

SIX STEPS

FOR SUCCESSFUL SOLAR PROJECTS



PowerFin Partners

STEP 1: MARKET VALUE ASSESSMENT

Question :

What are your long-term power pricing expectations?

Answer: Form an opinion on commodity and capacity cost inflation.

Answer: Is it realistic to expect fuel and capacity costs to remain unchanged for 25+ years?

Answer: Factor time-of-day, congestion, and duration.

Question :

What are the benefits of solar?

Answer: Predictability and price certainty

Answer: Generates during high-cost times of day.

Answer: Mitigates congestion – solar can be sited close to demand.

Answer: Generates local tax revenues and jobs during construction.

Answer: Solar is a physical hedge against long-term fuel and capacity cost inflation.
No long-term financial hedges exist.



STEP 2: FEASIBILITY EVALUATION

Question :

How does an electricity customer avoid speculative developers?

Answer: Work with developers who build projects, not promote pipelines.

Answer: Require material monetary penalties or deposits.

Answer: Require completion within 18 months of contract (PPA) signing.

Answer: Choose more than one developer.

Answer: Avoid developers without a vested interest in the community.

Question :

Is the proposed project realistic?

Answer: The electricity (PPA) price is the most critical aspect of a successful project.

Answer: Procurement to completion takes less than nine months, so there should be no reason to speculate on future cost reductions.

Answer: Has the developer completed any projects at their proposed price?



STEP 3 : SITE CONSIDERATIONS

Question :

How does a site affect economics?

Answer: Non-local projects tend to offer lower prices.

Answer: Local projects generate local taxes and jobs.

Question :

What should be considered for interconnection?

Answer: Sizing systems to interconnect to lower-voltage distribution lines reduces site risks while mitigating transmission and financing risks.

Answer: Interconnection process should be well defined.

Answer: Are the design and output compatible with my load profile?

Answer: Any potential congestion is a material problem for investors.

Question :

What is the benefit of a pre-selected site?

Answer: Unlike wind, solar sites are highly interchangeable.

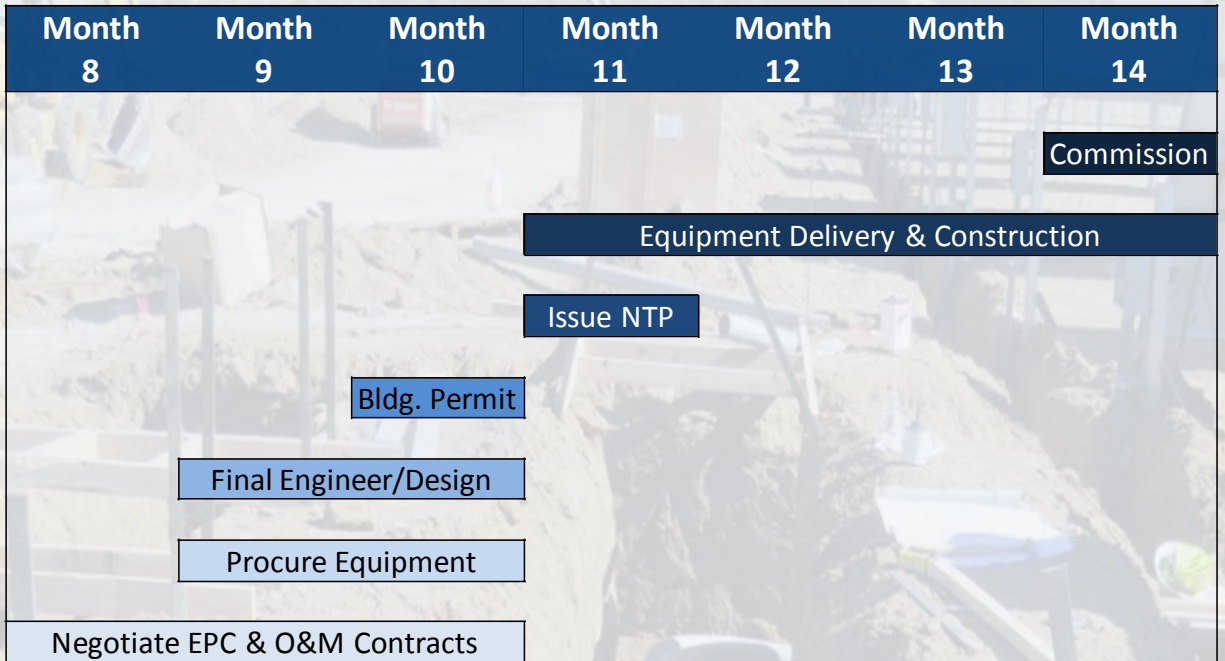
Answer: A pre-selected site can save a few months of development.

STEP 4 : DEVELOPMENT

Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7
Pre-Construction Permits						
Prelim. Engineer/Design						
Site Clearance (Title, easements, etc..)						
Negotiate PPA and GIA						
			Interconnection Scheduling			
				Developer Obtains Financing		



STEP 5: CONSTRUCTION



STEP 6: OPERATION

Solar projects last a long time and require minimal operations

- Solar panels are under warranty for 80% of capacity for 25 years.
- No moving parts other than possibly some single-axis trackers.
- Operating costs are fixed and equal about 10% of sales.

Annual system output varies less than 10%

- System is monitored offsite.
- Provide week-ahead and day-ahead estimates based on forecasts.

PowerFin Invests In and Develops Solar Projects

LET OUR EXPERIENCE MITIGATE YOUR PROJECT RISKS

We have funded and completed over 40 MW of solar projects across over ten different sites.

Our team also has developed over 500 MW of renewable generating projects.

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