutions Center in delivering these webinars, and thanks to both Willem and David for agreeing to participate in what we believe is gonna be a pretty interesting discussion around the role of syndicated loans in financing energy access. I'm gonna make it really brief, 'cause I think David and Willem are really the stars of this conversation. So, before I kind of hand it over to them, just a quick overview of the Energy Access Practitioner Network for those of you who are not familiar with it.

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This is a network of roughly now 2,500 practitioners working around the world—namely in delivering distributed energy solutions to the underserved communities in Africa, Asia, Latin America, and elsewhere. We're technology agnostic, but again, with a particular focus on market lead distributed energy solutions. These 2,500 individuals represent roughly 1,400 plus organizations—a pretty kind of wide and representative group kind of representing the ecosystem at large—everybody from SMEs, entrepreneurs, up to investors, governments. The network really is a platform for connecting these practitioners with ideas, information, resources, tools, opportunities—really a platform for collaboration and kind of partnership building. And so, it's kind of under the auspices of the Energy Access Practitioner Network and our partnership with the Clean Energy Solutions Center that we're delivering this webinar to you.

As mentioned, this webinar is gonna focus on the role of syndicated lending for financing energy access. This is the first, actually—the first webinar in a new series that the UN Foundation is putting out there—a webinar series focused on financing. So, there will be more to come in the months to come, and this financing webinar series will really look at kind of broadly the opportunities and challenges for financing energy access more broadly—a little bit of information about following us on social media. Just wanted to kind of tee up the conversation with just one background slide. I don't really need to say this, but I think most on this line will recognize that obviously, financing continues to be a big bottleneck for growth in the distributed energy sector.

I think this webinar is really timely. We just put out the results of our Energy Access Practitioner Network survey just this few weeks ago at the Sustainable Energy for All forum. These are a couple of clips of some findings related to finance. Access to finance ranked as kind of the number one barrier to growth for renewable energy by both industry and investors, and then, if you begin to drill down, you begin to see—you start seeing some trends that I think are really relevant to this issue of syndication. The bottom left figure shows industry and investor views on the barriers to financing, and among the top three are things like lack of support from local banks and local currency, and insufficient knowledge of investors, the no innovative deal or fund structures.

I think these are some interesting findings that are relevant to today's discussion. And then, on the bottom right, we see some industry views on challenges to raising financing, and among some of the top ones, we see time required to raise funds, high interest rates, and a lack of local lenders and investors. Again, some interesting context and background for what should be an informative discussion, I think, between David, Willem, and ourselves around the role of syndication in financing energy access. So, with that, I'm gonna hand it over to Willem now.

Willem

Gosh. So, this is Willem Nolens. I'm sharing, really, the practitioner perspective on loan syndication. And, as some of you know, last year, we started an SPV structure with some funder called Safi—[Inaudible]

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instrument, and the objective of that structure was to finance our receivable book. So, now, it's sort of complete in Uganda.

We recently started Kenya. We deal in slightly larger solar home systems and productive energy systems. Currently, our revenue is around $600,000.00 per month or—almost all of our systems are sold with a 24-month pay plan, and yeah, of course, we need a lot of money for refinancing the portfolio of receivables. At first, the decision we took actually back in 2014 was to maximize the death funding of that portfolio. I mean, it's one of the items in your balance sheet that have a fixed term.

So, it's a perfect asset to be financed with loans rather than with equity.

Sean Hi, Willem? Sorry to interrupt. We can't see your slides at the moment.

Willem That can be correct, because I don't have slides.

Sean Oh, I'm sorry about that. All right.

Willem No. No, it's okay. So, second—real thinking was when we were doing fundraising. It was really when we deal with individual investors to finance the loan book, we faced issues around collateral. So, there were investors that, of course, wanted to see a collateral life line—when investor two came in and investor three came in to finance the loan book, investor one needed to give approval.

Also, investor two needed to give approval for investor three and so on. So, dealing with those inter-credit complexities was rather intense, and it caused delays in our fundraising. Further, we also noticed that the disbursements and the repayments of the loans we were getting did not match the underlying cash flows of our loan book. So, on the one hand, you could, every now and then, have large cash surpluses in the business, while on the other hand, you would have times where three-four installments were due at the same point in time, which meant that all cash in the business needed to go to pay those installments, and you could run into cash flow issues leading to stock-ups. So, with that in mind, we started our first SPV last year in May, but it was, from that moment, already very clear that one SPV—and, in particular, one investor in the SPV—would not be able to support the funding needs of the loan book in subsequent years.

So, it was structured in the very beginning already as a multi _____ platform so simply as loan amounts would become too large for a single investor to bear. So, the idea of syndication was already brought into the structure, although the first SPV that we rolled out last year was only with SunFunder. Now, what have we really learned from that? I think it's basically four, maybe five, things. The first thing is it took us a year to get the structure up and running, and during that year, you have to realize you have the worst of both worlds.

So, basically, you still have to find money from lenders to fuel the growth of your loan book, while at the other side, you're structuring the SPV structure.

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So, it took quite long. I mean, right now, of course, with structures like us around it, it's expected to take a shorter amount of time. Second is really that what we learned is that it's helped us tremendously to have a relationship of trust with SunFunder. So, we have already had, at that time already, like, two or three loan cycles completed with SunFunder before we started structuring the SPV.

So, there was already a relationship of trust. And also, during the structuring, it was very—I think what contributed to building mutual trust was that we continued to be extremely transparent about what was happening in the business in order to create the relationship of trust. So, as I said, what would help tremendously as well was that we could test run the structure for close to a full year before really getting in new investors, which is something we're doing right now. So, it helped us basically to take out the initial errors that were put in without having to ask approval from a whole group of investors. So, I think that was really something we benefited from a lot.

