

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. 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.

Three Corners Solar Project

MDEP Site Location of Development Act Permit Application

SECTION 3: FINANCIAL CAPACITY

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.

Three Corners Solar Project

MDEP Site Location of Development Act Permit Application

SECTION 3: FINANCIAL CAPACITY

Exhibit 3-1

Longroad Balance Sheet

Longroad Energy Holdings, LLC and Subsidiaries

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

	<u>Assets</u>	
	<u>2020</u>	<u>2019</u>
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
	<hr/>	<hr/>
Total current assets	101,739	141,410
	<hr/>	<hr/>
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
	<hr/>	<hr/>
Total non-current assets	1,558,456	1,094,075
	<hr/>	<hr/>
Total assets	\$ 1,660,195	\$ 1,235,485
	<hr/>	<hr/>

Three Corners Solar Project

MDEP Site Location of Development Act Permit Application

SECTION 3: FINANCIAL CAPACITY

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,

A handwritten signature in black ink, appearing to read "Chris Buckingham". The signature is fluid and cursive, written over a light gray rectangular background.

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

Three Corners Solar Project

MDEP Site Location of Development Act Permit Application

SECTION 3: FINANCIAL CAPACITY

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