



Making Your Project Attractive to Financiers

Hitting it off with the money



Finance Products

Keep your arsenal full

Hotel Finance

MA SMART Program

Operating Lease

Sale Lease-Back (strong EPC,
strong Offtaker)

PPA (500 kW and up)

Location Based PPA*

Loans and Capital Leases

Pre-Paid PPA

Residential Refinance Products

Some Reminders

Sort the Client

Plan

Motive

Access

Timing

Ability

Sell the Right Product

Sell Savings and Security - not profit

Sell Simplicity - not complexity

Flip the Coin - make the client prequalify for your services

Offer options

Create volume and plan for sales fall-out

What about Credit?

Credit is a verifiable history of an ability to survive and thrive through thick and thin

Even with high tax credits, long term money makes up greater than 70% of an investment return.

Only 4% of businesses make it past 10 Years*

Few businesses have “recession proof” models

Most financiers have contracts that “roll up” to larger financiers and must indemnify their wholesale lines against loss



Credit Snapshot

What the [Client Review](#) reveals

Years in Business

Multiple Trade lines

Retained earnings

Strong, long term management

Ability to sustain loss

Clear plan forward

Reporting from Credit Agencies

What about Bonding?

Contractors fail at a higher rate than other companies. A solar contract represents a gaggle of contractors, any of which could fail and cause harm to others

Bonding is useful for both financiers and contractors allowing the insurer to bear risk that would otherwise fall entirely to the contractor or Liquidated Damages

Without bonding, many projects would never get done. Public projects require bonding so that taxpayers don't pay for contract failures

Letters of Credit and Company guarantees, while cheaper per the contract, are statistically much more costly

Getting Bonding at a Good Price

Bonding typically ranges between .5% and 2% of a project's EPC costs

Maintain and build good company credit

- Build lines that report to the major agencies
- Get a D&B number (and supplier lines that report)
- Longer term lines are better than short term lines

Keep track of and document project experience (verification from larger businesses)

Build your bank relationship. Build your bond relationship. Bond early - Bond often.

Partner with strong suppliers and subcontractors. Obtain many references.

Negotiate to bond the real risks and not perceived risks or highly theoretical risks



Get Qualified

Find out what role you are able
to play in a project

Contractor Review Form

Please fill out this form as thoroughly and accurately as possible. The purpose of this form is not to disqualify any firm, but to discover which opportunities you qualify for. If we have questions concerning your submission, an Intelligen team member will be in contact with you to confirm your information.

Applicant First Name

Applicant Last Name *

Applicant E-mail *

ex: myname@example.com

Position Title *

Company Name *

Company Type *

Address *

Street Address

Street Address Line 2

Calculating DTI for Project Financing

Add all the cash positives. Put incentives at either guaranteed rates or at reasonable case scenarios (worst + 10%)

Subtract all the ongoing project costs: O&M, Insurance, Lease Fees, Property and Personal Tax, Federal and State Tax Rates, Equipment replacement

Identify the cash input vs. the needed debt infusion. Run debt out 5, 7, 10, and 15 years. Look for the lowest number that stays cash flow positive throughout the term unless the offtaker has the ability and will to support an upside down project

Identify whether the offtaker has “tax appetite” and “tax will”

Inputs minus Outputs

Incentives

Tax Credits (ITC mainly)

Avoidable cost of Energy or PPA rate

Formula = (Inputs per year) - (Outputs per year). Do this for years 1-10

Multiply lowest annual result by .834.
This is the target sustainable finance payment amount per year. If this requires a note greater than 7-10 years. The project is risky from a DTI perspective.

O&M

Inverter and Equipment Reserves

Insurance

Lease Fees

Personal and property tax

Income Tax (State and Federal)

3 Biggest Mistakes + One bonus

Selling an undeliverable product

Improperly accounting for project financials

Overestimating client strength

Underestimating project development length and complexity



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