Now that we are fundraising for the syndication of our second SPV, I think, of course, it is a bit complex to manage the unique need and expected of various investor groups in terms of terms, in terms of—and everyone needs to be on one level in order to participate. So, in that sense, I think maybe underlying to this trend, I also see that the market is changing a bit from a market where lenders were very dominant about setting long-term interest rates. I mean, the market starts to change a bit now that some companies, like ourselves, are getting close to profitability, and it becomes a bit easier to raise funding from the market. I think as a final input at this stage, I would want to say that you know, as a CEO, it feels a bit strange to do this together with SunFunder, although I know it's the best way to go, but it feels like in the fundraising, you become slightly also dependent on the arranger of the syndicate. David will explain that later on, but as we are, it's not that as a company you're doing the fundraising on your own.

You really partner up with the arranger of the facility, and you have to be ready to put the trust and to give away—to become basically partially dependent on the success of the fundraising from the arranger of this syndicate. And I think that is working out very well. Actually, I would even say this is working out to our benefit. So, I think right now, with SunFunder doing the joint fundraising—and they have also been a lender in the first SPV—now that we are bringing in other investor groups, it shows a little confidence. It's a vote of confidence to new investors to do the fundraising jointly rather than on our own like we've always been doing.

But I think it's a matter of becoming ready for it and realizing the benefits out there are way higher than continuing to chase funders individually as a company and being a bit opportunistic about it. Having said that, I think it's good, David, if you continue, give a little bit of the theoretical background, and for me to jump in later.

David

Beautiful. Thanks very much, Willem. And thanks for that introduction. So, yeah, so I'm David Battley and it's great that we had mug shots up earlier, so hopefully, some of you will have recognized me.

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As we said in the introduction, I've been five years—a little over five years—in the industry, but before that, I was nearly a decade in syndicated loans, working in the city of London for primarily European investment grade, but across a broader spectrum. So, from my perspective, this is a very exciting moment where the sector is catching up to some industry knowledge that I've had the fortune to be able to bring and which hopefully will have relevance. So, I'm just going to call this up, and hopefully, it will work. Can everyone see my screen?

Sean Yes, we can. You're good.

David Wonderful. So, Willem covered very well some of the issues that may well have resonated with some of the practitioners on the call, particularly around the issues relating to our flagship _____ and customer receivable financing structure which, as Willem said, we developed in collaboration with Solar Now. But I wonder if it's worth just taking a step back, first of all, just to really kind of make sure that we're all starting from the same basis of knowledge. I guess the obligatory plug, just to kick things off, about SunFunder itself for those of you who don't know us or maybe don't yet know as much as shown here, we are a specialist debt provider to the service sector.

I am conscious that on this practitioner network, it is broader than just solar, and the one thing I would say is that this solution is broader than just solar. Obviously, that is the focus because that is SunFunder's focus in my talk that I'm about to give, but, as I say, the solution is a generic one. We'll come onto that. So, I guess a few key steps. We've unlocked over $14 million.

We've completed over 90 transactions in—this is all in the service sector—and the normal range of loans—it's between, I guess, around about $100,000.00 and $2.5 million. So, it's quite a broad range. And through that, we've had less than one percent default to date, which really does speak volumes about the credibility of the sector, despite its still relative youth. And one thing that's not mentioned on here—Willem did cover it a moment ago—was that we—SunFunder can now do local currency thanks to an MFX agreement that related to our OPIC Act Beyond the Grid Solar Fund, which is where all of our primary financing is coming from in the deals that we're now structuring. So, let's just put the context around here.

To date, the sector's been _____ for its financing needs largely, especially the biggest players, and that reflects the stage and maturity. Equity is obviously particularly good for getting to a position of proving a business model, but right now, the sector itself is maturing. Many of the players have really started to get to that point where the business model is more or less proven, and scaling with debt is then the very logical consequence of taking those proven business models to the next level. And that means that debt is an increasingly important part of where this sector is going to go. So, why then is the sector ready for this?

The debt needs, in short, are growing faster than many—as far as I'm aware—all lenders single customer concentration limits. Here at SunFunder, we have grown our ability do large [Inaudible] dramatically, but even that—and I will

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be corrected by my colleagues when I say, "We can do about $3.5 million or so per _____ that is growing" but the needs of this sector are growing far faster than that. And with double digit deals being put on the table by a number of lenders now, a number of practitioners now, it is clear that single lender deals are only going to be part of the solution. And so, that's the _____ point—exceeding some lenders capacity or appetite. But the second point is a bit more subtle.

As we're trying to encourage more investors into the sector—there are many that are coming on stream—starting them off with a new ticket size of $2 million plus equivalent can be a very difficult ask. Of course, you've got to balance that against many lenders requirements for a return, which does require a decent ticket size. But, nevertheless, that size itself—it can cause challenges. So, then we get into the other part—and Willem covered this very well—but with more loans, with more lenders, treating them separately is, from a practitioner point of view, a nightmare. There is far more debt management complexity.

Obviously, if there's security, it becomes even more so that you've got inter-creditor arrangement, potentially lots more management time. And if there's a date that's not fully matching one part to another—both in terms of covenant structures, but even as say, security, that can dramatically reduce the company from that stability because in effect, you're taking the worst of all worlds and often, with crash defaults happening between your loans, you have to be very careful to make sure that obviously, you're meeting each and every one of your covenants. So, that leads us on to syndicated loans. So, just to really set the background of what a syndicated loan is—it is a loan from a group of lenders—that is the syndicate—for a single borrower. It is typically led by one lender, although it can be multiple lenders for the very largest deals.

