



GROUND MOUNT SOLAR PV ENHANCED PROJECT ORIGINATION

Parcels R12-46A, R12-46F-1, R12-46G, & R12-46H, High St, Sanford, ME 04073

4.26 MWdc Solar PV Project



September 1, 2022



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ABOUT OUR ENHANCED PROJECT ORIENTATION “EPO” PACKAGES

Associated Energy Developers (“AED”) is a leading Commercial & Industrial Solar PV developer headquartered in Plymouth, MA. In addition to developing our own projects, we actively source project sites for our development partners across the country through our Enhanced Project Origination (“EPO”) process.

This EPO Package is a collection of pre-development work performed by AED on this property and represents our determination of feasibility for a Solar PV project. In our process, we examine and catalog the primary drivers of project feasibility – including areas such as Site Conditions, Zoning, Interconnection, Permitting, Incentives, and more. By performing much of the preliminary project due diligence and, most importantly, obtaining site control, we save our development partners time and money on the origination process.

Disclaimer

While AED has thoroughly examined the unique characteristics of this individual property’s feasibility to host a Solar PV project, we do not warrant or guarantee the success of any project. We believe the information presented within this document to be accurate and reliable, but strongly recommend our development partner perform their own due diligence on the property to ensure a successful Solar PV project.

OUR TEAM

Brian Kuhn, Founder & CEO

Brian Kuhn is the Founder and CEO of both Associated Energy Developers and Aeronautica Windpower. Brian brings 45 years of experience in the Renewable Energy space to every project conducted by AED. As an engineer and business executive, Brian has traveled the globe designing and implementing Clean Energy projects including Solar, Wind, Hydro and Biofuels. He has worked with energy storage systems and both photovoltaic and fluid-based Solar systems. Brian is keenly aware of the issues facing the Clean Energy sector as well as potential solutions.



Joseph Loud, President

Joe Loud, President of AED, is responsible for the overall business development strategy, the growth of the Sales and Marketing, and the establishment of AED's funding sources. With over 15 years of real estate development and commercial project funding background, Mr. Loud is instrumental in Clean Energy project funding including debt, equity, and tax equity sources. As an entrepreneur himself, Joe's companies have developed commercial funding underwriting service packages that gained wide acclaim in the real estate industry. Joe is intimately familiar with the Clean Energy landscape, and deals with project developers, financiers, and landowners daily.



Matthew White, VP of Operations

Matt White joined AED in 2018 after graduating with his M.S. in Sustainability Science from the University of Massachusetts. He oversees project intaking, financial modeling, and project development strategy for all renewable energy projects. Matt is intimately familiar with various state specific Clean and Renewable Energy incentive and distributed generation policy programs around the country.



Benjamin Eaton, Project Development Analyst

Ben Eaton joined AED in 2020 as a Project Development Analyst. Ben performs much of the preliminary due diligence efforts on projects and brings an intimate understanding of zoning and environmental permitting requirements to a project.



EXECUTIVE SUMMARY

Property Summary

This Site is comprised of four parcels – one 20.75-acre parcel, one 2.0-acre parcel, one 5.0-acre parcel, and one 9.0-acre parcel in Sanford, ME (about 30 miles southwest of Portland). Parcels R12-46F-1, R12-46G, & R12-46H are owned by the same landowner and zoned RR (Rural Residential), while parcel R12-46A is owned by a separate landowner and is zoned as RR (Rural Residential) and MZ (Mixed Use). The Site lies with Central Maine Power (CMP) territory.

Combined, the four parcels that make up the Site would make an excellent candidate for an approximate 4.26 MWdc Community Solar or Net Energy Billing generation project.



Ground-level view of the Site.

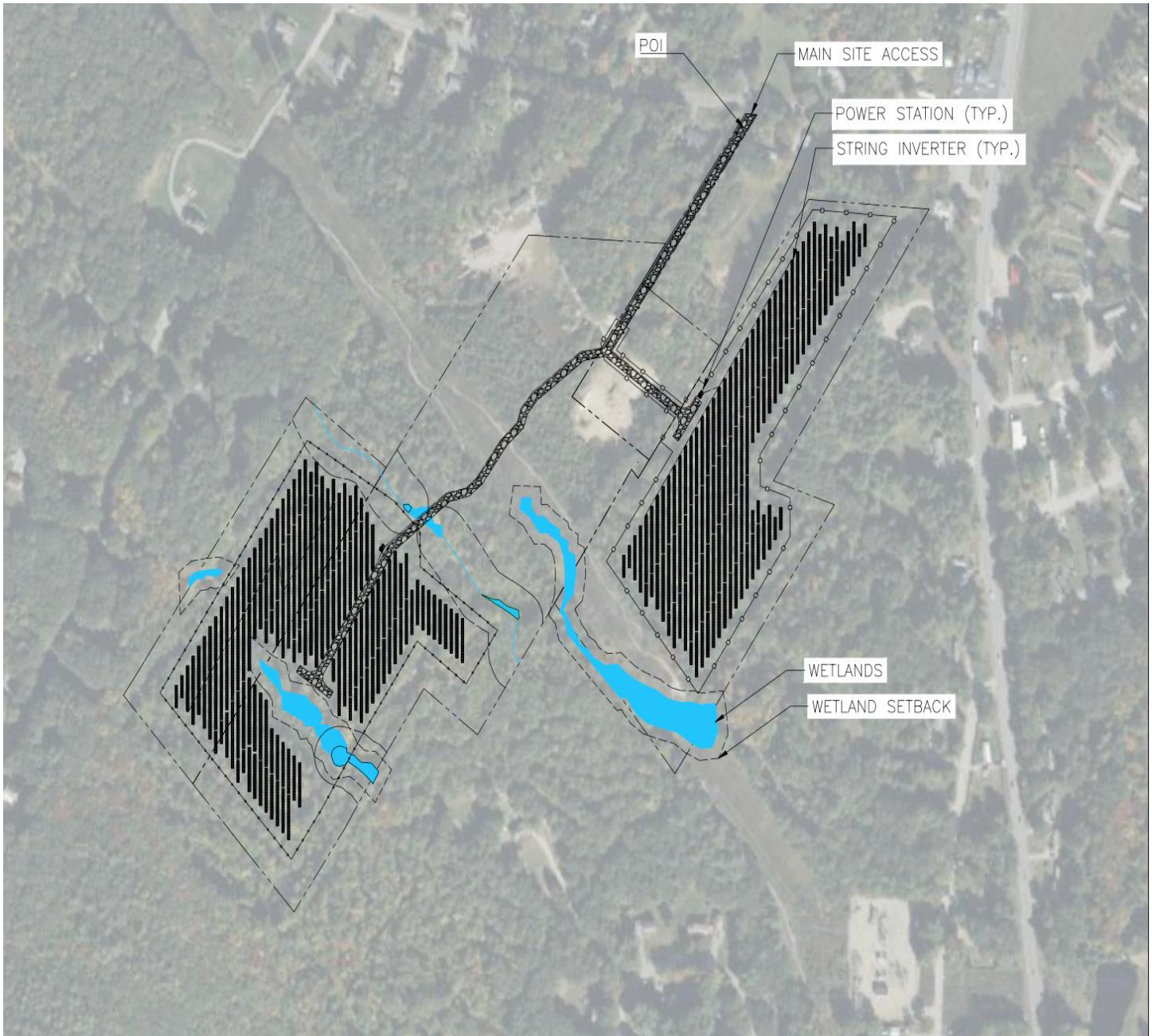
Property Highlights

This property features a unique array of positive attributes which make the feasibility of developing a successful Solar PV project very high. Some of the highlights of this property include:

- The Site has good southern exposure and will only require a moderate amount of clearing.
- The City of Sanford is very friendly towards solar development, having already approved several DG solar projects and one Utility-scale project. AED had a successful meeting with the town's board members who voiced virtually no real concern against the project.
- Due to the nature of the site having two landowners, AED is able to construct two 2 MWac projects and take advantage of economies of scale.

Preliminary System Design

The four parcels that make up this Site have a potential to fit approximately 4.26 MWdc of Solar PV (using 450W modules). There is an existing Utility easement as well as a stream running through the property that bisect the project into two main arrays.



Preliminary 4.26 MWdc design of the Site

Site Attributes

Property

Address:	High St, Sanford, ME 04073
Parcel ID(s):	Parcels R12-46A, R12-46F-1, R12-46G, & R12-46H
Property Size (acres):	36.75 acres
Approximate MWdc Size:	4.26 MWdc
Purchase/Lease:	Lease
Purchase/Lease Price:	Provided in attached Lease Option

Site Conditions

Wooded:	Yes – mostly smaller trees shrubs
Max Slope:	32.7%
Wetlands:	Yes – stream running through property
Flood Plain:	No
Threatened/Endangered Species:	None on site; within 1 mile
Protected/Historic Areas:	None on Site; within 1 mile

Zoning/Permitting

Parcel Zoning:	RR (Rural Residential) / MZ (Mixed Use)
Solar Bylaw:	Yes
AHJ:	City of Sanford Planning Department
Special Use Permit Required:	Yes

Interconnection

Utility Load Zone:	Central Maine Power (CMP)
Distance to 3vØ/Substation:	0.2 miles to 3vØ; 2.1 miles to Substation

Revenue Strategy

Incentive Program:	Maine Shared DG / Net Energy Billing
Offtaker(s):	Community Solar / Virtual PPA

Property Scorecard - Critical Factors


Based on the information gathered about the Site, we have given this project a rating of **18/25** in the Critical Project Factors category.

Critical Project Factors

Risk Category	0 Unknown	1 Fatal	2 Poor	3 Fair	4 Good	5 Excellent
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Site Control:						
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Site Control Key: (5) Very Favorable Lease/Purchase terms on the Site; (4) Favorable Lease/Purchase terms on the Site; (3) Market Average Lease/Purchase terms on the Site; (2) Unfavorable Lease/Purchase terms on the Site; (1) Very Unfavorable Lease/Purchase Terms on the Site; (0) Unknown/No information available.

Interconnection:						
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Interconnection Key: (5) Significant capacity available on both Feeder and Substation, minimal interconnection costs anticipated; (4) Moderate capacity available on Feeder/Substation, moderate interconnection costs anticipated; (3) Significant amount distributed generation online or in queue on Feeder/Substation, minor delays and/or upgrades to Feeder/Substation anticipated; (2) Ongoing delays and/or group studies in process for Feeder/Substation, major delays and/or costly upgrades to Feeder/Substation anticipated; (1) No feasible hosting capacity on Feeder/Substation, grid exports unavailable, and/or fatal delays or upgrades to Feeder/Substation anticipated; (0) No information available.

Zoning:						
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Zoning Key: (5) Site is located in Solar Overlay District where solar is permitted by right with few restrictions, or the AHJ is very lenient with Solar; (4) Solar is permitted in the Site's zoning district subject to Site Plan Review (size limitations may apply); (3) Solar is not permitted by-right in the Site's zoning district, Special Use Permit required (size limitations may apply); (2) Site is located in a zoning district with severe restrictions on Solar (e.g. may only be considered an accessory use); (1) Solar is not a permitted use in the Site's zoning district; (0) No information available.

Permitting:						
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Permitting Key: (5) Only ministerial permits likely required; (4) Some discretionary AHJ permits likely required; (3) Several AHJ/State/Federal permits likely required; (2) Extensive AHJ/State/Federal permits likely required; (1) Extensive and unlikely-to-succeed AHJ/State/Federal permits likely required; (0) No information available.

PPA/Incentives:						
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PPA/Incentives Key: (5) Highly lucrative PPA and/or Incentive options available, excellent financial viability; (4) Moderately lucrative PPA and/or Incentive options available, strong financial viability; (3) Some PPA and/or Incentive options available, moderate financial viability; (2) Limited PPA and/or Incentive options available, low financial viability; (1) No PPA and/or Incentive options available, very low financial viability; (0) No information available.

Total Score:	0	1-5	6-10	11-15	16-20	21-25
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Property Scorecard - Secondary Factors

Based on the information gathered about the Site, we have given this project a rating of **10/15** in the Secondary Project Factors category.

