3.0 FINANCIAL CAPACITY

3.1 ESTIMATED PROJECT COSTS

The total cost of the Project is expected to be approximately $195,502,500, itemized in Table 3-1 below.

Table 3-1. Estimated Costs for the Project

Solar panels	$51,947,500
Civil/Site Work	$27,180,000
Solar panel racking	$33,220,000
Foundations	$24,160,000
Inverters	$8,305,000
Collection	$25,670,000
Substation	$6,000,000
115-KV Transmission Line	$9,000,000
Utility Upgrades	$7,000,000
Engineering	3,020,000
Total	**$195,502,500**

3.2 PROJECT STRUCTURE AND FINANCING

The Applicant is a Delaware limited liability company and is a special purpose entity that owns the Project. The Applicant is a subsidiary of Longroad Energy Holdings, LLC. Longroad was founded by the former executive team of First Wind Holdings, LLC (First Wind), and is a Boston, Massachusetts, based company focused on the development, construction, and operation of utility-scale solar and wind energy projects throughout the United States. An audited financial statement, including Longroad's balance sheet, is attached as Exhibit 3-1.

In October 2016, Longroad closed a major financing agreement for its development business, with large equity and credit commitments from Infratil Limited, a publicly traded energy and infrastructure investment company, and the New Zealand Superannuation Fund, a sovereign wealth fund. Longroad's investors provide development capital and a letter of credit facility to be utilized to develop, own, and operate utility-scale renewable energy projects throughout the United States. Since founding in 2016, Longroad has raised over $6.8 billion in third party capital. Longroad has the capital needed to complete development, fund interconnection requirements, and construct the Project on schedule. Longroad's corporate letter of credit facility is provided by HSBC, an A-rated bank. Longroad will utilize capital provided by its financial investors to complete development of the Project.

The Applicant is expected to have the structure typical of a non/limited-recourse project financing, including construction debt coupled with tax equity and long-term debt commitments. Sponsor equity will fill the

remainder of the funding need. The Applicant anticipates that roughly 20% of the construction costs will be funded with equity and the balance funded by debt and tax equity.

The following describes the typical financing for utility-scale solar projects that the Longroad team has implemented on past projects. The precise financing structure for the Project may differ from the typical structure described here. The Longroad team has never had a situation where an economically viable project could not be brought to operation due to an inability to secure financing.

Typically, the construction loan (and any remaining sponsor equity) will be funded at financial close/Final Notice to Proceed, and monthly loan draws will be utilized to back construction activities until the Project reaches the Commercial Operation Date (COD). Shortly after COD, the construction loan will be replaced by a combination of tax equity and long-term debt.

As noted above, this financing plan is customary for utility-scale solar projects and is one that the Longroad team has implemented for several gigawatts (GW) of projects it has developed. Providers of debt and tax equity have not yet been selected for this Project, but the Applicant anticipates working with financial counterparties where it has a strong relationship and proven track record of success. Based on deals previously closed, potential financial counterparties include, but are not limited to: RBS, Key Bank, Union Bank, Nord LB, Rabobank, Banco Santander, Bayern LB, Deutsche Bank, CIT, Siemens Financial, CoBank, Commerzbank, JPMorgan, Credit Suisse, US Bank, Citi, Zions, MUFG, Goldman Sachs, Morgan Stanley, MidAmerican, and Wells Fargo.

Potential financial counterparties have financed a number of renewable energy projects in Maine developed by the Longroad team, including Rollins Wind (Keybank), Oakfield Wind (US Bank and Keybank), Bingham Wind (US Bank and Keybank), and Hancock Wind (US Bank). A letter of support from MUFG Bank, Ltd. for the Project is provided in Exhibit 3-2. Overall, the Longroad team has developed or financed over 5,300 MW of solar and wind energy facilities in the United States. See Table 4-2 in Section 4.0 for additional information on these projects.

3.3 CERTIFICATE OF GOOD STANDING

The Applicant is a Delaware limited liability company with an authorized presence in Maine. Exhibit 3-3 is information from the Maine Secretary of State demonstrating that it is in good standing.

Exhibit 3-1

Audited Financial Statement (2019-2020) and

Longroad Balance Sheet

(CONFIDENTIAL)

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Longroad Energy Holdings, LLC and Subsidiaries

Consolidated Financial Statements
and Independent Auditor's Report

December 31, 2020 and 2019

Longroad Energy Holdings, LLC and Subsidiaries

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Independent Auditor's Report

To the Board of Directors
Longroad Energy Holdings, LLC and Subsidiaries

We have audited the accompanying consolidated financial statements of Longroad Energy Holdings, LLC, and Subsidiaries which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of operations, comprehensive income (loss), members' capital and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Longroad Energy Holdings, LLC and Subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CohnReznick LLP

New York, New York
March 12, 2021

Longroad Energy Holdings, LLC and Subsidiaries **CONFIDENTIAL**

Consolidated Balance Sheets
December 31, 2020 and 2019
(in thousands)

Assets

	2020	2019
Current assets		
Cash and cash equivalents	$ 38,689	$ 57,145
Restricted cash - current	25,800	18,585
Accounts receivable, net	13,349	7,208
Other current assets	10,201	3,386
Current marketable securities	-	2,762
MSH promissory note receivable	13,700	-
Assets held for sale	-	52,324
Total current assets	101,739	141,410
Restricted cash - non-current	30,868	-
Equity method investment	4,086	4,101
Derivative asset	4,671	-
Other long-term assets	31,296	6,159
Intangible assets, net	13,349	15,842
Property, plant and equipment, net	1,120,901	302,754
Assets under construction, net	353,285	765,219
Total non-current assets	1,558,456	1,094,075
Total assets	$ 1,660,195	$ 1,235,485

Longroad Energy Holdings, LLC and Subsidiaries **CONFIDENTIAL**

Consolidated Balance Sheets
December 31, 2020 and 2019
(in thousands)

Liabilities and Members' Capital

	2020	2019
Current liabilities		
Accounts payable	$ 6,107	$ 5,605
Accrued expenses	12,446	8,676
Derivative liability - current	1,184	504
Due to members	196	4,315
Deferred purchase consideration	-	93,828
Liabilities of Projects held for sale	-	918
Capital lease obligations - current	6,840	15,489
Current portion of long-term debt, net	12,903	124,661
Total current liabilities	39,676	253,996
Asset retirement obligation	28,233	18,855
Other long-term liabilities	66,697	45,782
Derivative liability - non-current	158	4,201
Capital lease obligations - non-current	106,991	292,804
Long-term debt, net	601,459	556,027
Total non-current liabilities	803,538	917,669
Total liabilities	843,214	1,171,665
Commitments and contingencies		
Members' capital		
Class A Members' capital[1]	98,073	39,318
Noncontrolling interests	715,663	29,204
Accumulated other comprehensive income (loss)	3,245	(4,702)
Total members' capital	816,981	63,820
Total liabilities and members' capital	$ 1,660,195	$ 1,235,485

[1]175 and 150 million units authorized in 2020 and 2019, respectively. 175 and 112.5 million units issued and outstanding as of December 31, 2020 and 2019, respectively

See Notes to Consolidated Financial Statements.

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Longroad Energy Holdings, LLC and Subsidiaries

Consolidated Statements of Operations
Years ended December 31, 2020 and 2019
(in thousands)

	2020	2019
Revenues		
Operating	$ 65,137	$ 68,923
Services	17,263	12,892
Project sales	159,290	142,510
Total revenues	241,690	224,325
Operating expenses		
Operating expense	30,788	28,450
Costs of Projects sold	100,144	104,925
Project development	35,714	13,387
General and administrative	11,548	11,657
Depreciation, amortization and accretion	29,628	29,324
Total operating expenses	207,822	187,743
Other income (expense)		
Other income (expense)	(15,631)	901
Interest income	439	461
Interest expense	(29,971)	(27,002)
Total other expense	(45,163)	(25,640)
Net income (loss)	(11,295)	10,942
Net loss attributable to noncontrolling interests	(101,571)	(68)
Net income attributable to members	$ 90,276	$ 11,010

See Notes to Consolidated Financial Statements.

Longroad Energy Holdings, LLC and Subsidiaries **CONFIDENTIAL**

Consolidated Statements of Comprehensive Income (Loss)
Years ended December 31, 2020 and 2019
(in thousands)

	2020	2019
Net income (loss)	$ (11,295)	$ 10,942
Other comprehensive income (loss)		
Net unrealized gain (loss) on hedging instruments	22,562	(3,981)
Reclassification of net realized loss into earnings	(14,528)	(807)
Other comprehensive income (loss)	8,034	(4,788)
Total comprehensive income (loss)	(3,261)	6,154
Comprehensive loss attributable to noncontrolling interests	(101,484)	(68)
Comprehensive income attributable to members	$ 98,223	$ 6,222

See Notes to Consolidated Financial Statements.

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Longroad Energy Holdings, LLC and Subsidiaries

Consolidated Statements of Members' Capital
Years ended December 31, 2020 and 2019
(in thousands)

	Class A Members						
	Infratil US Renewables, Inc.	NZSF US Renewables, Inc.	Longroad Energy Partners, LLC	Class B Members	Accumulated other comprehensive income (loss)	Noncontrolling interests	Total
Members' capital, December 31, 2018	$ 9,349	$ 9,349	$ 4,817	$ -	$ 86	$ 171	$ 23,772
Capital contributions	17,200	17,200	8,600	-	-	29,315	72,315
Distributions	(12,280)	(12,280)	(6,139)	(6,175)	-	(9)	(36,883)
Redemption of noncontrolling interests	(318)	(318)	(159)	-	-	(205)	(1,000)
Subsidiary issuance costs	(215)	(215)	(108)	-	-	-	(538)
Other comprehensive loss	-	-	-	-	(4,788)	-	(4,788)
Net income (loss)	1,922	1,922	991	6,175	-	(68)	10,942
Members' capital, December 31, 2019	15,658	15,658	8,002	-	(4,702)	29,204	63,820
Capital contributions	20,400	20,400	10,200	-	-	792,095	843,095
Distributions	(23,925)	(23,925)	(11,963)	(13,516)	-	(4,152)	(77,481)
Subsidiary issuance costs	(3,677)	(3,677)	(1,838)	-	-	-	(9,192)
Other comprehensive income	-	-	-	-	7,947	87	8,034
Net income (loss)	30,704	30,704	15,352	13,516	-	(101,571)	(11,295)
Members' capital, December 31, 2020	$ 39,160	$ 39,160	$ 19,753	$ -	$ 3,245	$ 715,663	$ 816,981

See Notes to Consolidated Financial Statements.

