

Earth Day: Ukraine War Pushes Energy Efficiency Rethink

April 2022

The Ukraine war has realigned economic priorities: countries are scrambling to secure stable food and energy supplies. The EC aims to replace 100 bn m3 of Russian gas this year by tapping alternative [supply sources](#) (such as LNG from the US) and boosting capacity in renewables. Non-renewable production is being ramped up everywhere to plug the immediate gaps, but the energy shock is a huge boost for renewables, including [wind and solar power](#). Figures 1 and 2 show the impact of efficiency measures and the relative efficiency of various energy sources.

Figure 1: Changing Habits vs Changing Technology

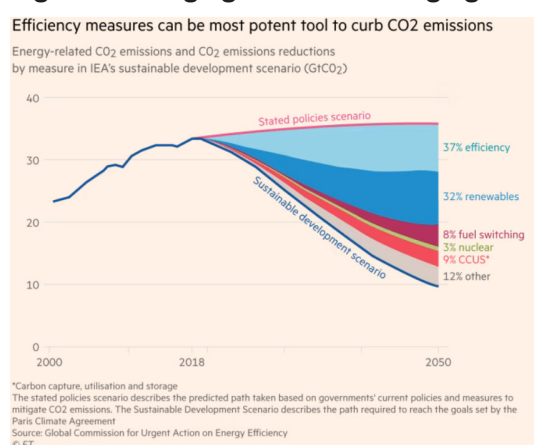
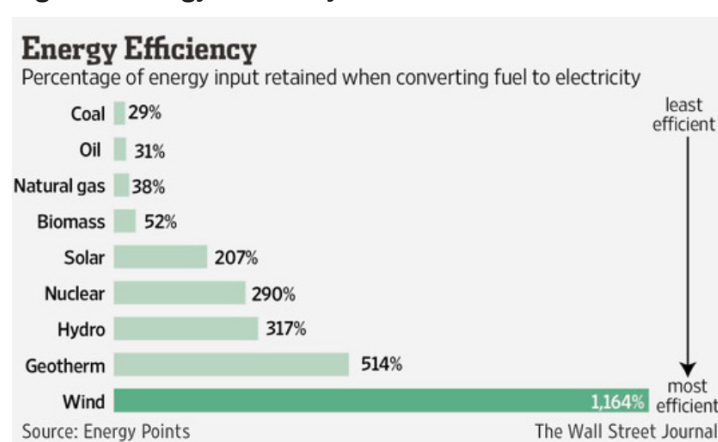


Figure 2: Energy Efficiency

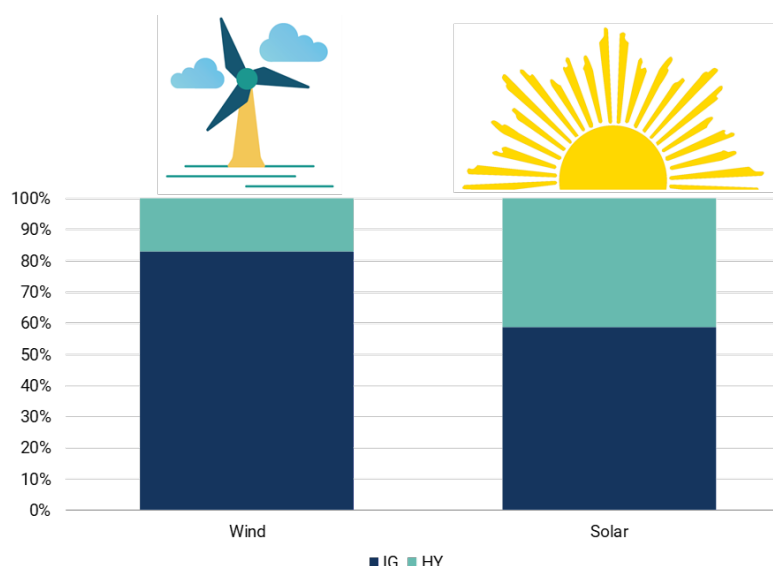


One of the most effective ways of curbing CO2 emissions is greater efficiency in energy usage from any source – by insulating homes, turning down heating, and using less hot water.

Non-renewables are also highly efficient; but some of the greenest technologies are also paradoxically dependent on the increasingly [volatile climate](#). Until large scale energy storage becomes cost-effective, diversity in technologies is critical to ensure stable supplies from renewable sources.

Consensus credit ratings cover 41 wind companies and 51 solar companies. Figure 3 shows the Investment Grade (IG) High Yield (HY) balance for each.

Figure 3: Mar-22 IG/HY balance; Wind and Solar



Over 80% of the companies in the wind power consensus aggregate have an investment grade rating.