Secondary Project Factors

Risk Category	0 Unknown	1 Fatal	2 Poor	3 Fair	4 Good	5 Excellent
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Site Work:



Site Work Key: (5) Very little site work (clearing, stumping, grading, etc.) required; (4) Minor site work (clearing, stumping, grading, etc.) required; (3) Moderate site work (clearing, stumping, grading, etc.) required; (2) Significant site work (clearing, stumping, grading, etc.) required; (1) Major site work (clearing, stumping, grading, etc.) required; (0) Unknown/No information available.

Opposition:



Opposition Key: (5) Very little community opposition anticipated; (4) Mild community opposition anticipated; (3) Moderate community opposition anticipated; (2) Significant community opposition expected; (1) Major community opposition expected; (0) Unknown/No information available.

PILOT & Taxes:



PILOT & Taxes Key: (5) Very favorable PILOT terms anticipated; (4) Favorable PILOT terms anticipated; (3) Market average PILOT terms anticipated; (2) Unfavorable PILOT terms anticipated; (1) Very unfavorable PILOT terms anticipated; (0) Unknown/No information available.

Total Score:	0	1-3	4-6	7-9	10-12	13-15
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Risk Assessment

There are several Risk Factors associated with this Site that require discussion. The top Risk Factors are listed below:

Top Five Project Risk Factors

#1. NEB Policy – There are currently several bills being debated in the Maine legislature to restrict or limit Net Energy Billing projects to 1 MWac or less. If such a bill were to pass, the projects would need to be downsized.

#2. Permitting – Due to the Site being zoned Rural Residential, a Conditional Use Permit will be required to construct the project. The site is decently shielded from nearby residential properties via natural screening, and extended setbacks from what is required in the Rural Residential district were worked into the Preliminary System Design. AED has been working with the City of Sanford to determine the likelihood of receiving a Conditional Use Permit for the Project (as well as a private right of way permit), and the likelihood of both seems high.

#3. Interconnection – There is a moderate level of interconnection risk on this project due to the recent announcement of over-saturation issues by CMP. The circuit the project is located on (667D1) has approximately 4 MWac available, and the South Sanford substation as approximately 5MWac available. Since the site can physically accommodate up to 5.9 MWdc / 4MWac, circuit and substation upgrades are possible.

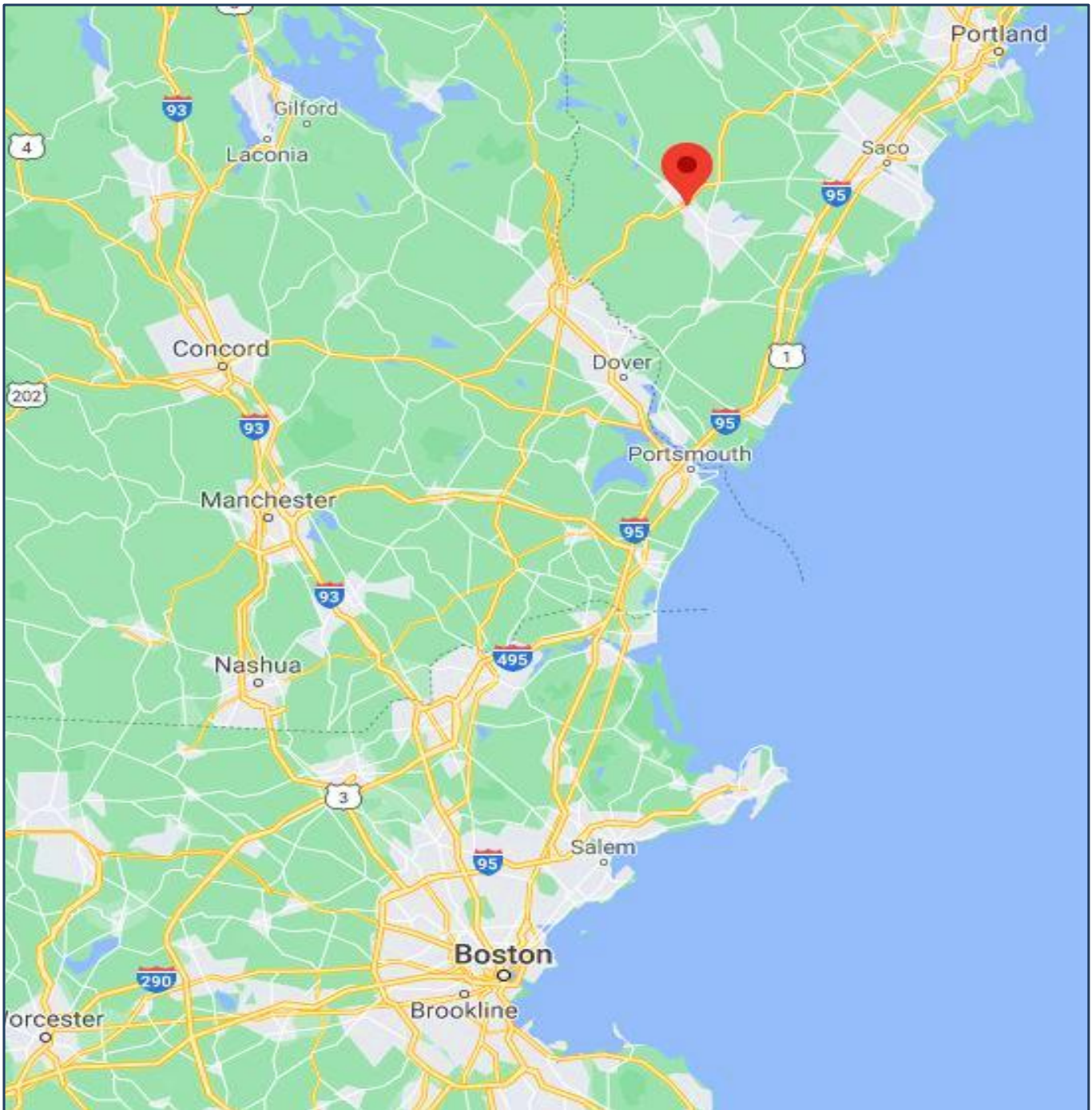
#4. Wetlands - The Riverine Stream running through the property will bisect the Project into two separate arrays. There is an existing access road crossing the stream, but it is not yet known whether or not a permit will be required from the Maine DEP for running wiring across the road via a culvert.

#5. Threatened & Endangered Species – While there are no Threatened or Endangered Species on site, there is an area of state-listed animal habitat within 1 mile of the Site. It has not yet been determined which species resides in this habitat, but national-level GIS databases lists the Endangered Northern Long-Eared Bat as present in the area. This will likely require a bat study and potential permit from the US Fish and Wildlife Service.

MAPS

Regional Map

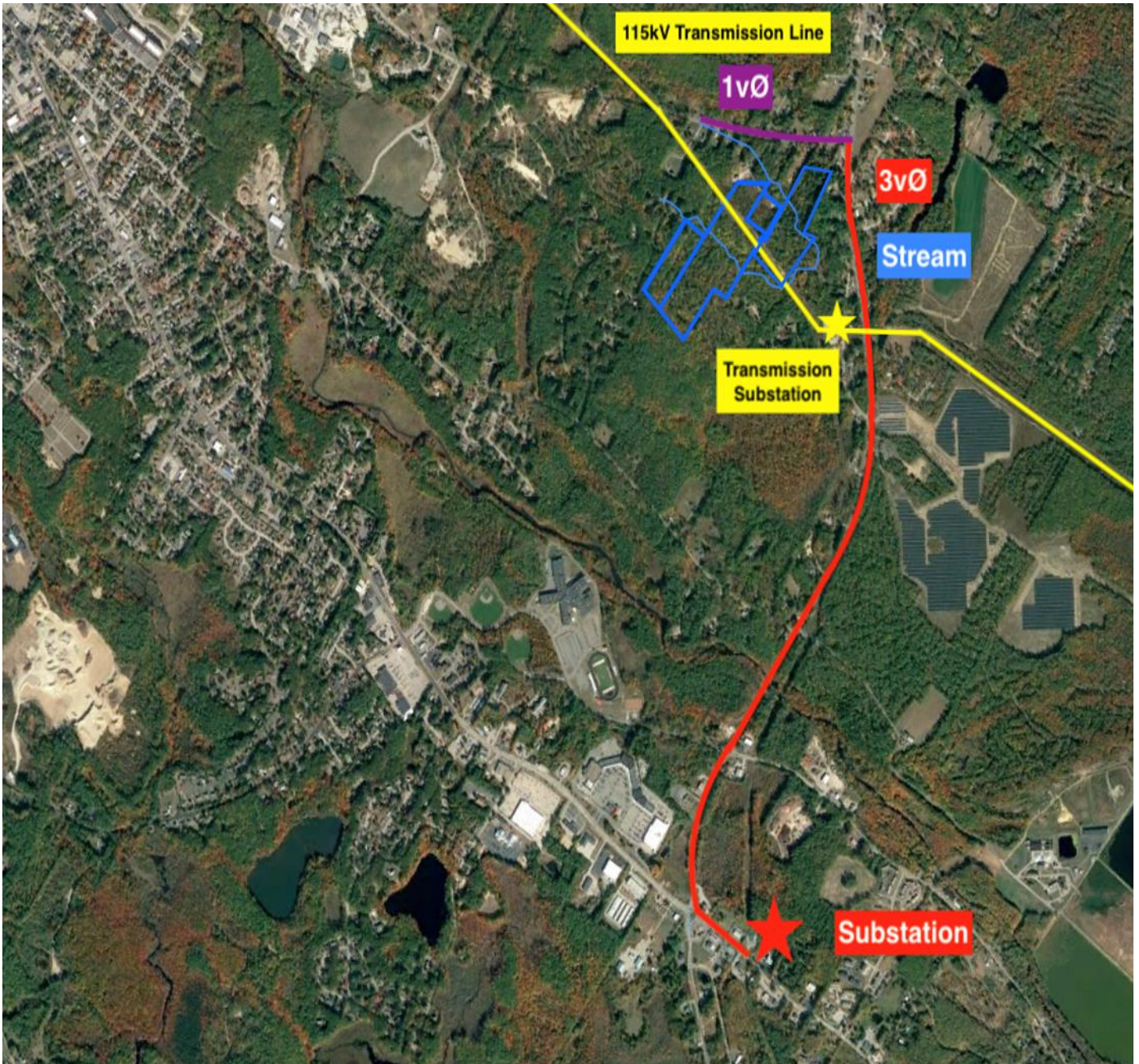
The site is located in Sanford, ME; about 30 miles southwest of Portland, ME.



