IJInvestor Awards 2024 – Refinance of the Year, Latin America

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The refinancing of EnfraGen's bank facilities was awarded Refinance of the Year in Latin America, with judges impressed by the cross-border nature of the deal.

EnfraGen is a developer, owner, and operator of grid stability and renewable energy infrastructure businesses in Latin America jointly controlled by Glenfarne Group and Partners Group.

The refinancing was associated with the acquisition of Central American renewable projects, with a combined capacity of 224MW, from Celsia Group, which closed in November (2023).

EnfraGen in 2020 approached the bank and bond market to refinance existing debt and put in place a permanent capital structure. In addition to refinancing, the use of proceed was tailor-made and provided sponsors with flexibility to acquire qualifying assets and complete construction of several projects.

In 2023, the sponsors wanted refinance the main bank facilities to have more flexibility to move forward with the acquisition of the portfolio of Renewables – hydro, solar and wind.

The refinancing provided EnfraGen with a fresh 5-years bank facilities totaling $1.05 billion, comprised of:

- $725 million – miniperm
- $200 million – flexible facility miniperm
- $75 million – working capital facility
- $50 million – debt service reserve letter of credit facility

The banks on the refinacing deal included:

- BNP Paribas
- Intesa Sapaolo
- JP Morgan
- Mizuho
- MUFG
- SMBC
- Societe Generale

The refinanced debt matures in 2028 and is based on a 20-year underlying profile. Additionally, EnfraGen put in place approximately $185 million of new interest rate swaps, which together with the previously existing swaps leaves the refinanced bank facility fully hedged for the underlying profile.

BNPP acted as joint lead arranger, deal-contingent hedge provider and hedge provider for this transaction.

The submission said: “This Acquisition is bringing a higher and smarter geographical diversification as renewable assets in Central America tend to provide a natural volume hedge to dispatch risk of the Colombian CCGTs in extreme weather/hydrology events (El Nino/La Nina) and also favorable technology diversification and ‘greenification’ of the Portfolio.”