



# Project Structuring and Divestment Sector

Angra 3

November 2020

## Who we are

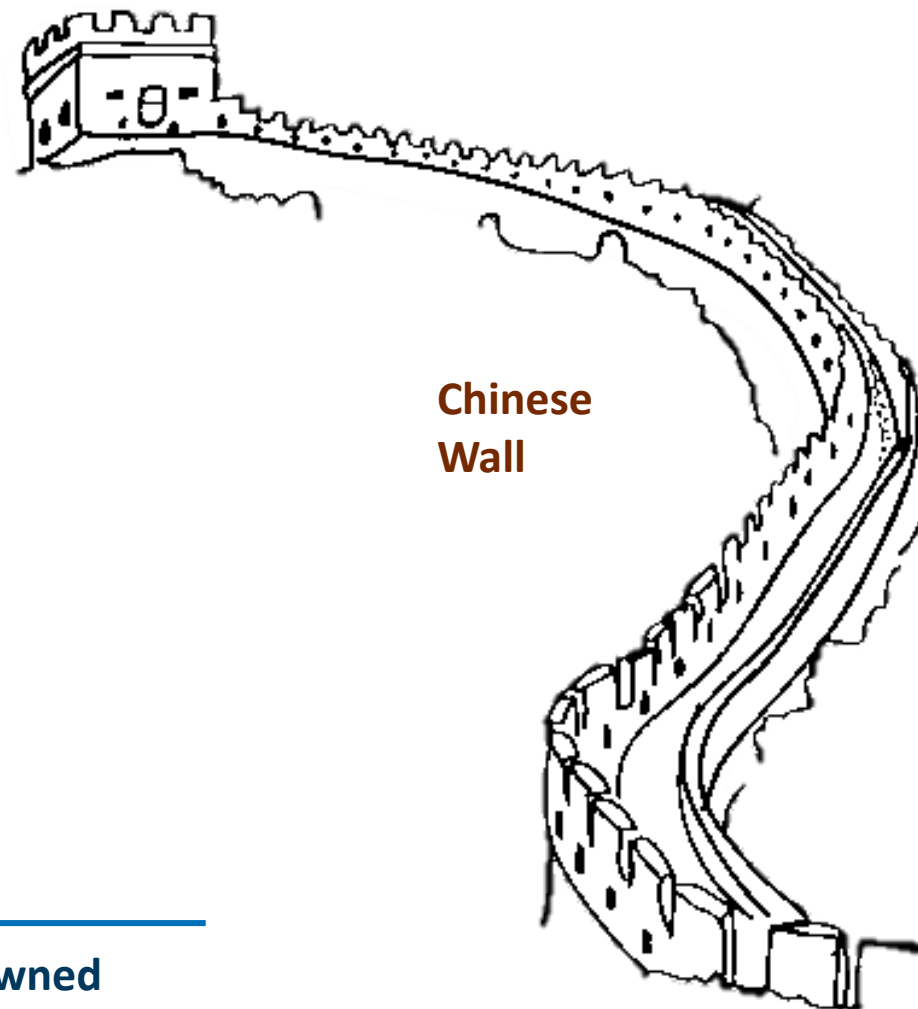


**Project Structuring**

- ✚ Industry Knowledge
- ✚ Experienced Legal Team
- ✚ Capital Market Specialists
- ✚ Quantitative skills

---

**Leader in assessing stated-owned companies for project structuring**



Chinese  
Wall

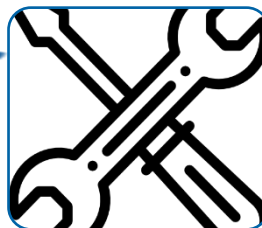


**Financing and Investment**



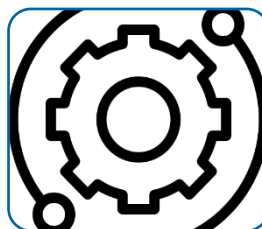
# Angra 3 NPP - Challenges

  
**Eletrobras**  
Eletronuclear



## Construction

- Started in 1984
- 1984-1986 / 2007-2015



## Technology

- Angra 2 is the reference NPP and operates since 2001
- Technology: Siemens/KWU (acquired by Framatome)



