Rating Methodology for Wind Energy Projects

Background

As on December 31, 2014 the all India wind energy based capacity stood at 22,465 MW. The wind energy based capacity increased at a CAGR of 22% during the period from FY2005 to FY2014. The share of wind energy based capacity within the overall installed power generation capacity has steadily increased from 2% as on March 31, 2003 to about 9% as on December 31, 2014; it accounted for about 66% of overall renewable energy based capacity in the country as on December 31, 2014.

Initially, the key growth drivers for the wind energy sector were
a. Favourable fiscal policies of the Government of India (GoI) (accelerated depreciation\(^1\) (AD) benefit available till March 31, 2012; income tax holiday under Section 80 IA; soft loans from Indian Renewable Energy Development Authority; customs and excise duty benefits); and
b. Supportive regulatory policies such as National Action Plan on Climate Change (NAPCC), Renewable Purchase Obligation (RPO) requirement, Renewable Energy Certificate (REC) framework and also upward revision in feed-in wind tariffs across states

Further, demand growth in wind energy sector over the last 3 year period has been supported by the cost-competitiveness of wind energy as against the conventional fuel sources due to increasing dependence on costlier fuel imports with domestic fuel shortages (for both coal & gas) and persisting energy deficit on all India basis. The initial spurt in demand during FY2005 to FY2010 came from corporate customers and financial investors who were seeking to avail tax depreciation benefits. Subsequently, corporate customers with energy intensive operations in states like Tamil Nadu entered the wind power segment as captive power customers through banking & wheeling agreements to save power costs.

With an improved regulatory framework since FY2009-10 and the introduction of generation based incentives (GBI)\(^2\) the share of investment demand from IPP segment in wind energy sector has increased considerably to about 60-70% of the annual capacity additions in FY 2014. In line with the Electricity Act, 2003, the Central Electricity Regulatory Commission (CERC) introduced generic tariff norms\(^3\) for the wind energy sector in September 2009 and the State Electricity Regulatory

\(^1\) Accelerated depreciation (AD) @ 80% in the first year of operations was discontinued w.e.f. April 1, 2012 & subsequently, reintroduced w.e.f. April 2014 in budget approved in July 2014 by Government of India.

\(^2\) Generation based incentive (GBI) was introduced by GoI in December 2009 which provided an incentive of 50 paise for every unit generation by wind power projects commissioned between December 2009 and March 2012 with a cap of Rs.6.2 million per MW over a 10 year period subject to a maximum benefit of Rs.1.55 million per MW during any one year. While this scheme was discontinued w.e.f. April 1, 2012, it was later re-introduced w.e.f. April 1, 2013 & notified formally in August 2013 with enhanced ceiling benefit of Rs. 10 million per MW over a 10 year period.

\(^3\) Normative tariff is on levelised basis and ‘single part’ in nature, which remains uniform over the tariff period of 13 year & assumes the normative capital cost (which is subject to review annually based on Indexation) and is also specific to wind power density (WPD) in the location, as per CERC’s generic tariff norm principles. Tariff estimation by CERC also assumes...
Commissions (SERCs) in the states with wind energy potential have issued preferential tariff regulations. Also, SERCs in all the states have issued regulations for RPO i.e. a certain proportion of total consumption in the distribution licensee area to be purchased from the renewable energy source. An enabling framework of Renewable Energy Certificate (REC) to ensure RPO compliance was introduced in January 2010 by CERC and required REC regulations have subsequently been issued by SERCs across most states. Notwithstanding the favourable regulatory framework, wind energy projects have been facing the increased regulatory challenges arising from weak compliance of RPO norms by the obligated entities (mainly being state owned distribution utilities), inconsistency in tariff determination approach by SERCs as well as risk of constraints in allowing open access / banking facilities especially for projects who intend to supply to third party.

Rating Methodology

ICRA’s rating methodology for wind energy projects considers assessment of the business risk, management quality and financial risk profile. The methodology articulated below is applicable for a) issuers with green field project (single asset), b) issuers with an operational project (single asset), or c) issuers with a portfolio of projects (both operational and under implementation). For the sake of analytical convenience, the business risks are grouped under the following heads.