Longroad Energy Holdings, LLC and Subsidiaries **CONFIDENTIAL**

Consolidated Statements of Cash Flows
Years ended December 31, 2020 and 2019
(in thousands)

	2020	2019
Cash flows from operating activities		
Net income (loss)	$ (11,295)	$ 10,942
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation, amortization, accretion expense	29,628	29,324
Disposal of assets	49	-
Non-cash interest expense	6,213	2,309
Equity in loss (income) from investees	15	13
Loss on extinguishment	1,660	-
Derecognition of Projects sold	31,337	(5,674)
Changes in assets and liabilities		
Accounts receivable	(6,465)	(2,626)
Other current assets	(7,903)	(818)
Other long-term assets	(6,694)	1,773
Marketable securities	2,762	-
Accounts payable	(2,088)	1,672
Accrued expenses	5,489	3,158
Due to members	(412)	147
Other long-term liabilities	(1,139)	(242)
Net cash provided by operating activities	41,157	39,978
Cash flows from investing activities		
Capital expenditures	(578,626)	(607,600)
MSH promissory note	(13,700)	-
Net cash used in investing activities	(592,326)	(607,600)
Cash flows from financing activities		
Capital contributions from members	51,000	43,000
Capital contributions from noncontrolling interests	792,095	29,315
Distributions to noncontrolling interests	(4,152)	(9)
Distributions to members	(101,261)	(48,249)
Redemption of noncontrolling interests	-	(1,000)
Equity issuance costs	(4,636)	(5,094)
Proceeds from long-term debt issuance	763,861	659,246
Payment of debt issuance costs	(15,871)	(19,237)
Payments on long-term debt and capital leases	(910,240)	(51,353)
Net cash provided by financing activities	570,796	606,619
Change in cash, cash equivalents and restricted cash	19,627	38,997
Cash, cash equivalents and restricted cash, beginning	75,730	36,733
Cash, cash equivalents and restricted cash, ending	$ 95,357	$ 75,730

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Longroad Energy Holdings, LLC and Subsidiaries

Consolidated Statements of Cash Flows
Years ended December 31, 2020 and 2019
(in thousands)

	2020	2019
Supplemental disclosure of non-cash investing and financing activities		
Capital expenditures included in accounts payable	$ 3,105	$ 38,610
Capital expenditures included in other long-term liabilities	$ 60,714	$ -
Distribution of Project assets	$ 24,224	$ 12,789
Recognition of asset retirement obligations	$ 11,409	$ 4,413
Test power receivables included in property, plant and equipment, net	$ 704	$ -
Increase in other-long term liabilities and assets held for sale	$ -	$ 5,784
Accrued distributions	$ -	$ 1,081
Contingent consideration included in assets under construction	$ -	$ 93,828
Supplemental disclosure of cash flow information		
Cash paid for interest, net of amounts capitalized	$ 24,095	$ 23,602

See Notes to Consolidated Financial Statements.

Note 1 - Organization and nature of operations

Longroad Energy Holdings, LLC ("LEH") was formed as a limited liability company on October 4, 2016 in the State of Delaware. Longroad Energy Partners, LLC ("LEP") was the initial holder of the Class A membership interests of LEH, LEP subsequently admitted Infratil US Renewables, Inc. ("Infratil") and NZSF US Renewables, Inc ("NZSF") as additional Class A Members, collectively (the "Class A Members"). LEP was the initial holder of the Class B membership interests upon formation of LEH and admitted LEH Incentive, LLC, an affiliate of LEP, as an additional Class B Member, collectively (the "Class B Members").

LEH was created for the purpose of acquiring, developing, financing, constructing, owning, operating and maintaining utility scale and distributed generation renewable electric generation facilities and ancillary assets ("Projects") in the United States. The main business activities of LEH include development and construction of renewable energy projects, ownership of operating renewable energy projects and renewable energy services.

The existence of LEH shall continue unless and until it is dissolved, wound up and terminated in accordance with its operating agreement. LEH shall be dissolved and subsequently terminated upon the occurrence of the first of the following events (1) a determination by the management board in accordance with its operating agreement or (2) the entry of a decree of judicial dissolution of LEH. LEH and its consolidated subsidiaries are herein referred to as the Company.

Development Portfolio
LEH develops renewable energy Projects and may elect to own and operate these projects or monetize them through a sale to third parties. Revenue from the sale of these Projects is reported as "Project sales" in the accompanying consolidated statements of operations. The following table provides an overview of those Projects that the Company developed during 2020 and 2019.

Development Portfolio(1)	Project Types	Expected Size (MW)(2)(3)	Financial Notice to Proceed ("FNTP")
Rio Bravo Windpower, LLC ("Rio Bravo")(4)	Utility Wind	238.0	2018
Community Wind North, LLC ("CWN") (6)	Utility Wind	26.4	2019
Jeffers Wind 20, LLC ("Jeffers")(6)	Utility Wind	44.0	2019
Muscle Shoals Solar, LLC ("Muscle Shoals")(5)	Utility Solar	293.6	2020
Prospero Energy Project, LLC ("Prospero I")	Utility Solar	379.0	2019
El Campo Wind, LLC ("El Campo")	Utility Wind	242.8	2019
Little Bear Holding Company, LLC ("Little Bear")	Utility Solar	215.0	2020
Prospero Solar II, LLC ("Prospero II") (5)	Utility Solar	331.0	2021
	Total	1,769.8	

(1) Construction and advanced-phase Projects only.
(2) Solar Projects are listed as MWdc, while wind Projects are listed as Mwac.
(3) Expected size is based upon information known as of December 31, 2020.
(4) During 2019, the Company sold this project to a third party (see Note 3).
(5) These Projects are at various stages and accordingly each carry certain risks inherent toward development.
(6) The Company repowered and sold these Projects during 2020 (see Note 3).

Operating Portfolio
LEH owns equity interests in a portfolio of operating wind and solar energy Projects. Revenue from this business activity is reported as "Operating" in the accompanying consolidated statement of operations. The following table provides an overview of the Projects that comprise its operating portfolio:

Operating Portfolios	Project Types	# of Projects[1]	Size (MW) [1][2]
Wholly-owned			
SunE Solar Fund I, LLC ("Fund I")	DG Solar	13	4.0
MMA Renewable Ventures Solar Fund III, LLC ("MMA III")	DG Solar	37	16.9
Renewable Ventures Solar Fund V, LLC ("RV V")	DG Solar	3	6.5
SunE Solar III, LLC ("Fund III")	DG Solar	37	9.0
Longroad Solar Fund III, LLC ("Fund III LR")	DG Solar	140	32.1
SunE Solar IV, LLC ("Fund IV")	DG Solar	6	1.8
SunE Solar V, LLC ("Fund V")	DG Solar	52	32.0
SunE Solar VI, LLC ("Fund VI")	DG Solar	4	4.9
SunE Solar XIV, LLC ("Fund XIV")	DG Solar	45	24.4
	Sub-total	337	131.5
Partially owned			
Milford Wind Partners, LLC ("Milford I")	Utility Wind	1	203.5
Milford II Holdings, LLC ("Millford II")	Utility Wind	1	102.5
Prospero Energy Project, LLC ("Prospero I")	Utility Solar	1	379.0
El Campo Wind, LLC ("El Campo")	Utility Wind	1	242.8
Little Bear Holding Company, LLC ("Little Bear")	Utility Solar	4	215.0
	Sub-total	8	1,405.9
	Total	345	1,537.4

(1) Number of Projects and portfolio size is based upon figures as of December 31, 2020.

(2) Solar Projects are listed as MWdc, while wind Projects are listed as Mwac.

Asset Management
LEH provides asset management services including operations and maintenance ("O&M") and administrative services ("ASA") within the renewable energy industry. As of December 31, 2020, the Company provides services for 3,312 MW of Projects, of which 1,802 MW are owned by LEH or an affiliate. Revenue from this business activity with respect to projects not held by LEH is reported as "Services" in the accompanying consolidated statements of operations.

The COVID-19 pandemic

The Company continues to monitor and evaluate the global COVID-19 pandemic and is taking steps to mitigate the known risks it poses on its business. In the jurisdictions in which the Company operates, significant restrictions have been imposed on non-essential business activity. As a producer of energy and a provider of critical infrastructure services, the Company is typically exempt from these types of restrictions, and as a result is generally permitted to continue its ordinary course of operations. In addition, the Company has taken steps to ensure that its employees and contractors are safe, including the closures of its Boston headquarters in late March 2020 and implemented a business continuity plan to ensure its employees are best able to meet our business needs while working remotely.

While the full impact on the Company's business is unknown and difficult to predict, the Company believes it is well positioned to manage the known risks arising from the COVID-19 pandemic:

- Essentially all of the Company's operating revenue is earned pursuant to contractual arrangements with high credit-worthy counterparties.
- The Company's O&M providers have appropriate business continuity plans in place to ensure that the Projects continue to generate power and operate as designed.
- The Company's suppliers and construction contractors have appropriate business continuity plans in place and we continue to monitor for interruptions that could result in adverse impact to our development pipeline.
- Capital markets remain open and available to the Company.
- The Company maintains sufficient liquidity to withstand sudden adverse changes in economic circumstances. As of December 31, 2020, LEH has total available cash liquidity of $119,595, which consists of $38,595 of unrestricted cash and cash equivalents, $50,000 of undrawn commitment under LEH's HSBC revolving credit facility and $31,000 of undrawn capital commitment under the LEH's operating agreement. See Notes 4 and 9, respectively, for further discussion of the Company's HSBC revolving credit facility and the Company's operating agreement.

