



# New Energy Risk partners with Bloom Energy on its capital raise with performance insurance

CASE STUDY



"With New Energy Risk's help, we were able to close financing and reduce the cost of our capital, which allowed us to deliver a more competitively priced product to our end users."

**Scott Reynolds,**  
Managing Director, Bloom Energy

# The Client

Bloom Energy

## WHAT WE PROVIDE

### Insurance solutions that address risks associated with:

- » Technology performance
- » Commissioning
- » Product warranty backstops
- » Operational life
- » Maintenance & procedures

 **INDUSTRY**  
**Utilities - Independent Power Producers (Fuel Cells)**

 **LOCATION**  
**USA**

Bloom Energy's mission is to make clean, reliable, and affordable energy available to everyone in the world. Its product, the Bloom Energy Server, can deliver reliable, uninterrupted, 24/7 electric power that is clean and sustainable.

## Challenges

### Secure the highest amount of project financing with the lowest interest rate possible

In 2013, Bloom Energy faced four primary challenges:

- 1 Financing a New Technology**  
— Bloom Energy's technology was new to the market and unfamiliar to conventional debt financiers
- 2 Complex Risk Assessment**  
— A mix of test and operational data coupled with a highly engineered system made risk assessment difficult for customers and financiers
- 3 Execution Uncertainty**  
— Attracting conventional financiers would take additional time, increasing perceived risk

#### 4 Utility-Scale Timelines

For the peace of mind of both customers and financiers, Bloom Energy would need to guarantee fuel cell performance over the long life of its contracts

Even though Bloom Energy was a venture-backed company that had raised several hundred million dollars from established venture capital investors, Bloom Energy's solid oxide fuel cell technology was new to the market and unfamiliar to large-scale debt financiers.

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“New Energy Risk made it easy for mainstream investors to invest in a new asset class because they'd done the intense technical diligence and could prove to the market that we'd hit our performance goals. That provided certainty to our process, which is extremely important to us.”

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## Solution

### Multiple performance insurance policies to support the financing and deployment of Bloom Energy's fuel cell projects

Between 2013–2015, New Energy Risk (NER) helped Bloom Energy secure performance insurance policies to support three different types of financing:

- 1 A large loan in 2013
- 2 A larger bond financing in 2014
- 3 An even larger syndicated bank loan in 2015

NER used its technoeconomic models to form a risk profile of Bloom Energy's emerging fuel cell technology. Then, it helped Bloom Energy structure insurance, which was customized to the debt used to finance the fuel cells.

NER's risk assessment—and the subsequent insurance policies it helped create—allowed Bloom Energy to attract more investors and close its financing deals with more favorable rates in a shorter time frame.

“New Energy Risk was willing to go through all the intensive technical diligence to understand our technology. They have the expertise to quantify what the risk actually is.”

## Results

### More certainty in execution and financing of sales

NER helped Bloom Energy secure performance insurance thanks to NER's affiliation with AXA XL (S&P AA-). By creating a brand new, bespoke insurance solution, NER's work with Bloom Energy allowed it to:

- 1 Reduce the cost of financing the installation of hundreds of Bloom Energy Servers
- 2 Reduce the time needed for financing with minimal disruptions to operations, creating more certainty of execution
- 3 Offer customers a unique and cost-effective 15-year warranty to support the generation of electricity

NER's involvement enabled Bloom Energy to close project financing more quickly, reduce its cost of capital, deliver a more competitively priced product to its customers, and scale up its business from the early stages of development to rapid deployment.

“New Energy Risk facilitates investors to more quickly gain approval from their investment committees rather than undergoing lengthy technical discussions with many parties during the credit committee process.”



**You're creating the technology  
that's changing the world.  
We want to help.**

**CONTACT US**

**3555 Alameda de las Pulgas, 2nd Floor  
Menlo Park, CA 94025**

**+1 (833) NEW-RISK  
contact@newenergyrisk.com**

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