## Status

- c. 62% completed
- c. R\$ 15 billions remaining

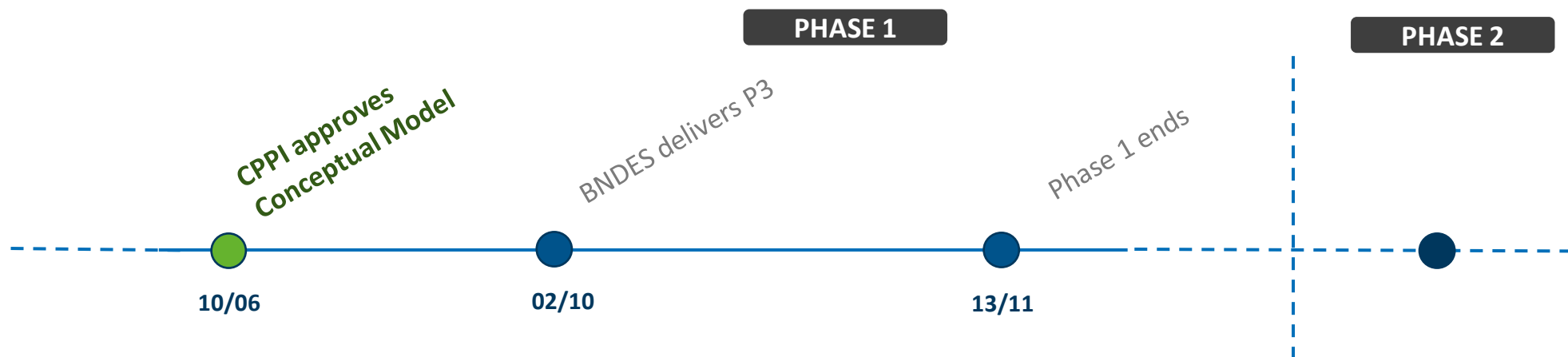
# BNDES Work scope / Phase 1: Model Designing



**BNDES**  
Project Structuring

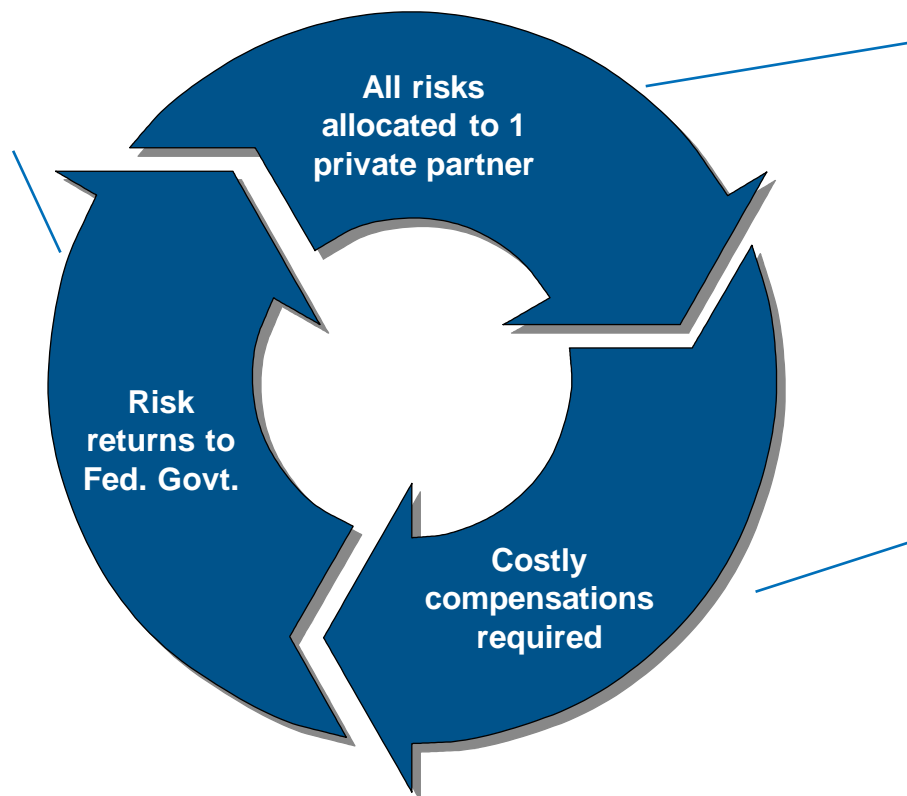
ETN contracted with BNDES to evaluate three “previous models” for resuming Angra 3 works and eventually recommend the final model.