While the Company believes it is well-positioned to weather the pandemic, the situation remains fluid and difficult to predict. The Company continues to monitor the situation to ensure any business interruption or other risk is proactively addressed.

Note 2 - Significant accounting policies

Basis of presentation and principles of consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). These consolidated financial statements include LEH's accounts and operations and those of its subsidiaries in which it holds controlling financial interests as appropriate under consolidation accounting guidelines. All intercompany accounts and transactions have been eliminated in consolidation.

Reclassifications

Certain amounts in the consolidated financial statements have been reclassified to conform to the current year presentation. These reclassifications did not affect the Company's previously reported financial position, results of operations or cash flows.

Use of estimates
The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses for the period presented. Management's estimates and judgments are derived from and continually reevaluated based upon available information, historical experience and various other assumptions that are believed to be reasonable under the circumstances. Because the use of estimates is inherent in the financial reporting process, actual results could differ from these estimates. In recording transactions and balances resulting from business operations, management makes estimates based on the best information available at the time the estimate is made.

Estimates are used for such items as depreciable lives of property, plant and equipment, amortization periods for identifiable intangible assets, valuation allowance for doubtful accounts, valuation of interest rate swaps and the value of asset retirement obligations. As better information becomes available or actual amounts are determinable, the recorded estimates are revised. Consequently, current year operating results can be affected by revisions to prior year estimates.

Cash and cash equivalents
Cash and cash equivalents consist of all cash balances and highly liquid investments with original maturity of three months or less.

Restricted cash
Restricted cash consists of cash held on deposit in financial institutions that is restricted for use in the day-to-day operations of the Projects and for payments of principal and interest on long-term debt or certain leases. Restricted cash is classified as current or non-current based on the underlying intended use of the funds. The following table is provided as a reconciliation of the cash and restricted cash reported within the accompanying consolidated balance sheets that sum to the total same amounts shown in the consolidated statements of cash flows:

	2020	2019
Cash and cash equivalents	$ 38,689	$ 57,145
Restricted cash - current	25,800	18,585
Restricted cash - non-current	30,868	-
Total cash, cash equivalents and restricted cash	$ 95,357	$ 75,730

Accounts receivable
Accounts receivable comprise both trade receivables and unbilled revenues. Receivables due from customers are usually received within 30 to 45 days of billing. The Company periodically evaluates the collectability of its accounts receivable and records an allowance based on its assessment of known delinquent accounts. Historically, the Company has not experienced material credit losses.

Other current assets
Other current assets are those assets that the Company expects to receive benefits from within the next twelve months. Other current assets is comprised of prepaid operational expenses, deposits, and materials.

REC inventory
Each megawatt hour of electricity produced by a renewable energy source equals one renewable energy credit ("REC"). The Company accounts for its internally generated RECs under the incremental cost method and has determined the costs associated with the RECs to be nominal and thus has recorded no value.

Project development costs
The Company expenses all Project development costs, primarily consisting of permitting, land rights, preliminary engineering work and analysis of project wind and solar resources, until management deems a Project probable of being technically, commercially and financially viable. Once this determination has been made, the Company begins capitalizing Project development costs. Capitalized Project development costs are included within other long-term assets on the accompanying consolidated balance sheets.

Assets under construction
Costs incurred pertaining to Projects under construction are included as assets under construction. In the period a Project achieves commercial operations, the capitalized costs associated with that Project is reclassified into property, plant and equipment.

Property, plant and equipment
Property, plant and equipment are stated at cost, less accumulated depreciation. Depreciation is recorded on a straight-line basis, and the Company reviews the estimated useful lives of its property, plant and equipment on an ongoing basis. Projects and related assets are depreciated over their estimated useful lives of 25 to 35 years from commercial operations date. Non-renewable energy Project-related assets are depreciated over their estimated useful lives, which range from 3 to 10 years. Right to use assets retained through capital leases are amortized over the shorter of their useful lives or the lease term. The costs of routine repairs and maintenance are expensed as incurred. Renewals and betterments that increase the useful lives of the assets are capitalized.

Investments accounted for by the equity method
The Company applies the equity method of accounting to investments where the ownership structure allows the Company the ability to exercise significant influence, but not a controlling financial interest, over the operating and financial policies of the investee. Investments accounted for under the equity method are initially recorded at cost, and subsequently reduced by distributions, increased by additional contributions and increased or decreased by the investor's proportionate share of the investee's net earnings or loss. Net earnings or losses are allocated to the Company in a manner proportionate to its capital investment in the equity method investment.

The Company has investments in two renewable energy Projects, Milford I and Milford II, that are accounted for using the equity method (see Note 16).

Assets held for sale
The Company records assets held for sale at the lower of the carrying value or fair value less costs to sell. The following criteria are used to determine if property is held for sale: (i) management has the authority and commits to a plan to sell the asset; (ii) the asset is available for immediate sale in its present condition; (iii) there is an active program to locate a buyer and the plan to sell the asset has been initiated; (iv) the sale of the asset is probable within one year; (v) the asset is being actively marketed at a reasonable price; and (vi) it is unlikely that significant changes to the plan will be made.

When assets are classified as held for sale, the Company does not record depreciation or amortization for the respective renewable energy facilities or intangibles. As of December 31, 2019, the Jeffers and CWN Projects met the criteria to be accounted for as held for sale. During 2020, CWN and Jeffers assets were sold to a third party (see Note 3).

Other long-term assets

Other long-term assets consist primarily of marketable securities, reimbursable network upgrades, equity issuance costs for pending transactions, and long-term prepaid expenses.

Reimbursable network upgrade costs represent costs incurred by the Company to upgrade the electricity grid at its Little Bear Project. The Company has an agreement with a utility company that provides for reimbursement of these costs.

The Company classifies its investments in fixed maturity securities at the acquisition date and re-evaluates at each balance sheet date. The Company records held-to-maturity securities at amortized cost, reflecting its intent to hold those securities until maturity. As of December 31, 2019, the entirety of the Company's investment in fixed maturity securities of approximately $3,997, was classified as held-to-maturity. As of December 31, 2020, the Company had no investments in fixed maturity securities.

Impairment of long-lived assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing a review for impairment, the Company compares the carrying value of the assets with their estimated future undiscounted cash flows. If it is determined that an impairment has occurred, the related loss would be recognized during that period. The impairment loss is calculated as the difference between the asset carrying values and the present value of estimated net cash flows or comparable market values, giving consideration to recent operating performance and pricing trends. Based on the Company's assessment performed at December 31, 2020 and 2019 no impairment loss was required to be recognized.

Debt classification

In accordance with ASC 470, *Debt*, the Company has elected to classify certain of its construction loans contractually due within the next twelve months as non-current as it has the intent and ability to refinance on a long-term basis through funding anticipated to be received prior to maturity under executed contractual arrangements existing as of the balance sheet date.

Members' capital

In the consolidated balance sheet, members' capital represents the historical investment of the Members of the Company, their retained earnings (accumulated deficit), and contributions received from the Members, less distributions paid or payable to the Members (see Note 9). The Company's noncontrolling interest, included in members' capital, represents third-party interests in the net assets of certain subsidiaries that are consolidated by the Company.

Variable Interest Entities

The Company assesses entities for consolidation in accordance with ASC 810, *Consolidation*. The Company consolidates variable interest entities ("VIE") in renewable energy Projects when determined to be the primary beneficiary. VIEs are entities that lack one or more of the characteristics of a voting interest entity ("VOE"). The Company has a controlling financial interest in a VIE when its variable interest or interests provide it with (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

VOEs are entities in which (i) the total equity investment at risk is sufficient to enable the entity to finance its activities independently and (ii) the equity holders have the power to direct the activities of the entity that most significantly impact its economic performance, the obligation to absorb the losses of the entity and the right to receive the residual returns of the entity. The usual condition for a controlling financial interest in a voting interest entity is ownership of a majority voting interest. If the Company has a majority voting interest in a voting interest entity, the entity is consolidated.

For the Company's consolidated VIEs, the Company has presented on its consolidated balance sheets, to the extent material, the assets of its consolidated VIEs that can only be used to settle specific obligations of the consolidated VIE, and the liabilities of its consolidated VIEs for which creditors do not have recourse to the Company's general assets outside of the VIE.

Non-controlling Interests and Hypothetical Liquidation at Book Value ("HLBV")

Non-controlling interests represent the portion of net assets in consolidated entities that are not owned by the Company and are reported as a component of capital in the consolidated balance sheets.

The Company has determined the allocation of economics between the controlling party and the third party for non-controlling interests does not correspond to ownership percentages for certain of its consolidated subsidiaries. In order to reflect the substantive profit sharing arrangements, the Company has determined that the appropriate methodology for determining the value of noncontrolling interests is a balance sheet approach using the HLBV method.

Under the HLBV method, the amounts reported as non-controlling interest on the consolidated balance sheets represent the amounts the third party investors could hypothetically receive at each balance sheet reporting date based on the liquidation provisions of the respective operating partnership agreements. HLBV assumes that the proceeds available for distribution are equivalent to the unadjusted, stand-alone net assets of each respective partnership, as determined under U.S. GAAP.

The third party noncontrolling interests in the consolidated statements of operations and statements of comprehensive loss are determined based on the difference in the carrying amounts of non-controlling interests on the consolidated balance sheets between reporting dates, adjusted for any capital transactions between the Company and third party investors that occurred during the respective period. The use of the HLBV methodology to allocate income or loss to the non-controlling interest holder may create volatility in the Company's consolidated statements of operations as the application of HLBV can drive changes in net income available and loss attributable to non-controlling interests from year to year.

Income taxes
The Company been organized as a limited liability company and is treated as a partnership for federal and state income tax purposes and, as such, is not directly subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and reported by the Company's Members on their respective income tax returns.

The Company's Milford Wind Holdings, LLC; Milford NHC, LLC; and Milford II Holdings, LLC subsidiaries, acquired in 2018, had elected to be classified as corporations for income tax purposes. The Company filed an entity classification election to terminate the corporation classification of these entities effective December 31, 2019, and accordingly there is no provision for income taxes in 2019.

The income tax returns that report the activity of the Company are subject to examination by the Internal Revenue Service for a period of three years. As of the report issuance date, income tax returns for 2017 remain open.

