

Blue Mesa Energy Storage – Construction Loan Syndication (Renewable Infrastructure)

Document Type: *Syndication Deck / Summary Transcript (Partially OCR Extracted)*

Project Summary:

Grid-scale lithium-ion storage system, 100 MW / 400 MWh capacity, located near Midland, TX. Developer: *Helion Grid Partners LLC*. EPC: *PowerCore Energy Systems*.

Capital Structure:

- Total CapEx 142.0 MM (EPC + BOP + interconnect).
- Debt ask 115.0 MM ($\approx 81\%$ LTC) – senior construction facility, 3-year term.
- Sponsor equity 27.0 MM.

Financial Metrics:

- EBITDA Yr-1 (post-COD) 10.5MM \rightarrow 13.2MM (Yr-5).
- DSCR (base) $1.03\times \rightarrow 1.25\times$.
- IRR (levered) 9.2 %.
- PPA revenue \$57/MWh escalating 2%.
- LC reserve only 3 months vs. required 6.

Observations (as typed in scanned notes):

“Revenue stack optimistic; capacity payment modeled \$12/kW-yr though actual 8–9 region avg. Missing inverter replacement reserve (\sim \$300k/yr). EPC delay penalty risk not priced.”

Market Context:

ERCOT merchant exposure remains volatile; average frequency control revenue declined 22% YoY.

Syndication Remarks:

“Deal oversubscribed on paper (4 banks indicated interest) but all require sponsor backstop and 12-month PPA history. Covenant structure incomplete; Helion sponsor guarantee limited to \$10MM.”

Underwriter Analysis:

Even with successful syndication, coverage remains thin; any delay or revenue shortfall drives DSCR $<1.0\times$. Return profile below institutional hurdle.