PHASE 1	Content	Deliver date
Product 1	Work Plan	November 2019
Product 2	Conceptual Model Report – technical e financial model	March 2020 (CPPI approval: June 2020)
Product 3	Final Report – steps and schedule for model implementation in Phase 2	October 2020



## Previous Models

- The set of required compensations, in practice, returns to the Fed. Govt. all risks related to over-costs, delays and insufficiency of funding.



- Allocation to a single agent of risks and responsibilities for construction, operation and finance
- Market Sounding indicated low attractiveness

- Priority dividends (sovereign risk)
- Active participation in corporate governance
- Guarantee over principal and remuneration (at cost of equity), for the entire period
- Put option against Fed. Govt.

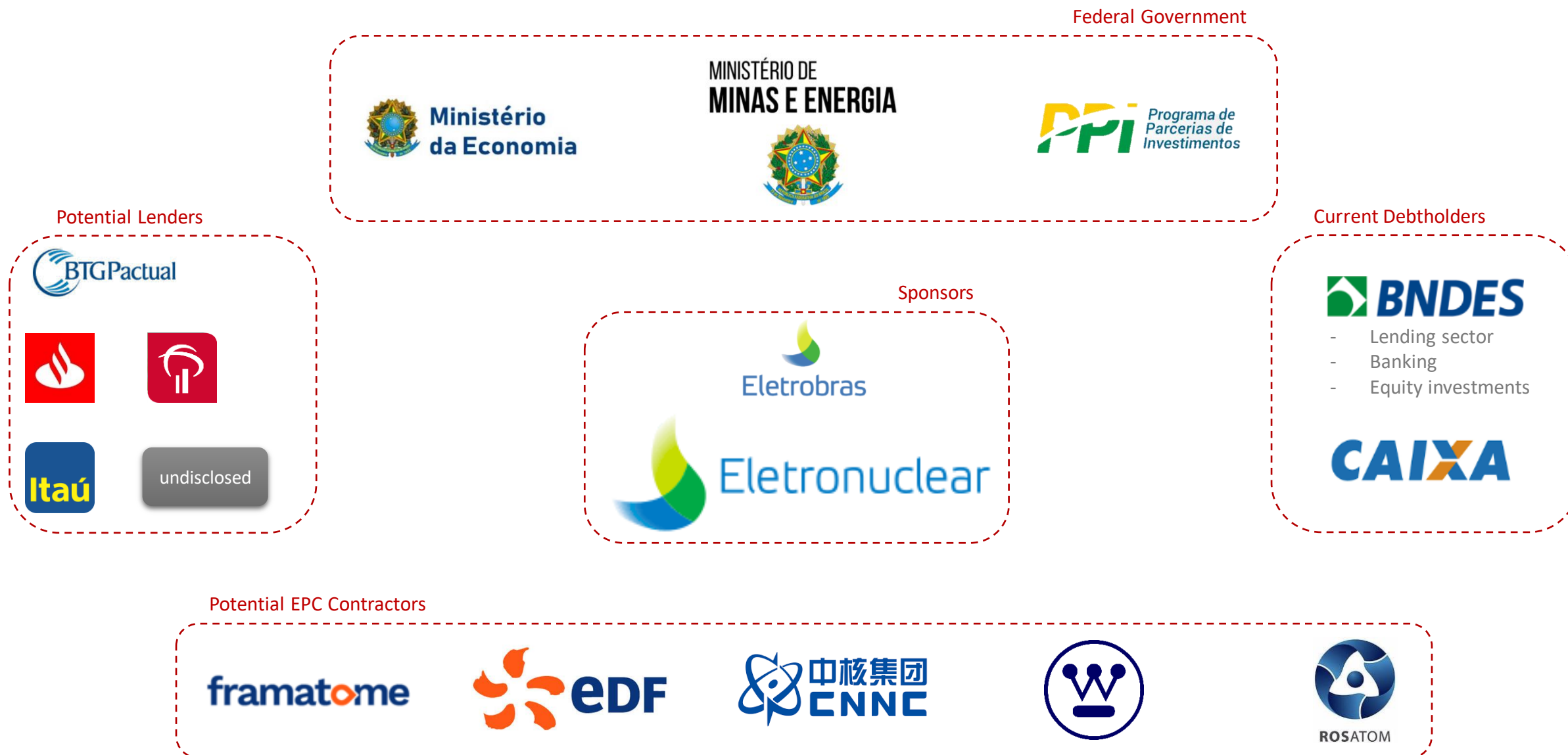


Low structuring costs