Fair value of financial instruments
The accounting guidance for fair value measurements and disclosures provides a framework for measuring fair value and establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs are inputs that are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions market participants would use when pricing a financial instrument. Unobservable inputs are inputs for which market data are not available and that are developed using the best information available about the assumptions market participants would use when pricing a financial instrument. The fair value hierarchy gives the highest priority to observable inputs (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The fair value hierarchy can be summarized as follows:

Level 1 - Fair value determined based on quoted prices in active markets for identical financial assets or liabilities.

Level 2 - Fair value determined using significant observable inputs, generally either quoted prices in active markets for similar financial assets or liabilities or quoted prices in markets that are not active.

Level 3 - Fair value determined using significant unobservable inputs, such as pricing models, discounted cash flows, or similar techniques.

As of December 31, 2020 and 2019, assets and liabilities carried at fair value on a recurring basis are derivative instruments (see Note 7).

The carrying amount of cash and cash equivalents, receivables, accounts payable and accrued liabilities approximate fair value because of the short-term maturity of these instruments.

Derivative financial instruments and risk management activities
In the normal course of business, the Company employs derivative financial instruments to manage its exposure to fluctuations in interest rates. The Company does not engage in speculative derivative activities or derivative trading activities.

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The Company uses interest rate swap agreements to convert a portion of anticipated cash interest payments under its variable rate financing arrangements to a fixed rate basis. These agreements involve the receipt of variable payments in exchange for fixed payments over the term of the agreements without exchange of the underlying principal amounts.

The Company records, as either assets or liabilities, all derivative instruments in the consolidated balance sheets at their respective fair values. The estimated fair values of derivative instruments are calculated based on market rates. These represent the estimated amounts the Company would receive or pay on termination of the agreements, taking into consideration current market rates and the current credit worthiness of the counterparty and the Company.

When criteria are met, the Company formally documents and designates its interest rate swap agreements as cash flow hedges (see Note 6).

Debt issuance costs
Debt issuance costs are capitalized and amortized as interest expense using the effective interest method over the terms of the related debt. The amortization of debt issuance costs may be capitalized in accordance with ASC 835, *Interest*, depending on the use of the funds. Unamortized debt issuance costs are presented as a direct deduction from the carrying amounts of the related debt.

Intangible assets
Intangible assets represent contractual rights under power purchase agreements ("PPAs") held by the Company. The Company recognizes specifically identifiable intangible assets associated to PPAs when the contracts were acquired. The Company amortizes the intangible assets over the PPA term (see Note 8).

Asset retirement obligations
Pursuant to certain PPAs and agreements to lease property on which the Company constructs and operates its Projects, the Company is required to decommission its Projects and provide for reclamation of the property upon the expiration, termination or cancellation of the respective agreements or cessation of commercial operation of the Projects. Accordingly, such agreements give rise to asset retirement obligations ("AROs") that are required to be recorded in the consolidated financial statements at fair value.

The Company records the fair value of an ARO as a liability, with an offsetting cost capitalized into the carrying value of the related property, plant and equipment in the period in which a legal obligation associated with the retirement of tangible long-lived assets is initially incurred. Fair value is calculated utilizing the expected present value technique. This includes a marketplace assessment of the amounts estimated to be required to settle the liability at the date the obligation was established. An inflation factor is applied to the estimate to determine the amount required to settle the obligation in the future. This amount is then discounted using the current interest rate, which takes into consideration the Company's credit risk, to determine the fair value of the liability. The ARO liability is accreted at the end of each period to reflect the passage of time while the capitalized costs are depreciated over the useful life of the related asset.

Measurement of AROs requires a significant number of assumptions and estimates (including credit-adjusted risk-free rate, estimated costs to remove, and inflation rate) that can change over time. Accordingly, the Company periodically reevaluates these estimates. Changes in the estimated amounts of AROs are recognized as adjustments to the cost of the related property, plant, and equipment and could materially change the value of the obligation.

Business combinations
The Company accounts for its business combinations in accordance with ASC 805, *Business Combinations* using the acquisition method of accounting. The results of operations of acquisitions are included in the Company's consolidated results from their respective dates of acquisition. Under this standard, the acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at fair value at the acquisition date. Transaction costs are expensed as incurred.

For those acquisitions that do not meet the definition of a business, the Company accounts for them as asset acquisitions. Under an asset acquisition, the Company allocates the total purchase consideration inclusive of any transaction costs to the identifiable separate and distinct assets based upon the relative fair values of those assets. The Company recognizes contingent consideration when it is probable in accordance with ASC 450, *Contingencies.*

Commitments and contingencies
Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Revenue recognition
The Company earns revenue under three primary streams: (1) the sale of power and renewable attributes through owned Projects, (2) asset management and operational services provided to third party owned Projects, and (3) through the development and sale of Projects to third parties.

Sale of Projects
The Company recognizes revenue for the sale of Projects under ASC 606. The Company applies the five-step framework under ASC 606 to each Project sale and recognizes revenue at a point in time based upon the terms and conditions of the related sale agreement and the underlying nature of any variable consideration to be received. Upon a sale occurring, the Company derecognizes the net book value investment in the underlying Project which is reflected as cost of Projects sold in the accompanying consolidated statement of operations. During 2020 and 2019, the Company earned revenues for the sale of Projects of $159,290 and $142,510.

Operating revenues
Power revenues
Each Project typically sells power under long-term PPAs to offtakers. The Company delivers solely power or bundled products consisting of power and RECs for a singular rate based on a unit of generation at a specified system over the term of the agreement. In these types of arrangements, volume reflects total power generation which can vary period to period depending on system and resource availability. The contract rate per unit of generation is generally fixed at contract inception; however, certain pricing arrangements can provide for time-of-delivery, seasonal or market index adjustment mechanisms over time.

The Company evaluates its long-term PPAs to determine if they meet the definition of a lease. A lease of a system is deemed to exist when a single offtaker has the ability or right to operate the system, control physical access or is entitled to obtain substantially all the output from the system at a price that is neither contractually fixed per unit of output nor equal to the current market price per unit of output. If the PPA is determined to be a lease, the Company then assesses whether the lease is an operating, sales-type, direct financing, or leveraged lease based on its terms and characteristics. The Company determined that certain of its long-term PPAs qualify as operating leases. For these PPAs, since payments by counterparties are contingent on delivery of power, the Company recognizes revenue in the consolidated statements of operations when the power is delivered.

For PPAs not determined to be leases, the Company is required to evaluate those contracts to determine whether the PPAs are derivative instruments. Certain contracts that meet the definition of a derivative may qualify for the normal purchases normal sales ("NPNS") scope exception, which are exempted from derivative accounting and reporting requirements. Those PPAs that are determined to not be a derivative or have elected the NPNS scope exception are accounted for under ASC 606, *Revenue from Contracts with* Customers ("ASC 606"). Contracts that qualify for the NPNS scope exception are those for which physical delivery is probable, quantities are expected to be used or sold in the normal course of business over a reasonable period of time and are not net settled.

Under ASC 606, the Company considers bundled power and incentive products within PPAs to be distinct performance obligations. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Company views the sale of power as a series of distinct goods that is substantially the same and has the same pattern of transfer measured by the output method. Although the Company views incentive products in bundled PPAs to be performance obligations satisfied at a point in time, measurement of satisfaction and transfer of control to the customer in a bundled arrangement coincides with a pattern of revenue recognition with the underlying power generation. Accordingly, the Company applies the right to invoice practical expedient as the right to consideration corresponds directly to the value provided to the customer to recognize revenue at the invoice amount for its standalone and bundled PPA contracts.

The Company recognizes revenues from the sale of power at the time of delivery based upon the output delivered at rates specified under the contracts. The Company earned $53,776 and $54,100 of power revenues during 2020 and 2019, respectfully, which is included in operating revenues on the accompanying consolidated statements of operations.

Renewable energy credits
For those Projects for which RECs are not transferred to the electrical power offtaker as part of the PPA, the Company has separate contracts to sell RECs generated each year. The majority of the Company's individual REC sales reflect a fixed quantity, fixed price structure over a specified term or are sold at the spot market. The Company views REC products in these arrangements as distinct performance obligations satisfied at a point in time. Since the REC products delivered to the customer are not linked to the underlying generation of a specified facility, these RECs are recognized into revenue when delivered and invoiced under ASC 606. The Company recognizes revenue for unit-contingent REC contracts with an identified facility, at a point in time, when the underlying electricity is generated in a similar manner to that of bundled arrangements.

The Company earned $9,981 and $11,194, respectively, of REC revenues during 2020 and 2019 which is included in operating revenues on the accompanying consolidated statements of operations.

Other revenues
Other revenues primarily consist of lease revenues for land owned by the Company (see Note 14) and revenues pertaining to the collection of reimbursements for interconnection network upgrades. The Company accounts for lease revenues under ASC 840, *Leases*, and for interconnection network reimbursements upon collection.

Services
The Company performs services under ASA and O&M agreements for various third parties. Each contract outlines the performance obligations that the Company is expected to perform over the term of the contract. The Company's contracts are typically fixed price with annual escalators and allow for a reimbursement of costs. The Company views services provided under these contracts to be satisfied over a period of time. Accordingly, the Company has applied the practical expedient in ASC 606 as the right to consideration corresponds directly to the value provided to the Company's customers in order to recognize revenue at the invoiced amount under these contracts. The Company earned $17,263 and $12,892, respectively, of such revenues during 2020 and 2019 which is included in service revenue on the accompanying consolidated statements of operations.

Compensated absences
Employees of the Company are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service and other factors. At December 31, 2020 and 2019, the Company had accrued obligations of $737 and $327, respectively, which are included in accrued expenses on the accompanying consolidated balance sheets.

Incentive compensation
The Company provides various incentive compensation plans to its employees. These plans provide for annual and/or transaction-based awards. The Company records incentive compensation expense as incurred, with a liability being recorded for unpaid incentive compensation to the extent performance targets are expected to be met and amounts are estimable. The Company incurred incentive compensation expense for the years ended December 31, 2020 and 2019 of $12,021 and $9,500. As of December 31, 2020 and 2019, the Company had accrued liabilities for estimated unpaid incentive compensation costs of $4,778 and $550, respectfully, which are included in accrued expenses on the accompanying consolidated balance sheets.

