



# Solar Power

## Finance & Investment Summit

Wednesday, October 7, 2020

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9:00 – 9:55 *Session 1 Panel Discussion:*

### **Meeting Today's Key Challenges Facing Solar Developers**

There are a number of promising trends driving solar development opportunities: a wave of climate and renewable legislation passed by state legislatures, growing corporate demand and increasing utility support. Yet, at the same time, the development community is facing some notable challenges, including those arising from the recession caused by the COVID-19 pandemic. During this kick-off session, a group of leading developers will share their perspectives on meeting the following key challenges facing the industry:

- What impact is the COVID-19 pandemic and the recession having on the industry and what's the expectation for how long will it take to recover from the challenges?
- The highly aggressive pricing environment
- The shift of more risk to developers/owners and the growing concern about the sustainability in the market
- The uncertainty surrounding tariffs and trade policy
- Project Risks – what can really be built by end of 2023?

Moderator:

**Julia Balas**, *Partner*, MORRISON & FOERSTER

Panelists:

**R. Stanley Allen**, *Chief Executive Officer*, SOLAMERICA ENERGY

**Ty Daul**, *CEO*, PRIMERGY SOLAR

**Dhruv Patel**, *Senior Vice President, EPC*, MCCARTHY BUILDING COMPANIES

9:55 – 10:00 *Session Transition*

10:00 – 10:45 *Session 2 Presentation:*

### **What's New**

A lively update on federal policies and legal and tax issues that are in play in deals and before Congress, the IRS, Treasury, and the courts plus other news.

**Keith Martin**, *Co-Head of Projects, US*, NORTON ROSE FULBRIGHT LLP

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10:45 – 10:50 *Session Transition*

10:50 – 11:35 *Session 3 Panel Discussion:*

### **Safe Harbor Strategies and Execution**

Although Congress has extended the federal tax credit deadlines to help alleviate the industry's challenges caused by the pandemic, understanding the safe harbor strategies being adopted and how they are being operationalized will be key as the year progresses so as not to delay processes any more than necessary. Given the stakes involved, getting one's safe harbor strategy right and executing it well is critical. This session will address such questions as:

- What are the leading strategies and what might be the risks associated with them?
- What are the long-term risks?
- What are the constraints in execution?
- How will the extension of the ITC help projects already delayed? And, is there opportunity for more projects to be safe harbored?
- What are the trends in Treasury/IRS regulation?

Moderator:

**Maher Haddad**, *Partner*, BAKER MCKENZIE LLP

Panelists:

**Brian Americus**, *Principal*, Deloitte Services LLP

**Ted Gergurich**, *Director, Tax*, EDF RENEWABLES

**Daniel Smyth**, *Managing Director of Finance*, RECSOLAR

11:35 – 11:40 *Session Transition*

11:40 – 12:25 *Session 4 Panel Discussion:*

### **Financing the ITC Phase Down and looking ahead to the Post-ITC Era**

The extension of the ITC deadline in late spring has come as a relief to the industry. Many projects would never have met the 2020 qualification target. However, even with this relief, many projects could still have trouble getting to the new deadline. Also, as new projects are developed, there could be bottle neck if it becomes harder to obtain capital given the current climate. This session will assess how strategies to manage the capital stack will evolve during

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the ITC phase down and will look ahead to what the post- ITC could be as a result of the recession.

- What capital strategies will be developed and how are they impacted by the recession?
- What will be the importance of tax equity? Does the step-down in the ITC result in reduction of tax equity's role? When? How? Implications?
- What are the expectations for potential sources of capital/financing structures to replace tax equity? Capital stack changes, direct debt versus back-leverage, etc.
- How does the current economic climate affect the capital stack and what might be available?
- What is next for solar after the ITC? How will structures change?
- How to monetize depreciation benefits without tax equity partnership post-ITC

Moderator:

**Chris Post**, *Senior Managing Director*, FTI CONSULTING & FTI CAPITAL ADVISORS

Panelists

**Gary Durden**, *Managing Director*, COHNREZNICK CAPITAL

**Andrew T. Redinger**, *Managing Director - Group Head*, KEYBANK CAPITAL MARKETS

**Craig Robb**, *Managing Director*, CITY NATIONAL BANK

12:25 – 1:00 *Lunch Break*

1:00 – 1:45 *Session 5 Panel Discussion:*

### **Where Is the Sponsor Equity Market Headed?**

The sponsor equity market continues to evolve and may evolve more significantly during the ITC phase down and in light of the recession caused by the pandemic. This session will look at what is taking place in the sponsor equity market and then assess its future outlook into 2021 and beyond and what it may mean for the financing landscape.

