

The power behind your renewable energy business

Sourcing the solution, negotiating the value,
delivering the confidence; for your renewable
energy project.



Now, more than ever before, the UK's £41.2bn¹ renewable energy sector faces uncertainty and changes in the market.

From targeted net-zero emissions by 2050, to concerns around new technologies, the increasing awareness of climate change issues and a hardening insurance market, the UK renewable energy sector is facing significant challenges from political, environmental and social pressures.

¹ | ons.gov.uk/economy/environmentalaccounts/bulletins/finalesimates/2020



Insurance market

Rates and excesses are increasing and cover is harder.



Political pressures

Increasing national targets for zero carbon. Vision vs. reality.



Climate emergency

Projects are increasingly vulnerable to extreme weather conditions – floods.



Financial modelling

Ensuring support mechanisms drive good behaviours and long-term growth.



New technologies

Projects remain vulnerable to mechanical and electrical breakdown in a period of continued technical innovation.



The renewable energy challenge

Insurance market

The renewable energy insurance market is hardening. Rates and excesses are increasing and cover is harder to find. Reasons for this range from component vulnerability, defective designs, extreme weather damage and increasing fire and theft claims. Plus, changes in technology bring new ways of doing things that carry unknown levels of risk. 'Normal' levels of risk are therefore increasingly tougher to estimate and needs to be repeatedly re-understood, making insurance more difficult to secure. Owners, operators, developers and contractors should seek guidance at the design stage so the risks and insurance implications that a proposed project may have (fire and flood protections, process design and appropriate security standards) are better understood to help negotiate appropriate cover.

Political pressures

Politicised issues make for uncertainty and change in the market. We've seen increasingly urgent appeals for governments to act on climate change. And in June 2019 the UK became the first major economy to agree to a legally-binding target of net-zero emissions by 2050. To achieve this the government will need to enact an ambitious policy response and businesses are planning for all eventualities dependent on changing policies.

The renewable energy challenge

Climate emergency

Global warming has resulted in noticeable changes to our seasons. The UK's weather is becoming more extreme, renewable energy plants are increasingly vulnerable to damage from these drastic storms and floods as projects are often sited next to areas of high hazard natural catastrophe exposure. The effects of climate change also has consequences for energy supply. Capacity is highly dependent on weather conditions, and these unpredictable changes are creating numerous challenges when it comes to reliability and stability.

Socially, the UK's seen increasing awareness of climate change issues with various protests and high visibility of the renewable energy sector being critical to the solution. There's a rising tide of support looking for solutions. And this is reflected in the rise of renewables in 2019 which helped drive generation from coal and gas plants down by 6% from the year before.²

Following the COVID-19 lockdown, the UK has beaten its previous record for the longest period of time where we have had no coal-fired power generation on the grid.³ This has huge implications for the industry as it shows the national grid can in fact take renewable energy power.

² | <https://www.theguardian.com/business/2020/jan/07/renewables-beat-fossil-fuels-greenest-year-uk-energy#:~:text=The%20rise%20of%20renewables%20helped,and%2083%20days%20last%20year>

³ | <https://www.bbc.co.uk/news/science-environment-52973089>



The renewable energy challenge

Financial modelling

The new support mechanisms (tariffs or grants) that the Government is introducing in the UK, must support the long-term growth of the renewable energy sector to continue to encourage investment. The support mechanisms should also drive good behaviours in order that the deployment of technologies and other environmentally beneficial measures are delivered in the right way. This will ensure the UK renewable energy sector will assist in delivering the net zero target in a safe and productive manner.

New technologies

The sector incorporates a range of technologies; battery storage, wind turbines, solar panels, hydroelectric plants, biomass power stations, anaerobic digestion systems, wave and tidal power generators, ground source heat pumps and hydrogen cells, with many at different stages of development. However, some projects remain vulnerable to mechanical and electrical breakdown in a period of continued technical innovation in the sector. Looking forward, offshore floating solar has huge potential and static compensators is something to keep an eye on. But more radical breakthroughs might be needed to solve longer-term seasonal/regional weather variation challenges, such as the merging of technologies to work together.



Engrained in the renewable energy industry, we're committed to supporting the evolving needs of your growing business. And as your insurance partner to lean on - whatever the deadline, we make it achievable.



Confidence for you, confidence for your shareholders, confident we can deliver on time.

An expert, powerful, and responsive team helping to make it easy for you.

- 1| Global reach, local focus** – we combine the power of Marsh with the passion of our people; world-class expertise with a personal touch, all on your doorstep.
- 2| Recognised by the renewable energy industry** – we are valued members of the Renewable Energy Association and the Anaerobic Digestion and Bioresources Association.
- 3| Helping the industry move forwards** – our certification scheme with ADBA for AD plants is just one of many ways we are trying to bridge the gap between you and the insurers to get your project's protected.
- 4| Strong reputation and relationships with insurers** – by offering due diligence on the design, construction, and operational controls that insurers expect, or a gap analysis on your current insurance programme, we're able to negotiate for you, to get the best policy, cover and lenders agreements, to help make your projects bankable.
- 5| We'll be there if you have to make a claim** - our in-house teams of claims managers and loss adjusters make the process efficient and solution-focused should you need support with a claim.



Insurance policies you can rely on

Competitive, comprehensive and tailored to you.

Owner Controlled Insurance Programme (OCIP).

One policy through construction into operation of the plant OCIP cover can include;

- construction all risk
- delay in start-up
- public and employers' liability
- marine and transit
- first year operational policies.



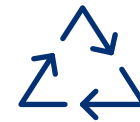
Biomass systems



Hydro facilities



Solar panel farms



Waste to energy



Anaerobic digestion and biogas



Battery storage



Wind farms (on-shore and off-shore)



Geothermal



Combined heat and power units



Electric vehicle



Wave and tidal

Guiding you through the unseen risks

Bringing you confidence to deliver your project so you're secure and ready for the next one.