Who is the arranger? That arranger will pitch for the initial transaction. They will negotiate with the borrower, and, as Willem said, their credibility is absolute key because it's credibility on two fronts—credibility to actually structure the deal that's appropriate for you at the price that is right for you, but it's also credibility with understanding the other lenders that are in the space and being able to put together a facility that is actually going to be attractive to others. So, the arranger role is a very, very important one. And the arranger, as I said, establishes the basic terms and launches the transaction to the participants on behalf of the borrower.

So, having negotiated with the borrower to get the terms that both parties can be comfortable with, the arranger's role to represent the borrower themselves to the participant bank and to really justify to those other lenders where and why this structure is appropriate. And this is a very, very well established process in developed markets. There are vast markets for this. In particular, syndicated loans are almost essential for any MNA activity, because it represents the only form of secured funding that you can get prior to going public with a transaction, and you can do bond issuances and so on. And there are very defined standards, so-called "boiler plate" templates which have been

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developed over many, many years and continue to develop in response to legal changes in various countries and precedence that are set.

And those that are defined by the—I think it's the Loans Standard Trading Association and the Loan Market Association for the US and the European, Middle East, and Africa markets respectively. So, LMA is the one, if I'm honest, I'm most familiar with. It's typically English, law based, but it can be translated into other laws. It's particularly useful within the African context, because obviously, a lot of the African countries themselves start from—although obviously, you don't have anymore—and English law precedent basis, and that then often means that the LMA language works very well. It obviously works in English law, but it can also translate and link very well to local law.

So, that's what a syndicated loan is. What does it look like when we're doing syndicated loans? That's where the story gets a little bit more tricky. In the short term, there's no two ways about this. The most—the majority of loans are, right now, are hard currency and may well continue to be for a short term, despite lenders—like SunFunder—now being able to do local currency loans.

The lack of local banks' participation in the sector does make local currency difficult, and even for those lenders who do do local currency, they're typically hedged transactions, which have host of little _____ in terms of break cost and things like that that result from the synthetic translation from a hard currency—whether it be Euros or US dollars—to a local currency. And, of course, there's a limited number of investors. I won't rattle them off now, but you can more or less count for the solar space the investors of significant size and with significant exposure to this sector more or less on one or two hands at most. And each of those lenders have very different approaches, both in terms of their documentation, but also their—just their approach; how long due diligence is required, what sort of things they're looking for, to what extent they're going to, for example, impact investments due diligence and impact data and to what extent it's purely financial. And so, there is no doubt, that in the short term, a syndicated loan does not remove those barriers.

It does remove the—immediately, at least—the requirement for significant management involvement, and it's not a magic bullet for getting banks involved. However, in the medium term, it becomes a lot more interesting, and I'll come onto why this is a very logical progression. It's also the progression that the goal would be to aim for. And, of course, the goal is to aim for the ability—immediately—to have multi-currency deals for transactions that require US dollar basis. For example—inventory loans.

You can have that for those that are doing receivables and local currency becomes more appropriate. You can have those—in many ways, you can have them as part of the same deal. Having a group of really established experts who are leading the deals and driving the due diligence process for other investors—this is a very key point, this third mentality. Even amongst finance practitioners, it does exist as a real thing. Banks and other players do like to see that other investors are looking at companies.

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It validates any internal _____ that the investment manager has come to. And all of this—a syndicated process does lean to a streamlined debt raising process. Again, I'll flesh that out a little bit more in a moment. And it is my genuine belief that for all of the good work that's being done by many, many actors in this space to try and encourage local banks—and, indeed, international banks, to [Inaudible]—it is my belief that syndicated loans are the key that actually will unlock the majority of the capital. And I'll start with that point first to flesh out this.

If you are an investment manager working at your local bank or, indeed, an international bank that has an interest in this space and you are shown a syndicated deal, for start, it shows a level of maturity and a level of sophistication that those banks will, themselves, appreciate. But it also gives you the option—the first time, for example—to say, "No." Then you see a couple more and you may well still say, "No" or at least maybe your credit committee will say, "No." But eventually, by being shown deal after deal and you can then see directly that those deals that you were offered—this is from a bank perspective—those deals that you were offered are still working. The businesses are still doing well, and all you did by rejecting the deal was to turn away the interest income.

That is, in my view, what will lead to the slow but steady normalization of the solar sector, in particular, with these banks, and that will break down their resistance. So, jumping back then to flesh out this streamlining of debt raising process, with a single syndicated facility—or [Inaudible] may lead to probably no more, but you don't want to have too many syndicates at once. But with one syndicate facility at a stroke, you can have all of your debt requirements covered in a single facility. Now, that may sound scary and indeed, with single lender debt, that is a very scary concept because of course if the lender changes their mind on you as a business, then that puts you in a lot of difficulty. However, with a syndicate, you've got a range of banks.

If one of the lenders chooses not to renew their commitment to you—you know, in a follow-on loan—then so bet it. They fall out, another lender joins. If the arranger—if your lead banks decides that—this is quite unlikely, but if they decided that all of a sudden they don't like what they're seeing, well, there are—and again, going back to bullet point number two—there will be a group of lenders who will have that aspiration to be your arranger. Obviously, there's a small financial incentive for doing so as well, but also, there would be the _____. So, having the syndicate in place allows you the ability to create a very stable group that even if one or two change periodically, you've still got one single system that is basically able to allow you to concentrate on running the business, not on managing half a dozen debt facilities.

So, what are the bottlenecks that take us from this short term difficult, but still, there are advantages to doing so to the medium term—I won't use the word "nirvana", per se, but the happier situation that it represents? Well, there are four key ones really. Investor education. For the vast majority—in my experience—of investors, there is some knowledge in some places but not a

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lot of knowledge. And SunFunder, we have actually taken it on ourselves to speak to a lot of the major players.