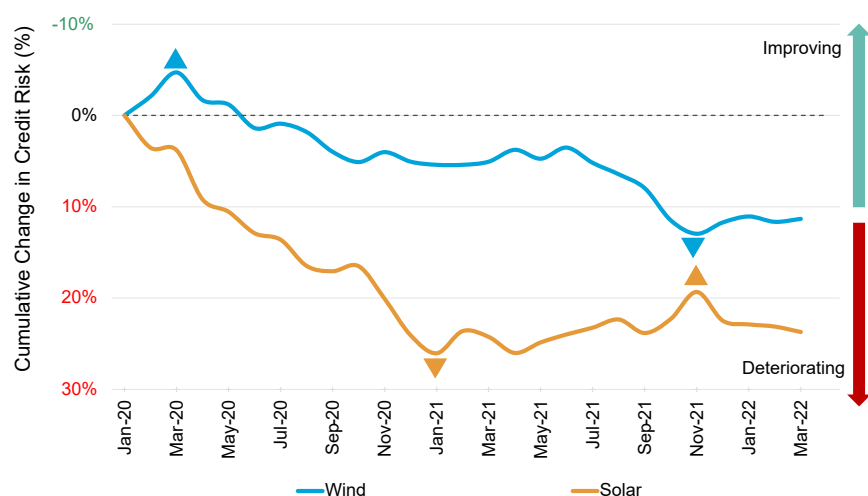
More than half of companies in the solar power consensus aggregate are investment grade.

The proportion of investment grade companies in the Conventional Electricity sector in various geographies is typically in the range of 60% to 70%.

For traditional Oil & Gas companies, the investment grade proportion is 47%.

Figure 4 shows credit trends for these wind and solar companies.

Figure 4: Credit Trends; Wind and Solar



Source: Credit Benchmark

At the beginning of the COVID crisis, average solar company credit risk increased 26%. Credit quality modestly improved from early 2021 but this has faded in recent months.

The pandemic had less impact on wind company credit risk, deteriorating from Mar-20 to Nov-21. Recent months show signs of stabilisation and possible improvement.

The Ukraine war is changing the credit landscape – any shift towards green energy is likely to be reflected in major credit improvements in these aggregates.

Figures 5.1 and 5.2 shows Credit Consensus Ratings and country of risk for some of the companies included in these aggregates.

Figure 5.1 Solar Companies

Company Name	Credit Consensus Rating	Country
FIRST SOLAR INC	bb+	US
SUNRUN INC	b-	US
CANADIAN SOLAR INC	bb	Canada
EMERALD STATE SOLAR LLC	bb+	US
BUCKTHORN SOLAR PORTFOLIO LLC	bb	US
CEL F SOLAR SYSTEMS LTD	bb-	UK
JINKOSOLAR HOLDING CO LTD	bb	China
NORTHLAND POWER SOLAR ABITIBI LP	bbb+	Canada
AUSTRIANSOLAR CHILE CUATRO SPA	b	Chile
8POINT3 SOLAR INVESTCO 3 LLC	bbb	US
CLARE SOLAR FARM FINANCE PTY LTD	bb	Australia
CD GLOBAL SOLAR II BORROWER LLC	bbb	US
DESERT SUNLIGHT 250 LLC	bb-	US
8MINUTE US SOLAR HOLDINGS LLC	b+	US
QUATTRO SOLAR NORTHEAST LLC	bbb	US
NIMH SOLAR LLC	bb+	US
GREEN EAGLE SOLAR HOLDINGS LLC	bbb	US
RENEW SOLAR CS7 BORROWER LLC	bb	US
QUATTRO SOLAR NATIONAL LLC	bbb+	US
SERREZUELA SOLAR II FINCO SL	bbb-	Spain

Figure 5.2 Wind Companies

Company Name	Credit Consensus Rating	Country
TRITON KNOLL OFFSHORE WIND FARM LTD	bbb-	UK
VESTAS WIND SYSTEMS AS	a-	Denmark
BEATRICE OFFSHORE WINDFARM LTD	bbb	UK
PHEASANT RUN WIND LLC	bbb	US
TX JUMBO ROAD WIND LLC	b	US
MARSHALL WIND ENERGY LLC	bbb-	US
FREE STATE WINDPOWER LLC	bbb	US
SEAGREEN WIND ENERGY LTD	bbb	UK
GOSHEN WIND LP	a	Canada
PINYON PINES WIND II LLC	bbb-	US
BROOKFIELD POWER WIND PRINCE	bbb+	Canada
SEIGNEURIE DE BEAUPRE WIND FARMS	bbb+	Canada
BLAUWIND II CV	bbb-	Netherlands
EUROPEAN WIND INVESTMENTS GROUP LTD	bbb	UK
LAL LAL WIND FARMS FIN CO PTY LTD	bb	Australia
ROCK WIND HOLDINGS LLC	bb-	US
DOGBANK OFFSHORE WIND FARM	bbb-	UK
DUNDONNELL WIND FARM PTY LTD	bbb-	Australia
OFFSHORE WIND INVESTMENTS	bbb-	UK
EL SAUZ RANCH WIND HOLD CO LLC	bbb-	US

Companies on this list have limited or no rating agency coverage, so the Credit Consensus Rating shown here may be the most robust (or only) estimate of credit available.

