

How Do Energy Prepayments Work?

- Prepayments represent a substantial portion of the financing for a green project.
- Institutions prepay for long-term output from a wind project, for example, with taxable bond proceeds.
- Cash flow from non-prepaid power from other customers generates return on equity for the tax equity investor and wind project company.
- The institution benefits by:
 - Locking in the long-term cost of energy.
 - Supporting green energy.
 - Obtaining first rights to buy a project.

