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Tax Equity Structuring, Financial Modeling and HLBV Accounting

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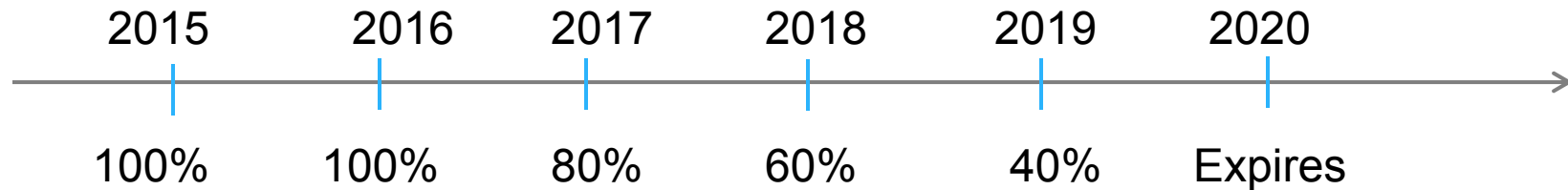
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Tax Credit Extension for Wind Projects

- Wind projects qualify for the § 45 PTC at rate of \$0.023/kWh (that will continue to be periodically adjusted by the IRS for inflation); The credit will ramp-down based on when the project starts construction based on the following schedule:

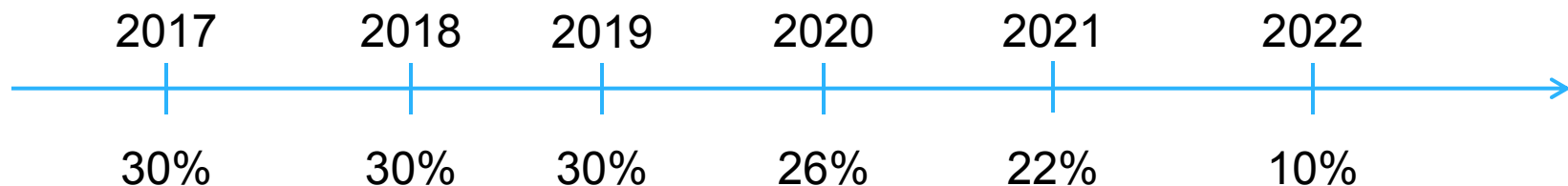


- Alternatively, wind projects have the option to claim the 30% ITC, across the same timeframe; ITC for a wind project would be subject to the ramp-down schedule (i.e. a project that started construction in 2019 will qualify for a 12% ITC =>'s 30% * 40%)



Tax Credit Extension for Solar

- The § 48 ITC for solar ramps down in accordance with the following schedule:



To qualify for more than a 10% § 48 ITC, a project must be placed in service by the end of 2023, regardless of its start of construction date



Other Renewables

- Geothermal, biomass, landfill gas, incremental hydroelectric and ocean energy projects qualify for the PTC with a “begun construction” provision through December 31, 2016
- Qualifying projects also have the option to select a 30% ITC in lieu of the PTC



Bonus Depreciation

- Bonus depreciation year extended through 2020:
- “New” equipment placed in service between 2015 and 2018 is eligible for an immediate 50% deduction of the equipment’s tax basis, with the balance following the normal depreciation table
- A ramp-down schedule for equipment placed into service after 2018 is as follows: 40% bonus in 2019; 30% bonus in 2020
- An additional year for each deadline above can be applied to equipment with longer depreciation lives, such as transmission assets; Qualifying projects that are not finished until 2019, for example, could still qualify for the 50% depreciation level, as opposed to the 40% level; However, the 50% depreciation itself is only applicable to the tax basis built up through 2018



Start of Construction Guidance – IRS to Issue New Guidance

- For wind projects in service after 2016 and solar projects in service after 2019, the amount of the credit will be determined by when *construction started*
- Prior IRS guidance defining start of construction did not apply to solar, so the IRS is working on new guidance
- The IRS has said informally that “all issues are on the table”
- The IRS is “trying” to publish the guidance this quarter