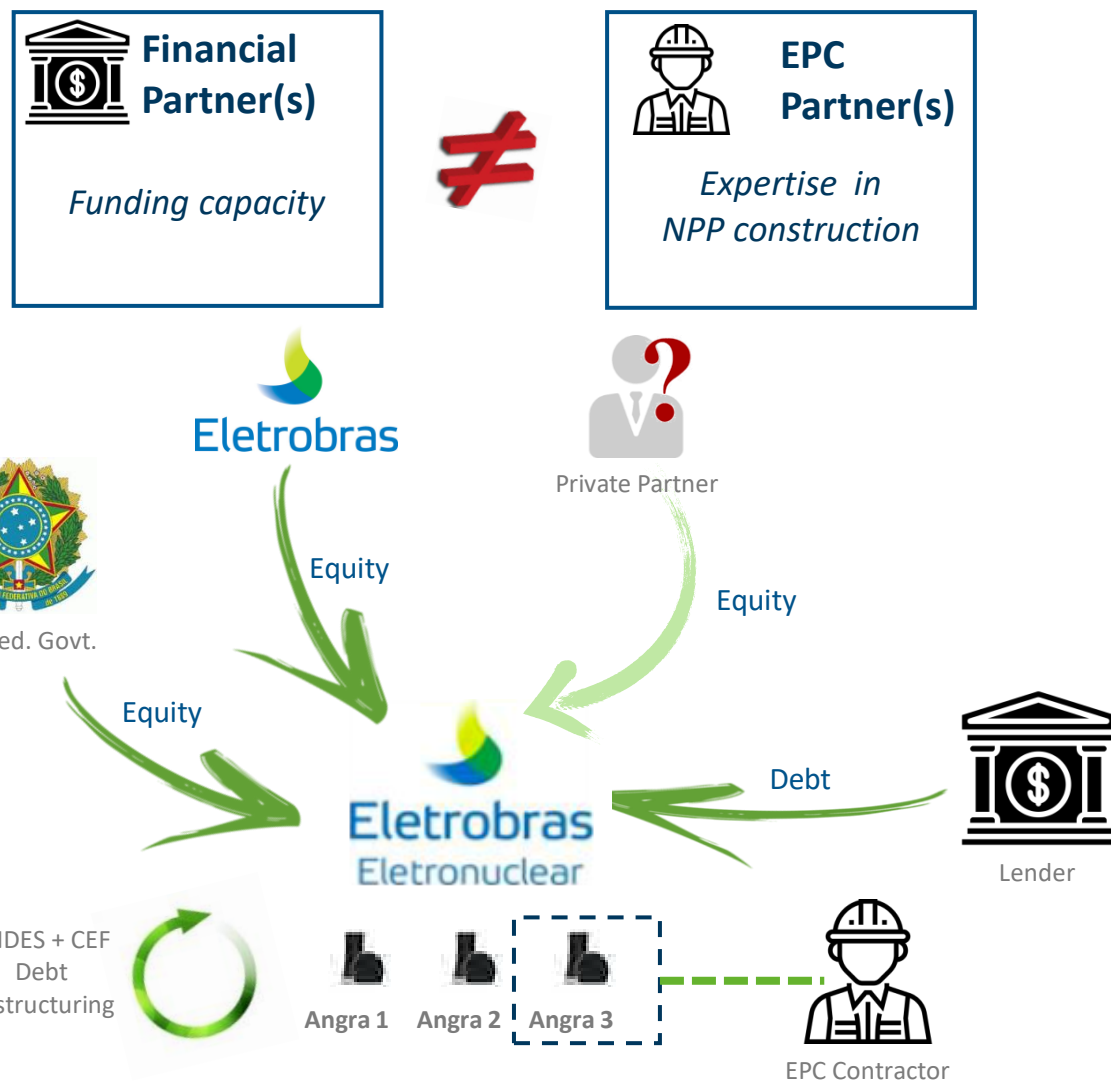


High risk of execution

# Aligning Model Parameters with multiple stakeholders



## New Model: 2 sets of partners



**Fed. Govt. and Eletrobras less exposed to risks**



**Largest set of potential partners**



**Better risk allocation**

- Facilitates negotiation (i) with current debtholders for debt restructuring, and (ii) with Fed Govt. to obtain guarantees.



**Governance mechanisms for work execution**

- Independent Engineer and Owner/Lender Engineer
- Allocation of responsibilities



**Higher structuring costs**

# Information and Cost Saving

Information

Deep and accurate DDs =>  
risk mapping  
Optimized allocation of  
responsibilities  
Clear definition of  
interfaces  
Clear contracts  
Investor segmentation

Lower level of risk  
remaining to Eletronuclear  
and to Fed. Govt.  
Less risk of partners  
attractiveness  
Lower risk premium (cost)  
charged by partners  
Lower energy price for  
consumers

Costs and Risks



**EPC  
Partner(s)**

*Expertise in  
NPP construction*

- What is the current state of works and equipment?
- What will be the responsibility of each agent?
- Who will be responsible for integrating the “packages” of the remaining scope with the works already been executed?
- Does ETN have the financial capacity to honor EPC contracts?



**Financial  
Partner(s)**

*Funding capacity*

- What is the level of risk of delays and cost overrun?
- What is the mitigation strategy regarding these risks?
- Are there any hidden liabilities in the company or, more specifically, in Angra 3?
- Will ETN have the payment capacity to honor new and old debts?
- How to optimize risk and financing cost by tranches?



