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# Wind Power Future

With its focus on its specialised operations in renewable energy, project development, project financing, and offshore wind energy, InControl SA knows where the future of the energy market is heading.

Images by Michael Smits

InControl SA has been building itself as a reputable brand across the globe since 2005, offering state-of-the-art know-how and leadership through the different phases of the development, non-recourse financing, construction, and operation of renewable energy projects—in particular, wind farms. Its team boasts a solid track record of more than 20 years consolidated experience with multiple onshore and offshore wind farms already in operation.

Frank Coenen is co-founder of InControl SA and works alongside chairman and co-shareholder Preben Poulsen. From their head office in Luxembourg, they have

jointly overseen and managed the operations of the successful Belwind I (165 megawatt) project, the construction of Northwind (216 MW), and the development of Belwind II (165 MW) and Northwester II (224 MW).

Frank has a masters degree in law as well as a degree in business administration and economics. After graduating from university, he worked for a major bank in France and the UK for seven years before moving to Belgium. “I then became an entrepreneur,” Frank says, “meaning that I left the bank and acquired a business in the chemical industry. That is where I learned everything I know about doing business.”

Since its inception, InControl SA has had many successes. “I think the first one was a special one; a rather unusual one,” Frank notes. “I think our greatest achievement is that even though Preben and I are very different from one another, we get along well. The more different we are, the better we get along. That’s a strange one, but it has worked well for us. The second one is the acquisition of a shareholding in the Northwester II wind farm. The third one is not only the successful development, but also the financing and construction, of the Northwind wind farm which was an €850 million investment for which we organised the financing ourselves. We managed the whole development, financing, and ›





At first glance, there was a lot of risk in the pipeline.  
Looking at it more closely, we found it was clearly open to doing business.

It only takes one of our clients to ask Hywel Griffiths, our Risk Underwriter,

for help and this man of figures and reports turns into a man of action.

When he learned that one of our clients wanted to close a deal with a

start-up in Botswana which didn't have any financial figures, he took it

upon himself to go there for a marathon five-day visit. The facilities he saw,

the meetings he held and the investments already agreed proved to him

that, despite its lack of track record, this business was definitely ready for

the future. Completely reassured, he agreed to cover the risks. Better still,

he raised the credit limit by 48 per cent. Hywel Griffiths could have taken

the easy way out. He preferred to take a plane.



construction of the project, and completed it on time and with fewer than 2 per cent contingencies. That is pure business. Finally, the last one is the acquisition of a 150-megawatt onshore wind project in France.”

InControl SA prides itself on its risk assessment and safety practices. According to Frank, these are key values which are critical to the business’s operations. “Risk awareness is the ability to—or knowing how to—identify the risk, to allocate the risk and then to find solutions to it. That is extremely important in our business. The second value is independence. We work for large groups of investors and we guarantee and safeguard their interests. We give them peace of mind because they know that all risks during development, engineering, financing and construction are controlled by us. These investors can be equity investors or banks or the insurance companies who insure us. They all know that if we are involved in a project, we are there to safeguard their interests and not the interests of the suppliers or contractors. Our independence is therefore very important to us.”

That independence is what Frank believes gives InControl SA its competitive edge and what differentiates it in the market. In addition to that, he cites the company’s ability to manage all phases of the development—financing, construction, and operation of onshore and offshore wind farms—as a distinct advantage. Frank manages a highly experienced and skilled team that is equipped to complete several wind farms in succession. “That blend of skills and expertise makes us unique in the world,” he says.

InControl SA invests heavily in its staff, providing training and development courses to ensure the best service is consistently delivered to its clients. “While the business in the past consisted mainly of a limited number of highly specialised individuals and experts, we now also invest in the training and development of



younger people. This is in order for them to acquire the same levels of knowledge as the more experienced people. We try to solidify the know-how in giving youngsters the training and development they need in this kind of industry and market. We are ultimately trying to achieve a transfer of know-how.”

InControl views its relationships with its suppliers and other partners as being of major importance as they add significant value to its operations through their respective areas of expertise, new technologies, and innovative ideas. Other benefits include cost-effectiveness and uncompromised quality. Frank explains, “It is of key importance for me and my team to be able to access all the technologies brought to us and to make sure that only the best ones are chosen and used. That is an extremely important message for our key suppliers. They bring us know-how in technology and in other areas.”