- Permitting risk
- Funding risk
- Construction risk
- Operating risk
- Demand risk
- Counter-party credit risk
- Force Majeure risk
- Political and Regulatory risk
- Legal Issues and Transaction Structure

Of the above, only green-field projects are exposed to permitting risk, funding risk and construction risk.

Key Rating Criteria

Permitting Risk

Permitting risk refers to an issuer’s ability to secure all statutory clearances required for constructing and operating a power plant, as well as comply with the environmental norms applicable. While assessing permitting risk, ICRA evaluates progress on land acquisition and also examines the status of various environmental & forest clearances (required for forest land parcels, if any) in accordance with the laws of the land, for the projects under implementation. Permitting risk for a green-field wind power project is relatively lower as compared with thermal or hydro based projects, given that the turnkey nature of project execution (which includes the acquisition & development of site at an identified location) by wind turbine equipment manufacturers minimises such risk for the project developers. Also, resettlement & rehabilitation (R&R) related requirement which is mainly associated with the acquisition of private land remains low, as such projects are mainly installed in hilly terrain areas which largely involve mix of revenue and forest land.

---

20% pre-tax return on equity (ROE) for the first 10 year period which is followed by 24% pre-tax RoE for the remaining 15 year period.

4 Turnkey responsibilities comprise of activities starting from identifying good windy sites, purchase/lease of land, obtaining various statutory permissions, manufacturing of wind turbines, installing and commissioning of the same and subsequently, providing of the operations & maintenance (O&M) services.
Funding Risk
Given the capital intensive nature of wind energy projects and the normative debt: equity ratio of 2.33 times as per regulatory framework, such projects tend to have a high leverage. The capital structure is also evaluated to assess whether the debt-equity ratio is comparable with that of other wind energy projects of similar size. The average cost of debt and the foreign exchange component in both equity and debt are also looked at. In case of equity, sources comprise of a) sponsor contribution, b) equity raising (either by project SPV or by holding company) from capital market through IPO or QIP and c) private placement of equity to strategic investors. Key sources of debt funding are financial institutions and banks. ICRA considers the extent to which the funding is already in place and the likelihood of the balance funding being available in time, so that project progress is not delayed. Clearly, the strength of the sponsors is an important risk mitigator even though project finance is expected to be a ‘non-recourse’. The strength of the promoter would also impart financial flexibility in funding shortfalls for equity tie-up as well as funding for cost overruns or other contingencies.

Construction Risk
Construction risks refer to risks associated with the physical construction of a plant as well as stabilisation of its design operating parameters subsequent to commissioning. Delays in either can lead to time and cost overruns. Fixed-price, fixed-time contracts, with adequate clauses for liquidated damages (LD) are usually the mitigants against construction risk (essentially, the risk gets transferred to the Engineering, Procurement & Construction, or EPC, contractor). Usually, the wind turbine generator manufacturing company is the EPC contractor, and there is no multiplicity of contractors, unlike in a thermal or hydro project. While assessing construction risk, ICRA takes into account the track record and experience of the EPC contractor in execution of wind projects. In all project ratings, ICRA carries out a sensitivity analysis to evaluate the impact of delay in commissioning or in stabilisation of process parameters on the projected cash flows and debt servicing ability. The liquidated damages clauses, which are part of the contract with the EPC contractor or the Operation & Maintenance (O&M) contractor, are also evaluated to assess their adequacy with respect to the loss of profits and/or liquidated damages payable by the developer.

Operating Risk
The operating risks for an issuer arise from variability in wind speed which affects the plant’s utilisation factor and possibility of plant performance being lower than the guaranteed parameters as specified in the operation & maintenance (O&M) agreement. The PLF of a wind energy based plant is vulnerable to variability in wind speed, which is susceptible to climatic and weather conditions at any location. For an issuer with multiple projects, ICRA focuses on the share and performance of operational projects to assess revenue stability and execution risk for the issuer. ICRA analyses the actual performance (especially PLF & machine availability) for the operational projects and its variance against the P-90\(^5\) or P-75 estimates of the wind resource assessment study by the entity’s consultant. While assessing wind variability risk, ICRA considers the base case PLF in its financial projections in line with P-90 estimate of the wind resource assessment study, even if the actual PLF pattern reflects an improvement.

