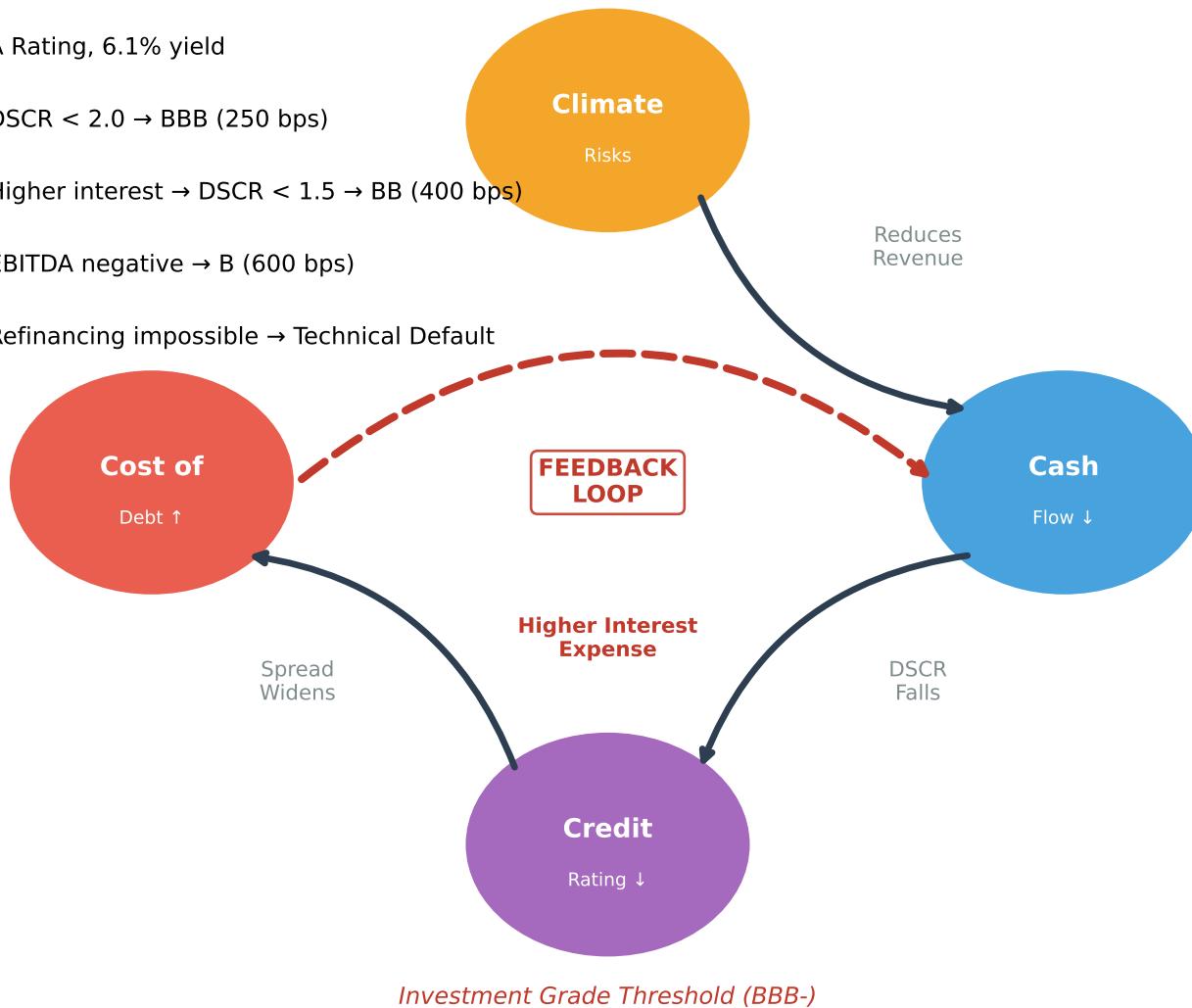


The Credit Rating Death Spiral

Non-linear feedback loop between climate risks and financing costs

Example Death Spiral Pathway:

- **T=0:** A Rating, 6.1% yield
- **T=5:** DSCR < 2.0 → BBB (250 bps)
- **T=6:** Higher interest → DSCR < 1.5 → BB (400 bps)
- **T=7:** EBITDA negative → B (600 bps)
- **T=8:** Refinancing impossible → Technical Default



Once DSCR falls below 1.0x, the project cannot service debt.
The 300% jump in spread (150→600 bps) creates
mathematically unfinanceable conditions.