

Biomass Plant Financing



Project Details

- Biomass energy plant in the GTA owned by a Northern European private equity firm
- The plant converts waste wood products into energy, which it feeds into the Ontario government power grid.
- 20-year Feed in Tariff (FiT) contract into the Ontario government power grid at premium pricing
- The plant has extensive input supply contracts across the province and storage capacities.

Investment

- \$10 million, 2-year 1st mortgage loan at 11% coupon
- Loan secured by real estate, equipment, and corporate guarantee by the private equity owner
- Part of \$25 million total financing package from other sources
- Expected Schedule 1 bank senior financing to follow in 2018/19 upon the plant's strong expected operating earnings