Regional view showing Portland, ME to the Northeast of the Site

Locus Map

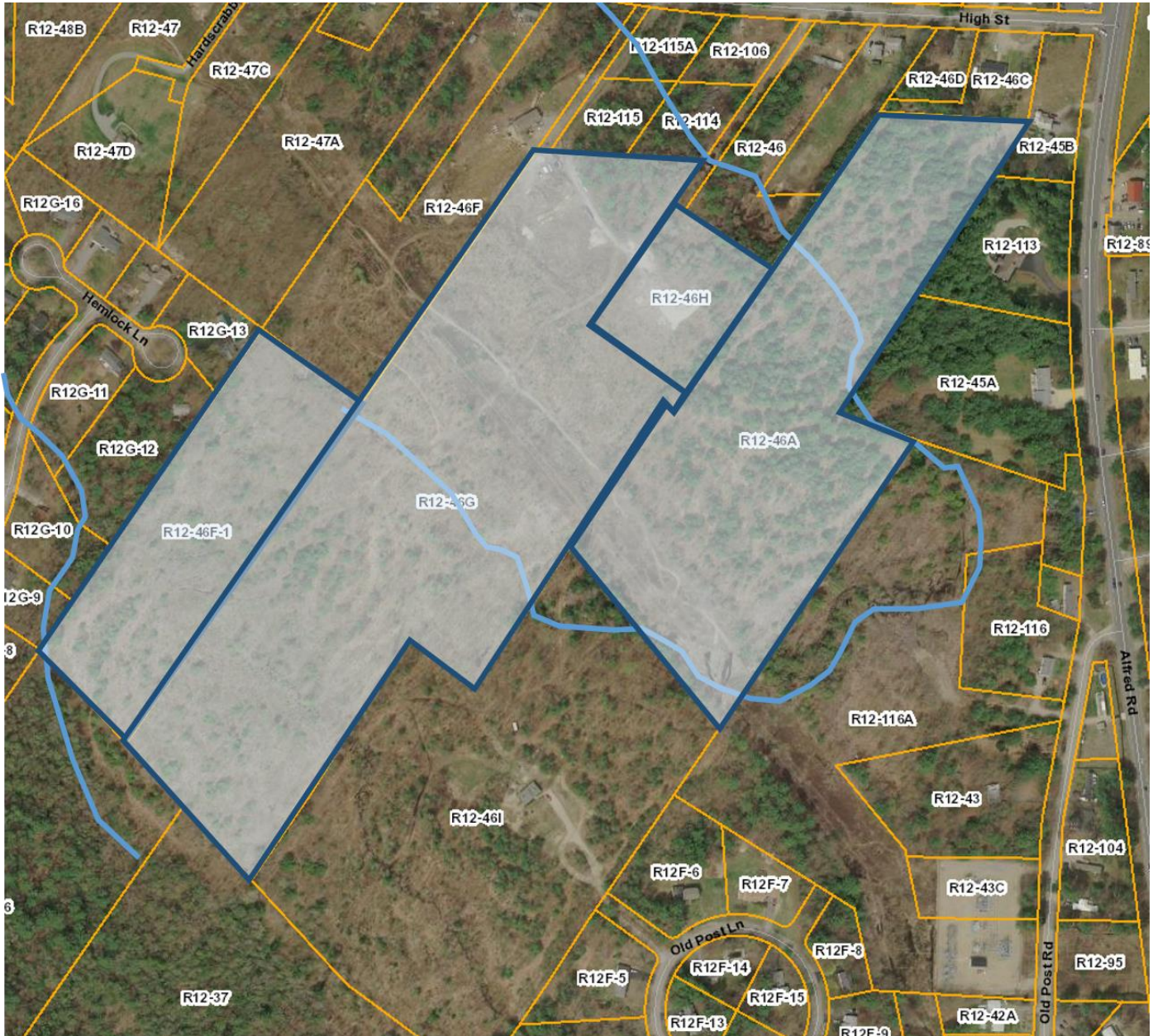
The site is located outside of the main city center in a mostly rural residential area. The parcel is located off High St to the north and Alfred Rd to the east. There is an existing transmission easement running through the property towards a transmission-level substation to the southeast.



Aerial view of the Site and surrounding area

Parcel Plan

The site is located near a number of residential properties. Most surrounding residential properties are screened from the project via natural vegetation. There is a small stream dissecting the property to the southwest of the transmission line. An existing access road leading to High St is located on the northern edge of the parcel.



Aerial view of the Site

SITE CONDITIONS



Photo of the transmission lines running through the Site.

Site Summary

This site has good potential for hosting a Solar PV array. While there are some slope and wetland concerns, the property is large enough where a successful project could still be built with minimal impact to the natural environment or to abutting properties. Details of the Site conditions are discussed further in this section.

Existing Uses

The Site currently has no existing use for agriculture or recreation. However, the Site provides a utility easement for the 115kV overhead transmission line running towards the nearby substation

Vegetative Conditions

The Site is moderately wooded with a mixture of deciduous trees, shrubs, and brush. A moderate level of tree removal and stumping is anticipated.



There is a small stream running through the property.



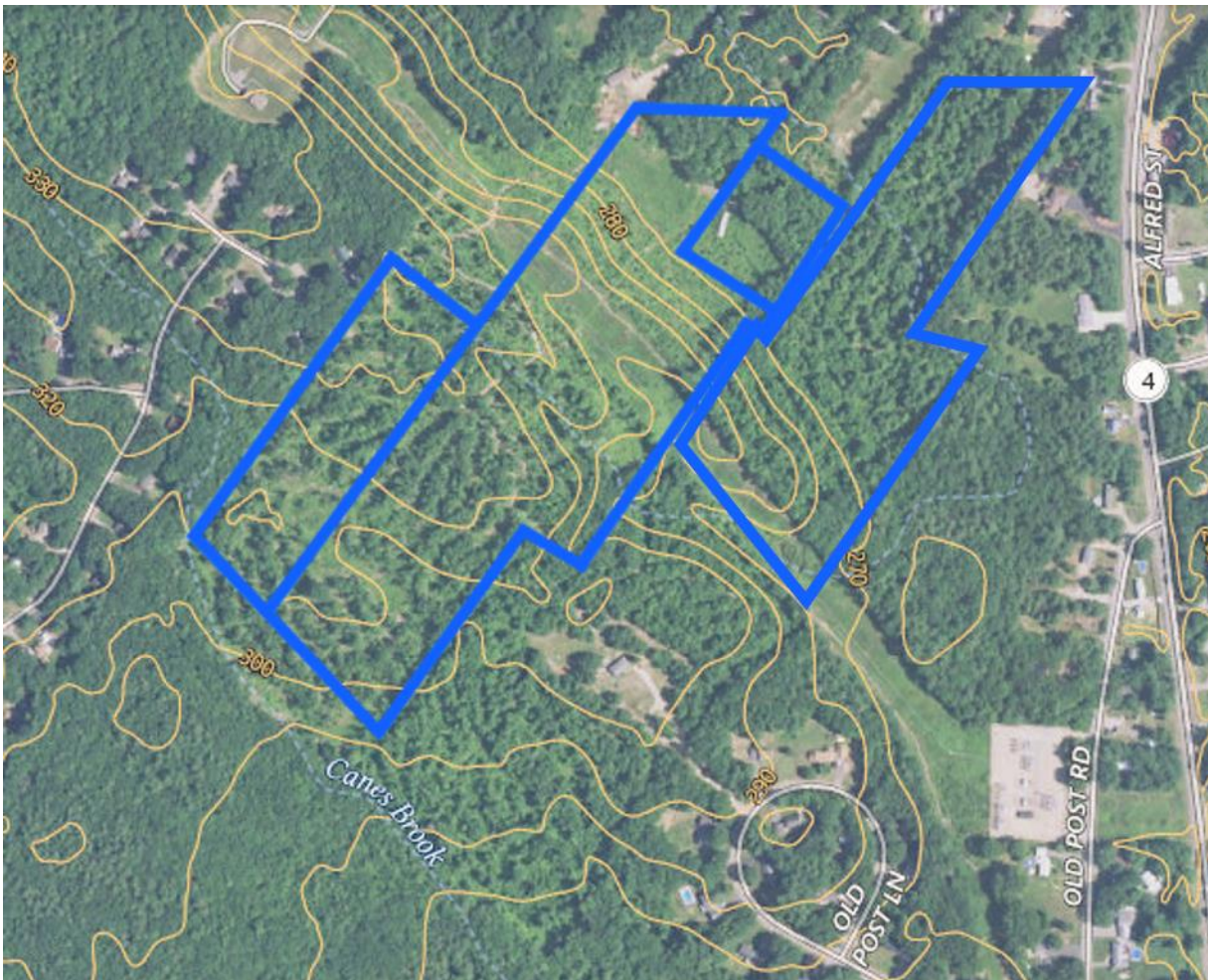
The Site features some medium-density wooded areas.

Topography

The land has some areas of significant slope, primarily along the existing utility easement. The maximum slope identified was 32.7%, which may render some areas ineligible for building. However, there are several innovative racking solutions available for slopes greater than 30%.

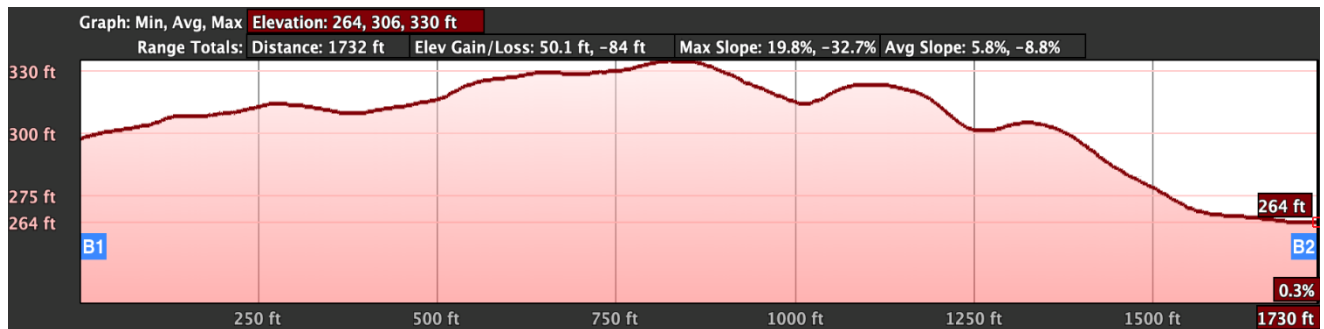
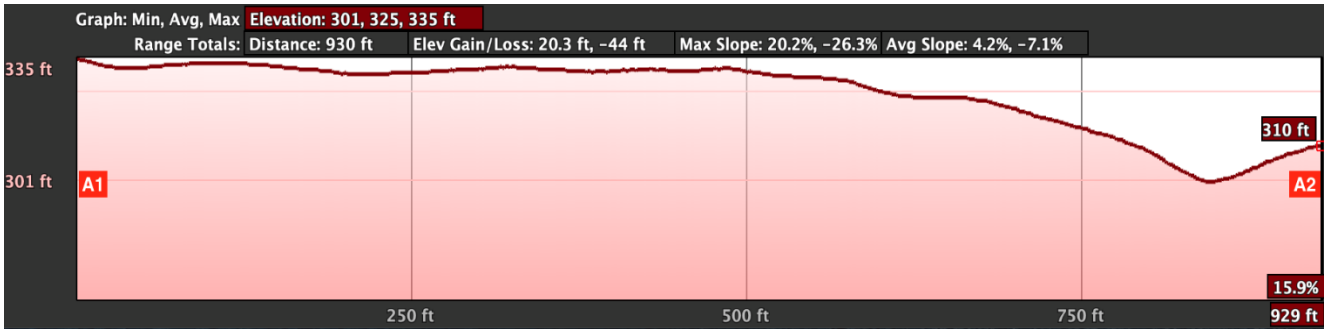
Topography

Minimum Slope (%):	<1%
Maximum Slope (%):	32.7%
Slope Direction:	Variable
Recommended Racking:	Single-Axis Tracker
Estimated Acres of Buildable Land:	Approximately 20 acres