## Phase 2: Project Structuring

### Service A



Technical  
Evaluation

Engineering  
Advisory

EPC Designing

### Service B



Accounting DD

Licensing DD

ESG DD

Human Res. DD

Legal DD

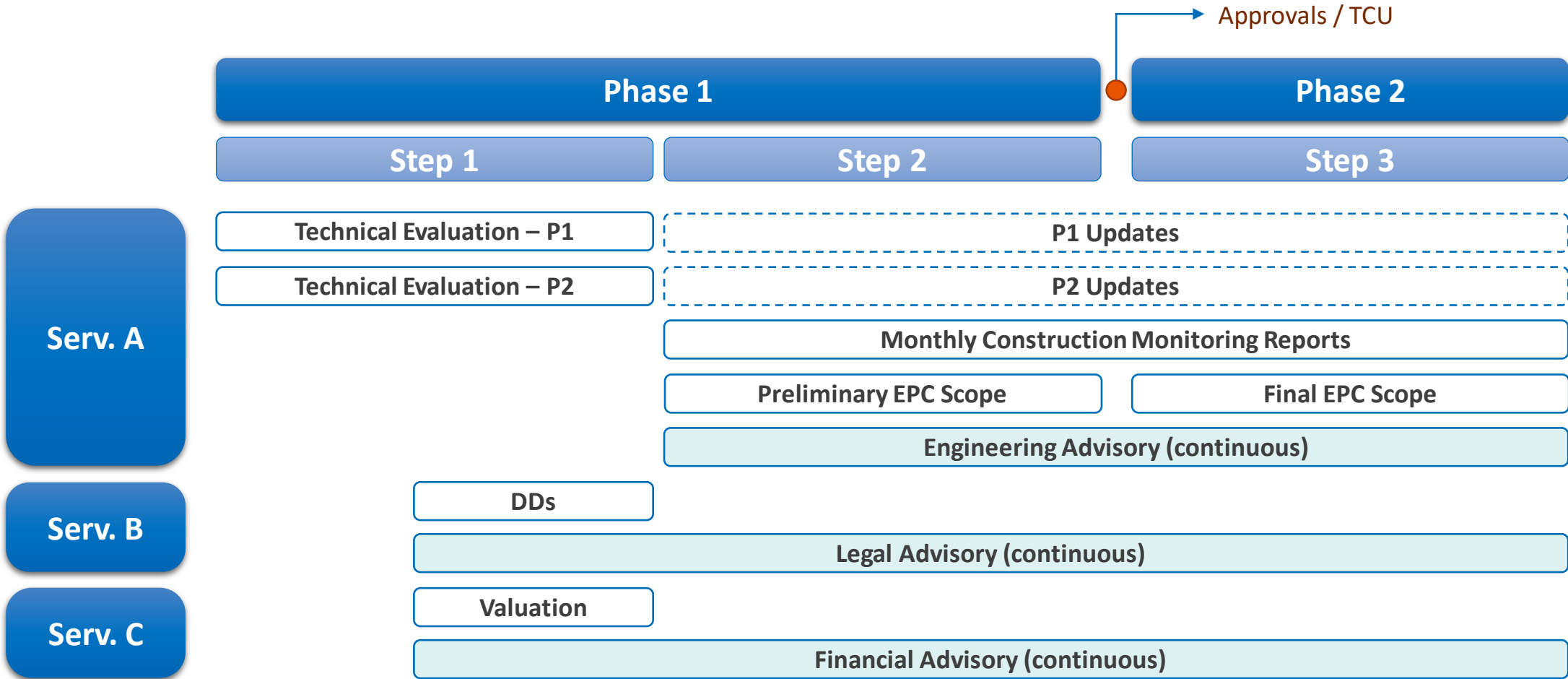
Legal Advisory

### Service C



Financial Advisory

Valuation



# Thank you!

filipe.bordalo@bndes.gov.br

guilherme.garcia@bndes.gov.br



**BNDDES Portal**

[www.bndes.gov.br](http://www.bndes.gov.br)



**Business Services**

0800 702 6337

International Calls

+55 21 3747 6337



**Ombudsman**

0800 702 6307

[www.bndes.gov.br/ouvidoria](http://www.bndes.gov.br/ouvidoria)



**Contact us**

[www.bndes.gov.br/faleconosco](http://www.bndes.gov.br/faleconosco)



[facebook.com/bndes.imprensa](https://facebook.com/bndes.imprensa)



[twitter.com/bndes](https://twitter.com/bndes)



[youtube.com/bndesgovbr](https://youtube.com/bndesgovbr)



[linkedin.com/company/bndes](https://linkedin.com/company/bndes)



**BNDDES**

*The Brazilian  
development bank*