Again, I would specifically name check Oiker Credit and Responsibility, but others as well. And we've explicitly spoken to them about their familiarity with LMA standard documentation, and in all cases, they have come back with a positive view. Their legal departments are aware of it. It may not be their current house style, but their legal departments are familiar with it. They are comfortable with it.

And they do typically have no problems that would require very bespoke versions of the LMA documentation. The second point is this competitive/collaborative relationship between investors. Moving to a state where, for example, SunFunder is offering loans to, let's say Responsibility Oiker Credit—or vice versa—requires a level of trust and sophistication, which I believe the investors are getting. We are collectively working harder do get ourselves comfortable with that concept, and I think that's the right way to go. Of course, there is still competition, and there should always be competition. If it were a very cozy club, that would not be good for the sector.

It would not be good for the practitioners. It would ultimately, actually, not be good for the investors themselves. And so, the third point is—we've specifically mentioned DFI requirements, but actually, I guess it's all requirements around security and seniority that a lot of the debt facilities in place at the moment are often, in many cases, secured, and they're often secured in some fairly extensive ways. And so, moving from a position of having that security, and, of course, the protection that it gives you to a more enlightened position where that security is perhaps shared amongst all the investors—or perhaps a _____ basis—does require a certain amount of give from the investor. However, again, it is right _____ and I know many, many examples—and I'm sure listeners on the call will empathize with facilities which have been put in place, securities being granted at some sort of collateral.

And, as the size of the—let's say it was inventory or whatever the asset has grown, the loan size hasn't. And, in many cases, that mismatch has caused huge problems down the line on how subsequent facilities can be put in place. With a syndicated loan, that doesn't necessarily preclude that happening, however, if it's a syndicated facility that's amongst a group of investors, then all of the investors are sharing equally in that security and that means it can typically be allocated much more efficiently. And, of course, the last bullet point is I guess really the point of this webinar; educating borrowers on the value proposition that syndicated loans represent, the reason why it is and has been a very big staple in the developed sophisticated markets. But also, it's not unknown even in this market.

I don't know if the specific people are on the call, but many of the very large receivable transactions that have been announced by the likes of Van Cooper, Off Grid Electric, and others—B-Box—are effectively syndications. They do involve multiple investors. And what we're really talking about is opening up this knowledge to the masses and really trying to establish it as a core part of

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the financing solution that the solar sector has. And I think with that, I'm going to pass back, Jem, I think to you to perhaps open the floor for questions.

Jem

David, thank you so much for that, and Willem as well, for sharing both of your perspectives. And I will actually pass it to Sean to do a bit of Q&A with those of us who are online. But, as moderator, I want to take liberty in trying to one—maybe summarize, as you kind of mentioned at the tail end of your presentation—kind of the benefits of syndication. I wanted to see if I could summarize the three or four points that I heard throughout both of your discussions and then maybe ask a couple of questions. But starting with the benefits—the kind of value proposition—I heard everything from syndication being really important in unlocking more debt transactions as well as attracting more lenders to the space—particularly local lenders becoming more important as one thinks about currency effects mitigation.

Heard a value or a benefit around the efficacy or the efficiency of transactions that syndication can lead to, and then obviously a benefit around risk mitigation—and I suppose that goes both ways, both from the borrowers and the lenders. So, if I've missed anything, certainly let me know, but those are the three or four kind of benefits that I heard both Willem and David talk about. I just wanted to throw out a few questions and I'll throw them out as a group and then feel free to kind of answer what you can and then we can go to Q&A. But one of the questions I had was—and this is to you, David—are there any particular financial institutions that SunFunder is seeking to attract and get involved in your syndications? That's one.

You mentioned, obviously, the importance of local financial institutions and banks, but I'm wondering if there are any other particular types of financial institutions. A second question is—Willem talked a little bit about terms, as you did. I'm wondering, what structuring considerations does one need to really pay attention to make a syndication work? Are there particular types of terms that are more or less sensitive and ones that tend to raise flags that participants in a syndication need to really pay attention to? And then thirdly, just a clarification, if you will.

You mentioned, you know, pari passu, if you could just provide a little bit of clarity around the differences between club deal, pari passu, and a syndication where you have tranches and senior and subordinated debt—maybe for those on the line that are not as familiar with those distinctions. So, I know it was for you, David, but feel free to—and Willem as well, address whatever you can.

David

No problem. I'll deal with the last one first, 'cause in many ways, that's the quickest one to answer. The club deal could be as simple as a series of bilateral loans that all happen to be done on the same basis at the same time with a specific investor. At a slightly more complex level, it could actually be a syndication where all of the lenders have the same ticket size—just, I guess, from a technicality point of view. So, it could be exactly the same thing is one version of what people refer to as a club deal.

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Actually, I guess just to expand on that, there was actually a club deal—a club deal in the sense of multiple bilaterals all on consistent commercial terms—that SunFunder was involved with. I won't name them, but the one thing I would say is that both from an investor point of view and also particularly from a borrower point of view, what should have been a very simple and straightforward process turned out to be less so because—precisely because—of the bilateral nature of each of the loans left each of the investors trying to sort of effectively use their house style to change the look, the feel—in some cases, the terms—of the facility. And actually, it became quite a difficult process to close on time. We are actually in discussion right now with that very investor about having the next iteration of that deal as a truce indication, which we are hoping to lead. So, on the structuring point—sorry; I'm going in reverse order from your question—so, your question was about what syndicated loans—what kind of structure considerations would be of relevance.