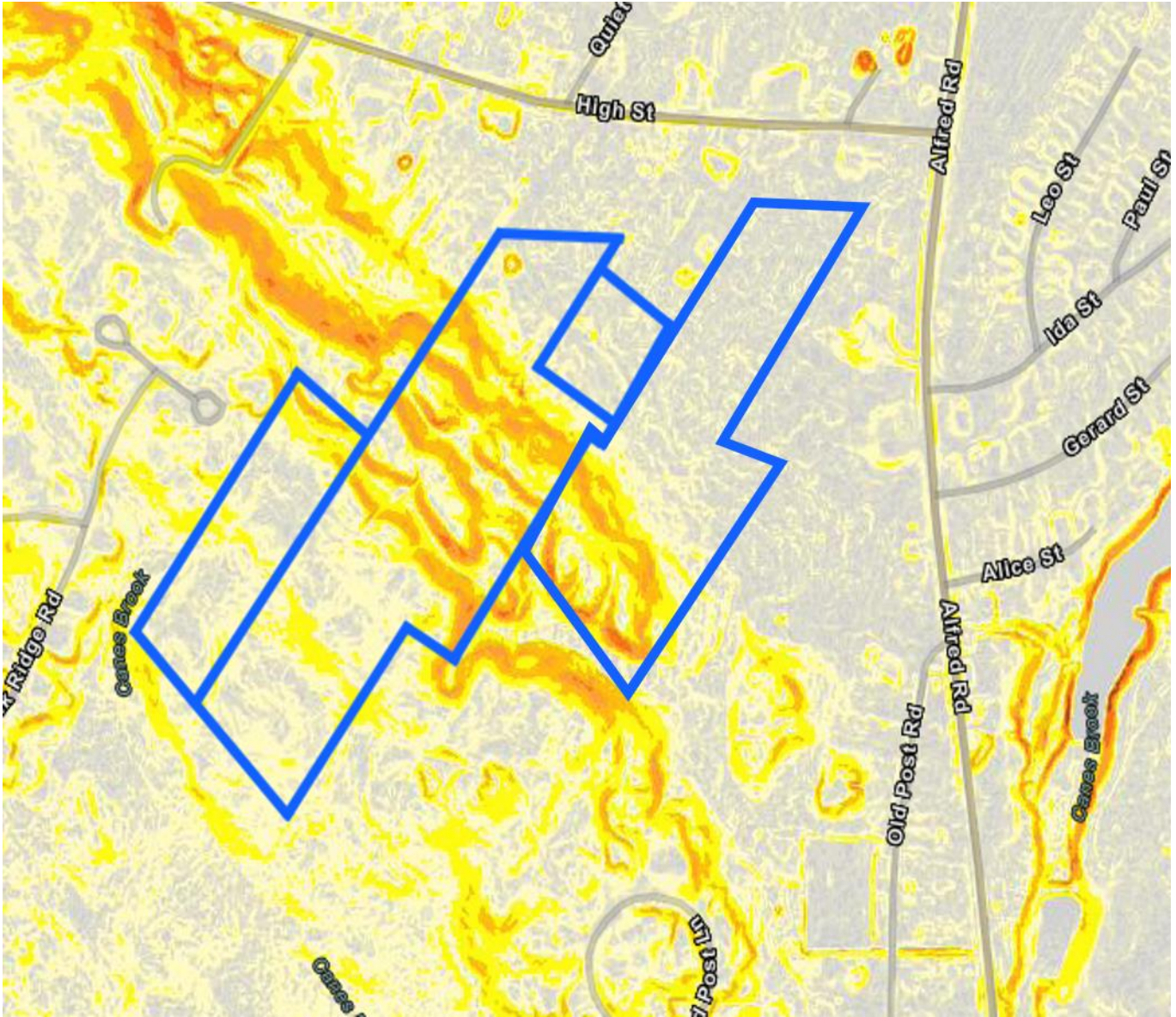
USGS Topographic Map of the Site area

Slope Profile

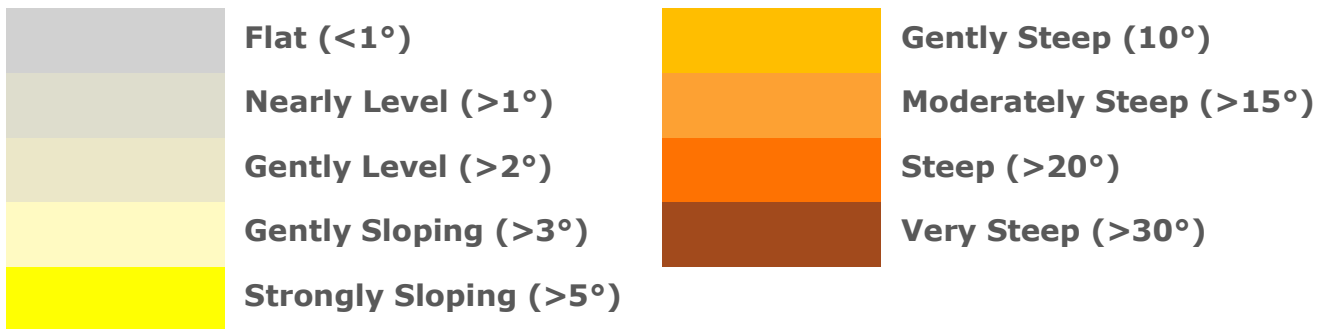


Slope Map Generated by Google Earth

Slope Distribution



Slope map of the Site area

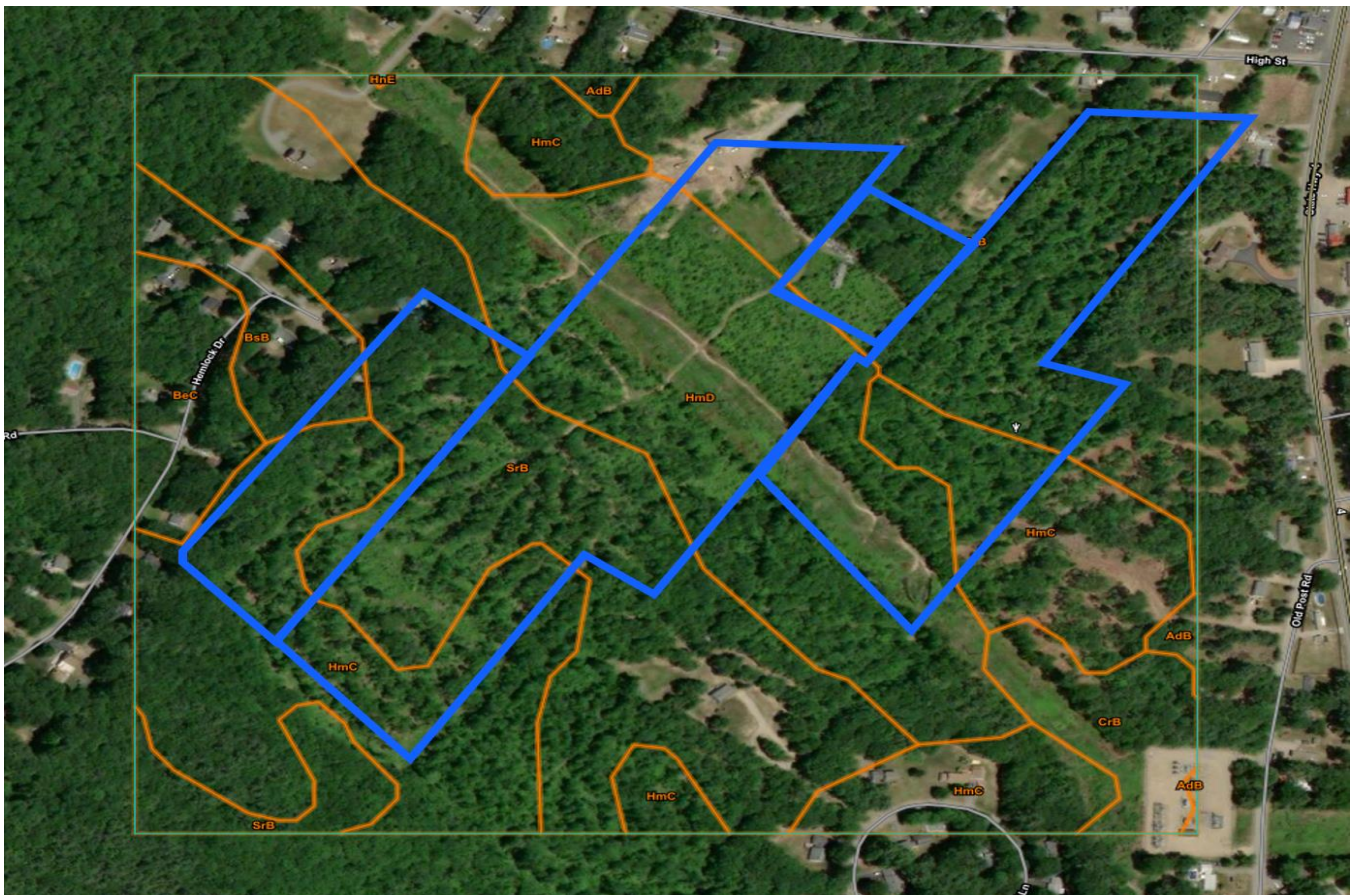


Soils

The soil makeup of this site is very typical for New England; a mixture of sandy and stony loam with some areas of significant slope. The Croghan Loamy Fine Sand (CrB) in the northern portion of the parcel is deemed a Soil of Statewide Importance in the State of Maine. It has not yet been determined if the City of Sanford will approve construction on this area of soil.

Soils

BsB (Brayton & Westbury Stony Loam):	0-8% slopes
CrB (Croghan Loamy Fine Sand):	0-8% slopes
HmC (Hermon Sandy Loam):	8-15% slopes; very stony
HmD (Hermon Sandy Loam):	15-35% slopes; very stony
SrB (Skerry Fine Sandy Loam):	0-8% slopes; very stony



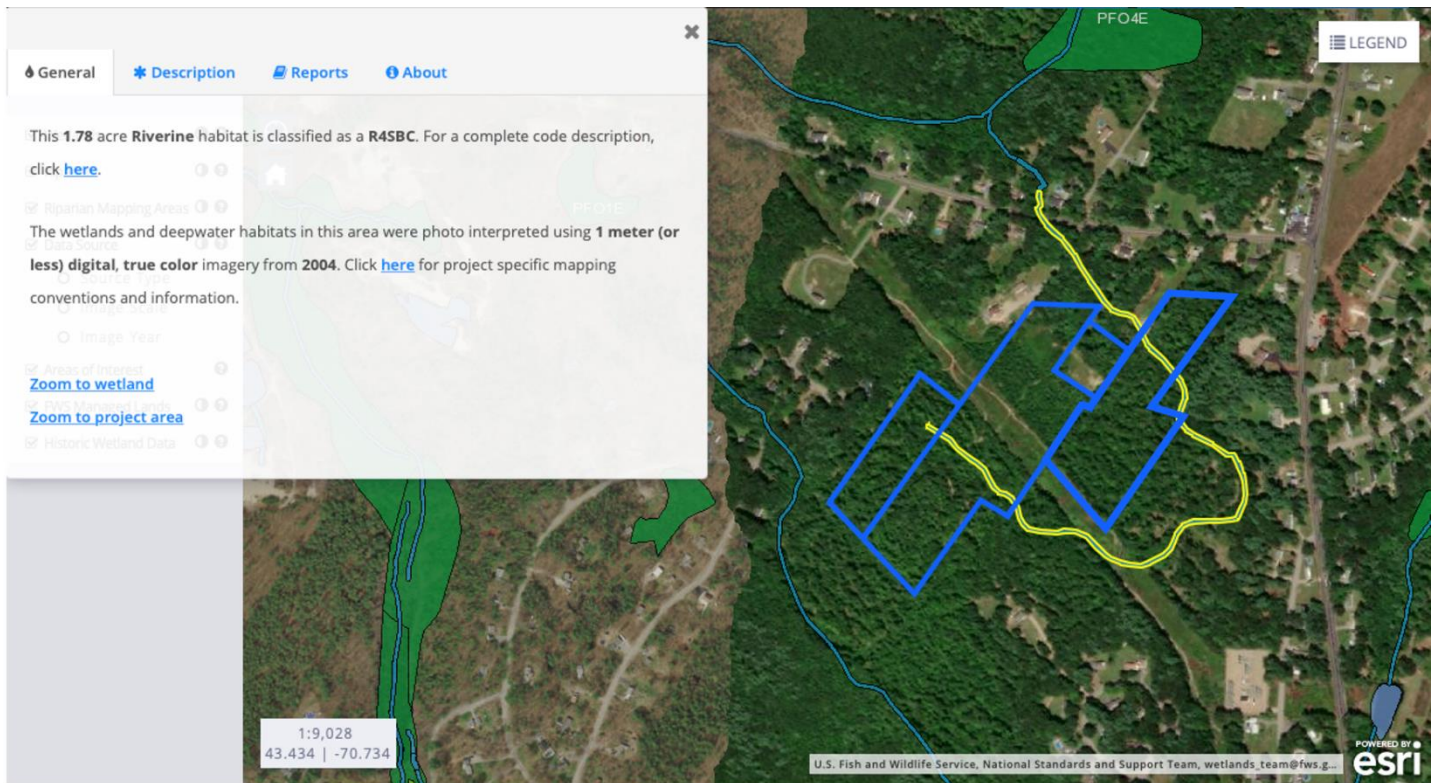
Soils Report generated by USDA Web Soil Survey (WSS)

Wetlands

A small stream classified as a Riverine System (further classified as an Intermittent Brook by the Maine DEP and requiring a 75-foot buffer) bisects Parcels R12-46A, R12-46G, & R12-46F-1 to the southwest of the existing transmission line. In order to build on the western side of the stream, the Maine DEP may issue a Permit-by-Rule (Chapter 305) to allow vehicle access over the stream. However, the existing road over the stream may waive the need for this permit.