Prior IRS Start of Construction Guidance

- Two methods to start construction:
 - Commence “physical work of a significant nature” or
 - Incur at least 5% of the cost of the project
- Both methods generally follow the Treasury Cash Grant guidance but with some key differences
- Guidance required completion by the end of the following calendar year or else must prove work is continuous
 - IRS is reevaluating this requirement given the shorter construction period for commercial and residential solar
- No minimum level of work was required in order to meet the “physical work of a significant nature” requirement



Tax Equity Markets Overview

- Back in 2007-08, when interest rates were around 4%, a tax equity fund could yield a return of 5-7%. Now, with interest rates around 1%, a tax equity fund can produce 8-10% returns because demand has exceeded supply as the solar market grows.
 - Uclia Wang, *SolarCity Teams Up With Bank of America To Reel In Tax Equity Investors*, *Forbes*, May 28, 2015 (quoting Lyndon Rive, CEO of SolarCity)



Wind Overview

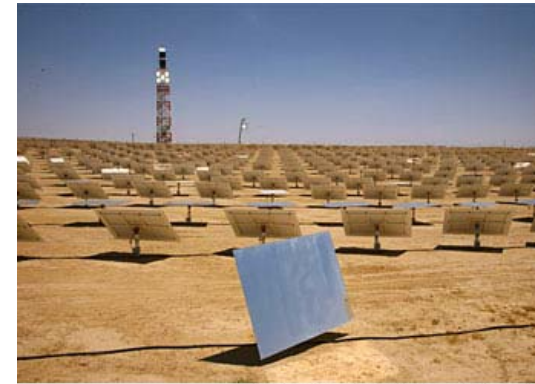
- After-tax IRR of 7 to 9.5% unlevered for partnership deals
- Levered deals get up to a 200 bp premium, but they are rare
 - 15 to 20 investors in the wind market; Each is very particular, so each deal only has a handful of candidates
- PTC only available in partnership and direct ownership structures
- ITC is available in a partnership, sale-leaseback or pass-through lease structure





Solar Overview

- Wide range of after-tax return rates as market is less mature
 - Some say 7 to 13% after-tax IRR unlevered
 - Utility scale returns aligning closer to wind
 - Residential solar often requires a premium
- ITC is recaptured if a transfer or a change in partnership allocations occur in the first five years
 - Secured debt is rare as a foreclosure in the first five years would trigger recapture and a tax bill for the tax equity investor
 - “Back leverage” is more typical



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3 Solar Markets: Utility Scale, Distributed Generation and Residential

- Utility scale is projects over 1 MW
 - These projects are getting rare as utilities are reluctant to sign power purchase agreements
 - Utility scale is being dominated by balance sheet players, like MidAm and Exelon
- Distributed generation - 500 kw to 1 MW
 - Municipal government buildings and big box stores are typical sites
 - Tax equity investors are getting more and more comfortable in this space
- Residential - largest demand and fewest investors
 - Great opportunity but many issues to get comfortable with (e.g., net metering regulation (Nevada), consumer protection laws)