I guess from an LMA—that's—you're in structure approach point of view—the LMA facility is, in and of itself, best thought of as a framework. It contains a lot of boiler plate clauses—particularly ones around relating to kind of the US Patriot Act and things like that that require—basically all lenders will need. The commercial terms are overlaid on top of that, so there is, very explicitly, a document that you can download which is a template which is provided by this NCLMA, and it runs to—this may come to one of the points we want to cover in a moment—it runs through over 100 pages. There's one version for a term loan, one version for a revolving credit facility—which, you know, I would say at the outset to any practitioners listening and perhaps getting their hopes up—SunFunder cannot do revolving credit facilities. Most fund-based investors cannot.

It's really a bank thing to be able to provide that revolving nature to financing. However, those templates exist, just as a blank document full of square brackets. Over that, you would—or your lawyer, rather—would put in the terms, the tenor, the price, any amortization; if you wanted it to have multiple tranches backed by the different tenors, different interest rates—indeed, potentially even different levels of security—you can do all of that within the framework. So, the framework in and of itself is really just—it covers the so-called boilerplate stuff—the stuff that really should not be commercially sensitive. In some cases, they are.

So, for example, almost all investors do need a certain amount of time to be informed of a draw down on the facility. The LMA just puts in a time frame for that. It is potentially subject to negotiation, but it's typically not particularly commercially sensitive. Which, I guess, also leads me onto—Jem, I think the other point you were talking about—the pari passu point. So, pari passu, for anyone who's not as familiar with legal documents, literally—I'm not sure actually sure what the Latin translation, but I think it means literally, the same.

The point of pari passu lending is to say that you are on the same legal terms if an _____ or if bankruptcy happened, both investors would be queuing up at

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the same time in the same queue in the same place. They wouldn't be one in front of the other. One would not get special treatment relative to the other. And so, if there's not enough money available, this is very much the lender's point of view—you know, disaster scenario for debt recovery—there's not enough money to repay both investors, then both investors will take a loss—or an equal loss, a proportionally equal loss. The final question I think you asked was around what have we done to work with local banks and to attract them.

Very specifically—and Willem mentioned the _____ transaction that we are working on with him for the second iteration of that deal—we are and have been talking to a number of players—both banks themselves directly, but also to the Lion's Head group and the ALCB Fund, which, although that is a bond based investment tool, it does lend itself quite well to taking a syndicated loan and effectively repackaging it. So, we're having those discussions. I have to say they are still at a relatively early stage, but again, I reiterate the point I made in my presentation that I fully expect the first couple of syndicated loans that we put in front of investors will just be rejected by most investors. Maybe we'll get lucky and maybe we won't, but it's over time, seeing consistently those invitations to deals that continue to do well—that is what will turn the heads of investment managers and their bosses. If they can—if the investment manager can point to half a dozen transactions that they have had rejected by their credit committees which are still doing well, that is a much stronger, internal case that they can bring than a much more ad hoc discussion.

Jem Great. That's—I appreciate the clear-eyed view on that. I think in the interest of time, I'm gonna hand it over probably back to Sean to facilitate kind of Q&A with the audience. Sean?

Sean Great. Thank you, Jem, and thank you David and Willem for the presentations. We are receiving a good amount of questions so I'll just jump right into them. The first one on the list is asking if the speakers could say what they would like to see multilateral stakeholders—such as the IFC, World Bank, African Development Bank—do more or less of in the area of debt finance?

David Willem, please.

Willem I think if you talk about the structuring and the syndication deals we're working on right now, it means we're going out to the market with a predefined package of terms and conditions. I think looking at the way many of the advised think, it's either their way or the highway; there is no way in between or there's no way there can be so flexible to subscribe for the terms and conditions of structures like this. On the other hand, they can be extremely helpful by de-risking some of the structures—which, as far as I know—but David, you know probably more than I—hasn't happened yet. So, by taking first loss investments in syndication, de-risking other investors, but it's a bit early stage and I haven't seen things like that happen.

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David

Yeah, thanks, Willem. And I agree with both of those points you've made. I think in my experience of seeing DFI investment in borrower position—in borrowers that SunFunder has had as customers—we've often found it quite difficult precisely because of the relative lack of flexibility that Willem mentioned. And it can often translate to a—effectively taking such a super senior position, that it actually makes it incredibly difficult for a normal lender to actually find a risk profile that they can get comfortable with. In summary, if a DFI is offering fabulous interest rates, of course, why wouldn't you want to take it?

Well, the answer is if you can't get any more debt—and because that DFI has taken all the available security—then it's a sugar today situation, but tomorrow but not be quite so helpful. So, from my perspective, to answer the question of what would I like to see these multilateral players really do—I'd really like to see them engaging with this process of how can they work with financers, not effectively try and supersede them—which I'm sure is not the intention, but that is often what is happening.

Sean

Great. Thank you, both. Moving along to the next question, this attendee notes that the World Bank group report on mobilizing Islamic finance for infrastructure in private/public partnership projects in developed countries will be released in May. Have you any experience with syndicated energy structure financing from this source of capital?

David

So, syndication as in the project finance world is very, very common. It's almost as common as in the investment grade world. It does require a slightly different investor outlook, and in many ways, some of the same issues that, if you like, plague the financing of these longer term infrastructure projects right now would continue to exist—namely the tenor—the mismatch of tenor. Most of the impact investors and the investors that are active in this space right now do not have a horizon that goes—I mean, even five years is relatively uncommon. And so, that mismatch, I think, would remain.

The ability to ultimately open out the field to a more diverse group of investors—which syndication may do in that case—would definitely be helpful, but it certainly wouldn't be a magic bullet for it.

Sean

Thank you, David, and you just touched on this a little bit, but we've received this question from a couple of people. Given the poverty of typical end users of off-grid electricity suppliers in rural Africa, what payback periods are being tolerated by investors?