ICRA assesses the track record and experience of the O&M contractor; in the wind energy sector, the O&M contractor is usually the EPC contractor. ICRA scrutinises the O&M contract to assess the responsibilities of the contractor and the mitigants available (such as liquidated damages for any shortfall in machine availability beyond the guarantee level) in case of any underperformance.

In case of an issuer with multiple projects at different locations, ICRA focuses on the extent of geographical diversity in the operations.

\(^5\) For example, P90 estimate of generation is the generation which a wind turbine is 90% likely to produce over an average year.
**Demand Risk**

Demand risk is normally sought to be mitigated through PPA provisions, which include payment of a single part tariff linked to wind energy generation. For assessing demand risk, ICRA evaluates the progress in tie-up of capacity through a long term PPA.

The key PPA provisions to be evaluated pertain to tariff, tenure, billing and payment security mechanism, events of default as well as the termination clause. ICRA also assesses the revenue model of issuer, which is dependent upon the PPAs tied up. The models include

a) Feed-in tariff with the state owned Distribution Company,
b) REC route at average power purchase pooled cost (APPC) with the distribution utility or at mutually negotiated tariff with a third-party or on the power exchange,
c) Captive consumption, and
d) Third party sale.

<table>
<thead>
<tr>
<th>Realisation</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Feed-in Tariff</td>
<td>Feed in tariff + GBI or AD</td>
</tr>
<tr>
<td></td>
<td>GBI scheme was introduced by the GoI to encourage investments in IPP segment. It is available for wind energy projects which have PPAs with distribution licensees, provided that they do not avail AD benefit.</td>
</tr>
<tr>
<td></td>
<td>As the feed-in tariff approved by SERCs vary across the states, project economics in IPP segment also vary. Since tariff estimation by SERC is based on normative assumptions (related to cost parameters &amp; PLF), project economics to achieve the regulated returns remains critically dependent upon the ability to maintain the actual costs and operating performance within the stipulated norms.</td>
</tr>
<tr>
<td>B) REC</td>
<td>There are 2 components in both the REC options, i.e. a) electricity component and b) REC component. REC pricing is discovered on power exchange, subject to floor &amp; ceiling levels as determined by CERC.</td>
</tr>
<tr>
<td>Option 1</td>
<td>APPC + REC + GBI</td>
</tr>
<tr>
<td></td>
<td>Electricity component is APPC, which is notified by the SERCs. GBI benefit is available in addition to APPC.</td>
</tr>
<tr>
<td></td>
<td>In states where APPC is determined differently from the CERC’s notified REC regulations or there is a delay in APPC determination, ICRA views the business risk of the wind assets negatively. Extent of RPO compliance by the obligated entities remains the key driver for demand and has an impact on the REC price level. Weak RPO compliance has led to depressed REC price levels (as seen between August 2012 and Dec 2014) as well as significant rise in unsold REC inventory.</td>
</tr>
<tr>
<td>Option 2</td>
<td>Bilateral tariff with third Party / Spot Tariff on Power Exchange + REC</td>
</tr>
<tr>
<td></td>
<td>Electricity component in this option is either the bilateral tariff contracted with a third party or the spot tariff by sale of power on the power exchange.</td>
</tr>
<tr>
<td>C) Captive Consumption</td>
<td>Generated power is consumed captively, with the twin objectives of availing AD benefit and saving cost of energy. Such projects remain exposed to regulatory risk arising from any restrictions imposed by the utilities in open access and/or increase in banking / wheeling charges by SERC.</td>
</tr>
</tbody>
</table>
While analysing demand risk, ICRA evaluates the trajectory of RPO target norms for the obligated entities and estimates the renewable energy capacity requirement to meet RPO. ICRA also assesses the adequacy of the banking & wheeling arrangements with the state owned utility under the prevailing open access regulations by the SERC, especially in case of projects with PPAs with third parties or for captive consumption. ICRA also continuously observes the regulatory and policy environment for any amendments or new developments that may improve the demand for RECs and ensure effective implementation of REC and RPO framework.

