BUCKSTOP

For energy desks and credit teams

Credit committee checklist

Renewable energy collateral valuations

12 questions to answer before the memo goes to committee, and the red flags that can send a deal back for another round.

Value

- [ ] **1. What would the bank actually recover?**
  Red flag: contract price or replacement cost presented as the collateral value.
- [ ] **2. What backs the numbers?**
  Red flag: values with no stated source, or comps from a different asset type.
- [ ] **3. How does value change over the loan?**
  Red flag: one value at closing, with no view of the period before COD.

Enforcement

- [ ] **4. What would removal cost?**
  Red flag: a single lump sum, or salvage assumed to cover all removal costs.
- [ ] **5. How long could a sale take?**
  Red flag: no timeline, or an orderly-sale timeline used for a distressed case.
- [ ] **6. Can a new owner run the asset?**
  Red flag: software or warranties tied to the original owner or operator.

Asset risk

- [ ] **7. What degradation is assumed, and does it fit the site?**
  Red flag: no rate stated, or a generic rate applied to a hot-climate site.
- [ ] **8. Will there still be buyers for this technology?**
  Red flag: resale values that assume today's demand for an aging technology.
- [ ] **9. What happens at end of life?**
  Red flag: a single decommissioning number with no method behind it.

Process

- [ ] **10. Who prepared the values?**
  Red flag: values supplied by the developer, sponsor or equipment vendor.
- [ ] **11. What is current, and what is projected?**
  Red flag: projected post-COD values presented as if they were current.
- [ ] **12. When will the values be refreshed?**
  Red flag: a one-time valuation at closing with no plan to revisit it.

Risk management on autopilot

With Buckstop, energy desks get independent collateral valuations for renewable energy assets and can track collateral value as projects move toward COD.

buckstop.com/credit-committee

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