Wetlands

Wetlands Present:	Yes
Classification Code:	RS4BC (Riverine System – Intermittent Brook)
Wetlands Area:	1.78 acres
Required Setback:	75 feet
Permitting Jurisdiction:	Maine Dept. of Environmental Protection



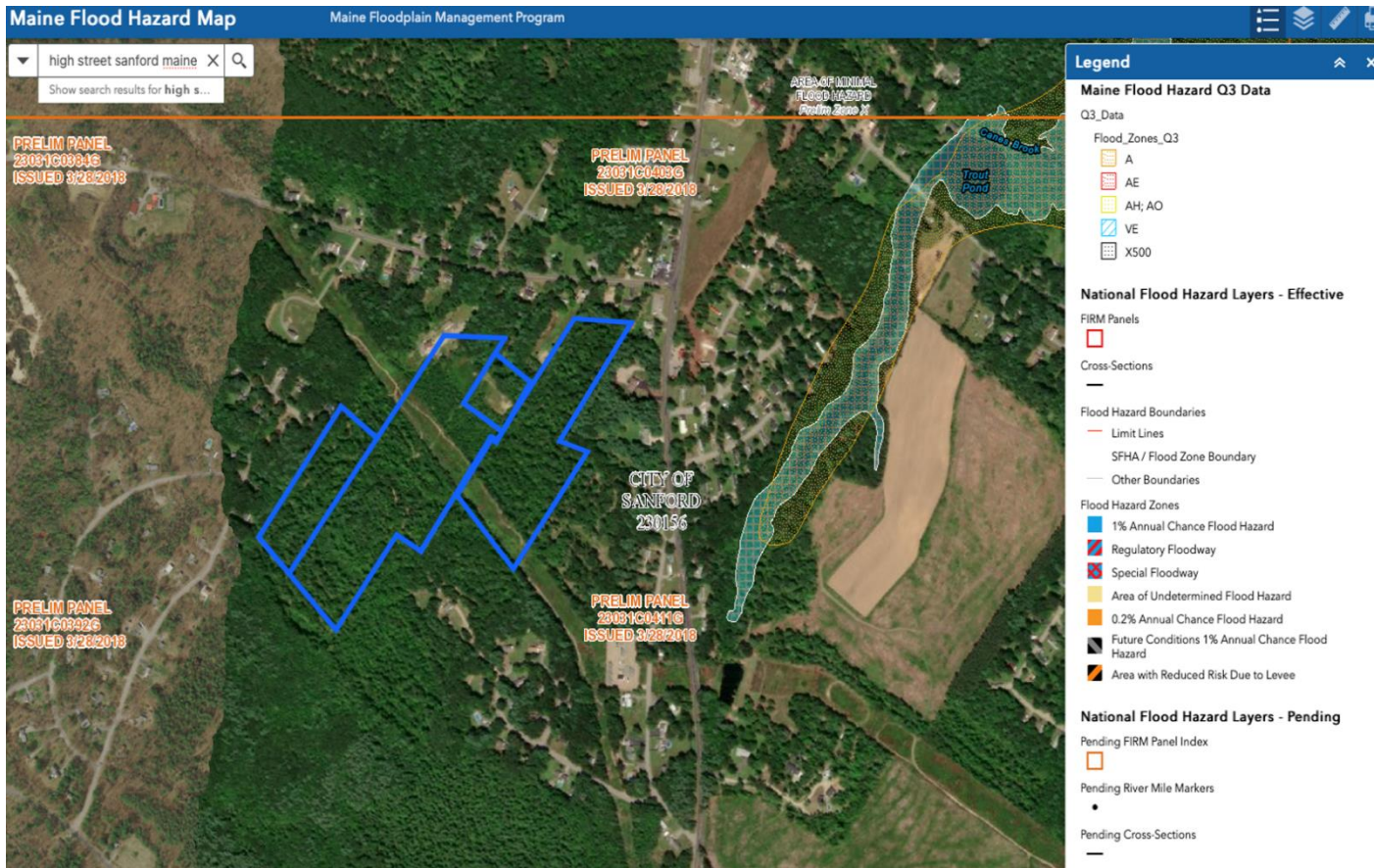
Wetlands Map generated by National Wetlands Inventory (NWI)

Flood Zones

The site is not located within a flood zone, and the closest flood zone is 2,249 feet (0.43 miles) away. The lowest elevation of the parcel is 264 feet, while the highest point of the closest flood zone is 271 feet. The nearby Flood Zone is classified as Class A – defined as a Special Flood Hazard Area with a 1% chance of annual flooding.

Flood Zones

Site Located in Flood Zone:	No
Flood Zone Category:	N/A
Flood Zone Minimum Elevation:	271 feet
Parcel Minimum Elevation:	264 feet
Distance from Flood Zone:	2,249 feet



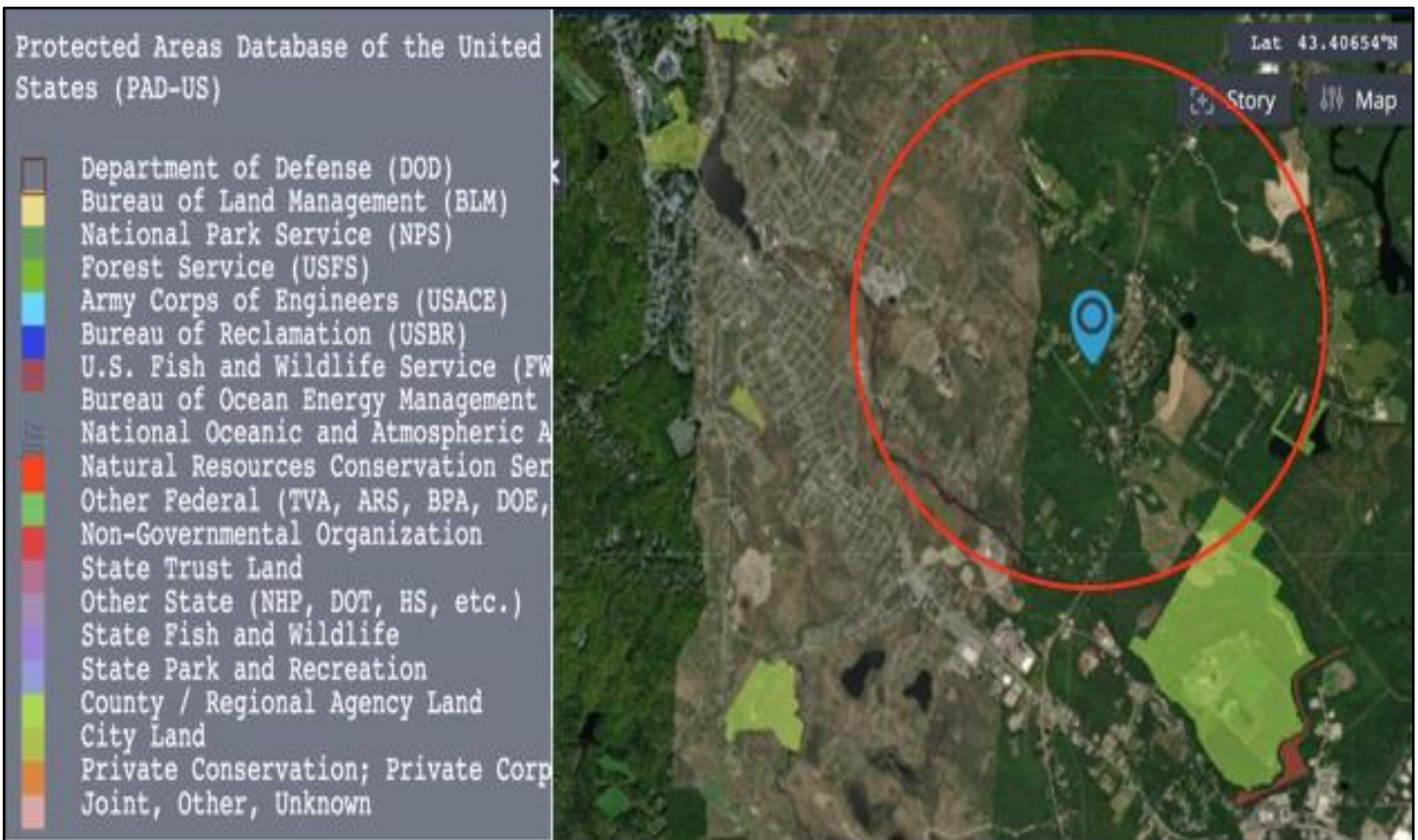
Flood Zone Map generated by Maine Floodplain Management Program

Protected Areas

There are not any listed Protected Areas of or Areas of Critical Environmental Concern within a 1-mile radius of the Site, other than a small piece of county-owned land to the southeast.

Protected Areas

Protected Areas on Site:	No
Type of Protected Area(s):	N/A
Protected Areas within 1 Mile:	Yes
Type of Protected Area(s):	County-Owned Land
Permits/Waivers Needed:	N/A



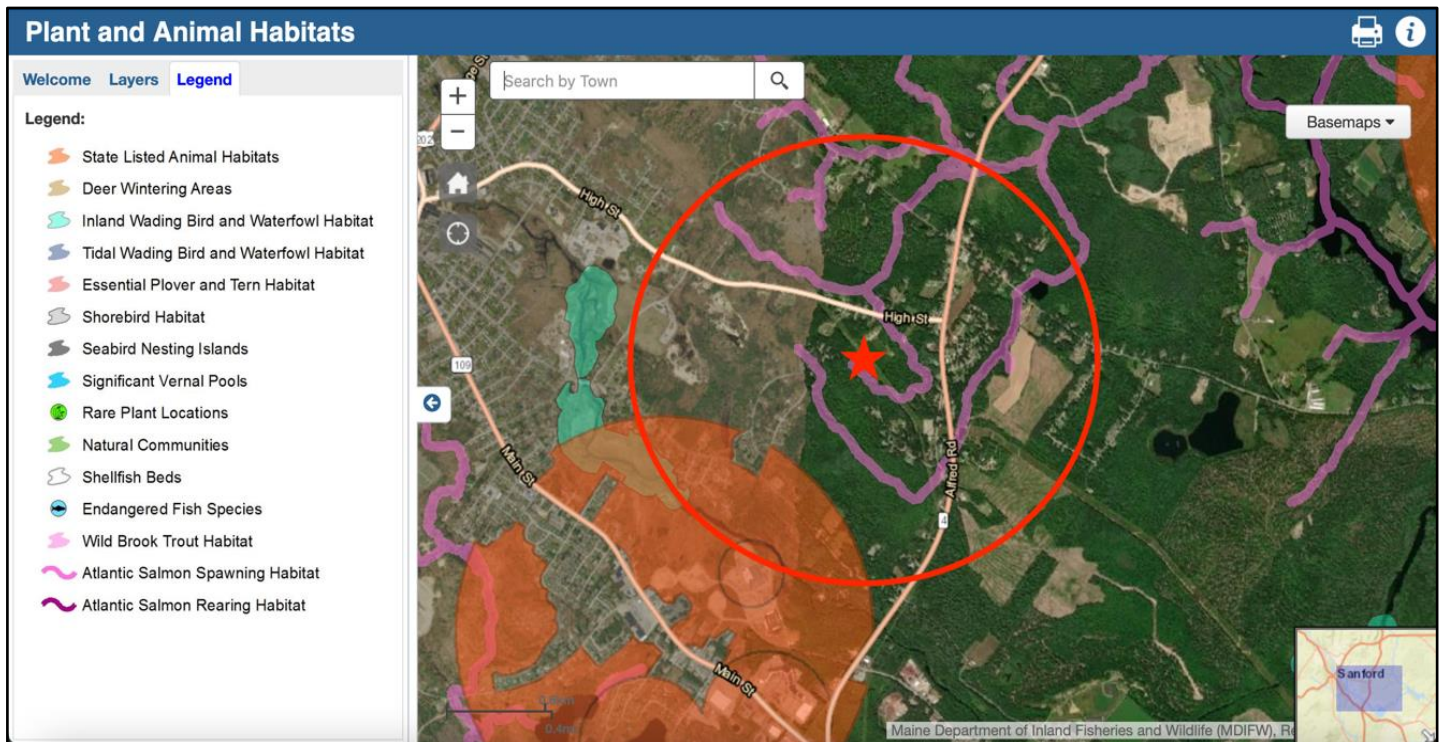
Protected Areas Map provided by Protected Area Database

Threatened & Endangered Species

There are no Threatened or Endangered Species present on the parcels. However, the State of Maine has identified Threatened/Endangered animal habitat within 1 mile of the site. It is not yet known which species is present near the site (this would likely have to be determined through a professional environmental assessment), however national Threatened and Endangered Species maps have listed the Sanford area as habitat for the Endangered Northern Long-Eared Bat. Additionally, the Riverine System that runs through the middle of Parcels R12-46G and R12-46F-1 contains Wild Brook Trout Habitat; however, they are not listed as Threatened or Endangered.