Though wind energy generation is allowed as on ‘must run’ principle under Indian Electricity Grid Code, ICRA assesses the cost competitiveness of wind energy tariff with the cost of power purchase from alternative sources for the off-taker. Though cost competitiveness of wind energy has improved over time, on account of increasing domestic shortage of conventional fuel sources, sustainability of such cost competitiveness also remains critical, from the rating perspective.

**Counter-party Credit Risk**

ICRA assesses the financial position of the counter-party and the strength of payment security mechanism laid out in the PPA. State owned distribution utilities or distribution licensees, being key obligated entities to meet RPO norms, are off-takers for wind energy projects in most cases and the payment security mechanism (PSM) in PPAs with them usually comprises of letter of credit (LC) for an amount equivalent to one month of billing. While the credit quality of a state owned distribution utility is linked to the intrinsic credit quality of State Government, ICRA assesses the distribution utility’s financial position in terms of trends in cost coverage ratio, periodicity and adequacy of tariff revision with respect to cost of supply as well as trends in operating efficiency metrics. In case of PPAs with third party customers/HT consumers/trading entities, ICRA also assesses the counter-party credit risk by evaluating the financial position of such off-takers. In case of operational projects, ICRA focuses on timeliness in cash collections from the off-takers and extent of compliance of payment security mechanism in line with the terms of PPA.

**Force Majeure Risk**

Usually, single asset projects are more vulnerable to force majeure events. The force majeure risk is mitigated through insurance contracts and, to an extent, through specific provisions in the PPA that guard against such events. The type of insurance cover with respect to the risk covered and its adequacy in the event of catastrophic losses and disruption of normal business is therefore evaluated. ICRA also assesses the provisions in the PPA with respect to force majeure events, and the termination clauses in the PPA to mitigate such risk.

**Regulatory Risks**

While assessing regulatory risk, ICRA focuses on the regulatory trends in RPO framework and feed-in tariffs for wind energy projects, given that a favourable and improving regulatory framework remains one of the key drivers for capacity addition in the sector. Any non-implementation and/or deviations in compliance in case of regulatory measures pose regulatory risks for the wind power projects. Weak RPO compliance by obligated entities coupled with inconsistencies in the RPO norms

---

6 Obligated entities under RPO regulatory framework which are directed to meet RPO comprise of 1) distribution licensees, 2) consumers availing open access and 3) captive consumers

7 Cost Coverage Ratio = Annual Revenue Realisation (ARR) less Average Cost of Supply (ACS); ARR = Cash Collection inclusive of subsidy receipts / Units Input; ACS = Total expenditure / Units Input
ICRA Rating Feature

Rating Methodology for Wind Energy Projects

by SERCs adversely affect the demand for RECs, in turn affecting the projects based on REC route. Also, any constraints in allowing open access and banking arrangements pose regulatory risks especially for wind power projects which are based on third party sale / captive consumption. ICRA further assesses the extent to which RPO norms laid out by SERC vary against the suggested levels under National Plan for Climate Change, extent to which RPO levels are complied by the obligated entities in the state and also, enforcement measures by SERC for shortfall in RPO compliance. ICRA also assesses the impact of regulatory measure w.r.t. scheduling & forecasting mechanism if introduced by CERC, given that it is likely to be challenging to implement for wind power projects due to variable nature of wind and difficulty in forecasting on day ahead basis for every 15 min block. Further, given that state owned distribution utilities remain key off-takers in most cases, ICRA focuses on regulatory risks in the distribution sector which may pertain to risk of delay in tariff determination process and/or risk of non-implementation of any tariff order due to litigation challenges if any, which has an impact on the financial position of the state utilities.