David

That's a great question. So, Willem can talk to the Seller Now approach, which—spoiler alert—is two to three years. I think generally speaking, most of the practitioners tend to be moving towards that shorter term payback period, typically on a more lease to own. There are exceptions to that, so that's certainly not a set in stone rule. I think from an investor's point of view, the debt always has to match the underlying receivable, and indeed, the way we structured _____ is precisely to do that.

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It's a limited term asset finance approach. So, the assets are brought on over a short period of time, and then they run off over the longer period of time and that is the loan. It's not trying to be an Evergreen. You're not constantly trying to refinance the same assets.

You're simply saying, "Here's the group of assets. We will wait as long as we need to before we get our money back and then we'll recycle that money and put the next thing." That's the approach of _____. And I think that's probably consistent with certainly what I am seeing across the space of the investors. Does that answer the question, Phillipe?

Sean

Yes, I believe it does.

Willem

Maybe just to add for those—take a country as Uganda. The effective interest rate we were paying on Ugandan shilling _____—is currently 23 percent. That means that you can—if you want to even break even on your pay plan, you have to charge at least around 40-42 to 45 percent effectively. So, although I think most practitioners would love to get longer maturities, it actually doesn't make the product much more affordable to the end user if you go from two years to three years. I think it's really a question of you know, once we start seeing the interest rates decreasing—and also, we can start decreasing our effective interest rates to clients—it becomes much more interesting to start playing with longer maturities, even up to five years.

What we don't see is a correlation between maturity and default. So, for instance, a client that takes a pay plan for two years is not more inclined to default than a client that takes a pay plan for only six months. That can be said. So, we would be very keen to increase, but it's just, I think, what limits us is the effect of interest rates in countries like Uganda.

Sean

Thank you, Willem, and thank you, David. Is it hard to come up with different loan product for syndication given the different risk appetites of lenders?

David

That's a great question. I think what we're seeing across a number of the deals that we are either working alongside or with customers who have multiple facilities with other investors, we are seeing a fairly high degree of consistency, I would say, at the _____ impact investor level. I think banks are in a very different place right now, and I don't think we're trying to move towards where they are—quite the opposite. So, I think with regard to is there any difficulty when structuring, the honest answer is, "Time will tell." As we see more and more of these deals, I think it will lead to a level of understanding and knowledge that will go both ways. So, while we like to think we have very solid understanding both, obviously, of the market but also of the other players that are alongside us providing finance into the market, that knowledge will be refined every time.

And, as we work with our customers to syndicate transactions, we will, over time, discover there will be some surprises. Some lenders will suddenly turn out they can't do something specific. But, if I'm honest, those possibilities are relatively limited, because in all honesty, the types of transaction that we're

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talking about are relatively limited. As I said at the outset there, they're all term loans, and that's a limitation of the funding sources that we have available to us. And then, beyond that, it's really just a question of where can people get comfortable from, for example, an amortization point of view.

What's their tenor horizon? What are the sort of key interest rates requirements that they have? And I think those, we already feel we have a fairly good handle on just by _____ into what we've seen in other transactions.

Sean Great. Thanks, David. And so, who did—this is kind of a couple of summary questions here on some topics you've touched on a little bit. But who do the syndicates really typically consist of and what criteria must a borrower usually fulfill? And then, also, what are the thresholds of the highest and lowest lows, typically?

David Great question. I can almost answer is two completely separate forms of language—one which is focusing on the big wide world version of it, and syndications have—I was actually—I have to confess, I was looking on Wikipedia to see what the largest syndicated loan every done was and I can't honestly remember off the top of my head. But the largest one I was personally involved in was 12 billion pounds. There is very little practical limit at the upper end. Convincing _____ to this space, most of the lenders have, I would say, ticket appetites up to, at most—I mean, there are really one or two honorable exceptions, and when you get to multilaterals, the rules of the game are slightly different, but at most, ticket sizes are really kind of at the three-four-five million mark.

Beyond that, you're really talking rare find heights of very large investors. So, with regard to the size—yeah. Upper limit is really just a—as much as anything, it's a matter of how large a syndicate group you can put together and/or what you can do to encourage—again, going back to the point of, you know, how can multilateral players and those with very, very large pockets—how can they work with us in this space to help make this a success. That's the answer. On the smallest size, that's, again, a very interesting question.

Most lenders will typically—particularly for the more complicated transactions—for example, Safi, for example—would require a minimum ticket size just simply to make the economics of income that's generated from the deal work out. If it's a more vanilla loan, if it's a simple inventory loan, there isn't—I don't think quite so much of a pressing requirement on that. That said, SunFunder does tend to find the market for lenders offering loans to borrowers of a ticket size less than $500,000.00 to be pretty sparse. And, in fact, at the smallest end of that—$100,000.00 to $250,000.00—we tend to find it pretty much to ourselves. I apologize if any other lender is on the line and disagrees with that, but that's our practical experience.

So, I think with regard to creating a syndicate, offering people ticket sizes that go below their single deal requirement for a costing point of view, clearly won't work either. So, that does put a practical minimum on a syndicate. A two-bank syndicate would be, you know, therefore, $500,000.00 smallest,

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though you can also have different ticket sizes. In fact, this is quite common that the arranger might take a larger ticket or some investors might take larger tickets, and in return, they get a slightly higher, proportional fee as well. Sorry—I've been waffling slightly.

I think I covered the question, but I may have missed part of it.

Sean One other part was who did these syndicates typically consist of? Who are the main lenders in this space?

David Ah, right, yes. Exactly. So, like say the—I've been sort of deliberately hesitating from name checking with the lenders partly because if I forget any obvious ones, then they may not forgive me, but the names are all the same names that you would be talking to about single individual loans. So, I've mentioned Oinker Credit Responsibility already. I mentioned global partnerships.