Threatened & Endangered Species

Threatened / Endangered Species on Site:	No
Species Name(s):	N/A
Threatened / Endangered Species within 1 Mile:	Yes
Species Name(s):	Northern Long-Eared Bat (unconfirmed)
Additional Habitat:	Wild Brook Trout



Endangered Species Map provided by Maine DEP

Prime Farmland

The City of Sanford requires the Project to identify areas of Prime or Unique Farmland as well as Farmland of Statewide Importance. Approximately 23.5% of the parcel area is considered Farmland of Statewide Importance, however most of this land is not planned on being developed as part of the project.

Prime Farmland & Soils of Statewide Importance

Prime or Unique Farmland:	No
Soils of Statewide Importance:	Yes – 23.5% of parcels



Summary by Map Unit – York County, Maine (ME031)

Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI
BsB	Brayton and Westbury very stony fine sandy loams, 0 to 8 percent slopes	Not prime farmland	0.0	0.1%
CrB	Croghan loamy fine sand, 0 to 8 percent slopes, wooded	Farmland of statewide importance	10.1	23.5%
HmC	Hermon sandy loam, 8 to 15 percent slopes, very stony	Not prime farmland	9.5	22.1%
HmD	Hermon sandy loam, 15 to 35 percent slopes, very stony	Not prime farmland	12.7	29.7%
SrB	Skerry fine sandy loam, 0 to 8 percent slopes, very stony	Not prime farmland	10.6	24.6%
Totals for Area of Interest			42.9	100.0%

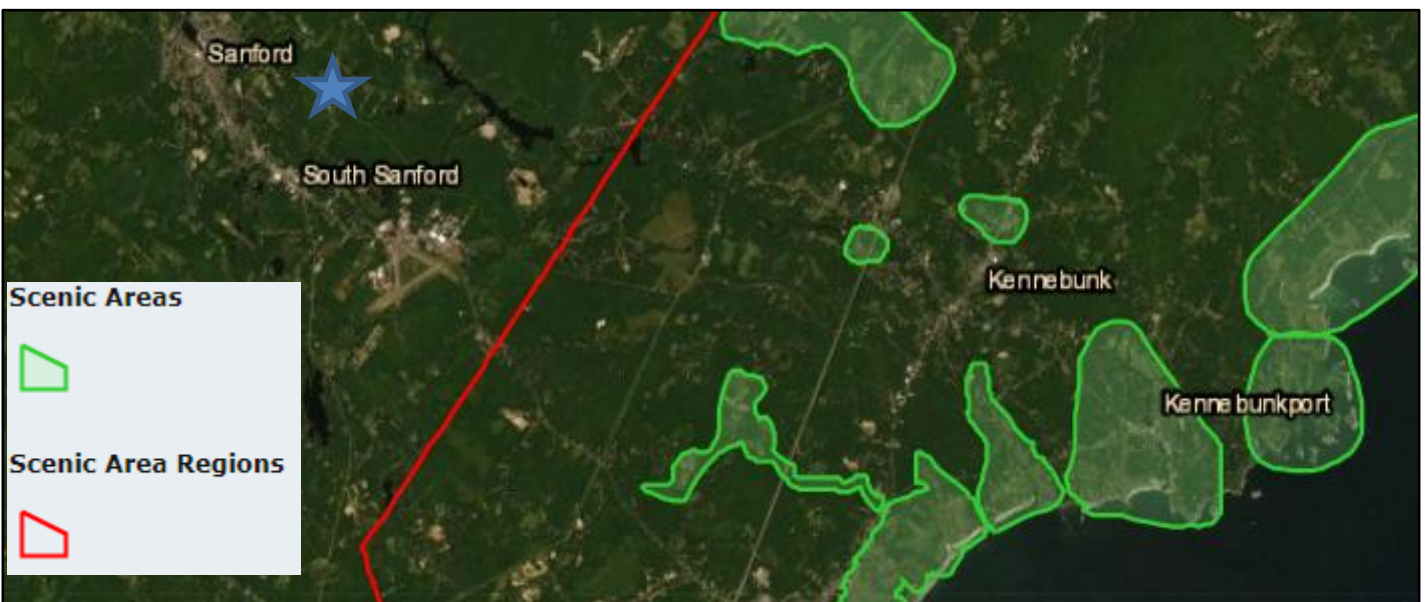
Map Provided by National Resources Conservation Service (NRCS)

Historic & Cultural Sites

The City of Sanford requires the Project to list scenic resources and historic sites within a 1-mile radius of the Site. According to the National Register of Historic Places, no such features occur within 1 mile of the Site.

Historic & Cultural Sites

Scenic Resources of Historic Sites:	No
Distance from Site:	N/A



Maps provided by National Register of Historic Places & Maine Coastal Program

PERMITTING & ZONING



Zoning Summary

The parcels making up this project Site are zoned RR (Rural Residential) with the exception of R12-46A which is both RR and MZ. The zone only allows by-right Solar PV systems up to 250kWdc (“Commercial Solar Systems”). A system larger than 250kWdc in the Rural Residential district would be considered a “Utility Solar Systems” and is allowed by Conditional Use Permit.

The City has posted a list of Application Requirements for Solar PV systems and is available as an attachment to this report. All of the requirements listed are typical for solar projects of this size.

Authority Having Jurisdiction (AHJ)

The Authority of Jurisdiction for local zoning and permitting approvals for this project are the Sanford Planning Board and the Sanford Building Department.

AED has already conducted a Pre-Application meeting with members of the Sanford Planning Board and Building Department. The Town is generally favorable of the project with their greatest concern being a procedural right-of-way situation which is currently being resolved.

Permitting & Zoning Overview

Local Zoning Overview

Property Zoning:	R-R (Rural Residential) / MZ (Mixed Use)
Special/Overlay Zones:	N/A
Solar Bylaw Established:	Yes
Solar Overlay District Established:	No
Property Located Within Overlay:	N/A
Special Use Permit Required:	Yes

Setback Requirements

Front:	40 ft
Side:	30 ft
Rear:	30 ft
Additional Setbacks/Buffers:	75' from Wetland

Abutting Properties

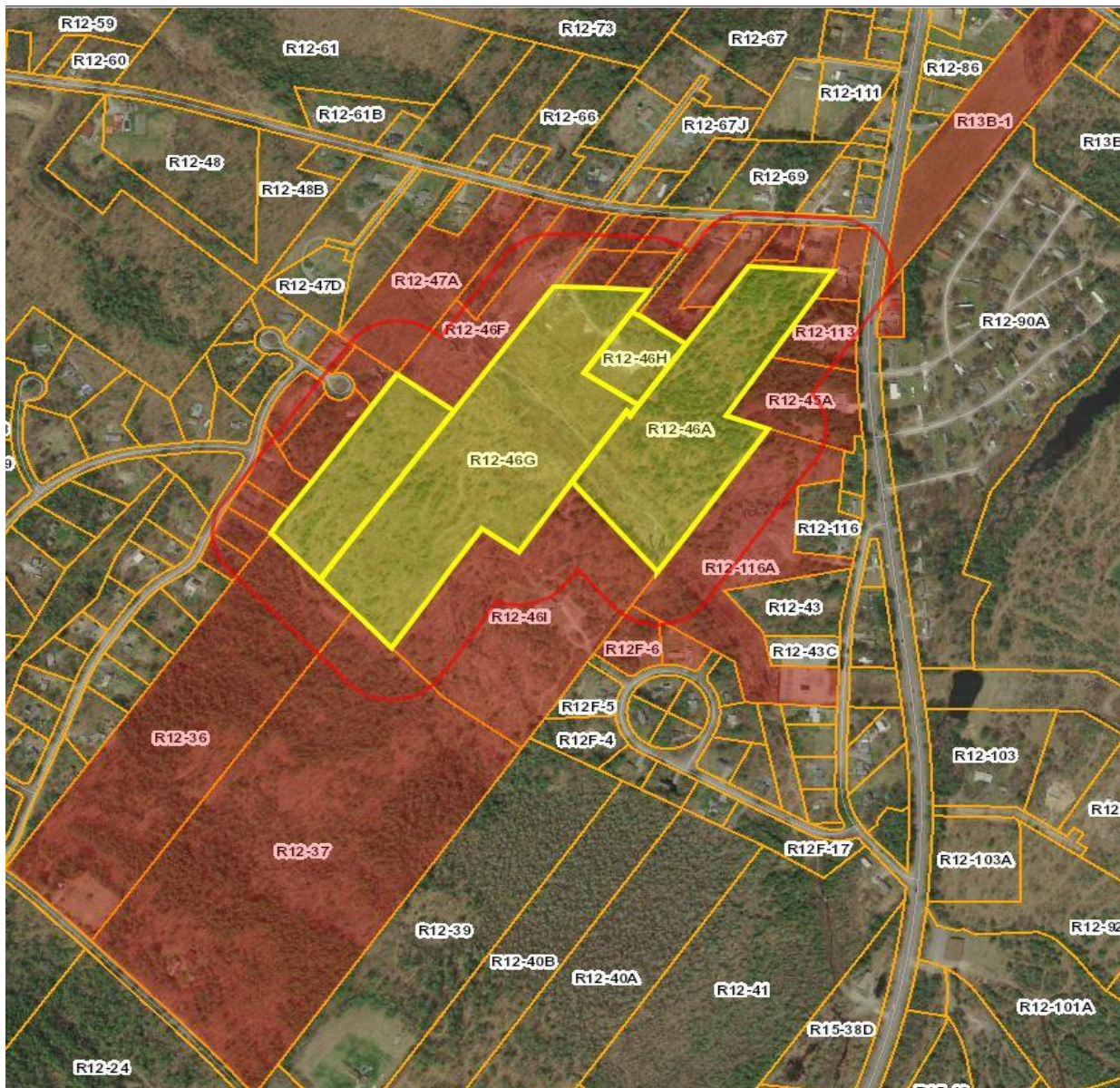
Notification Requirement:	250' from Property Boundaries
# of Properties Requiring Notification:	31
Zoning of Abutting Parcels:	Rural Residential (RR) / MZ (Mixed Use)
Engagement with Abutters:	In Process

State Permitting

Potential State Permits Required:	Stream Crossing Permit
State Permitting Authority:	Maine Dept. of Environmental Protection

Abutting Properties

The Sanford Planning Department requires that applicants for Solar Energy Systems notify abutters within 250' of the Project Site of the planned installation. For this site, there are 21 parcels that fall under this categorization: all but one zoned R-R (Rural Residential). However, several of these parcels are either owned by the same landowner as this parcel or are owned by landowners where separate solar projects are in development on those parcels.