- Forecasts and Reality: valuations/underwriting/returns: are key assumption drivers changing? Are investors hitting the returns with actual performance vs. expectations? Are residuals a consideration beyond 25 years?
  - How are cash equity investors assessing the risk of projects that have PPAs with basis risk? How is their assessment changing given the current economic downturn?
  - Are buyers willing to buy uncontracted assets these days? What can developers do to entice investment in these assets in this climate?
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- What are the changes in required yield for hedges vs. PPA contracts?
- What is the market for capital to fund pre-NTP expenditures—availability, sizing, return expectations, markets?
- What is buyers' preferred timing on purchases - preferred NTP, pre-NTP, COD?

Moderator:

**David A. Gillespie**, *Partner*, WINSTON & STRAWN LLP

Panelists:

**Mark Domine**, *Vice President*, MMA ENERGY CAPITAL

**John Geraghty**, *Director*, MARSHALL & STEVENS INC.

**David Kirkpatrick**, *Director*, MARATHON CAPITAL

1:45 – 1:50 *Session Transition*

1:50 – 2:25 *Session 6 Fireside Chat: Solar: 2020 and Beyond*

Interviewer:

**Eleanor “Cacki” Chote Jewart**, *Partner*, HUSCH BLACKWELL

Interviewee:

**Abigail Ross Hopper**, *President & Chief Executive Officer*, SEIA

2:25 – 3:10 *Session 7 Panel Discussion:*

### **Tax Equity Market Dynamics**

During this session, top tax equity investors will discuss the latest trends in tax equity, share their perspectives on participating in non-traditional offtake structures, and examine how the year's challenges have impacted them and their clients. They will address issues such as:

- How are the upcoming phase out of tax incentives driving current investment decisions? What is the availability of tax equity? Does the extension ease these decisions or are they being complicated by the economic downturn?
  - Will there be sufficient tax equity to meet the demand for projects?
  - What is tax equity's willingness to support C&I structures, shorter length PPAs, merchant projects and other emerging structures?
    - How does tax equity get comfortable with these transactions?
    - How are structures changing to accommodate?
    - How models are changing in response and the impacts of these changes?
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- What role does tax equity envision playing during the ITC phase down?
- Tax equity's perspectives on solar + storage

Moderator:

**Katie Gillespie**, *Partner*, SHEPPARDMULLIN

Panelists:

**Gary P. Blitz**, *Co-Chief Executive Officer*, AON

**Sam Buechner**, *Director*, WELLS FARGO BANK

**Ben Jacoby**, *Managing Director*, PARAGON ENERGY CAPITAL, LLC

3:10 – 4:10 *Conference Platform Open for Virtual Networking*

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**Thursday, October 8, 2020**

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9:00 – 9:55 *Session 8 Panel Discussion:*

### **Financing Outlook**

In this session, lenders will share their perspectives on the market, review what financing is looking like in 2020, and provide an outlook for projects beyond this year. They will address such issues as:

- What is lenders' willingness to support C&I structures, merchant projects and other emerging structures?
- How do they get comfortable with the risks in these structures?
- How do they plan to participate in financing during the ITC and PTC phase down and in a post-PTC era?
- What are the expectations of the ability of the industry to access the bond market in this climate and for post-ITC financing?
- Perspectives on financing solar + storage

Moderator:

**Heather Stewart**, *Of Counsel*, STOEL RIVES LLP

Panelists:

**Franklin Sherman**, *Executive Director, Project Finance*, MIZUHO AMERICAS

**Jim Spano**, *Co-Founder*, RADIANTREIT

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**Beth Waters**, *Managing Director, MUFG – Project Finance, Americas*, MUFG UNION BANK, N.A.

9:55 – 10:00 *Session Transition*

10:00 – 10:45 *Session 9 Panel Discussion:*

### **Merchant Solar—Market Landscape and Financing Environment**

This session will look at the rise of merchant structures and their outlook in and beyond Texas. It will also discuss structuring and securing financing for these transactions and how to entice investment in projects with uncontracted revenue streams?