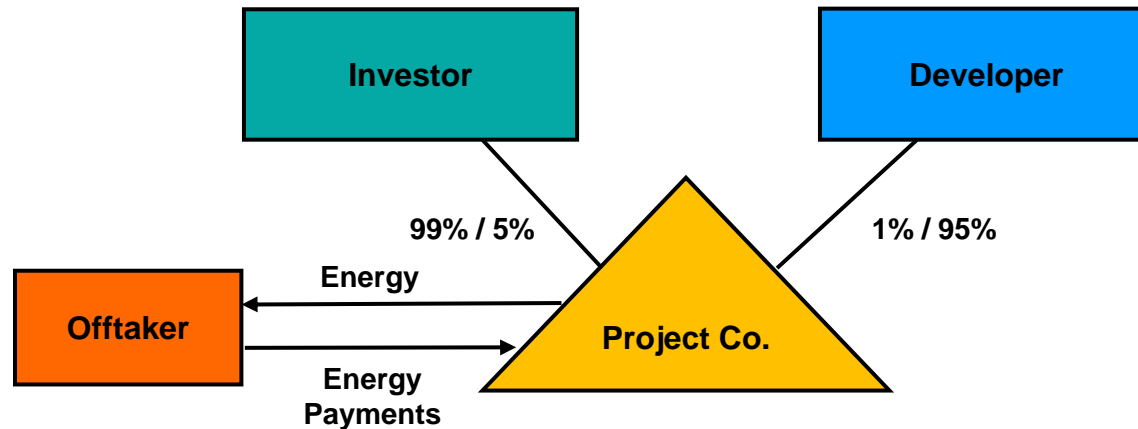




Partnership Flip



Partnership Flip Structure – Rev. Proc. 2007-65



- Project typically is financed with some combination of Developer equity and Investor equity and, in some cases, debt
 - Investor acquires interest in project company for cash
 - Investor typically makes an up-front investment, although, Investor in a PTC deal also may make pay-as-you-go payments (i.e., PAYGO)
- Investor initially is allocated as much as 99% of tax items (PTC or ITC and depreciation) and subsequently “flips” down to as little as 5% after achieving a specified after-tax IRR
- Cash may be distributed in the same manner that tax items are allocated, or Developer may have a cash preference for some period to recover development costs
- Developer generally has purchase option after flip point
 - Option may not be exercised until 5 years after property is placed in service



Partnership Flip Structure – Rev. Proc. 2007-65 (cont'd)

■ Advantages

- Flexible structure that allows efficient monetization of as much as 99% of tax benefits
- IRS safe harbor in context of wind projects (Rev. Proc. 2007-65)
- Widely used and accepted structure
- Developer's purchase option is less costly
- Can be used for PTC & ITC
- Basis reduced by only 50% of ITC

■ Disadvantages

- Developer must have at least a 1% interest in tax items & depreciation haircut due to a “short” first year
- In case of ITC, Investor must be in partnership before placed-in-service date
- Complicated partnership tax rules and financial accounting



Partnership Flip Structure Overview

Typical Allocations

| | Pre-Flip Period | | Post-Flip Period | |
|----------------------|---------------------------|---------------------------|------------------|-----------|
| | Investor | Developer | Investor | Developer |
| Cash | 0% 100% ⁽²⁾ | 100% ⁽¹⁾ 0% | 5% | 95% |
| Tax Credits | 99% | 1% | 5% | 95% |
| Taxable Income/ Loss | 99% | 1% | 5% | 95% |

(1) Until the earlier of the initial capital contribution recovery or a date certain.

(2) From the date in (1) through the Flip Date (typically Year 10 for wind, sooner for solar).

- The ultimate objective is to allocate tax benefits to a party that can use them most efficiently
- There are many variations of the basic structure



Partnership Flip Structure – Key Considerations

- Project capital structure – developer equity vs tax equity
 - Tax equity investment can reach up to ~70% for wind and up to ~50% for solar
- Sharing ratios % (cash, tax benefits)
- Tax equity target IRR and flip dates
 - Tax equity unlevered after-tax IRRs of 7-9.5%
- Compliance with complex partnership taxation rules:
 - § 704(b) capital accounts and outside basis
 - Possible re-allocation of tax benefits back to the developer can lead to tax inefficiencies
- Choice of financial accounting method may have a significant impact on EPS and balance sheet gross up
 - Consolidation vs. equity method vs. cost method vs. fair value method of accounting for investment in a project
 - Hypothetical liquidation at book value (HLBV) method for allocating book earnings to partners





Why Do We Need 704(b) Capital Accounts and Outside Basis?

- Each partnership must have a set of 704(b) capital accounts and outside basis for each partner
- It is critical to have an accurate forecast of 704(b) capital accounts and outside basis in order to assess the full economic impact of a given tax equity partnership structure during project life. Partnership tax rules may limit the amount of losses that can be absorbed by a partner in a given period triggering income reallocations and thus impacting the returns
- Capital accounts and outside basis impact the allocation of US GAAP earnings between partners under the HLBV method

Project Economics:

- Cash and tax benefit sharing ratios
- Target returns and flip dates

Tax Logic:

- 704(b) capital accounts
- Outside basis

Accounting Logic (HLBV):