Abutters Report Showing Properties within 250' of the Site.

Local Permitting Contact

Local permitting items will be handled through Sanford Code Enforcement and Planning Departments. The contact information for the local AHJ official is listed below.

Local Permitting Contact

Contact Name:	Jamie Cole
Title:	Chief Code Enforcement Officer
Department/Agency:	Building Department
Phone:	(207) 324-9145
Email:	-
Mailing Address:	919 Main St, Sanford, ME 04073

State Permitting Contact

The project may require a stream crossing permit or Threatened/Endangered Species approvals from the Maine Department of Environmental Protection. The contact information of the Maine DEP representative is listed below.

State Permitting Contact

Contact Name:	Marybeth Richardson
Title:	Director, Southern Maine Regional Office
Department/Agency:	Maine Dept. of Environmental Protection
Phone:	(207) 822-6300
Email:	Marybeth.Richardson@maine.gov
Mailing Address:	312 Canco Road, Portland, Maine 04103

INTERCONNECTION



Interconnection Summary

The Site is situated within Central Maine Power's (CMP) Alfred Load Zone. While there is no 3vØ directly abutting the site, it is located about 0.2 miles away on Alfred Road. The line runs south along Alfred Rd about 2.2 miles towards Substation 667 (South Sanford).

Feasibility Discussion

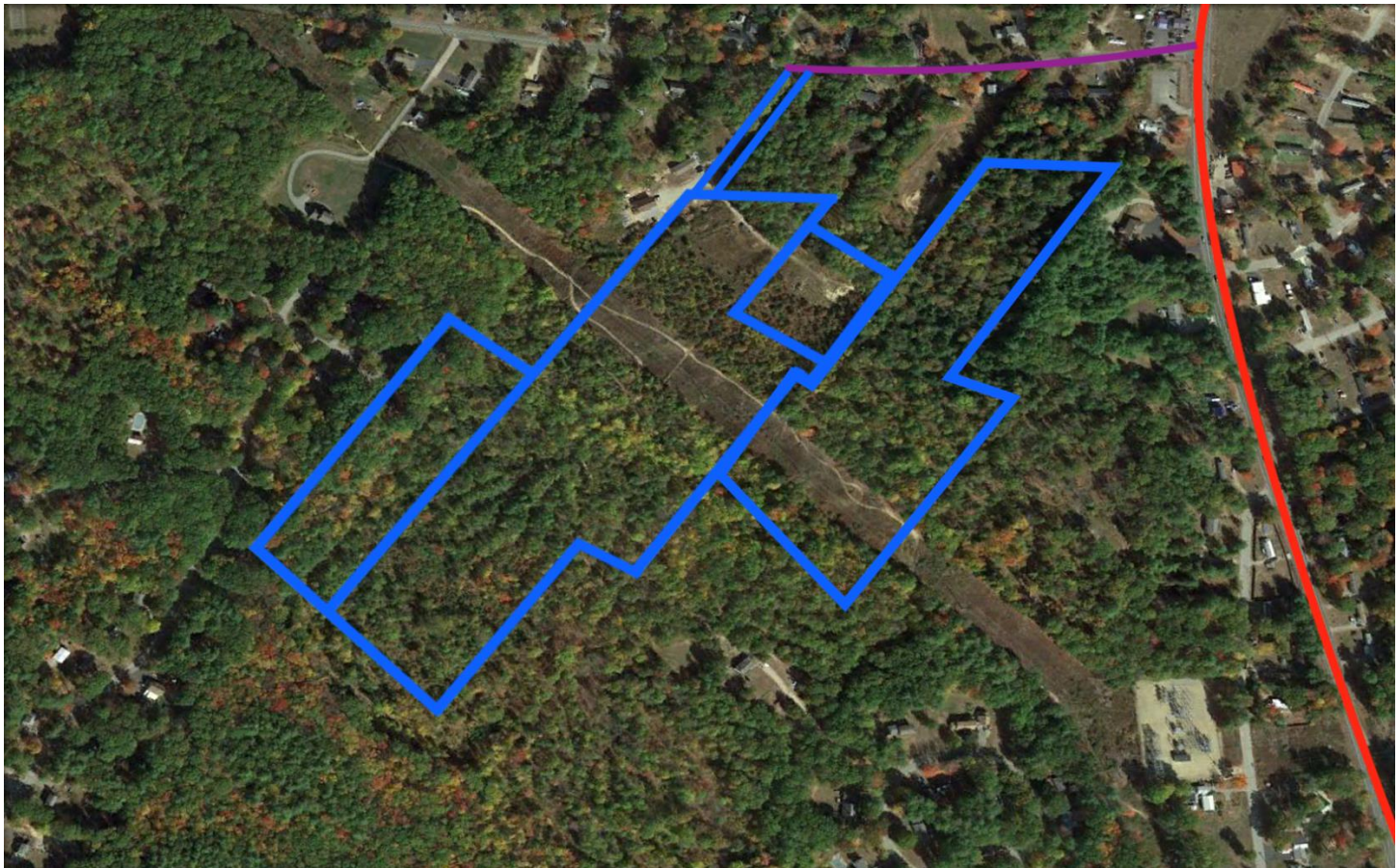
According to the pre-application, the feeder that is close to the property (667D1) has approximately 4MWac available. Substation 667 (South Sanford) has approximately 5MWac available in capacity; enough room to accommodate the project.

Feeder Information

The property does not directly abut 3vØ lines (there is only a single-phase line running along High St to the North of the property). About 0.2 miles from the POI there is a 12.47kV line running down Alfred Rd towards the South Sanford Substation located on Main St (Route 109).

Feeder Information

Feeder Name/Size:	667D1 / 12.47kV
Distance from POI:	~0.2 miles
Feeder Hosting Capacity (Max):	8,990 kWac (approximate)
DG on Feeder:	4,950 kWac
Type of Project(s) Allocated/Queued:	Solar PV - Fully Executed ISA (1)
Pre-app Filed:	Yes – received and attached



Feeder Map showing Single-Phase line (Purple) running from POI along High St towards Feeder #667D1 (12.47kV – Red) running along Alfred Rd.

Substation Information

The property is approximately 2 miles from Substation #667 (South Sanford). The substation has 0.0 MWac of DG online and 8.45 MWac of DG with Fully-Executed ISAs. The feasibility of interconnecting to the transmission-level substation near the Site has not yet been determined.

Substation Information

Substation Name/ID:	667 (South Sanford)
Substation Voltage:	115 kV
Distance from POI:	~2.1 miles
Bulk Hosting Capacity:	14,000 kWac (approximate)
Bulk Allocated/Queued DG:	8,767 kWac
Type of Project(s) Allocated/Queued:	Solar PV - Fully Executed ISA (2)



Aerial view of Substation #667 (South Sanford) located ~2.1 miles from the Site.

REAL ESTATE & SITE CONTROL

SOLAR ENERGY OPTION AND LEASE AGREEMENT

THIS SOLAR ENERGY OPTION AND LEASE AGREEMENT ("Lease") is made and entered

Real Estate Summary

The Site is made up of four parcels. Parcels R12-46F-1, R12-46G, & R12-46H are owned by Mr. Roger J. Berube, a local homebuilder. Parcel R12-46A is owned by Mr. Dennis P. Desrochers.

Site Control

AED has an executed Option and Lease Agreement on the Site dated October 23rd, 2020. The initial Term of the Option is one year, and is currently in its extension period. The Term of the Lease is 20 years with two 5-year Term extensions available at the Lessee's discretion, with an additional two 5-year Term extensions available upon mutual agreement between the parties on terms.

Details on the Option & Lease Agreement can be found below, and the Option & Lease Agreement is available as an attachment to this EPO Package.

Site Control Tables

Site Control Summary

Site Control Type:	Option & Lease Agreement
Date of Option Execution:	10/23/2020; Extended 10/9/2021 and 4/15/2022
Option Term:	365 Days
Option Extensions:	One 180-day Extension, second 365-day extension
Lease Term:	20 Years
Lease Extensions:	Two 5-Year Extensions (Lessee Discretion) Two 5-Year Extensions (Mutual Agreement)
Lease Rate:	\$1,500 /acre
Lease Escalator:	2.0%

PROJECT FINANCIALS

Incentives Summary

The State of Maine and Central Maine Power (CMP) currently offer multiple Incentives and Offtake strategies for a Project like this. The project could enroll in the new Distributed Generation (DG) or Net Energy Billing (NEB) Programs, which can feature 20-year fixed bundled rates for energy and RECs.

The current status of the NEB Program is in question as there is a pending moratorium bill on NEB projects > 2MWac while the Public Utilities Commission examines structural changes to NEB.

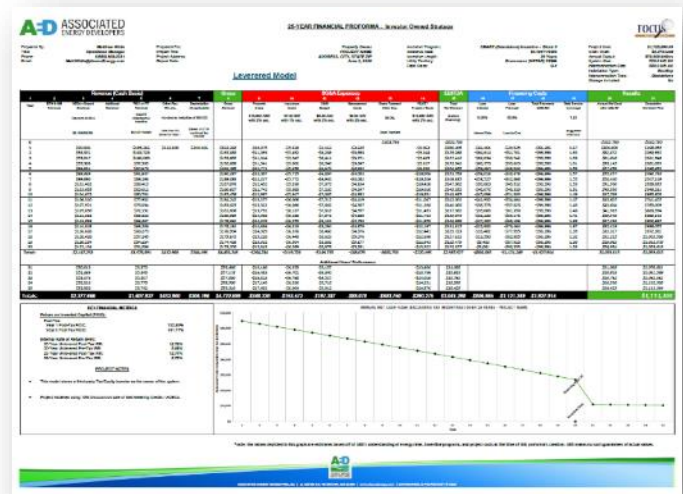
Offtake Summary

Depending on the program selected, the Project could either seek a single commercial, industrial, or institutional Offtaker via the NEB Tariff Rate program or a larger number of Offtakers through the Shared DG Program. For the NEB Tariff Rate Program, rates are currently between \$0.12-\$0.14/kWh before discounts. MA Class I Recs are also available and are currently valued between \$20-\$40 /MWh.

AED can provide Offtaker Acquisition services for the NEB Tariff Rate program or Anchor DG offtakers under a separate contract.

PILOT Summary

There are several Solar PV projects in development in the City of Sanford, most notably a ~50MWac utility-scale Solar PV project near the Sanford Airport. AED has not determined the contracted \$/MW PILOT rates between these Projects and the City of Sanford, but once known they could serve as potential projects to examine for comparative purposes of establishing a PILOT for this Site.



Interested in AED's Project Financial Modeling Services? Contact us today to learn more!

