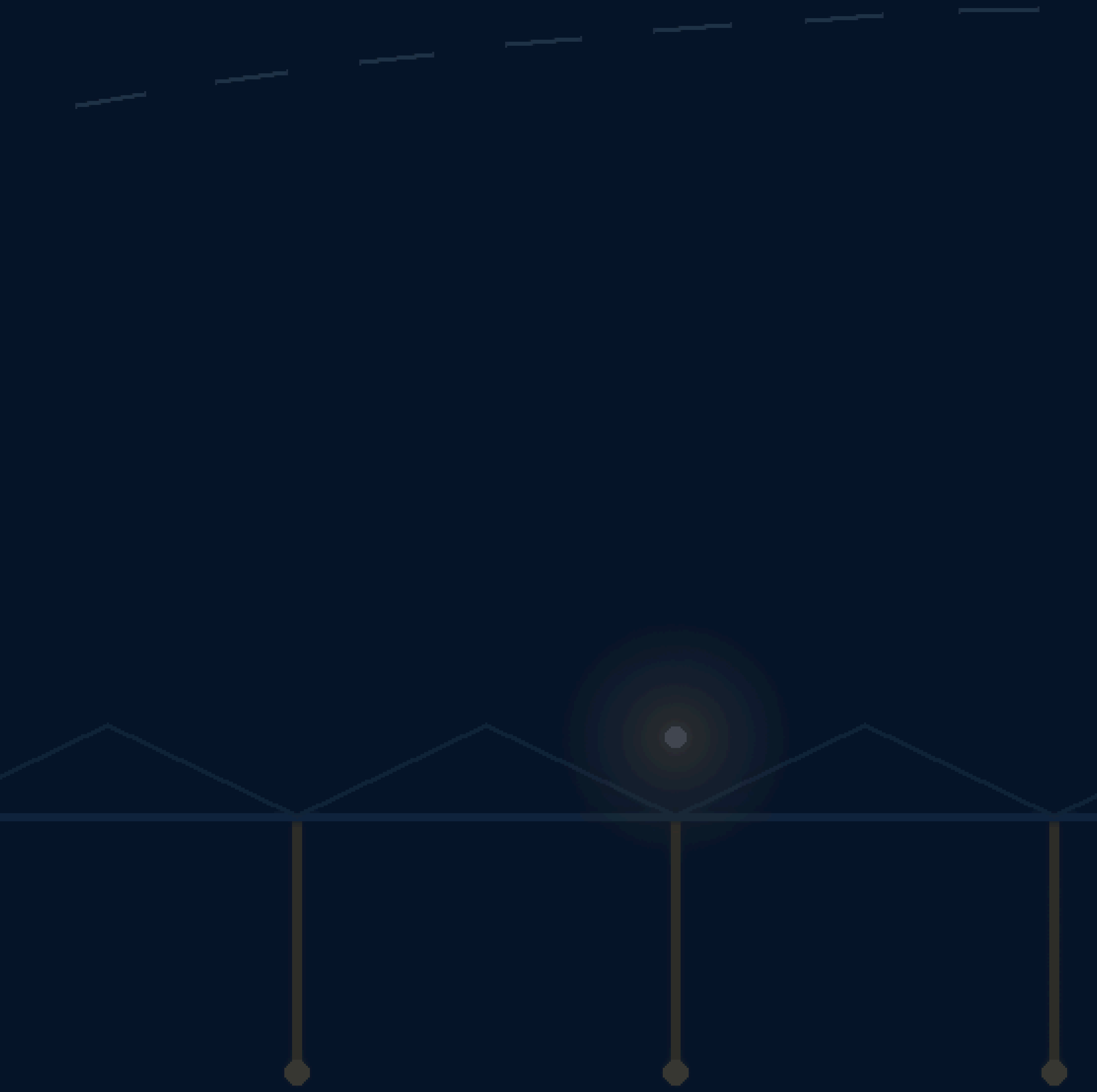

The Sponsor's Chair

Advisors who have built and operated infrastructure assets catch structuring risks that pure deal-modeling experience misses · because they've had to live with the deal after signing, not just get it signed.

By Diego Molina - Mediavertical

The best infrastructure advisor isn't the one with the cleanest model. It's the one who has sat in the sponsor's chair after closing and had to make the deal actually work · because that's where the risks career bankers underweight tend to show up first.

Sponsor-side advisors price operating risk into the structure, not just into the discount rate.

A deal-only banker's instinct, when a project carries real operating variability · fuel supply continuity, off-take counterparty risk, permitting timelines · is to reflect it in a higher required return. A sponsor who has actually run an asset knows that's not protection; it's just a number on a page. On a $45M co-generation project we structured and operated with FEMSA as the off-take counterparty, the questions that mattered most weren't about the discount rate at all · they were about fuel supply continuity, off-take volume and pricing terms, and permitting timeline risk, each of which needed contractual protection built into the structure, not a footnote in the model.

They know which conditions precedent actually protect the sponsor after closing.

A term sheet can be full of conditions precedent that look protective on paper and turn out to be unenforceable, ambiguous, or simply too late to matter once the sponsor is operating the asset. That distinction is hard to see from a deal desk. It's obvious from the other side of the table, where you're the one who has to invoke the protection if something goes wrong post-close.

They anticipate the treasury and working-capital reality of running the asset, not just financing it.

A financing structure can look clean in a model and still create a real cash crunch once the asset is operating · debt service coverage covenants that don't account for output variability, seasonal cash flow timing, or the lag between delivering power and collecting on it. Sponsor-side experience means you've felt that gap directly, not modeled around it.

They ask the operating question before the diligence checklist gets to it.

What happens if the off-taker's demand drops 15%? Who bears curtailment risk, and under what conditions? A pure banker's diligence process often reaches these questions late, if at all, because the person running the process has never had to manage the answer. An advisor who has operated the asset asks it on day one, because it's the question that actually determines whether the deal works three years in.

None of this is an argument against deal expertise · structuring skill, financing knowledge, and modeling rigor all matter, and they're table stakes. The argument is narrower: that skill set catches a different set of risks than the one a sponsor actually needs protected. The advisors who catch both are the ones who've done the deal from both chairs · modeled it, and then lived with it.

If you've sat on the sponsor side of a deal, what's the risk your advisor didn't see coming that you did?

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