

Doc 019 | Blue Harbor Wind Phase III – Expansion Refinance (Full Length / Energy Infrastructure)

Overview

Blue Harbor Renewables LLC seeks a **\$58 MM** term loan to refinance construction debt on a 48 MW on-shore wind project located in coastal Maine. Phase I (2020) and Phase II (2022) are fully operational; this Phase III extension added 16 turbines commissioned in May 2025.

Capital Structure

Item	Amount (USD MM)	Notes
Total CapEx	72.0	includes grid tie and access road
Existing Debt	45.0	construction loan @ SOFR + 400 bps
Requested Loan	58.0	refi + cash-out \approx 8 MM
Equity	14.0	sponsor retain 20 %
DSCR target	1.25×	lender requirement

Performance

Average capacity factor 34 %, EBITDA \approx 6.7 MM, annual debt service \approx 5.4 MM \rightarrow DSCR 1.24×

Sponsor's model assumes PPA price 3.9 ¢/kWh through 2036; actual weighted avg 3.7 ¢ after curtailment penalties.

Maintenance reserve line marked "TBD" – excluding that adds \approx 200 k to EBITDA.

Key Risks

1. **Curtailment and Grid Losses:** Region faces 5 % annual forced curtailment not in model. Including reduces coverage to 1.15×
2. **Cash-Out Use:** Sponsor plans partial distribution to investors instead of reserves.
3. **Off-taker Credit:** Utility rated BBB–; delays in payment past 90 days once last year.
4. **Turbine Warranties:** Expire in 18 months with no renewal budgeted.

Recommendation

Cap loan \leq 55 MM and require 2 yrs DSRA. Decline cash-out until coverage proven $> 1.2\times$ for four quarters.