- Partnership liquidation provisions
- HLBV waterfall and earnings



704(b) Capital Accounts – Example

Developer 704(b) Capital Account

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------------|------------------|------------------|------------------|------------------|------------------|
| Starting Balance | - | 755,200 | 6,329,320 | 5,226,023 | 3,569,992 | 2,552,463 |
| Add Equity Contributions | 755,200 | 5,751,744 | - | - | - | - |
| Less Pre-Tax Cash Distributions | - | (158,337) | (424,529) | (435,069) | (446,627) | (457,919) |
| Less 50% ITC Adjustment | - | (12,967) | - | - | - | - |
| Add Minimum Gain Chargeback (MGC) Income | - | - | - | - | - | - |
| Add Taxable Income | - | - | - | - | - | - |
| Less Taxable Loss | - | (6,321) | (22,843) | (12,121) | (5,624) | (5,481) |
| Add 734 Adjustment | - | - | - | 0 | 6 | 7 |
| Less 734 Depreciation | - | - | - | - | (0) | (0) |
| Interim Balance | 755,200 | 6,329,320 | 5,881,947 | 4,778,833 | 3,117,747 | 2,089,070 |
| Add Allocation of Minimum Gain | - | - | - | - | - | - |
| Add Developer DRO | - | - | - | - | - | - |
| Interim Balance - Adjusted | 755,200 | 6,329,320 | 5,881,947 | 4,778,833 | 3,117,747 | 2,089,070 |
| Add Stop Loss Reallocation from Developer to Investor | - | - | - | - | - | - |
| Add Stop Loss Reallocation from Investor to Developer | - | - | (655,924) | (1,208,841) | (565,284) | (551,290) |
| Ending Balance | 755,200 | 6,329,320 | 5,226,023 | 3,569,992 | 2,552,463 | 1,537,780 |

Investor 704(b) Capital Account

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------|------------------|-------------|-------------|-----------|-----------|
| Starting Balance | - | - | 1,614,219 | - | - | - |
| Add Equity Contributions | - | 3,526,892 | - | - | - | - |
| Less Pre-Tax Cash Distributions | - | (3,231) | (8,664) | (8,879) | (9,115) | (9,345) |
| Less 50% ITC Adjustment | - | (1,283,685) | - | - | - | - |
| Add Minimum Gain Chargeback (MGC) Income | - | - | - | - | - | - |
| Add Taxable Income | - | - | - | - | - | - |
| Less Taxable Loss | - | (625,756) | (2,261,480) | (1,199,962) | (556,749) | (542,601) |
| Add 734 Adjustment | - | - | - | 0 | 579 | 695 |
| Less 734 Depreciation | - | - | - | - | (0) | (39) |
| Interim Balance | - | 1,614,219 | (655,924) | (1,208,841) | (565,284) | (551,290) |
| Add Allocation of Minimum Gain | - | - | - | - | - | - |
| Add Investor DRO | - | - | - | - | - | - |
| Interim Balance - Adjusted | - | 1,614,219 | (655,924) | (1,208,841) | (565,284) | (551,290) |
| Add Stop Loss Reallocation from Investor to Developer | - | - | 655,924 | 1,208,841 | 565,284 | 551,290 |
| Add Stop Loss Reallocation from Developer to Investor | - | - | - | - | - | - |
| Ending Balance | - | 1,614,219 | - | - | - | - |