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*“Delcredere | Ducroire was delighted to support the North Sea’s biggest offshore wind farm along with InControl. The wind farm produces enough clean energy to supply the needs of 250,000 households a year.”*  
- Dirk Terweduwe, CEO, Credendo Group

Trust is a critical factor to build stable alliances. These stable partnerships generate positive outcomes with fewer casualties, and projects are delivered on time and within budget. “We have around 20 key suppliers who have been instrumental in our success,” Frank says.

The power production market has experienced significant change since its inception. Offshore wind power plants have made the transition from just being perceived as green and sustainable wind turbines to being recognised as true and competing alternative power plants. Frank believes the offshore wind farms developed and constructed by InControl are no longer ‘wind farms’ but rather real power plants. Since the lack of power supply is becoming a strategic threat in several countries,

wind power plants are increasingly becoming vital in the energy mix. That is why InControl SA has embraced both onshore and offshore types.

“One of the main changes in recent years was the move away from constructors building windmills. That period has gone. Today, we build high-performing innovative wind power plants with state-of-the-art technologies that actively operate as real power stations. I think that is the biggest change we have seen.

“Another change is that we, as developers and constructors, have now also become financiers and risk management specialists. That is a significant evolution. It allowed us to become specialised financiers. We offered our investors more than €1.5 billion of non-recourse financed projects over the past three years.”

InControl SA has grown substantially over the years, culminating in the enviable position it finds itself in today. This is set to continue with new projects in its investors’ portfolio. Belwind II and Northwind II will be built in 2017 and 2018 respectively, while two other projects, in Denmark and the Netherlands, are also in the early stages of development. Furthermore, offshore wind developments are being considered in the US. Thanks to its highly respected business operations, Frank says that the projects managed by InControl are of such high quality that banks are prepared to lend up to 70 per cent of the total investment without additional guarantees from the shareholders or investors (non-recourse).

With success comes challenges, and InControl SA has had to overcome a few of its own. The biggest challenge, according to Frank, has been to ensure that the world understands that sustainable operations doesn’t simply mean ‘green’, but that sustainable also means a combination of things including being economical. “For example, 65 per cent of the current

power supply in France and Belgium is nuclear because that is what politicians believed to be the cheapest,” Frank explains. “However, the new nuclear power plants are more expensive than offshore wind power plants and they leave notorious pollution behind. Our operations, however, are green and economically sustainable.”

With no history of a dedicated offshore wind industry, InControl SA had to tackle the difficulties associated with being one of the first in that field. Preben and Frank had to work with equipment, contractors and vessels that had been dedicated to other sectors like oil and gas or dredging. These partners needed to adapt their operations and equipment to function in the new environment. “We are now seeing companies active in our market becoming more and more professional with dedicated equipment and experience,” Frank says. “In the past, we had to work with the challenge of less professionalism.

“Another challenge we had to overcome was that of several financial crises in the middle of the financing of two of our wind power plants. We financed Belwind I at the end of 2008 and in the beginning of 2009: the heart of the global financial crisis. Banks participating in the consortium suddenly lost their solvency. We experienced the same problems in the financial crisis of 2012 when the rating agencies downgraded several banks, but we managed to finance the €850 million Northwind farm. With no liquidity at all in the market, we had to be very creative to find new ways of financing. As my partner Preben says, ‘A good project always finds financing’.

“Through non-recourse project financing we have found a new way of financing future projects and established ourselves as a worldwide leader in this field. We continued financing these projects on a non-recourse basis, which means financing without guarantees provided by the shareholders. We are now in the



process of financing a new offshore wind farm at an investment of €600 million. Today, in 2015, the financial markets have changed again. Many banks have liquidities. We have to be careful to respect our relationship with banks, as banks from all over the world are now showing an interest in financing our projects. We will have to adapt to it. This pushes us to be flexible; to think out of the box and to be extremely inventive. It has been a huge challenge so far, but I think we handled it well. We are proud to say that we have financed €1.5 billion in total over the past four years and we did so in very difficult circumstances.”

Looking to the future, Frank knows that InControl SA will continue to go from strength to strength. “I think our business has become and will continue to be recognised as a major player in the production of electricity in the world for the next 50 years. Without a doubt, I think that wind will be the source of energy for between 15 to 25 per cent of all electricity generated worldwide, mainly because it is an extremely cost-effective way of producing electricity. It also leaves no after-effects or destruction for our children.” ●