- What does the current market for merchant solar look like?
- Are deals being actively transacted and who have been the sponsors?
- How are these deals being structured?
- What sources of sponsor equity, tax equity and financing are available in this market environment?
- How the risk is handled and distributed among the sponsor and tax equity?

Moderator:

**Giji John**, *Partner*, ORRICK, HERRINGTON & SUTCLIFFE, LLP

Panelists:

**Matt Birchby**, *Partner*, SWIFT CURRENT ENERGY

**Jordan Blanchard**, *EVP - Specialty Finance*, LIVE OAK BANK

10:45 – 10:50 *Session Transition*

10:50 – 11:35 *Session 10 Panel Discussion:*

### **Evolving Offtake Structures—Financing and Risks Implications**

The solar offtake market continues to get more exotic as corporate offtakes, hedges, quasi merchant and shorter tenors increasingly come into play. Evolving offtake structures have introduced wide ranging ramifications for project structures, financing and risk assessment, and mitigation. In 2020, as the market officially enters a recession, these challenges have been exacerbated. This session will hone in on some of the significant issues created by current offtake structures and discuss the latest thinking on how to deal with them in the COVID-19 era.

- What are the most challenging issues for the offtake market stemming from the economic fallout?
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- What are the implications of shorter tenor offtake agreements on structuring and valuations?
- How are these structures impacting financing—cost of capital, different debt structures?
- Is equity willing to take further risk without any change in return?
- Are owners willing to accept less than simple payback during the contracted term? At what point will owners make the judgment that they are accepting too much risk?
- In the current environment, what offtake solutions are sponsors finding for complying with tax equity investors requirements?
- What is the art of the possible and not likely in this environment and leading into 2021?

Moderator:

**Elliot Hinds**, *Partner*, SHEPPARD MULLIN

Panelists:

**Brian Callaway**, *Vice President structured Finance*, SPOWER

**Yuri Horwitz**, *CEO*, SOL SYSTEMS, LLC

**Joan Hutchinson**, *Managing Director*, MARATHON CAPITAL

**Emilie Wangerman**, *Vice President, Business Development*, LIGHTSOURCE BP

11:35 – 11:40 *Session Transition*

11:40 – 12:25 *Session 11 Panel Discussion:*

### **Managing Basis Risks in Hub Settled Offtake Agreements and Hedges**

This session will look at how utility scale solar projects are managing basis risk in hub settled offtake agreements and hedges now and how it might be managed if the current recession lasts longer than expected. It will explore how projects are performing (both in terms of basis and curtailment) compared to pre-construction expectations and the impacts of existing wind energy generation on solar project performance.

Moderator:

**John J. Leonti**, *Partner*, TROUTMAN PEPPER

Panelists:

**Mark Fillinger**, *Vice President, Origination*, CANDELA RENEWABLES

**Brian Healer**, *VP of Technical Services*, RES AMERICAS

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**Rick Hunt**, *Senior Energy Markets Consultant*, LEIDOS

12:25 – 1:00 *Lunch Break*

1:00 – 1:45 *Session 12 Panel Discussion:*

### **Financing Challenges for the California Market**

Although California's 100% clean energy policy promises long-term opportunities, current concerns about the sustainability of the state's market structure are leading to financing challenges for California projects. Added to these concerns are the impacts to the state's economy in light of job losses and the economic recession caused by the pandemic. Some banks are already saying no to California projects currently in the market for financing. This session will be discussing the underlying issues and provide insights into the road ahead for financing projects in the Golden State.

Moderator:

**Louise Gibbons**, *Partner*, ORRICK, HERRINGTON & SUTCLIFFE, LLP

Panelists:

**Michael MacDonald**, *Managing Director, Head of Capital Markets*, ZIONS BANCORPORATION

**David McNeil**, *Chief Financial Officer*, CLEAN POWER ALLIANCE

**Steven Ryder**, *Chief Financial Officer*, CLEARWAY ENERGY GROUP

1:45 – 2:05 *Session 13 Fireside Chat:*

### **Beyond the Politics – American Energy Policy**

In this fireside chat the participants will discuss the economic value of solar as part of an "all of the above" American independent energy policy.

Interviewer:

**Jim Lamon**, *Chief Executive Officer & Founder*, DEPCOM POWER

Interviewee:

**Congressman David Schweikert**: *6<sup>th</sup> District Congressman of Arizona, Committee Member House Ways and Means & Joint Economic Committee*

2:05 – 3:05 *Conference Platform Open for Virtual Networking*

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