Legal Issues & Transaction Structure

Legal risks involve an analysis of the contracts to ensure that all risks have been identified and allocated amongst the project participants. Also, contracts should be clear, comprehensive and enforceable. A related area involves a review of the transaction structure to evaluate features available to provide additional protection to the bondholders. This could include

- Creation of reserve funds for debt servicing
- Stipulation on minimum coverage ratios that must be met before payment to sub-ordinate debt holders or declaration of dividends
- Credit enhancement features like cash collateral for payment of interest during construction period, completion guarantees by sponsors and guarantee for debt servicing by other external entities
- Restriction on the ability of the project company to take on additional debt

Management Quality

All ratings necessarily incorporate an assessment of the quality of the issuer’s management, as well as the strengths/weaknesses arising from the issuer’s being a part of a “group”. Also of importance are the issuer’s likely cash outflows arising from the possible need to support other group entities, in case the issuer is among the stronger entities within the group. Usually, a detailed discussion is held with the management of the issuer to understand its business objectives, plans and strategies, and views on past performance, besides the outlook on the (issuer’s) industry.

Some of the other points assessed are:

- Experience of the promoter/management in the line of business concerned
- Commitment of the promoter/management to the line of business concerned
- Attitude of the promoter/management to risk taking and containment
- The issuer’s policies on leveraging, interest risks and currency risks
- The issuer’s plans on new projects, acquisitions, expansion, etc.
- Strength of the other companies belonging to the same group as the issuer
- The ability and willingness of the group to support the issuer through measures such as capital infusion, if required

Financial Risk

In order to assess the issuer’s current financial position, trends in profitability, gearing, coverage, liquidity & adequacy of future cash flows are analysed. These are discussed below.

Profitability: Given the single part nature of tariff, revenues for the wind power project remain sensitive to level of energy generation which in turn depends upon the wind speed / weather pattern. Any adverse variation in PLF has an impact on the company’s revenues and internal cash
generation. Given the capital intensity of the project and low operational expenses, the rating methodology focuses on return indicators (Return on Capital Employed & Return on Net Worth) instead of profitability indicators. ICRA assesses the ROCE in relation to the company’s weighted average cost of capital and the regulated returns in case of revenue model based on PPA at feed-in tariff. For projects based on regulated tariffs, returns remain dependent upon their ability to ensure both the actual costs and PLF within the normative benchmarks. For projects based on REC route, returns remain exposed to the market risks associated with the REC route; ICRA evaluates the extent of cash flow mismatches for such projects, if RECs remain unsold.

**Gearing & Coverage Indicators:** As wind energy projects are capital intensive, the extent of leveraging for these company is inherently high. ICRA compares the capital cost and leverage of a project with those of its peers as well as with the normative benchmarks to assess its relative position. Generally, a conservative leverage ratio is viewed favourably as it reflects a lower quantum of committed outflows, while a long maturity profile and lower cost of the loans can partially offset the risk associated with a high financial leverage. The debt coverage indicators that are examined include Interest Coverage Ratio, ratio of Net Cash Accruals to Total Debt, and Debt Service Coverage Ratio (DSCR). ICRA also does scenario analysis to assess the average DSCR over the debt repayment period as well as the project IRR, with the key sensitive variables being project cost overrun, plant load factor, receivable days and cost of debt (only for average DSCR) for projects selling power through feed-in tariff route. In case of projects adopting APPC/ bilateral / spot tariff on power exchange + REC sale route, additional sensitivity factors include the trends in APPC / bilateral / spot tariff rates and realization of REC. Further, in case of wind power projects selling power to third party consumers, additional sensitivity factors include open access charges set by the SERC and HT tariff of the counter-party consumer as charged by the state distribution utility.

**Liquidity & Financial Flexibility:** ICRA assesses the issuer entity’s liquidity by analysing trends in cash collections from the counter-party, trends in working capital limit utilisation as well as extent of dependence on short term debt to meet the increased working capital requirements. ICRA also evaluates the issuer’s relationships with banks, financial institutions and other intermediaries, its financial flexibility - as reflected by its unutilised bank/credit limits, liquid investments as well as financial strength of the promoter group to infuse funds to meet cash flow shortfalls, if any.