Project Financials Table

Incentive Programs

Incentive Programs Available:	Maine Shared DG / NEB Program
Anticipated Block/Queue Placement:	TBD
Anticipated Incentive Rate:	TBD
Anticipated Incentive Duration:	20 Years
Incentive Secured:	No
Additional/Alternative Incentives:	MA Class I RECs - \$20-\$40 /MWh

Offtake

Potential Offtake Strategies:	Virtual PPA or Community Solar
Offtaker/PPA Status:	Not Started
Offtaker/PPA Rate:	Approx. \$0.12-\$0.14 /kWh (Before discounts)
Offtaker/PPA Duration:	20 Years + Extensions

PILOT

# of Executed Solar PILOTs in AHJ:	Unknown
Average PILOT Rate:	Unknown

Prepared For: **AED INTERNAL**
 Prepared By: **Matthew White, VP of Operations**
 Contact Info: **1(888) 800-2381 | Matt.White@AssocEnergy.com**
 Report Date: **7/11/2022 10:46**

Generation Type:	Source 1	Source 2	Source 3	Energy Storage	Totals
Ground SolarPV					
Size (kWdc):	4,262,400 kWdc				4,262,400 kWdc
Size (kWac):	3,700,000 kWac				3,700,000 kWac
Output (kWh):	7,687,620 kWh				7,687,620 kWh
Cost (\$):	\$9,980,042.56				\$9,980,042.56
Cost (\$/W):	\$2.341 /Wdc				\$2.341 /Wdc
Tax Ineligibles:	\$825,000.00				\$825,000.00
Investment Tax Credit:	\$2,014,109.36				\$2,014,109.36
Depreciation Value:	\$2,851,795.76				\$2,851,795.76

AED Model - TRC Update 7.8.22

[Conservative]

Revenue (Cash Basis)						Gross	Operating Expenses						EBITDA	Financing		Results							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
Year	Src1: SolarPV - M1 Exported Revenue at Grid Rate of: \$0.09631 /kWh (15% discount from retail)			Utility Incentive Revenue MA Class 1 RECs \$29/MWh Years 1-5 & \$15/MWh Years 6-25	Depreciation and Fed ITC Depreciation at 35.0% Tax Rate ITC Shown as Revenue (Year 1)	Gross Revenue	Site Lease / Site Purchase \$12.933 /MWh w/ 2% escalator	Insurance Coverage \$9.37/kWdc with 2% escalator	Operations & Maintenance \$7.50/kWdc with 2% escalator Includes Inverter Budget	Miscellaneous Expenses Decomm in Year 25	Asset Management	Offtaker Management \$13.53/kWdc with 2% escalator	Down Payment / Interest Reserve 40.0% Down Payment	PILOT / Property Taxes \$12,500/MWdc with 2% escalator	Total Net Revenue (before financing)	Total Payments (P & I) 60.0% LTV 6.49% Interest Loan Principal of \$5,988,025.54	Debt Service Coverage Ratio 1.25 (suggested minimum)	Annual Net Cash Flow	Cumulative Net Cash Flow				
0																							
1	\$740,356			\$222,941	\$3,725,187	\$4,688,484	-\$55,125	-\$39,920	-\$31,968			-\$57,657		-\$53,280	\$4,450,534	-\$535,318	1.35	\$3,915,215	-\$76,802				
2	\$751,388			\$221,826	\$456,287	\$1,429,501	-\$56,228	-\$40,719	-\$32,607			-\$57,369		-\$54,346	\$1,188,233	-\$535,318	1.37	\$652,915	\$576,113				
3	\$762,564			\$220,717	\$273,772	\$1,257,053	-\$57,352	-\$41,533	-\$33,260			-\$57,082		-\$55,433	\$1,012,394	-\$535,318	1.38	\$477,076	\$1,053,189				
4	\$773,887			\$219,614	\$164,263	\$1,157,764	-\$58,499	-\$42,364	-\$33,925			-\$56,797		-\$56,541	\$909,639	-\$535,318	1.39	\$374,320	\$1,427,510				
5	\$785,358			\$218,515	\$164,263	\$1,168,137	-\$59,669	-\$43,211	-\$34,603			-\$56,513		-\$57,672	\$916,469	-\$535,318	1.41	\$381,150	\$1,808,660				
6	\$796,978			\$112,460	\$82,132	\$991,570	-\$60,862	-\$44,075	-\$35,295			-\$56,230		-\$58,825	\$736,281	-\$535,318	1.22	\$200,963	\$2,009,623				
7	\$808,749			\$111,898		\$920,646	-\$62,080	-\$44,957	-\$36,001			-\$55,949		-\$60,002	\$661,658	-\$535,318	1.24	\$126,340	\$2,135,963				
8	\$820,671			\$111,338		\$932,010	-\$63,321	-\$45,856	-\$36,721			-\$55,669		-\$61,202	\$669,240	-\$535,318	1.25	\$133,922	\$2,269,885				
9	\$832,747			\$110,782		\$943,529	-\$64,588	-\$46,773	-\$37,456			-\$55,391		-\$62,426	\$676,896	-\$535,318	1.26	\$141,578	\$2,411,462				
10	\$844,978			\$110,228		\$955,206	-\$65,879	-\$47,708	-\$38,205			-\$55,114		-\$63,675	\$684,625	-\$535,318	1.28	\$149,307	\$2,560,769				
11	\$857,366			\$109,677		\$967,042	-\$67,197	-\$48,662	-\$465,209			-\$54,838		-\$64,948	\$266,188	-\$535,318	0.50	-\$269,131	\$2,291,638				
12	\$869,910			\$109,128		\$979,038	-\$68,541	-\$49,636	-\$39,748			-\$54,564		-\$66,247	\$700,302	-\$535,318	1.31	\$164,984	\$2,456,622				
13	\$882,614			\$108,583		\$991,196	-\$69,912	-\$50,628	-\$40,543			-\$54,291		-\$67,572	\$708,250	-\$535,318	1.32	\$172,931	\$2,629,554				
14	\$895,477			\$108,040		\$1,003,517	-\$71,310	-\$51,641	-\$41,354			-\$54,020		-\$68,923	\$716,269	-\$535,318	1.34	\$180,950	\$2,810,504				
15	\$908,502			\$107,499		\$1,016,002	-\$72,736	-\$52,674	-\$42,181			-\$53,750		-\$70,302	\$724,359	-\$535,318	1.35	\$189,041	\$2,999,545				
16	\$921,690			\$106,962		\$1,028,652	-\$74,191	-\$53,727	-\$43,025			-\$53,481		-\$71,708	\$732,520	-\$535,318	1.37	\$197,202	\$3,196,747				
17	\$935,042			\$106,427		\$1,041,470	-\$75,675	-\$54,802	-\$43,885			-\$53,214		-\$73,142	\$740,752	-\$535,318	1.38	\$205,434	\$3,402,181				
18	\$948,560			\$105,895		\$1,054,455	-\$77,188	-\$55,898	-\$44,763			-\$52,948		-\$74,605	\$749,053	-\$535,318	1.40	\$213,735	\$3,615,916				
19	\$962,244			\$105,366		\$1,067,610	-\$78,732	-\$57,016	-\$45,658			-\$52,683		-\$76,097	\$757,424	-\$535,318	1.41	\$222,105	\$3,838,021				
20	\$976,096			\$104,839		\$1,080,935	-\$80,307	-\$58,156	-\$46,571			-\$52,419		-\$77,619	\$765,862	-\$535,316	1.43	\$230,546	\$4,068,567				
Subtotals:	\$17,075,178			\$2,732,734	\$4,865,905	\$24,673,817	-\$1,339,393	-\$969,955	-\$1,202,978			-\$1,099,978	-\$3,992,017	-\$1,294,564	\$14,774,932	-\$10,706,365	1.30	\$4,068,567	\$4,068,567				
Additional Years' Performance																							
21	\$347,715			\$104,315		\$452,030	-\$81,913	-\$59,319	-\$47,503					-\$79,171	\$184,123			\$184,123	\$4,252,691				
22	\$349,436			\$103,793		\$453,229	-\$83,551	-\$60,506	-\$48,453					-\$80,755	\$179,965			\$179,965	\$4,432,656				
23	\$351,166			\$103,274		\$454,440	-\$85,222	-\$61,716	-\$49,422					-\$82,370	\$175,710			\$175,710	\$4,608,366				
24	\$352,904			\$102,758		\$455,662	-\$86,927	-\$62,950	-\$50,410					-\$84,017	\$171,358			\$171,358	\$4,779,724				
25	\$354,651			\$102,244		\$456,895	-\$88,665	-\$64,209	-\$51,419			-\$85,975		-\$85,698	-\$690,071			-\$690,071	\$4,089,653				
Totals:	\$18,831,050			\$3,249,117	\$4,865,905	\$26,946,072	-\$1,765,670	-\$1,278,655	-\$1,450,185	-\$856,975			-\$1,099,978	-\$3,992,017	-\$1,706,574	\$14,796,018	-\$10,706,365		\$4,089,653				

Key Financial Metrics	
Internal Rate of Return (IRR)	
20-Year Unlevered IRR:	10.30%
25-Year Unlevered IRR:	10.34%
Project Notes	
<ul style="list-style-type: none"> This model shows a third-party Tax Equity Investor as the owner of the system. Ground SolarPV modeled using 22% ITC. Depreciation modeled at 35% Tax Bracket. Year One Tax Equity ROIC of 93.32%. Total Tax Equity ROIC = 131.89%. Net Energy Billing credits valued at 2018-2020 Average CMP Rate A Residential rate of \$0.11333/kWh discounted 15% (100% Residential Offtake) escalating 2.0% annually. Years 21-25 modeled at \$0.05/kWh QF. MA Class 1 RECs valued at \$29/MWh Years 1-5 and \$15/MWh Years 6-25. 	

Project Costs	Source 1	Source 2	Source 3	Energy Storage	Totals
Development Costs:	\$ 319,680	\$ 0.075 /W	\$ -	\$ -	\$ 319,680 \$ 0.075 /W
Equipment & Installation Costs:	\$ 6,308,352	\$ 1.480 /W	\$ -	\$ -	\$ 6,308,352 \$ 1.480 /W
Offtaker Acquisition Costs:	\$ 532,800	\$ 0.125 /W	\$ -	\$ -	\$ 532,800 \$ 0.125 /W
Financing Costs:	\$ 189,251	\$ 0.044 /W	\$ -	\$ -	\$ 189,251 \$ 0.044 /W
Third-Party Developer Fees:	\$ -	\$ -	\$ -	\$ -	\$ - \$ -
Site Host Developer Fees:	\$ -	\$ -	\$ -	\$ -	\$ - \$ -
Interconnection (ITC Ineligible):	\$ 825,000	\$ 0.194 /W	\$ -	\$ -	\$ 825,000 \$ 0.194 /W
Legal & Closing Costs:	\$ 100,000	\$ 0.023 /W	\$ -	\$ -	\$ 100,000 \$ 0.023 /W
Total Base Project Cost Before Margin:	\$ 8,275,083	\$ 1.941 /W	\$ -	\$ -	\$ 8,275,083 \$ 1.941 /W
Gross AED Developer Fee:	\$ 1,704,960	\$ 0.400 /W	\$ -	\$ -	\$ 1,704,960 \$ 0.400 /W
Less Sales/Origination Fees (15%):	\$ 255,744	\$ 0.060 /W	\$ -	\$ -	\$ 255,744 \$ 0.060 /W
Net AED Developer Fee:	\$ 1,449,216	\$ 0.340 /W	\$ -	\$ -	\$ 1,449,216 \$ 0.340 /W
Total Project Cost & Gross Margin:	\$ 9,980,043	\$ 2.341 /W	\$ -	\$ -	\$ 9,980,043 \$ 2.341 /W

*note: the values depicted in this graph are estimates based off of AED's understanding of energy rates, incentive programs, and project costs at the time of this proforma's creation. AED makes no such guarantees of actual values.



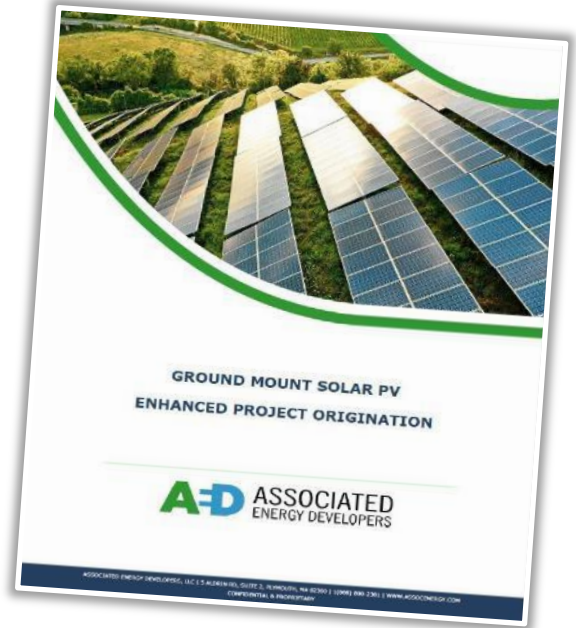
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- The AED Team



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