




InnerSol

"We Inner Connect You With Your Community"




Who We Are:

- ▶ At Inner-Sol, Inc. we care about the Environment, the Earth and its people. Our mission is to provide efficient solar energy and reduce environmental impacts by implementing renewable energy.
 - ▶ We are motivated by the idea that we can, through these projects, help the world become a better place.
 - ▶ We find inspiration from the people we work with turning their visions into answers for their community.
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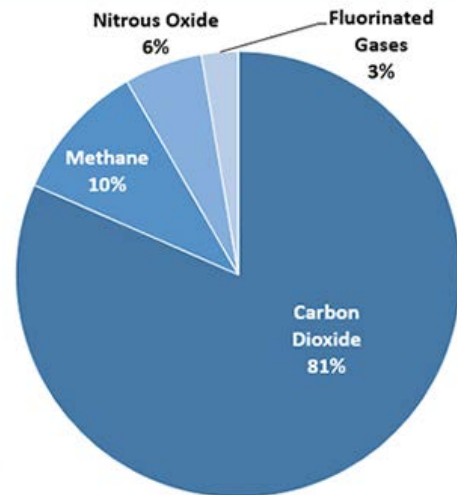
What We Do:

- ▶ We build community partnerships
 - ▶ Reduce Carbon emissions
 - ▶ Generate new jobs
 - ▶ Enable anyone from anywhere to participate in the same goal
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What are Carbon Emissions

- Total Emissions in 2016 = 6,511 Million Metric Tons of CO₂ equivalent.
- <https://www.epa.gov/ghgemissions/overview-greenhouse-gases>

U.S. Greenhouse Gas Emissions in 2016



Global Warming is not going away!

Your participation even in the slightest way does make a difference



How Did We Get Here?

- ▶ Inner Sol started out building roof top systems on hotels
 - ▶ Inn at Scofield Barracks Oahu, HI
 - ▶ St Regis Aspen, CO
 - ▶ Pastry Smart San Mateo, CA
 - ▶ Hyatt Grand Aspen, CO

Now we are building community solar grids as support to existing power grids. In order to comply with Federal and State regulation we design systems that are 5 megawatts to 25 megawatts which will service 100's of homes at a one time.



Consulting Process



- **Our purpose is to help our client make educated choices**
- What is the best entity for my community's needs?
- What will be the best location for the project?
- What engineered and designed grid will be the most suitable?
- How will this design impact the environment and grid?
- What will be the cost and the (ROI) return on investment be?
- How will we get this project funded?
- How will we sell my power to the community?



Recommendation

- ▶ Start by reading the **US Department of Energy Guide To Community Solar** www.innersolinc.com/EEEREGuideBook
- ▶ Discuss this with Us and your accounting and legal advisors concerning your options.
- ▶ Know that many of the tax incentives require construction to be started before 12-31-2019.
- ▶ Understand what your part is in this process.
- ▶ Know that you will need 25% of the project cost to get this started.



Choosing and Entity Type

- ▶ Will you be a For Profit or a Non Profit Entity?
- ▶ What is the population size you are trying to assist and what is the financial need of the community?
- ▶ Will you lease this property or manage it your self?
- ▶ Will you have a partnership and how do you get the incentive benefits?
- ▶ How will the Net Metering be billed to the public?
- ▶ How long does it take to recapture the investment?



Paying back the Investors

- ▶ If you chose to self finance your project, you will need to have enough community investors or REC's sold to utilize the tax benefit given the passive loss limitation rules.
- ▶ A flip structure is beneficial to an investor who needs the tax incentives to reduce their tax liability. Once they have recovered their investment along with a pre-determined ROI the project flips back over to you. This is over a time period of not less than 5 years.
- ▶ In the sale/leaseback scenario you would sell the project to the investors and then lease it back. This puts you in full control of the operations and maintenance but the revenue and tax credits belongs to the investors. You will have the option to buy it back at a future date for fair market value.



Purchasing the Land

- ▶ Land for Solar Fields come in many shapes and sizes and don't have to be really expensive.
- ▶ For every 1(MW) megawatt of energy you will need 2 acres of land so to work with Us you need a minimum of 10 acres.
- ▶ This land will need access to the present grid through a transformer, so check to see if there is a connection nearby?
- ▶ The average cost of this land is \$800 to \$2500 per acre depending on your state.
- ▶ For a 5 to a 25 MW system you would be looking at a \$8,000 to \$62,500 land cost, depending on your state location



Asking for a Utility Connection

- Requires a Power Purchase Agreement (PPA)
- This is where you sell your power to the wholesale utility company at an agreed upon rate over a period of years.
- This agreement helps secure your funding to pay back the investors and is used as collateral.
- Included in this agreement will be the maintenance of the system stating who will be responsible and for how long.
- Whether you sell your system or lease it, this will depict how you sell the renewable energy credits (RECs) to the public.
- An Inter Connection Agreement must also be agreed to with the utility company.



Selling The REC Credits

- To apply for grants you will need to validate some presold REC credits.
- A REC Credit is sold on a per MW hour basis, this is the electricity sold to the utility company which in turn reduces the CO2 carbon produced by alternate energy producing options like coal.
- These credits are tracked using a Net Metering process. It tracks the kilowatt hours so a customer can purchase in advance to these kilowatts to be used at a given period of higher usage.
- Some utility companies will purchase all of the credits for themselves.



Getting a 3rd Party Feasibility Study

- This study determines the project development, construction, operations and maintenance and the final decommissioning.
- It will direct the engineers and designers how to most efficiently use the land and give projections of the projects cost and revenues.
- Before this can be done the ownership, entity model and land must be chosen.
- A certified solar installer with a NABCEP license will need to offer a design and the interconnection agreement with the utility company must be in place, then you can get this started.
- Once this study is completed you can proceed to requesting funding by grants or tax equity investors



Financing the Project

- ▶ The most attractive credit is the Business Energy - Investment Tax Credit (ITC) for 2018 and 2019 it offers a 30% credit of the qualified installation cost. In future years it drops to 26% 2020, 22% in 2021 and a permanent 10% in 2023
- ▶ Modified Accelerated Cost Recovery System (MACRS) provides either a 100% asset depreciation or an 85% if combined with the ITC credit
- ▶ Federal Grants are still available under the USDA REAP program and a few other smaller opportunities
- ▶ State and Local consideration vary by state but include: income tax credits, sales and use tax as well as property tax benefits.
- ▶ If the tax credits are not of useful to you, sell them to Tax Equity Investors who will purchase the right to use the tax reductions. This requires SEC compliance.

“ Most importantly these solar fields give back to the community and reduce emissions providing a safer place for everyone.

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Go Green

We are happy to talk with your about your new solar field so, **Lets Get Started!!**



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Call US today... the deadlines are quickly fading away.