**Adequacy of Future Cash Flows:** Since the prime objective of the rating exercise is to assess the adequacy of the issuer’s debt servicing capability, ICRA draws up projections on the likely financial position of the issuer under various scenarios. Future cash flows are projected after taking into account the tariff, PLF (based on P-90 estimate in the base case scenario), O&M cost as per the contractual terms with O&M contractor, interest cost, debt repayment schedule, working capital requirements, other funding requirements related to expansion and funding options available. These cash flows are then used to determine the company’s future debt servicing capability. In the cash flow projections, ICRA also analyses other ratios such as Fund Flow from Operations (FFO) debt coverage and Retained Cash Flows (RCF) debt coverage, to arrive at the credit rating. ICRA also evaluates cash breakeven PLF for the project over the debt servicing period, and compares it with the estimated PLF as per wind resource assessment study for a green-field project and with the actual PLF in case of an operational project, to determine the cushion available from a debt servicing perspective. Further, ICRA also assesses the pattern of schedule debt repayments in relation to projected cash flows, given that about 60-70% of wind energy generation is during peak wind season of about 6-7 months in a year.

**Tenure mismatches, and risks relating to interest rates and refinancing:** Large dependence on short-term borrowings to fund long term investments can expose an issuer to significant re-financing risks, especially during periods of tight liquidity. The existence of adequate buffers of liquid assets/bank lines to meet short-term obligations is viewed positively. Similarly, the extent to which an issuer would be impacted by movements in interest rates is also evaluated.
**Accounting quality:** The Accounting Policies, Notes to Accounts, and Auditor’s Comments are reviewed. Any deviation from the Generally Accepted Accounting Practices is noted and the financial statements of the issuer are adjusted to reflect the impact of such deviations.

**Contingent liabilities/Off-balance sheet exposures:** In this case, the likelihood of devolvement of contingent liabilities/off-balance sheet exposures and the financial implications of the same are evaluated.

**Summing Up:** ICRA’s credit ratings are a symbolic representation of its current opinion on the relative credit risk associated with the instrument being rated. This opinion is arrived at following a detailed evaluation of the issuer’s business and financial risks, its likely cash flows over the life of the instrument being rated, and the adequacy of such cash flows vis-à-vis its debt servicing obligations. Given the single part nature of tariff for a wind power producer, revenues remain sensitive to level of energy generation which in turn depends upon the wind speed/weather pattern. Also, sensitivity analysis is carried out to assess the impact of key variables on the key debt servicing metrics. While key sensitive variables vary depending upon the revenue model of the project, most commonly used are capital cost, tariff and PLF for wind energy projects. Even though the financial projections enable ICRA to assess the adequacy of cash flows from debt servicing perspective, the final rating assigned is also critically dependent upon the strength of the sponsors and the track record of the sponsor group in power project development and operations.
ICRA Limited

An Associate of Moody’s Investors Service

CORPORATE OFFICE
Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon—122002
Tel.: +(91 124) 4545 300; Fax: +(91 124) 4545 350

REGISTERED OFFICE
Kailash Building, 11th Floor; 26, Kasturba Gandhi Marg; New Delhi—110001
Tel.: +(91 11) 2335 7940-50; Fax: +(91 11) 2335 7014, 2335 5293
Email: info@icraindia.com Website: www.icra.in

Branches: Mumbai: Tel.: + (91 22) 24331046/53/62/74/86/87, Fax: + (91 22) 2433 1390 o Chennai: Tel + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294, Fax + (91 44) 2434 3663 o Kolkata: Tel + (91 33) 2287 0450, 2240 6617/8839, 2280 0008, Fax + (91 33) 2287 0728 o Bangalore: Tel + (91 80) 2559 7401/4049 Fax + (91 80) 559 4065 o Ahmedabad: Tel + (91 79) 2658 4924/5049/2008, Fax + (91 79) 2658 4924 o Hyderabad: Tel +(91 40) 2373 5061/7251, Fax + (91 40) 2373 5152 o Pune: Tel + (91 20) 2552 0194/95/96, Fax + (91 20) 2553 9231

© Copyright, 2015, ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA’s current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided ‘as is’ without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.