Significant new accounting pronouncements
In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), ("ASU 2016-02") with the objective to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and to improve financial reporting by expanding the related disclosures. ASU 2016-02 provides that a lessee that may have previously accounted for a lease as an operating lease under current GAAP should recognize the assets and liabilities that arise from a lease on the balance sheet. In addition, ASU 2016-02 expands the required quantitative and qualitative disclosures with regards to lease arrangements. The guidance requires a modification respective approach to adoption. This accounting update is effective for the Company for reporting periods beginning after December 15, 2021. The Company is currently evaluating the impact of this update on its consolidated financial statements.

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In March 2020, the Financial Accounting Standards Board issued ASU No 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting” (“ASU 2020-04”). ASU 2020-04 provides temporary optional expedients and exceptions to the GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. ASU 2020-04 is effective beginning on March 12, 2020, and the Company may elect to apply the amendments prospectively through December 31, 2022. The Company does not expect ASU 2020-04 to have a material effect on the Company’s current financial position, results of operations or financial statement disclosures.

Note 3 - Acquisitions and divestitures

The Company has completed several acquisitions and dispositions of Projects during 2020 and 2019 that are material to the Company's consolidated financial statements:

Distribution of Fund XII and Fund EPE

On December 20, 2019, the Company transferred Fund XII to Montgomery Street Holdings, LLC ("MSH"), an entity under common control with the Company. On December 17, 2020, the Company transferred Fund EPE to MSH in a similar transaction.

The Company includes all profit and loss of Fund XII and Fund EPE through the dates of distribution. As the transactions closed prior to their respective year-ends, no assets or liabilities are included within the consolidated balance sheets for the respective portfolios for the reporting period subsequent to the transfer dates. These transactions resulted in no profit or loss being recorded within the Company's consolidated financial statements.

CWN and Jeffers

On October 18, 2019, the Company executed an Amended and Restated Purchase and Sale Agreement ("PSA") with a third party to sell the membership interests in the CWN and Jeffers Projects upon the completion of the repowering of those Projects. The Company completed its repowering and sale of these Projects in the fourth quarter of 2020.

Rio Bravo

In 2018, the Company executed an agreement to sell its interests in the Rio Bravo Project to a third party. In 2019, the Company completed its sale of the Project.

Muscle Shoals

In 2019, the Company acquired interests in the Muscle Shoals Project, a development-stage solar power generation project located in Alabama. The Company closed terms for construction and tax equity funding and then subsequently sold its interests in the Project during 2020.

Partial sell-downs

The Company at times may sell a portion of its sponsor membership interest in Projects whereby the Company retains control over the Project and therefore the criteria for sale recognition is not met (see Note 15).

During 2019, the Company sold 50% of its sponsor membership interest in the El Campo Project to a third party. During 2020, the Company sold 50% of its sponsor membership interests in the Little Bear and Prospero I Projects to a third party.

Note 4 - Debt

The Company enters into loan agreements with financial institutions to provide financing for its Projects. The total non-recourse, long-term debt held by the Company as of December 31, 2020 and 2019, is as follows:

	2020	2019
Development and construction	$ 273,447	$ 587,739
Operating and corporate	355,190	110,345
Total long-term debt	628,637	698,084
Less current maturities, net	(12,903)	(124,661)
Less unamortized debt issuance costs	(14,275)	(17,396)
Total long-term debt, net	$ 601,459	$ 556,027

Interest charged related to long term debt, inclusive of amortized debt issuance costs, for the years ended December 31, 2020 and 2019 was $72,409, and $31,060, respectively, of which $42,437 and $24,072, respectively, was capitalized and included in assets under construction.

The Company's future debt maturities for the five years subsequent to December 31, 2020 and thereafter are as follows:

2021	$ 12,903
2022	96,729
2023	10,266
2024	19,487
2025	13,650
Thereafter	475,602
	$ 628,637

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Development and construction financing

The Company enters into non-recourse financing as Projects achieve FNTP which typically includes a combination of construction and tax equity bridge financing with an option to convert a portion of construction financing into a back-leverage term loan upon the underlying Project achieving commercial operations.

	2020	2019	Maturity Date	Interest Type[1]
ITC Panels	$ 72,381	$ 99,000	October 2022	L + 7.50%
MWH Repower	-	68,698	Paid off	L +0.875%
Muscle Shoals	-	33,565	Paid off	L+0.75%
Little Bear Equity Bridge	-	20,000	Paid off	L +0.875%
Prospero I Construction	-	245,742	Paid off	L + 1.25%
El Campo Construction	-	120,734	Paid off	L +0.875%
Prospero II Construction	97,266	-	August 2021[2]	L + 1.5%
Prospero II ITC Bridge	103,800	-	August 2021[2]	L + 1.5%
Total	$ 273,447	$ 587,739		

(1) L represents London Inter-bank Offered Rate ("LIBOR")

(2) Maturity dates included are those anticipated for term conversion. The Company has agreements in place for tax equity investment and backleverage financing at term conversion.

ITC Panels

During the fourth quarter of 2019, the Company entered into a financing agreement with Goldman Sachs Bank USA (as administrative agent and collateral agent) for an amount of $90,000. The financing agreement was subsequently amended to upsize the borrowing to a commitment of $99,000. The Company entered into the financing agreement primarily to purchase solar panels and inverters for investment tax credit ("ITC") safe harbor. The Company incurred financing costs of approximately $2,100. The loan is collateralized by the assets of certain development Projects and by the equipment purchased with proceeds. The Company anticipates repaying the loan with proceeds received associated with the financing of the development of the Projects utilizing the ITC safe harbored equipment. During 2020, the Prospero II Project was removed as collateral under this financing arrangement and the Company repaid a $26,619 of the outstanding principal as required under the financing agreement.

MWH Repower

As part of the planned repower and sale of the Jeffers and CWN Projects (see Note 3), the Company entered into a financing agreement with HSBC Bank USA, N.A. ("HSBC") as an administrative agent on December 12, 2019 for a total commitment of $128,700. The Company incurred debt issuance costs of $2,457. The Company also received a letter of credit commitment associated with this loan and had approximately $8,300 of letters of credit issued and outstanding as of December 31, 2019. The loan was repaid in the fourth quarter of 2020 with proceeds from the sale of the Projects and all outstanding letters of credit returned.

Muscle Shoals

The Company entered into a financing agreement with Morgan Stanley Senior Funding, Inc. ("Morgan Stanley") for a total commitment of approximately $89,600 consisting of $34,600 of letters of credit and $55,000 of term loan capacity. The Company incurred financing costs of approximately $4,250. The Company has the ability to extend this loan for an additional three months beyond its initial maturity. The loan is collateralized by the assets of the underlying Muscle Shoals Project. As of December 31, 2019, the Company has approximately $34,600 of letters of credit issued and outstanding. During 2020, the loan was repaid and all outstanding letters of credit were returned.

Little Bear equity bridge

In the fourth quarter of 2019, the Company entered into a financing agreement with KeyBank, N.A. ("KeyBank") for a total commitment of approximately $20,000 to finance the development of Little Bear. The Company incurred $600 of financing costs. The loan is collateralized by the assets of the underlying Little Bear Project. During 2020, the loan was repaid with proceeds from construction financing.

El Campo construction

The Company entered into a financing agreement with KeyBank on June 28, 2019 for a bridge loan with an aggregate borrowing commitment of $239,970 and a $44,300 letter of credit facility. The Company incurred debt issuance costs of $4,756. The loan matures at the earlier of (i) 30 days after COD or (ii) the maturity date of August 15, 2020. During 2020, the Company extended the maturity date of the loan until it was repaid on December 10, 2020 with proceeds from tax equity investors and outstanding letters of credit returned.

Prospero I construction

The Company entered into a financing agreement with CIT as administrative agent and collateral agent on May 16, 2019. The financing agreement includes a tax equity bridge loan with an aggregate borrowing commitment of $224,300, a construction loan with an aggregate borrowing commitment of $87,000, and a letter of credit facility with a total commitment of $105,000. The Company incurred debt issuance costs of $9,752. As of December 31, 2019, the Company had $101,000 of letters of credit issued under this facility. The Prospero bridge loans mature at the earlier of (a) the term conversion date, (b) occurrence of substantial completion funding date under the terms of its equity contribution agreement, and (c) August 15, 2020. During 2020, the loan was repaid with proceeds from tax equity investors and outstanding letters of credit returned.

Prospero II

On August 25, 2020, the Company entered into a financing agreement with CIT Bank, N.A as administrative and collateral agent. The financing agreement includes a tax equity bridge loan with an aggregate borrowing commitment of $143,000, a construction loan with an aggregate borrowing commitment of $97,300, and a letter of credit facility with a total commitment of $25,600. The Company incurred debt issuance costs of $7,766. As of December 31, 2020, the Company had $20,192 of letters of credit issued under this facility. The tax equity bridge loans mature at the earlier of (a) the term conversion date, (b) occurrence of substantial completion funding date under the terms of its equity contribution agreement, and (c) October 28, 2021.

The Company has the option to convert the construction loan into a term loan with a five-year maturity.

Operational portfolio and corporate financing

The Company uses debt to finance a portion of its investment in its operating portfolio and corporate working capital. Each debt instrument is non-recourse to LEH and comprised the following at December 31, 2020 and 2019:

	2020	2019	Maturity Date	Interest Type[1]
RV V	$ 8,538	$ 9,279	2029 - 2031	Fixed (6.14 - 8.29%)
LSPH	16,918	22,411	January 2022	L + 2.25%
Milford I	4,539	4,389	September 2025	Fixed (5.0%)
Longroad Land Holdings	19,941	-	May 2027	L+1.75%
Fund III WF	20,239	-	December 2024	L+1.75%
El Campo Term	86,625	74,266	December 2038	Fixed (7.0%)
Little Bear Network Upgrade Loan	26,129	-	December 2027	L + 1.0%
Little Bear Term	85,653	-	December 2027	L + 1.0%
Prospero I Term	86,608		June 2036	L+1.25%
HSBC Facility revolver	-	-	N/A	L+2.00%
Total:	$ 355,190	$ 110,345		

(1) L represents London Inter-bank Offered Rate ("LIBOR")

RV V

The RV V term loans are held by third-parties and reach maturity in 2029, 2031 and 2033. The underlying Projects serve as collateral for the term loans, and the lenders require certain debt service reserve requirements to be maintained through restricted cash held by a collateral agent.