Outside Basis – Example

Developer Outside Basis

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------------|------------------|------------------|------------------|------------------|------------------|
| Starting Balance | - | 755,200 | 6,329,320 | 5,226,023 | 3,569,992 | 2,552,457 |
| Add Equity Contributions | 755,200 | 5,751,744 | - | - | - | - |
| Less Pre-Tax Cash Distributions | - | (158,337) | (424,529) | (435,069) | (446,627) | (457,919) |
| Less 50% ITC Adjustment | - | (12,967) | - | - | - | - |
| Add Taxable Income from 704(b) | - | - | - | - | - | - |
| Add / Less: Increase / (Decrease) in Developer's Share of Liabilities | - | - | - | - | - | - |
| Interim Balance | 755,200 | 6,335,640 | 5,904,791 | 4,790,954 | 3,123,365 | 2,094,538 |
| Add Distributions in Excess of Outside Basis | - | - | - | - | - | - |
| Less Taxable Loss from 704(b) | - | (6,321) | (678,768) | (1,220,962) | (570,908) | (556,772) |
| Interim Balance before Suspended Losses | 755,200 | 6,329,320 | 5,226,023 | 3,569,992 | 2,552,457 | 1,537,767 |
| Add Suspend Loss Generated | - | - | - | - | - | - |
| Less Suspended Loss Used | - | - | - | - | - | - |
| Ending Balance | 755,200 | 6,329,320 | 5,226,023 | 3,569,992 | 2,552,457 | 1,537,767 |

Investor Outside Basis

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|----------|------------------|-------------|----------|----------|----------|
| Starting Balance | - | - | 1,614,219 | 0 | 0 | 0 |
| Add Equity Contributions | - | 3,526,892 | - | - | - | - |
| Less Pre-Tax Cash Distributions | - | (3,231) | (8,664) | (8,879) | (9,115) | (9,345) |
| Less 50% ITC Adjustment | - | (1,283,685) | - | - | - | - |
| Add Taxable Income from 704(b) | - | - | 1,401 | 8,879 | 8,536 | 8,650 |
| Add / Less: Increase / (Decrease) in Investor's Share of Liabilities | - | - | - | - | - | - |
| Interim Balance | - | 2,239,976 | 1,606,956 | (0) | (579) | (695) |
| Add Distributions in Excess of Outside Basis | - | - | - | 0 | 579 | 695 |
| Less Taxable Loss from 704(b) | - | (625,756) | (1,606,956) | - | - | - |
| Interim Balance before Suspended Losses | - | 1,614,219 | - | 0 | 0 | 0 |
| Add Suspend Loss Generated | - | - | 0 | - | 0 | 0 |
| Less Suspended Loss Used | - | - | - | - | (0) | - |
| Ending Balance | - | 1,614,219 | 0 | 0 | 0 | 0 |



Overview of 704(b) Capital Accounts and Outside Basis

- Think of 704(b) capital accounts and outside basis as “tax accounting statements” – every partnership has them
- 704(b) capital account starts at the sum of the cash and property (at FMV) that the partner contributes to the partnership. Outside basis starts with the sum of the cash and basis of property (generally, at cost) that the partner contributes to the partnership. (If the partnership has nonrecourse debt, then the partner’s share of this debt is added to its outside basis)
- Both 704(b) capital account and outside basis go up (by taxable income allocated to the partner) and down (by cash distributed or taxable losses allocated to the partner) during the life of the partnership
- 704(b) capital account is its claim on partnership assets at liquidation. Outside basis will determine how much gain a partner has if it sells its partnership interest
- Both 704(b) capital account and outside basis restrict the amount of taxable losses that the partnership may allocate to a partner to the equity that the partner has contributed to the partnership. Typically, ending balances cannot go below zero



Key Concepts of 704(b) Capital Accounts and Outside Basis

- **DRO.** One way of dealing with a negative balance in 704(b) capital account is for the partners to agree to a “deficit restoration obligation,” or DRO. A partner that agrees to a DRO will have to contribute cash to the partnership, if it has a negative capital account when the partnership liquidates. This is because a partner that dips below the line essentially “borrows” equity from the other partner. An investor typically caps the DRO it is willing to step into at a fixed dollar amount, generally between 10-20% of its total investment, although some investors refuse to agree to any DRO
- **Minimum gain** permits a partner to claim losses (**non-recourse deductions**) beyond its equity investment in the partnership. It also tracks the amount of for these extra losses that will be charged back to a partner in the future (**minimum gain chargeback**)
- **Stop Loss Reallocations.** In the event 704(b) capital account balance shows a deficit in excess of any **deficit restoration obligation (DRO)** and **minimum gain**, that loss would be “reallocated” to the other partner. The reallocated losses are also taken into account in determining each partner’s share of taxable income, which flows through the calculation of the partner’s outside basis
- **Excess Distribution.** Whenever a partner receives a distribution that would exceed its tax basis, the partners’ 704(b) capital accounts are increased
- **Suspended Losses.** No allocation of losses shall drag the partner’s tax basis below zero. Unlike for 704(b) capital accounts, these excess losses are not reallocated to the other partner. They are merely suspended to be claimed in a later period when the partner’s outside basis is positive



