



## ESG IMPACT: RENEWABLE ENERGY

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TDI provided a market entry risk assessment for private equity fund that was considering acquiring an existing renewable energy asset in Brazil. The acquisition included the purchase of independent solar and wind power generation assets with existing power purchase agreements (PPAs) with local state agencies as well as the exclusive rights to a planned solar and grid-scale battery site. The risk assessment focused on connectivity of key project stakeholders with the ongoing Lava Jato corruption scandal in Brazil as well as an analysis of potential political and market risk resulting from changes in government leadership and administrative rules impacting the power sector.

To further support the deal team's efforts, we also provided pre-transaction due diligence on the target's individual assets, current leadership, local partners, and limited partners. Our due diligence efforts included a combination of multi-language open-source research and confidential human-source inquiries in Brazil, Spain, and the US. In Brazil, the investigations evaluated the compliance risks associated with the original negotiators of the PPAs, local landowners who were leasing land to the target company, and the commercial purchaser of the generated electricity. Beyond Brazil, the third-party investigations focused on the reputational and economic, social, and governance (ESG) risk associated with the project's financial sponsors in Spain and other institution investors from the US.

Our efforts identified several points of connectivity to individuals associated with parties involved in the Lava Jato scandal, including direct relationships between key defendants in the corruption case. Intelligence developed from human-source inquiries also yielded critical information regarding the commercial aspects of the PPAs and potential unknown threats from competitor relationships with government officials. The insight we provided allowed the client a competitive edge in final acquisition negotiations and offered guidance of post-integration risk mitigation efforts to limit compliance risks and enhance the operations of the assets.