

Q&A: SOPHIE CHERRIER, GREEN GIRAFFE



Richard Heap spoke to Sophie Cherrier, director at Green Giraffe, about the large offshore deals she has led including the 600MW Gemini, working overseas, and support for women in wind

Where were you before Green Giraffe?

I worked for two years in Dexia's project finance department, which is where I met several of the other founders of Green Giraffe and was invited to participate in the creation of the company in 2010. We started with five people in Paris and five in the Netherlands, and were quickly mandated on our first project: the 325MW C-Power offshore wind farm in Belgium.

Did you work on that project?

I did, and after that I got involved in the 288MW Meerwind project in Germany. I was closely involved on the debt process up to financial close, and also actively

followed the construction period, to completion. In parallel, I worked for the EDF / Dong consortium on the first French offshore wind tender. Then, right after bid submission – which our client eventually won – I started working on the 600MW Gemini in the Netherlands.

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You have worked on Gemini since the beginning. Has it been interesting to see that project evolve?

Definitely. When I started working on Gemini in early 2012 the project was facing a lot of challenges, given its size and the lack of liquidity in the market then. It needed huge and unprecedented volumes of debt and equity to reach financial close. We had five people embedded in the project team for three years, working on contractor selection and subsequent commercial negotiations, as well as raising equity and structuring the debt.

I have great memories of that project and I enjoyed working with sponsors, including



Northland Power, and valued their high level of trust and support. In particular, I remember us leading negotiations with lenders including around 70 people in the room, all with a common goal to make this project happen but different perspectives not to mention cultural differences.

We closed the financing in 2014, with more than €2bn of senior debt raised and I'm now working on the refinancing.

Is lender appetite different now?

In order to be able to reach financial close, we had to work around all of the offers received from commercial lenders, as well as involve multilateral institutions, because we needed all of them.

When we did Nordsee One and Veja Mate a year later, we could pick and choose arrangers amongst enough experienced banks fighting for the position. Liquidity has been strong ever since.

Do you expect the move towards auctions to change the way deals are structured?

Not so much on the debt side, no. The banking market has not done anything undisciplined to date in offshore wind, and I don't expect this to change.

Banks will be asked to improve some terms – leverage, pricing, contingencies, equity retention, to name a few – as part of the efforts made by all stakeholders to

bring prices down, and as a result of having a longer track record, but not to overturn ten years of successful precedents. And lower tariffs may mean lower amounts of debt, and less leverage, so structures would not be much more aggressive.

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And what impact will this have?

The interesting question is the impact of lower prices on regulatory frameworks. It will be important to explain that regulations providing long-term fixed-price regimes are still necessary when offshore wind looks “market competitive” – and this is linked precisely to the need to attract cheap long-term financing for what is still a capital-intensive industry, and cheap finance does not go with merchant risk!

It's also interesting to observe that the market is getting a lot more concentrated: we could be moving towards a de facto oligopoly with high barriers to entry as parties other than the small group of existing very experienced players give up, and prices might nudge back up as a result of margins being captured by a smaller group of players.

Haven't you also been working in the Americas?

I started looking at Latin America over a year ago, as I realised Green Giraffe could bring a lot of value there. We got involved in the first renewable energy tender in Mexico, where we supported a French developer and they won support for one of their projects last year.

Clearly, Green Giraffe is supporting the Women's Power List and has been supportive of you in your career. Is it the same for all employees?

I would say that Green Giraffe does not particularly promote women – other than it tries hard to hire them! – but it gives an equal chance to everyone, which is what I appreciate the most. The organisation is very flat and we have a lot of opportunity to expand our expertise, independently of our gender.

Personally, I think the way to encourage people and grow the company is to show them the path and empower them, which we do with our strong culture of knowledge-sharing.

There is a gender imbalance in parts of wind. Does it bother you?

Men and women are not yet on equal footing - the large numerical imbalance is a fact and most high-level positions are occupied by men. Having said that, it doesn't bother me as long as we're treated fairly and on an equal basis.

I'm actually happy to witness a new generation of women with lots of talent and I feel my role is rather to encourage them within my company or on projects. The key thing we can do beyond sharing knowledge is to show this is an exciting area with lots of opportunities and the sector is also essential for our economy and society.

What's the next step for your career?

Hopefully going abroad. I spent a few months in Hong Kong with Veolia when I started working and I enjoyed it.

For me, the important part is to learn new things, meet a variety of people and experience new cultures. I enjoy Asia, but the work I did in Latin America also took me to Argentina, Brazil and Mexico. It's difficult to say where but probably not in Europe, just to make it even more challenging. ■