Accounting for Investment and HLBV Use

There are four methods of accounting for an investment:

| Method | General Criteria | HLBV Use |
|------------------|---|----------|
| 1. Consolidation | Variable interest model vs voting interest model (ASC 810-10, FIN46R, ARB 51) | Yes |
| 2. Equity pickup | “Significant influence” over operating and financial policies (ASC 323-10, ASC 970-323, SOP 78-9); If consolidation is not appropriate, use this method | Yes |
| 3. Cost | Rare in partnership flip structures. Used when the investor’s investment amount is minor (< 3-5%) | No |
| 4. Fair value | Changes in FV flow through earnings | No |

- Consolidation and equity pickup methods are more prevalent in accounting for renewable energy projects
- Both accounting methods may require an application of HLBV income allocation techniques because the project’s capital structure provides different rights and priorities to its owners or ownership percentages are not specified
- Conventional income allocation approaches (e.g. percentage ownership interest or effective yield) do not reflect tax equity project’s economic reality; HLBV overcomes the challenges of these conventional approaches



Hypothetical Liquidation at Book Value (HLBV)

- The HBLV (Hypothetical Liquidation at Book Value) is an income or loss allocation method for US GAAP purposes; HLBV is frequently used in projects where cash and tax benefit sharing ratios between partners change over the life of a project
- The method determines how better or worse off the partners are at the end of the period than they were at the beginning of the period in a tax equity structure assuming hypothetical liquidation of a project at book value
- To determine the periodic income/loss allocation, one must follow the steps:
 1. Assume liquidation of project assets at book value per liquidation provisions in the partnership agreement
 2. Determine how much of the liquidation proceeds to allocate to each partner
 3. Calculate the change in the allocated liquidation proceeds to each partner during the period and record as book income/loss (adjusted for distributions and contributions)
- Typical liquidation waterfall has the following four steps:
 1. Allocation of the hypothetical gain to eliminate deficit balances in capital accounts of Tax Equity Investor and Developer
 2. Developer return of capital
 3. Tax equity investor target IRR (including tax credits and other tax benefits)
 4. Back-end sharing of remaining liquidation proceeds at pre-agreed ratios
- HLBV method reflects the underlying economics of a project; GAAP income allocation using HLBV differs from traditional equity method