LSPH

On February 6, 2018, the Company restructured a portion of its operating solar portfolio allowing it to refinance the portfolio and release certain funds that were previously required to collateralize financing obligations. On that date, the Company entered into a financing arrangement with Morgan Stanley as lead arranger for a total commitment of $143,100 which consisted of term loans of $27,300 and an aggregate letter of credit commitment of $115,800. The Company incurred financing costs of $6,600. As of December 31, 2020 and 2019, approximately $26,296 and $76,800 of letters of credit were issued and currently outstanding.

Milford I

The Company assumed obligations upon the acquisition of its interest in Milford I in 2018 of $4,100 in the form of a $3,000 secured promissory note along with $1,100 of associated accrued interest. All interest is due at maturity and is capitalized into the note balance. The promissory note is held by Milford I, which is a related party (see Note 16).

Longroad Land Holdings
On May 15, 2020 the Company's Longroad Land Holdings, LLC ("LLH") subsidiary entered into a financing agreement with CIT as administrative agent and the various lender parties thereto. The financing agreement comprises: (i) a non-recourse term loan facility of $20,000 and (ii) a letter of credit facility of $644. The Company incurred financing costs of $1,317. The financing agreement is guaranteed by LEH, places certain affirmative and negative covenant restrictions on LLH, and is collateralized by a pledge of LEH's interest in LLH and a security interest in LLH's assets.

LLH, through its subsidiaries, owns fee simple interests in certain real property in California and Massachusetts on which solar energy generation facilities are sited. The California real property is leased to Little Bear, a VIE consolidated by the Company (see Note 15). The Massachusetts real property is leased to an unrelated third party (see Note 14).

Since LLH is a wholly-owned subsidiary of LEH, its accounts and operations are included in the accompanying consolidated financial statements. Disaggregated financial information for LLH (including amounts for Little Bear that are eliminated in consolidation) is as follows:

		2020
Assets		
Restricted cash	$	109
Land		13,076
	$	13,185
Liabilities		
Debt - current	$	354
Debt - long-term, net	$	18,400
	$	18,754
Rent Revenue	$	1,179
Interest expense, net	$	485

Fund III-WF
On December 17, 2020, the Company entered into a financing agreement with Fifth Third, National Association ("Fifth Third"), as administrative agent, for a total commitment of $21,449 comprised of a non-recourse term loan of $20,239 and a $1,210 letter of credit commitment. The Company incurred financing costs of $1,016. As of December 31, 2020, $1,210 of letters of credit were issued under this financing.

Little Bear
On March 30, 2020, the Company entered into a financing agreement with KeyBank Capital Markets Inc. and Banco Santander, S.A. to provide construction and equity bridge financing during the development of the Project. Under the terms of the financing agreement, the Company received commitments in the form of loans of $312,869 and letters of credit of $20,184. The Company incurred financing costs of $7,385.

On December 28, 2020 upon the Project achieving substantial completion, $85,653 and $26,129 of outstanding loans were converted under the terms of the financing arrangement into a term loan and a network upgrade loan, respectively, and the remaining amounts outstanding were repaid through capital investment. As of December 31, 2020, the Company has $11,453 letters of credit outstanding under this financing agreement.

El Campo Term
The Company entered into a secured term loan agreement on June 28, 2019 with a total commitment of $78,600 with an affiliate of the co-sponsor interest holder in the El Campo Project (see Note 15). The Company incurred debt issuance costs of $500. Under the terms of the agreement, the Company may in certain instances elect to capitalize a portion of interest due as principal to be repaid in a future repayment date.

Prospero I Term
The Company entered into a secured term loan agreement on April 3, 2020 with a total commitment of $87,000 with an affiliate of the co-sponsor interest holder in the Prospero I Project (see Note 15). The Company incurred debt issuance costs of $686. Under the terms of the agreement, the Company may in certain instances elect to capitalize a portion of interest due as principal to be repaid in a future repayment date.

HSBC revolving credit facility
In 2017, the Company entered into an uncommitted secured letter of credit facility ("HSBC Facility") of up to $150,000 from HSBC. On December 18, 2020, the Company amended the terms of the HSBC Facility increase its letter of credit facility to $200,000 which includes a line of credit revolver of $50,000 to be used to support corporate working capital needs and is payable on demand. The Company utilizes financial standby letters of credit issued under the HSBC Facility represent an irrevocable obligation to make payment on account of any default by the Company in the performance of financial and non-financial or commercial obligations.

As of December 31, 2020 and 2019, the Company had issued $123,343 and $131,843, respectively, in letters of credit under the HSBC Facility to beneficiaries to support the development and continued operations of the Company. During 2020, the Company borrowed and repaid $15,300 under the revolver line.

During 2020 and 2019, the Company has incurred fees of $3,083 and $5,500, respectively, pertaining to the HSBC Facility that are included in interest expense on the accompanying consolidated statements of operations. These fees are paid to HSBC and certain of the Company's Class A Members for credit support (see Note 12). As of December 31, 2020 and 2019, fees of $260 and $300, respectively, were accrued in accrued expenses on the accompanying consolidated balance sheets.

Note 5 - Fair value of financial instruments

The valuation techniques used to measure the fair value of the derivative financial instruments were derived from pricing models, such as discounted cash flow techniques with all significant inputs derived from or corroborated by observable market data. The Company's discounted cash flow techniques use observable market inputs such as LIBOR-based yield curves.

The credit valuation adjustments were based on the credit risk premium derived from the current debt rates for the Company when there is a liability position and credit default swap rates for the counterparty where there is an asset position.

The following table shows the identified hierarchy and fair value of derivative financial instruments:

Description	Fair value hierarchy	Fair value as of December 31, 2020	Fair value as of December 31, 2019
Interest rate swap agreements	Level 2	$ 3,329	$ 4,705

Note 6 - Interest rate swap agreements

As required under certain of its term loans, the Company has entered into floating-to-fixed interest rate swap agreements to manage the cash flow risk exposure associated with interest rate fluctuations of the underlying LIBOR rate of interest on this variable rate debt.

The Company has documented and designated the swaps as a cash flow hedges. Based on the assessment of effectiveness using statistical regression, the Company determined that the swaps are highly effective. The Company performs a qualitative assessment annually evaluating whether the hedging relationship remains highly effective.

During 2020 and 2019, the Company terminated interest rate swaps resulting in settlement expense of $14,061 and $757, respectively, which is included in other expense on the consolidated statements of operations.

As of December 31, 2020, the Company was party to the following interest rate swap agreements:

Subsidiary	Counterparty	USD Notional	Effective	Maturity	Pay Fixed	Receive Float
Longroad Solar Portfolio Holdings	Morgan Stanley	14,318	3/29/2018	3/31/2022	2.74%	3m LIBOR
Longroad Solar Fund III	Fifth Third Bank	20,239	12/31/2020	12/31/2029	0.65%	3m LIBOR
Great Grandma Bear	Santander / SVB	42,827	9/30/2020	9/30/2027	0.63%	3m LIBOR
Great Grandma Bear	KeyBank	42,827	9/30/2020	9/30/2027	0.63%	3m LIBOR
Great Grandma Bear	Santander / SVB	30,243	9/30/2027	9/30/2040	0.95%	3m LIBOR
Great Grandma Bear	KeyBank	30,243	9/30/2027	9/30/2040	0.95%	3m LIBOR
Mama Bear	Santander / SVB	13,179	9/30/2020	9/30/2027	0.60%	3m LIBOR
Mama Bear	KeyBank	13,179	9/30/2020	9/30/2027	0.60%	3m LIBOR
Longroad Land Holdings	CIT Bank	19,941	7/1/2020	7/1/2045	1.02%	3m LIBOR
Prospero II Manager	CIT Bank	46,949	7/30/2021	9/30/2039	0.98%	3m LIBOR
Prospero II Manager	Zions Bancorporation	18,900	7/30/2021	9/30/2039	0.98%	3m LIBOR
Prospero II Manager	HSBC	12,690	7/30/2021	9/30/2039	0.98%	3m LIBOR
Prospero II Manager	Commerzbank	9,000	7/30/2021	9/30/2039	0.98%	3m LIBOR

The fair value of the cash flow hedges and consolidated balance sheet location included in the consolidated financial statements as of December 31, 2020 and 2019 are as follows:

Derivative instrument	Balance sheet location	Fair value as of December 31, 2020	Fair value as of December 31, 2019
Interest rate swap agreements	Derivative liability - current	$ 1,184	$ 504
Interest rate swap agreements	Derivative liability - non-current	158	4,201
Interest rate swap agreements	Derivative asset - non-current	4,671	-

The impact of the cash flow hedges included in the consolidated financial statements during the year ended December 31, 2020 and 2019 are as follows:

	Amount of income (loss) recognized in other comprehensive income (loss)	
Derivative instruments	2020	2019
Interest rate swap agreements	$ 22,562	$ (3,981)
Total	$ 22,562	$ (3,981)

Location of loss reclassified from accumulated other comprehensive income (loss)	Amount of loss reclassified from accumulated other comprehensive income (loss) into expense	
	2020	2019
Interest expense	$ 467	$ 50
Other expense	14,061	757
Total	$ 14,528	$ 807

As of December 31, 2020, the Company expects to reclassify $1,400 from accumulated other comprehensive income (loss) into interest expense due to cash settlements on the interest rate swaps.

Note 7 - Property, plant and equipment, net

Property, plant and equipment, net comprises the following as of December 31, 2020 and 2019:

On December 17, 2020, the Company purchased the lessor rights to the Fund III-WF portfolio by executing an early buyout option under the lease agreement then in effect. The Company paid a gross purchase price of $40,000 to the lessor in conjunction with this buyout. The carrying value of the leased assets on the date of the buyout exceeded the purchase price by $3,980 which was recorded as a decrease to the carrying value of the equipment.