Consensus Credit Ratings from Credit Benchmark are available via Bloomberg on CRDT <GO>, covering 30,000 Corporate and Financial issuers, many of them otherwise unrated.

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Credit Benchmark provides Credit Consensus Ratings and Analytics based on contributed risk views from 40+ of the world's leading financial institutions, including 15 GSIBs, domiciled in the US, Continental Europe, Switzerland, UK, Japan, Canada, Australia and South Africa.

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Credit Consensus Ratings and Analytics are available on over 60,000 corporate, financial, fund and sovereign entities globally, most of which are unrated by credit rating agencies.

Data that works for you

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- Counterparty Risk Management
- Credit Risk Management
- Systematic Credit Trading
- Securities Finance
- Supply Chain Risk
- Trade Credit Insurance
- Fund Management
- Regulation, RWA & Capital
- Onboarding, KYC & Relationship Management
- Point-in-Time (PIT) Impairments
- Accounts Payable & Receivable



10 Million

Contributed Credit Risk Estimates Per Year
40 Million+ Estimates Collected Since Launch



60,000+

Entities Covered



2x

Twice Monthly Frequency



75%

Unrated by Major Credit Rating Agencies



1,200+

Aggregates



120+

Countries



80+

Months of Data



50+

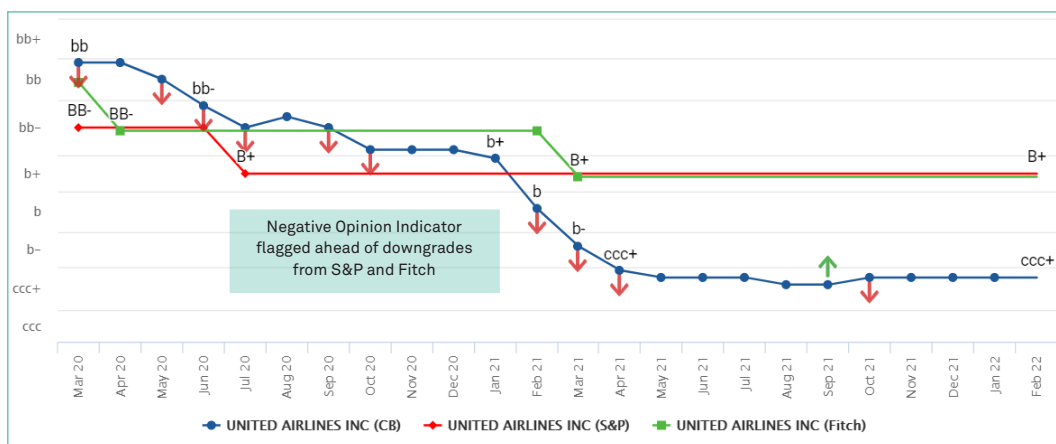
Data Metrics



40+

Contributing Financial Institutions Representing a Pool of 20,000+ Credit Analysts

Real-world risk views with unparalleled consensus coverage



Credit Consensus Rating:
Unique measure of creditworthiness based on the views of 40+ leading global financial institutions

Consensus Analytics:
Insights into the depth, dispersion, movement, and directionality of the Credit Consensus Rating's underlying views

Opinion Indicator: Month over month observation-level net downgrades or upgrades

Credit Benchmark Web App: Entity-Level Data Sample

Build screener with criteria below:

- ☒ S&P Rating is Unrated
- ☒ Fitch Rating is Unrated
- ☒ CCR is aaa, aa+, aa, aa-, a+, a, a-, bbb+, bbb, bbb-

+ Add Criteria (3/15)

44,628 Entities found

Screen for public and non-publicly rated entities within specific geographies, industries, sectors and within your defined rating thresholds

Save Run Clear All Criteria

CBID	Entity Name	Credit Consensus Rating	S&P Rating	Fitch Rating
CB0000000009	IHS GLOBAL CANADA LTD	bbb-	Unrated	Unrated
CB0000000025	GYP HOLDINGS III CORP	bb	Unrated	Unrated
CB0000000080	GESTIELLE CEDOLA DUAL BRAND	a-	Unrated	Unrated
CB0000000087	TRANE TECHNOLOGIES LUXEMBOURG FINANCE SA	bbb+	Unrated	Unrated
CB0000000088	TECK HIGHLAND VALLEY COPPER PARTNERSHIP	bbb	Unrated	Unrated

Credit Benchmark Web App: Data Screen Sample

Data that works for you:

Credit Benchmark data is available via our Web App, Excel add-in, API, flat-file download, and third-party channels including Bloomberg.

[Contact us to learn more and to start a trial of our data.](#)

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