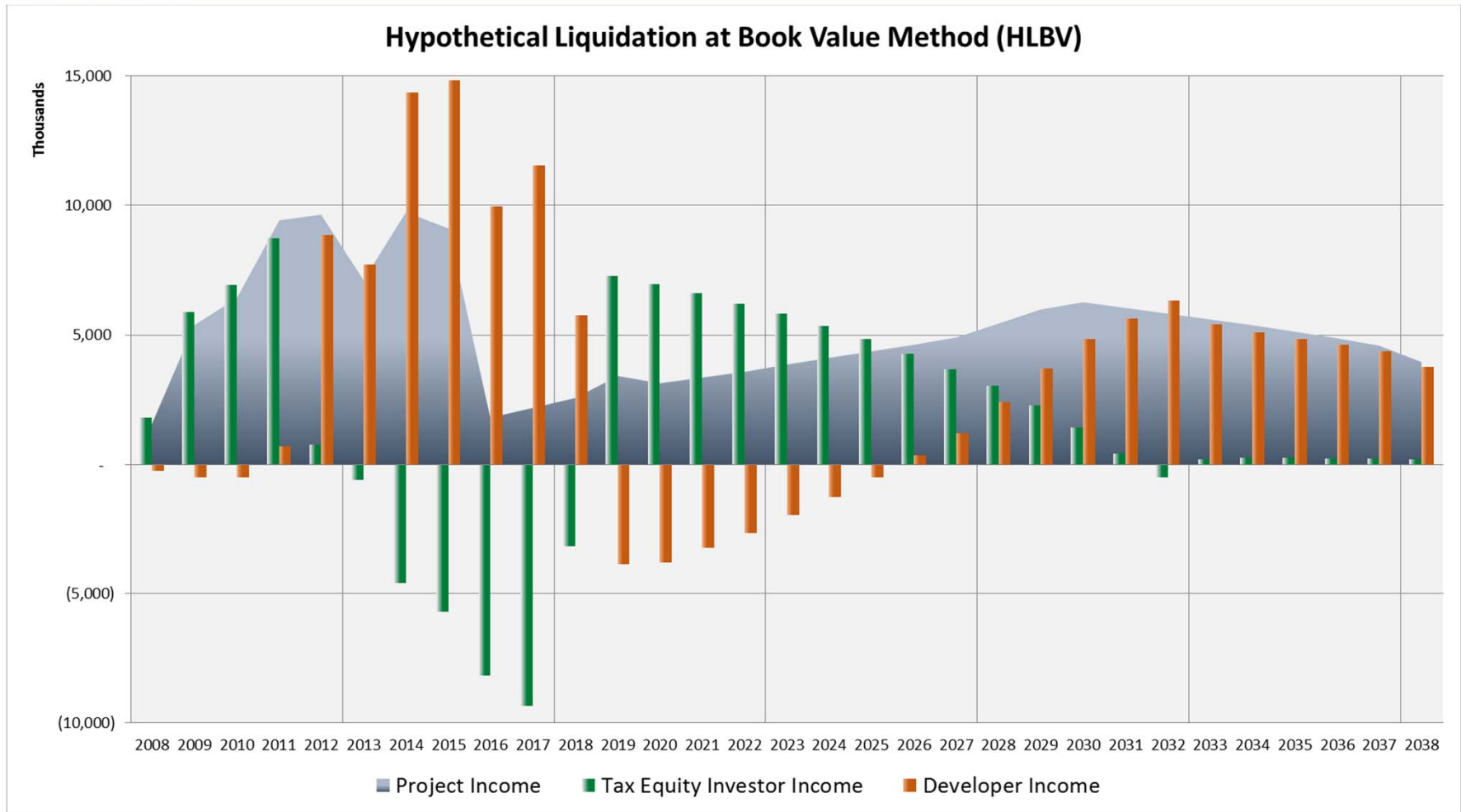
HLBV – Numerical Example

| | 12/31/2014 | | 12/31/2015 | |
|---|-------------------|-------------------|-------------------|-------------------|
| Project-Level Income (Loss) | 819,152 | | 118,949 | |
| Project Adjusted Net Book Value | 54,739,393 | | 53,527,916 | |
| Gain upon Liquidation | 50,735,567 | | 50,312,794 | |
| | Developer | Investor | Developer | Investor |
| 704(b) Capital Account Balance Pre-Liquidation | (9,995,774) | 13,999,599 | (9,995,774) | 13,210,896 |
| <i>HLBV Waterfall</i> | | | | |
| STEP 1: Restore Deficit Balances in Capital Accounts | 9,995,774 | - | 9,995,774 | - |
| STEP 2: Developer Receives Return of Investment | 5,943,148 | - | 5,943,148 | - |
| STEP 3: Gain Allocated to Investor to Achieve Target Return | - | - | - | - |
| STEP 4: Back-End Sharing per LLC Agreement | 30,483,601 | 4,313,044 | 30,113,230 | 4,260,641 |
| Ending 704(b) Capital Account Balances for Liquidation | 36,426,749 | 18,312,644 | 36,056,378 | 17,471,538 |
| <i>Claims on Equity upon Liquidation</i> | | | | |
| Beginning Balance | 35,978,171 | 19,169,239 | 36,426,749 | 18,312,644 |
| Equity Contributions | - | - | - | - |
| Cash Distributions During the Period | - | (1,227,169) | - | (1,330,426) |
| Income (Loss) | 448,578 | 370,574 | (370,371) | 489,320 |
| Ending Balance | 36,426,749 | 18,312,644 | 36,056,378 | 17,471,538 |