Depreciation and amortization expense for all property, plant and equipment for the years ended December 31, 2020 and 2019 was $24,762 and $23,194, respectively.

	2020	2019
Land and land options	$ 15,532	$ 15,603
Furniture, fixtures and other assets	1,323	1,146
Power generation equipment - leased	113,570	303,276
Power generation equipment	1,034,951	25,884
	1,165,376	345,909
Accumulated depreciation	(44,475)	(43,155)
Property, plant and equipment, net	$ 1,120,901	$ 302,754

Note 8 - Intangible assets

The Company's intangible assets reflect those intangible assets established with the acquisitions of various entities and are comprised primarily of the fair value ascribed to in-place PPAs on the acquisition dates and other contractual rights. These assets are amortized on a straight-line basis over the remaining contractual life of the agreement at acquisition.

As of December 31, 2020 and 2019, the fair value of intangibles as determined on their respective acquisition dates are as follows:

	2020	2019
Intangible assets	$ 20,764	$ 20,926
Less accumulated amortization	(7,415)	(5,084)
Net carrying amount	$ 13,349	$ 15,842

The Company incurred total intangible amortization expense during 2020 and 2019 of $2,513 and $4,672, respectively.

The following table presents the estimated amortization of these intangible assets for each of the next five years and thereafter:

2021	$ 2,405
2022	2,405
2023	2,405
2024	2,405
2025	2,405
Thereafter	1,324
	$ 13,349

Note 9 - Members' capital

Ownership

As of January 1, 2019, the Company was authorized to issue 150,000 Class A and 1 Class B Units and issued 112,500 million Class A Units. The Class A Members consist of LEP which acquired 22.5 million Class A Units, and Infratil and NZSF which each acquired 45,000 million Class A Units. During 2019, the Company amended and restated its operating agreement primarily to upsize the aggregate capital commitment of its Class A Members to $125,000 which is split ratably based upon each member's percentage interest. Additionally, LEP receives an additional vote as the executive manager. During 2020, the Company amended and restated its operating agreement increasing units authorized and issued to 175,000 increasing the capital commitment to $175,000. NZSF and Infratil each hold 40% of the Class A membership interest in the Company with LEP holding the remaining 20%. Voting rights are allocated to Class A Members for each 20% of membership interest held in the Company.

As of December 31, 2020 and 2019, the Company had issued 1 Class B Units, of which 90% is held by LEP and 10% by LEH Incentive, LLC. Class B Units hold no voting interest in the Company but retain a claim on certain priority distributions contingent upon the Company's return exceeding certain investment return hurdle rates.

At any time prior to the consummation of a Company sale, if a founding member of LEP's (the "Principal(s)") full time employment with the Company, or any of its subsidiaries, is terminated without cause, or with good reason as defined in the operating agreement, and the repurchase options have not been exercised for all available Class A and B Units, such Principal may elect to require LEP to sell to the Company all of such Principal's remaining allocated Class A and B units at a price determined and paid in accordance with the operating agreement.

Distributions and allocations

With respect to distributions of cash, the Company will distribute 100% of the Company's cash flow to its Members semi-annually or upon the completion of the monetization of a group of assets meeting the requirements of a vintage ("Vintage") as outlined within the operating agreement.

Distributions shall be made to Members primarily as follows:

- First, to the Class B Members, pro rata in accordance with the number of Class B Units held by each Class B Member, until the Class B Members have received distributions equal to the net incentive allocation in respect of the Vintage underlying the distribution. Class B members do not participate in semi-annual distributions.

- Second, to the Class A Members, pro rata to their contribution percentages, until each Class A Member has received an amount equal to its aggregate capital contributions in respect of the Vintage underlying the distribution.

- Thereafter, to the Class A Members pro rata in accordance with their respective unit percentages.

Until the fifth anniversary of the effective date of the LEH operating agreement, any amounts distributable to LEP in respect to its Class A Units shall not by distributed to LEP if, as a result, the LEP investment would be less than the greater of 10% of the average invested capital of all Class A Members and $3,500.

The operating agreement provides that the allocation of income or loss be made to mirror the hypothetical distribution the Company's Class A and B Members would receive upon the liquidation of the Company's assets and liabilities.

Noncontrolling interests

Noncontrolling interests includes investment by two primary types of investors: tax equity investors and cash equity investors. Tax equity investors hold rights to the majority of the tax benefits derived from their investment in renewable energy Projects and certain cash distributions based upon specified contractual arrangements. Cash equity investors hold rights to a proportional share of returns based on percentage interest held.

The following tables provide additional detail of the Company's noncontrolling interest investments by type of investor and related Project:

	Prospero I		Prospero II	El Campo		Little Bear	
	Cash equity	Tax equity	Tax equity	Cash equity	Tax equity	Cash equity	Tax equity
Balance - December 31, 2019	$ -	$ -	$ -	$ 29,204	$ -	$ -	$ -
Capital contributions	59,031	243,913	1	1,120	239,937	100,861	147,232
Capital distributions	-	(3,624)	-	(372)	-	-	(156)
Other comprehensive income	-	-	-	-	-	87	-
Net income (loss)	76,676	(174,623)	(1)	1,462	(4,148)	(253)	(684)
Balance - December 31, 2020	$ 135,707	$ 65,666	$ -	$ 31,414	$ 235,789	$ 100,695	$ 146,392

	Total by investor		
	Cash equity	Tax equity	Total
Balance - December 31, 2019	$ 29,204	$ -	$ 29,204
Capital contributions	161,012	631,083	792,095
Capital distributions	(372)	(3,780)	(4,152)
Other comprehensive income	87	-	87
Net income (loss)	77,885	(179,456)	(101,571)
Balance - December 31, 2020	$ 267,816	$ 447,847	$ 715,663

Note 10 - Asset retirement obligations

During the years ended December 31, 2020 and 2019, the Company had the following activity associated with its asset retirement obligations:

	2020	2019
Retirement obligations at beginning of year	$ 18,855	$ 16,846
Liabilities assumed / incurred	11,409	4,413
Liabilities transferred to MSH	(3,486)	(2,376)
Liabilities reclassified to held for sale	-	(1,500)
Decomissionings	(112)	-
Accretion expense	1,567	1,472
Retirement obligations at end of year	$ 28,233	$ 18,855

Note 11 - Commitments and contingencies

Operating and site leases

The Company has entered into various non-cancelable operating leases for office space and for Project site control. Minimum lease payments are recognized in the accompanying consolidated statements of operations on a straight-line basis over the lease terms. Rental expense for lease commitments under these operating leases during the period ended December 31, 2020 and 2019 were $2,661 and $800, respectively, which is included in general and administrative expense in the accompanying consolidated statements of operations.

Future aggregate minimum operating lease payments are as follows for the years ended:

December 31, 2021	$	2,100
2022		2,116
2023		2,014
2024		1,809
2025		1,620
Thereafter		58,698
Total	$	68,357

Projects that are under development may be party to various annual site leases and site lease options. The Company is subject to certain contingent rentals upon certain development milestones being reached such as the Project achieving COD.

Master leases

In 2017, the Company acquired right-to-use Projects and assumed lease obligations under lease contracts with lessors which were originally entered into by the prior owner of the portfolios and structured as sale-lease back transactions ("Master Lease"). As the Company has determined these acquisitions to be assets and not a business, the Company has reassessed the classification of the Master Leases on the date of acquisition. These Master Leases range from initial terms of 10-25 years and have been determined to meet the classification of capital leases as the present value of the remaining minimum lease payments exceed 90% of the fair value of the leased property as of the date of acquisition. These capital leases incur interest at 5.2% which was determined to be the incremental borrowing rate for the portfolios.

Future aggregate minimum capital lease payments due under the leases are as follows for the years ended:

December 31, 2021	$	12,777
2022		12,955
2023		12,097
2024		12,352
2025		12,183
Thereafter		97,186
Total minimum lease payments		159,550
Amount representing interest		(45,719)
Present value of minimum lease payments		113,831
Current portion		6,840
Long-term portion	$	106,991

Third Party O&M

The Company employs third parties to perform O&M services across certain of its portfolios. The terms of these contracts vary but typically include both a fixed and variable component. The following table includes unrecorded purchase obligations under these agreements for the next five years ended:

December 31, 2021	$ 4,692
2022	4,798
2023	4,907
2024	5,027
2025	5,142

Defined Contribution Plan

The Company adopted a defined contribution plan (the "Plan") covering employees who have attained 21 years of age.. For the years ending December 31, 2020 and 2019, the Company elected to make matching contributions equal to 100% of the participants' contributions to the Plan up to 3% of the individual participant's compensation and then 50% of the next 2%. For the years ending December 31, 2020 and 2019, total expense under the plan was $586 and $500, respectively and is included in general and administrative expenses on the accompanying consolidated statements of operations.

Litigation

From time-to-time, the Company and its subsidiaries may be party to various lawsuits, claims and other legal and regulatory proceedings that arise in the ordinary course of business. These actions may seek, among other things, compensation, civil penalties, or injunctive or declaratory relief.

Note 12 - Related party transactions

Transactions with members

In the normal course of business, the Company engages in transactions with related parties. The Company may have related party balances with its Members and its Members' affiliates arising from transactions executed by one party on the other's behalf. During 2020 and 2019, the Company paid approximately $3,083 and $4,400, respectively, of fees to each of Infratil and NZSF pertaining to its HSBC Facility (see Note 4).

As of December 31, 2020 and 2019, the Company has a related party payable due to its Class B Members pertaining to a hold-back of preferred distributions of approximately $0 and $3,900, respectfully.

During 2019, the Company earned revenues of approximately $2,000 for services provided to LEP during the development and sale of two Projects which were not owned by the Company. The Company recognized these amounts in other income due to its non-recurring nature.

Services

During 2020 and 2019, the Company earned service revenues under contracts with affiliates of $9,720 and $6,075, respectfully, of which and $1,117 and $943 was outstanding and included in accounts receivable as of the end of the respective years.