I can mention Southern Mosaic. I think they changed their name. Apologies. Those sorts of investors—you know, PG Impact Deutsche group—you know, the Deutsche Group Foundation. Seemer is coming online soon with global _____—you _____ climate fund. There are various others that are coming on the stream soon.

Like I say, I'm trying very hard not to just name check as a list, but I think with all of those investors, we are speaking to almost all of them already and they are showing interest in the concept of the _____. In addition to that, part of what makes this very exciting is that those are the kind of lenders that are actively structuring deals right now. They're going out to borrowers and trying to win deals. There are a large number of other players—and quite a few of them involve sort of microfinance focused groups who are now looking at the energy space, as well as others—including some of the family funds that want to access directly but don't really have the capacity or, if I'm honest, the desire to get down into the weeds of structuring a transaction with a specific investor. But, if a deal was brought to them, then they would show interest. And we've had exactly that conversation with a number of our own investors who have expressed interest in lending additional directly into the space.

So, I think there is a very real chance of a syndication done correctly, opening up the liquidity available to the sector.

Sean Thanks again, David. We have a couple of questions on syndicated loans specifically for certain technologies. One is asking what you can say about syndicated loans specifically for microgrid financing. What are the main difficulties, and what would be the optimum way to structure that?

David Yeah, that's a great question. With microgrids, we're really back to the same sort of challenge that I mentioned earlier. We've got project financing, which is that for many microgrid business models, the repayment, when you did the whole project time frame, is not one that can be compressed within five years. So, I think that same problem exists—that the syndication in and of itself

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doesn't solve the mismatch between investor ability to lend and the business model itself having a requirement for cash related generated over a longer period. So, that's really the core challenge, and, like I say, a syndication wouldn't directly change that actually in any way.

It might—going back to my earlier point about opening up liquidity—it may be possible that it makes a structured transaction that a solar specialist such as SunFunder had structured and brought them, as a deal to some other investors. Let's say, for example, MFI investors who may well have the funds and the capacity to do longer term debt—it may be that that opens up liquidity, but there's—I don't have any evidence one way or the other on that point.

Sean Thanks, David. Can you talk a little bit about syndication arrangers? Do you have any insight on what the typical cost for that?

David Yeah, really great question. You know, in the world that I came from—where transactions were not six or seven or eight. Figure they were typically 9 or 10. The fees were always in basis points. I think we're still in the same sort of range.

We're talking proportionally smaller institutions. If I were to put myself on the spot for the purpose of the practitioners here—put myself in a very uncomfortable position—what we're really talking about is trying to get cost recovery. So, depending on the amount of work that's required, we're kind of talking—we're talking in the ballpark of tens of thousands of dollars of fees potentially. It wouldn't be more than that, and, in many cases, could be at the lower end of the tens. But it depends on how much work.

And these initial syndications, there's no doubt they are and will be hard work. So, I hope that's sort of vague enough, but nevertheless answers the question.

Jem Sean, this is Jem. Can I just jump in with a follow-on question?

Sean Yeah, of course.

Jem And this is something Willem brought up in the beginning around the amount of time it took to kind of set up the initial structure. Curious—as you talked about arranger fees and cost recovery, maybe kind of using the market for syndicated loans in Europe and America, the US and other markets as a guide, how long does it take typically to structure an initial syndication and how do you see that evolving in an emerging market and in a sector like the off-grid energy access sector? Willem mentioned a year. What can we expect in terms of the time aspect of setting up these structures?

David Yeah, great question, Jem. So, the syndicated facility in and of itself adds practically no time. Explicitly, SunFunder made a syndication ready—although it wasn't syndicated—deal—just a straight vanilla loan—and I think the whole process took us a month and a half from initial conversation to the borrower to disbursing loans—including all of the legal documentation. So,

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syndication doesn't have to slow things down. What slowed things down—what was complex in the Seller Now transactions was we were literally creating an asset finance solution from scratch, from first principles.

Now that we've done that, replicating it is not without its work, but it is a significantly easier process. However, when you get to a syndication proper—you know, with multiple investors and what's the time frame—the answer is, "It's as slow as the slowest investor that you need to have in the deal." So, in other words, if one lender—sometimes it turns the deal around in—it gets credit approval in a month and another investor is taking three months to do it. If you need that investor's money, then it takes three months. And that's the challenge of it—the advantage being that those lenders would be doing it simultaneously. You would have the ability to set time tables and say, "Hey, look—if you haven't completed by this date, then the deal closes and if you're not in, you're not in."

But, of course, that's the situation you can only get to if you have the liquidity available that you need.

Jem Okay. Great. Thanks.

Sean Great. Thanks, Jem. Good follow-up question. I have another question here specific to mini-grids. What about the debt service coverage ratio requirements on mini-grid companies which are still not cash flow positive at corporate basis?

David This is getting into a very specialized area. The big challenge with any financing—this is not a syndication specific question, per se. The general finance principles apply to any debt service cover ratio. So, if you've got a—in this case, a business loan that is not generating cash, then, to be honest, at a minimum, lenders are gonna want to see that they have the cash flow coming in to at least make—at the very least—make the next payment. And even that is really at the tenuous end of things.

So, it comes down to the unit economics have to pencil out. If business model doesn't show cash generation on a unit basis—we're talking about obviously, from a corporate level—and so, the expansion of the business will offset all of that stuff. But, if you're—if the cash flow is not coming, then it's always going to be difficult to provide any finance. That's the simple truism. Unless there's sufficient confidence the business model had been developed and was generating cash at that unit level. Did that answer the question?