Development/concept risks	Planning/design risks	Construction/execution risks	Operational/maintenance risks
Lack of structured risk management framework			
Insurance programme doesn't adhere to contractual requirements			
Inadequate insurance investigations across the supply chain			
	Failure to obtain insurer approval on the supply chain, materials, design, key equipment and plant		
	Design doesn't meet insurer requirements		
		Delayed completion	
		Insufficient site controls	
Failure to insure third party and own liability risks			
		Lack of crisis control leading to reputational damage	
		Supply chain issues	
		Environmental risks	
		Property damage	
		Inadequate risk and claims management	
			Revenue loss and refinancing
			Decommissioning and/or exit strategy

Marsh Commercial can support you with

- assessing, quantifying and mitigating risk
- risk and insurance due diligence services
- access to directors and officers insurance
- access to employers liability cover
- access to public and products liability cover.

- health and safety advice and support
- access to full project insurance cover
- access to environmental liability insurance
- assess project to meet insurer requirements

- access to construction all risk insurance. This provides protection against the cost of any damage to the insured property which occurs during the period of insurance.
- access to delay in start-up cover. This protects the insured for loss of income during the period of delay after the scheduled date for completion and handover.
- identifying your risks, and helping put measures in place to reduce claims while putting you in a better place to defend against future claims.
- carrying out periodical site surveys, if required, to ensure the project is meeting the requirements placed against it.

- insurance claim services
- support if you are looking to refinance or gain access to additional capital
- a full operational insurance program, including material damage, mechanical breakdown and business interruption
- ongoing insurance program and claims management reviews

Driving to a brighter future Iduna

A real life example

Founded in 2020, Iduna's applying a pioneering approach to grow Greater Manchester's electric vehicle (EV) charging infrastructure.

What was the situation the client faced?

Getting the right insurance in place was a must have for securing a significant contract which proved more challenging than anticipated. The unique, innovative nature of the company's business and its private/public partnership model proved a further stumbling block.

How did we help find a solution?

We worked closely with Iduna to understand their specific needs to come back with a pragmatic and viable solution. The insurance framework created enabled Iduna to take over the management and development of the existing Be.EV network of 132 fast and rapid chargers, membership and brand, and undertake a phased expansion of the charging network together with the delivery of enhanced customer experiences.

Key achievements

- Rapid creation of unique insurance framework that enabled Iduna to acquire its first public/private partnership contract.
- Pragmatic and iterative approach to problem solving ensures unique new business models/concepts can flourish.
- Consultative partnership working with clients that supports Iduna as it scales its business operations.





Frequently asked questions

What specialist sectors do you cover?

Our experience enables us to negotiate competitive insurance and risk management solutions focused on your needs. The sectors we can cover are: Biomass systems, anaerobic digestion and biogas, hydro facilities, geothermal, battery storage, combined heat and power units, solar panel farms (roof and ground mounted), wind farms (on-shore and off-shore), waste to energy, electric vehicle charging points, transport.

Doesn't my business insurance cover equipment?

Some business insurers provide basic material damage cover for equipment, but it rarely provides cover for loss of revenue or breakdown cover potentially leaving you severely exposed.

Why would I need business interruption insurance when I have a warranty?

Whilst a warranty will cover labour and parts that are faulty and need repairing or replacing, it will not cover the loss of income caused by the plant not running at its normal capacity for example, if you experience a delay in your plant being repaired.

Are you able to provide cover under one policy through construction into operation of the plant?

Yes. Insurers prefer to be involved as early as possible. Involving an insurer from the outset clearly benefits your project as:

1. They will understand your plant; and
2. You will be able to factor in loss mitigation controls they require from the outset. It is more financially viable from a Capital Expenditure (CAPEX) perspective to do this than trying to retrofit which can be extremely costly.

Can you help me understand and meet funders' requirements and clauses?

Yes, we have over 20 years industry experience, understand funder requirements and can provide the advice and insurance programme conditions required.

Meet the team



Phil Huggins

Worcester

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Phil is Head of Office for Worcester and has been with Marsh Commercial for five years. He's racked up an impressive 31 years' experience within the insurance industry with various roles ranging from underwriting, claims, broking and management. During that time he has amassed a wealth of experience with specific skills in property and casualty insurance, personal insurance and risk management, and is professionally qualified to Dip CII.



Joe McGorman

Worcester

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With a wide range of experience in the insurance industry, Joe started his career in commercial insurance and joined Marsh Commercial's renewable energy team in 2019. Joe has built up a wealth of experience across all technologies and is instrumental in assisting clients, from those involved in the supply chain through to funders and developers.



Emily Nichols

Worcester

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Since joining the industry over 10 years ago, Emily has enjoyed a variety of roles in a number of areas including underwriting, claims, client service and more recently bid management. She is dedicated to delivering the very best of Marsh Commercial to our current and future clients. Emily has also led the Marsh Young Professionals CRG, a group that provides young professionals with networking, learning and development opportunities.

National coverage, local relationships

Specialist

Over 300+ renewable energy clients across the UK.

Experienced

Actively engaged in future-proofing the UK's renewable energy market.

Consultative

We're advisers, not salespeople, here to support you, your project and your stakeholders.

Committed

Representing your best efforts and what is best for your project.

Capable

Access to insurance and risk services as part of one of the world's largest brokers.

Industry recognition

- A valued member of the Renewable Energy Association
- A valued member of ADBA





For more information visit:

[marshcommercial.co.uk/for-business/
renewable-energy-insurance](https://marshcommercial.co.uk/for-business/renewable-energy-insurance)

Or contact us at:

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