Promissory note
On December 17, 2020, the Company entered into promissory note with MSH for $13,700. Interest under the promissory note is 8.0% per annum and is due at loan maturity. The promissory note was repaid in full by MSH during the first quarter of 2021.

Parts supply agreement
The Company entered into a Parts Supply Agreement with Milford I on October 2, 2020 to provide used parts to this Project. During the fourth quarter of 2020, the Company sold $4,125 of parts under the terms of this agreement. As of December 31, 2020, these amounts remain uncollected and is included in accounts receivable on the accompanying consolidated balance sheets.

Note 13 - Concentrations

The Company, at times, has cash deposits with financial institutions in excess of the amount insured by the Federal Deposit Insurance Corporation. The Company has not experienced any losses with respect to the bank balances in excess of government-provided insurance, and management believes that no significant concentration of credit risk exists with respect to these cash balances as of December 31, 2020 and 2019.

The Company is subject to market risks associated with, among other things: (i) price movements of energy commodities and credit associated with its commercial activities; (ii) reliability of its systems, procedures and other infrastructure necessary to operate the business; (iii) changes in laws and regulations; (iv) weather conditions; (v) financial market conditions and access to and pricing of capital; (vi) the successful operation of power markets and (vii) development risks.

Note 14 - Land leases

The Company owns land on which third party Projects are operating for which it holds the lessor interest. The lease terms are for an initial term of 20 years' subject to annual escalations of 2%. During 2020 and 2019, the Company earned revenues of $256 and $300, respectively, pertaining to lease revenues which are recorded in operating revenues. The future minimum lease payments to be received for each of the five succeeding years are as follows:

2021	$	284
2022		290
2023		296
2024		302
2025		309
Thereafter		3,357
Total	$	4,838

Note 15 – Variable interest entities

The Company assesses entities for consolidation in accordance with ASC 810, *Consolidation*. The Company consolidates VIEs in tax equity partnerships of renewable energy Projects when the Company is determined to be the primary beneficiary. VIEs are entities that lack one or more of the characteristics of a VOE. The Company has a controlling financial interest in a VIE when its variable interest(s) provide it with (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The VIEs own and operate renewable energy facilities in order to generate contracted cash flows. The VIEs were funded through a combination of equity contributions from the owners and non-recourse project-level debt. As of December 31, 2020, the Company has determined it is the primary beneficiary in the tax equity partnerships of the following Projects: Prospero I, Little Bear, and El Campo. As of December 31, 2020, the Company retains 50% of the equity interest in the managing member of these VIEs.

Financial information of consolidated VIEs

As of December 31, 2020, the financial information of the consolidated VIEs are as follows:

	Prospero I	Little Bear	El Campo
Current assets	$ 1,814	$ 1,208	$ 3,136
Non-current assets	342,517	147,473	363,175
Total assets	$ 344,331	$ 148,681	$ 366,311
Current liabilities	$ 601	$ 626	$ 917
Non-current liabilities	6,698	182	29,625
Total liabilities	$ 7,299	$ 808	$ 30,542

The amounts shown in the table above exclude intercompany balances that are eliminated upon consolidation. All the assets in the table above are restricted for settlement of the VIE obligations, and all the liabilities in the table above can only be settled by using VIE resources.

Note 16 – Equity method investments

The Company accounts for its interests in Milford I and Milford II as equity method investments as it determined it is not the primary beneficiary. The following is a reconciliation of the Company's equity investments:

Balance, December 31, 2018	$ 4,114
Equity in loss from investees	(13)
Balance, December 31, 2019	4,101
Equity in income from investees	(15)
Balance, December 31, 2020	$ 4,086

Equity in income (loss) from investees is included within other expense on the consolidated statements of operations.

A summary of consolidated total assets, liabilities and results of operations of the equity investments are as follows as of and for the years ended December 31:

	2020		
	Total assets	Total liabilities	Total net income (loss)
Milford I	$ 208,685	$ 111,501	$ (1,168)
Milford II	127,149	98,520	489
Total	$ 335,834	$ 210,021	$ (679)

	2019		
	Total assets	Total liabilities	Total net income (loss)
Milford I	$ 215,996	$ 117,644	$ (1,786)
Milford II	135,061	106,921	928
Total	$ 351,057	$ 224,565	$ (858)

Note 17 - Subsequent events

Events that occur after the balance sheet date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the consolidated balance sheet date are recognized in the Company's consolidated financial statements. Subsequent events, which provide evidence about conditions that existed after the consolidated balance sheet date are stated below or disclosed in the Company's notes. Management evaluated the activity through March 12, 2021 (the date the consolidated financial statements were available to be issued) and concluded that there were no additional subsequent events or disclosure needed in the notes to the consolidated financial statements, other than those previously disclosed within the notes to the consolidated financial statements or below.

Sun Streams acquisitions

On February 12, 2021, the Company acquired 100% of the membership interests in Sun Streams 2, LLC (“Sun Streams 2”) from a third party for $112,601. Sun Streams 2 is a 150 MWac Project under development in Maricopa County, Arizona. The purchase price will be paid in three installments during 2021.

On March 8, 2021, the Company acquired 100% of the membership interests in Sun Streams 4, LLC (“Sun Streams 4”) and Sun Streams Expansion, LLC (“Sun Streams 5”) from a third party for $13,047 and $17,312, respectively. Sun Streams 4 is a 150 MWac Project in development in Maricopa County, Arizona. Sun Streams 5 is a 385MWac Project in Maricopa County, Arizona. The purchase price for each acquisition will be paid out in three installments based on specific milestones as outlined in the purchase agreements.

Texas

In February 2021, extreme winter weather conditions in Texas adversely impacted the Company’s El Campo and Prospero I Projects’ ability to operate and produce electricity. The combined impact of poor wind and solar resources, panel and blade icing, abnormal market pricing conditions and contractual obligations to supply a predetermined amount under the Company’s Prospero I economic hedge, have resulted in both favorable and unfavorable financial impacts at varying points during the month. The Company estimates the potential adverse financial impact on a consolidated basis to be between approximately $10,000 and $15,000. The Company is evaluating a number of mitigating possibilities and actions by regulatory authorities, and is in discussions with all relevant stakeholders. The Company believes it has sufficient liquidity as described in Note 1 to meet any immediate contractual obligations with respect to its interests in these Projects arising as a result of these weather conditions.

Exhibit 3-2

Financial Support Letter

MUFG Bank, Ltd.
Project Finance Americas
1221 Avenue of the Americas
7th Floor
New York, NY 10020
T: +1-212-782-4180

January 17, 2022

Peter Keel

Chief Financial Officer
Longroad Energy Holdings, LLC
330 Congress Street, 6th Floor
Boston, MA 02110

RE: Financial Capability Related to Three Corners Solar, LLC's Application for Permitting for the Three Corners Solar Project located in Unity Township, Clinton, and Benton, Maine

Dear Peter:

Three Corners Solar, LLC, directly wholly owned by Longroad Energy Holdings, LLC ("Longroad" or the "Company") has informed MUFG Bank, Ltd. ("MUFG", or "we") of its intention to develop the Three Corners Solar Project in Unity Township, Clinton, and Benton, Maine. Given our expertise within the renewable energy sector, leading renewable power debt-raising capabilities, and our longstanding and strong relationship with the Longroad team, we are very well suited to support Longroad with respect to the project.

Based on our experience providing construction and long-term financing for power generation and transmission portfolios and our familiarity with the financial markets more broadly, we are confident that the Company will be able to obtain financing on market terms and conditions sufficient to cover development costs, construction financing, and other financing as necessary for the project to reach commercial operations. We assume the Company can in due course (1) demonstrate the operational and engineering feasibility of the project, and (2) procure and employ appropriate equipment for the project. The Company has informed us that the expected amount of financing required for the project is approximately $195.5 million. Once the aforementioned project details are available, we would be able to enter into detailed negotiations with the Company in order to provide a Summary of Terms and Conditions that would form the basis for MUFG to offer financing for the project, not to exceed an appropriate loan to value.

MUFG is one of the world's largest bank-based financial services companies, with assets of over $3 trillion. Alternative energy is a focus area for MUFG, and we are supportive of renewable energy developers such as Longroad. MUFG is the single largest provider of debt financing for projects of this type in North America and has been ranked the #1 arranger of project finance loans in North America by the periodical Project Finance International in every year since 2009. Additionally, MUFG has extensive experience working in concert with tax

equity providers and would be well-positioned to facilitate additional forms of financing should the Company explore additional funding sources.

This letter is for discussion purposes only and is not an offer of financing or any commitment on our part, nor is it intended to be legally binding or to give rise to any legal or fiduciary relationship between MUFG or its affiliates and any other person. Such a commitment, if any, will be delivered upon receipt of all requisite internal approvals and completion of due diligence.

We hope that this letter demonstrates the high regard that MUFG has for Longroad's management team, and our confidence in Longroad's ability to obtain financing for the project and to bring it online as scheduled. The terms of this letter are confidential and are not to be disclosed to or relied upon by any other person and may not be disclosed without MUFG's prior written consent.

If you have any questions or need additional information my contact information is below.

Sincerely,

Christopher S. Buckingham
Director
MUFG Bank, Ltd.
Project Finance Americas
(212) 782-4180
(646) 789-2567
cbuckingham@us.mufg.jp

Exhibit 3-3

Certificate of Good Standing

MAINE

Department of the Secretary of State

Bureau of Corporations, Elections and Commissions

Corporate Name Search

Information Summary

Subscriber activity report

This record contains information from the CEC database and is accurate as of: Wed Jan 05 2022 11:02:05. Please print or save for your records.

Legal Name	Charter Number	Filing Type	Status
THREE CORNERS SOLAR, LLC	20180849FC	LIMITED LIABILITY COMPANY (FOREIGN)	GOOD STANDING

Filing Date	Expiration Date	Jurisdiction
04/10/2018	N/A	DELAWARE

Other Names	(A=Assumed ; F=Former)
NONE	

Clerk/Registered Agent
CORPORATION SERVICE COMPANY 45 MEMORIAL CIRCLE AUGUSTA, ME 04330