

PPA Financing Challenges

Developers and EPC's are seeking PPA's for their clients for their C&I, Community, and small Utility-Scale projects

72%

of the C&I, Community solar and small Utility-Scale projects *never* get built

11%

of developers and EPC's term sheets become viable projects for a few *important* reasons



Access to funding is correlated

With interconnection (IX) delays, long permit approval timelines, and infrastructure upgrades, capital commitments are uncertain from the lending community.

Three Competing Asset Classes

Rooftop C&I

projects languish in the upgrade queues of utilities creating unpredictability

Community Solar

subscriber acquisition and churn can make the cashflow's ambiguous

Small Utility-Scale

ground mounted projects undergo lengthy permit approvals

Finance companies are looking to de-risk their allocations for projects

Project origination

- > Identify projects that will get to PTO by Q_202_
- > Strong economics & resolve permit and IX approvals

Capital markets

- > Seek higher certainty in their portfolio forecasting
- > Unlocking additional capital as portfolio probability increases

Communication

- > Coordinate weekly with all stakeholders
- > Alignment with underwriting and the project teams

Asset management

- > NOC and billing systems operational
- > O&M plan and provider in place

PTO

- > Developer execution fosters confidence in their pipeline
- > Coordination early and often with utility stakeholders

Financial analysis

- > Issue identification and cures for the offtaker P&L & Balance Sheet
- > System of evidence-based verification and unique circumstance consideration

Project development

- > Seasoned development partners with track records
- > EPC firms that demonstrate milestone adherence

Project completion

- > Scheduled COD & PTO with contingencies
- > Verification of permit closeout & IX witness tests

Verification

- > Retain 3rd party PE firms' site visits validation
- > Audit and document corrections expeditiously

Portfolio planning

- > Consistency leads to programmatic funds
- > Optimized doc sets allows for replication at scale

Four steps to locking in PPA financing

Verify

project delays, IX issues, permits, and regulatory challenges early to avoid application rejections

Plan

a development strategy across multiple states to de-risk your pipeline and business goals

Quantify

with a TRACI matrix who will be performing specific tasks and how long they will take for alignment with finance partners

Share

the project details in a 2-pager, outlining the opportunity with your financial model and your data room

The capital markets will ask these things of you prior to exploring funding your project or portfolio.

Here's how developers and EPC's succeed in solar

Solar prospecting is challenging for a host of reasons. Companies that can identify roadblocks quickly and solve them, win.

Avoid investing resources into projects that won't support the economics. If there isn't a clear path to interconnection and permit approvals, the project's economics are nullified.

Solar Finance Opportunities That Get Funded

