



Critical Juncture - Energy Investments in South East Europe

Piraeus Clean Energy Fund

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Interesting Time for the Energy Sector

Four important global trends impacting the sector

Continued Growth in Energy Demand

Continued Economic and Financial Uncertainty

Increasing Environmental Pressures

Technology Development



...but Specific Challenges exist in SE Europe

Recent Headlines

Greece to Raise Clean-Energy Taxes to Erase Deficit in Industry
(May 21, 2013)

Romania Solar Installs to Plummet on Subsidy Cut (Apr 25, 2013)

Greek Operator LAGIE Projects Less Renewable Capacity and More Deficit in 2013 and 2014
(Feb 13, 2013)

Bulgaria to Suspend Up to 40% of Wind, Solar Power Capacity (Mar 27, 2013)

Romania to Cut in Half Clean-Energy Subsidies Paid by Consumers (Apr 2, 2013)

- Regulatory environment is very unstable
- Public and political support for subsidizing RES investments is greatly reduced
- Foreign investors are hesitant

Implications and Issues



- Lock-in – risk of long-term lock-in of expensive technologies or high-carbon technologies
- Local focus – reduced interest in interconnection of networks
- Risk aversion – too little support for new technologies

Long term perspective
must be kept

Financing will be Difficult

Market Uncertain and Changing

- Financing market has fundamentally changed
 - Equity has bigger role
 - Foreign capital needs to be attracted
 - Alternate sources including vendor financing and multilaterals will be critical
- Regulatory and support mechanisms can not be relied on



Focus should be on the best projects (technical, financially, counterparty, and risk)

Not all projects will be built

However, still possible to build project

Projects still being built

Greece: 800 MW added in Q1 2013

Romania: forecasts for up to 600 MW 2013

Significant investments being made

> 1000 mn EUR invested on these projects completed in the first quarter in Greece

Non-traditional finance being used

- Vendor finance
- Manufacturer investments
- 100% equity
- Multilateral and export credit agencies

Opportunities Lie Below the Surface - How We Are Looking At the Market



General Requirements

- Strong Fundamentals (economic, technical)
- Strong and experienced counter-parties and partners
- Financing support from project sponsors or manufacturers



Project Types

- Projects that are financially viable without government support
- Distressed operating assets
- Cleantech
 - Waste / recycling
 - Water
 - Smart grid
- Energy Efficiency

Thank you

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