



SYMPHONY RISK

Inflation Reduction Act

Renewable Energy Timeline from Development to Re-Powering

October 21, 2024 | © Symphony Risk 2024



Overview

In project finance for renewable energy projects, the insurance timeline follows key milestones in the project development lifecycle, ensuring coverage across all stages, from development through to operations and beyond.

Following is a general overview of the insurance timeline for a typical renewable energy project

Stages for a Renewable Energy Project



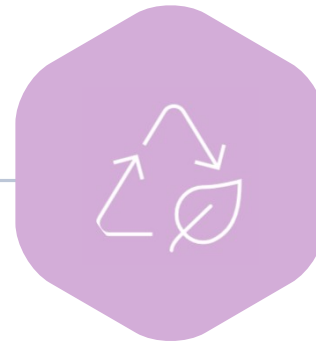
Development



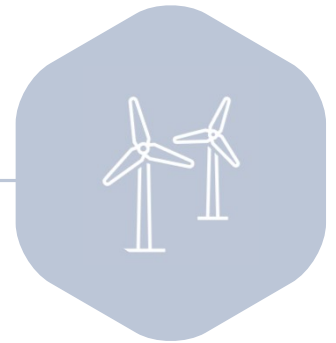
Construction



Testing and
Commissioning



Operational



Decommissioning



Development Stage



Insurance Type

Developer Liability, Professional Indemnity, Environmental Liability

Coverage

During this phase, the project developer may purchase insurance that covers third-party liability (including bodily injury and property damage) and environmental risks that could arise during early site investigations and planning



Construction Stage



Insurance Type

Construction All Risks (CAR), Delay in Start-up (DSU), Third-Party Liability, Marine Cargo Insurance (for imported equipment)

This stage typically requires extensive insurance coverage to protect against physical damage to the project site, equipment, and materials. CAR policies will cover risks such as damage due to weather, accidents, or theft. DSU Insurance covers financial loss if the project is delayed due to insured risks while Marine Cargo covers risks to equipment transportation

Timing

Insurance begins when equipment or materials start arriving at the site and continues through the construction period



Testing and Commissioning Stage



Insurance Type

Testing and Commissioning Coverage (part of CAR policy), Third-Party Liability

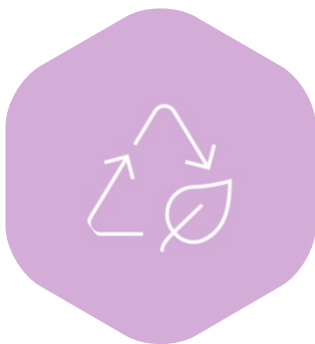
Coverage

Once the physical infrastructure is in place, the project enters a testing phase. Insurance during this period extends the CAR policy to cover risks related to equipment failure or testing errors

Timing

Starts after construction is complete and continues until the project is officially operational

Operational Stage



Insurance Type

Operational All Risks (OAR), Business Interruption, General Liability, Environmental Liability

Coverage

Once the project is operational. Insurance shifts to cover risks associated with the day-to-day functioning of the facility, OAR policies cover physical damage to the renewable energy plant, while business Interruption Insurance covers lost revenue due to operational disruptions. General Liability insurance covers third-party claims (bodily Injury/property damage), and Environmental Liability covers environmental damage

Timing

Coverage starts from the Commercial Operation Date (COD) and continues through the life of the project



Decommissioning Stage (End of Project Life)



Insurance Type

Decommissioning Liability, Environmental Clean-up Insurance

Coverage

When the project reaches the end of its operational life, insurance focuses on decommissioning, covering costs and risks associated with dismantling the facility, environmental remediation, and disposal of materials

Timing

Begins when decommissioning activities start and continue until the site is fully restored.

Questions?