Sean I think so. The attendee, if not, can always follow-up through the question pane. Another question that might be a little bit more specific—is it possible under the different syndicated loan standards to combine senior and junior loans effectively creating a higher risk mezzanine layer?

David Yeah. And in fact, the so-called leverage loan market does exactly that. Typically, leverage loans follow this ABC loan structure where you've got senior, junior, and mezzanine in between with, if memory serves, seven, eight, and nine-year debt respectively. I'm going to—just before any

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practitioners get excited about that—the investors that go for those sorts of facilities have, obviously, the ability to do seven, eight, nine-year debt. As far as I'm aware, there are no leverage loan investors showing any interest in this space.

But, to the specific question of can a syndicated loan have different structures, have different levels of seniority, different tranches of debt with those different security or what have you—yes, absolutely, you can. It's just a documentation point. And effectively, all of the inter-creditor discussions are baked into the document, so it becomes a very simple and clean approach to it.

Sean Great. And this goes back a little bit to the first question that we asked, but what role could the Green Climate Fund play in supporting syndicated lending such as providing TA or providing capital grants to final beneficiaries or risk sharing with lead arrangers?

David Yeah. Great question. So, what can GCF provide? Obviously, liquidity. Obviously.

Obviously, the flexibility to be comfortable with syndicated loans in part of the portfolio. In respect of sort of things that go in parallel with the deal flow itself, TA is definitely helpful, and I would specifically focus attention on legal cost. Because even—there are various pro bono services available, but having high quality legal advice is something that borrowers—and, indeed, lenders, but we typically have internal council to help us as well—will benefit from. It will create a scenario where the transaction quality is high, but it also avoids negotiation around points that really aren't, if you like, negotiated in the sense that they are completely standard and it is a requirement. And if the borrower understands that what they're asking is unreasonable compared with the universe of borrowing, that's definitely a helpful thing.

So, that technical assistance can be helpful. Again, I raise the point that these syndicated loan documents can be extraordinarily long. They're not that long to read when you're familiar with them, but if you're looking at it for the first time, a 60 to 100-page document is not gonna add to your weekend, even though the bits that matter can typically condense into the term sheet.

Sean Great. Thanks. And just a clarification question from earlier. The SPV or the syndicating platform—do they offer receivables as a security to the lenders?

David I'm sorry. I think the question is, in this case, specifically around the Safi transaction?

Sean I think so. Yeah. It was from earlier in the webinar.

David Yeah. So, the security package in Safi is that the SPV is the owner of the receivables. And so, the security package, in and of itself, is a _____ over all of those assets, and a share _____ over the entire company, but owns those assets. That's all that, as a lender, we have to fall back to. So, it effectively bankrupts you remote from the top corporate or the operating company, but

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the ability in some sort of insolvency situation to pick that up and own all of the assets underlying it is key.

Sean Great.

David But, as I say, that's a specific Safi question that, I guess, it happens that Safi is a syndicated deal. It does not necessarily need to be part of a syndicated deal.

Sean Thank you. And probably time for just one more question. What, in your opinion, from a strategic perspective, do you see—as the syndicate lenders—do you foresee entering the off-grid solar market over the next two to five years as the industry grows?

David That's a great question. I think there are a number of funds that are coming on stream. I name checked some of them earlier, but I think the big point here is getting local banks in—or local/international banks. And I think it's the internet banks that will come first. They will typically have the greater levels of sophistication and familiarity with what a syndicated loan is.

Many local banks know as well, but it's just a question of putting the right relationship manager in touch with the right structuring specialist internally to make sure they're having those conversations. So, I think it's that wave off banks that will really make the big difference here and, as I said in my presentation, I really do think that it is the drip of showing deals that can be shown to have been successful that will help turn the heads of those banks.

Sean Great. Thank you. And as we approach the end of our time here, I will wrap it up there. I just wanted to thank David and Willem again for addressing all those questions and also our attendees for submitting those thoughtful inquiries to us. Really appreciate the discussion. Before I go, if there's any closing remarks from either Willem or David...

David I guess the only thing that I would naturally want to do is to plug SunFunder and say we are a specialist debt provider for this space. We do consider ourselves to have picked up a lot of knowledge on the way across all the pieces—whether it be distributed, manufacturers, grid providers—even larger CNI projects. And so, if there are any practitioners on the line who have an interesting proposition and want to get in touch, please do so. I think my e-mail was at the end of my slides.

Sean Great. Definitely. We can resend that out as well to make sure folks have that. And just a reminder, another way to get that e-mail—we'll be posting the slides to the Clean Energy Solutions' training page, so you can track it down there. But we'll be sure to send it out as well.

Actually, Stephanie, as I'm wrapping up, if you could look that up and perhaps send it out through the "Question" pane or the "Chat" pane. And so, with that, just on behalf of the Clean Energy Solutions Center, I would like to again thank all the panelists. We very much appreciate your time. And also, our attendees, thank you very much for joining us today for the webinar. We also invite you to inform your colleagues and those in your networks about

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the Solutions Center resources and services, including the no-cost policy expert support through the Ask an Expert service, and also this webinar program.

And I do invite you to check the Solutions Center website if you'd like to view these slides and listen to a recording of today's presentations, as well as any previously held webinars. They're all free and publicly available on the site. Additionally, you will find information on other upcoming webinars and training events, and, just a reminder, we're now posting webinar recordings to the Clean Energy Solutions Center YouTube channel. Again—just allow about one week for today's audio recording to be posted. And so, finally, I would like to remind everyone to please take just a brief moment to complete the survey that will appear when we conclude the webinar.

As soon as we wrap up, it should pop up on your screen. There's just a few questions there for you. And so, with that, I hope everyone enjoys the rest of your day and we hope to see you again at future Clean Energy Solutions Center events. And this concludes our webinar.

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