Note: project-level income (loss) and partners' income (loss) are pre-tax



Variability of HLBV Income Allocation Over Project Life



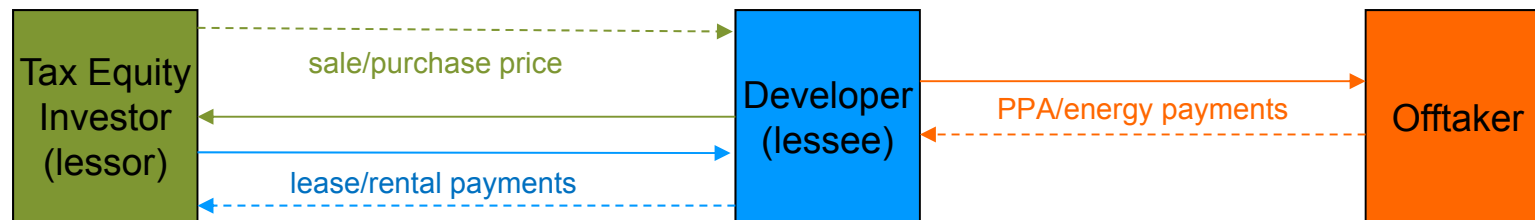
HLBV method reflects the underlying economics of a project. GAAP income allocation using HLBV differs from traditional equity method.



Lease Structures for Investment Tax Credit Eligible Projects



Sale-Leaseback Structure



- Project is sold by Developer to Tax Equity Investor and then leased back to Developer
 - Developer delivers power to offtaker via a PPA
- Tax Equity Investor, as owner/lessor, claims
 - ITC
 - Tax depreciation which is reduced by 50% of the ITC
- Developer, as lessee, retains physical possession and is the seller under the PPA



Sale-Leaseback Structure (cont'd)

■ Advantages

- Structure can be implemented up to 3 months after placed-in-service date
- In theory, provides 100% financing to developer
- Developer retains upside if project performance exceeds expectations because rent payments are fixed
- § 467 enables rent schedule to be sculpted to optimize returns
- Financial accounting is straight forward and may be attractive

■ Disadvantages

- Developers dislike the fact the purchase option is expensive, because the Investor owns the entire project at the end of the lease and residual value must be at least 20%
- Generally not available with respect to PTC because credit requires recipient to own & operate the facility (exception for biomass projects)



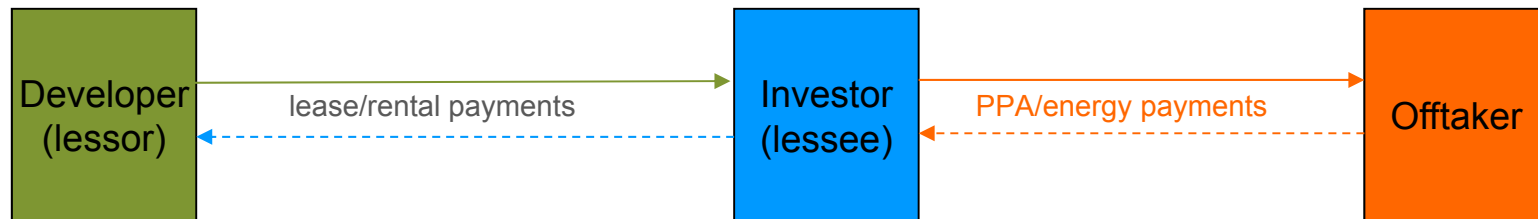
Pass-Through Lease Structure

- Developer does not have appetite for ITC but wants:
 - To retain ownership of the project
 - An Investor to pay it for the ITC
 - Avoid tax on a sale to Investor
- Solution: Pass-Through Lease
 - Developer leases project to Investor
 - Developer elects to pass the ITC to Investor
 - Investor claims ITC based on notional FMV as determined by an appraisal (see § 50(d)(5) referring to prior § 48(d))
 - At lease end, the project automatically reverts to Developer
 - Investor makes a significant rent payment at closing to Developer, so Developer receives cash in excess of ITC





Pass-Through Lease Structure (cont'd)



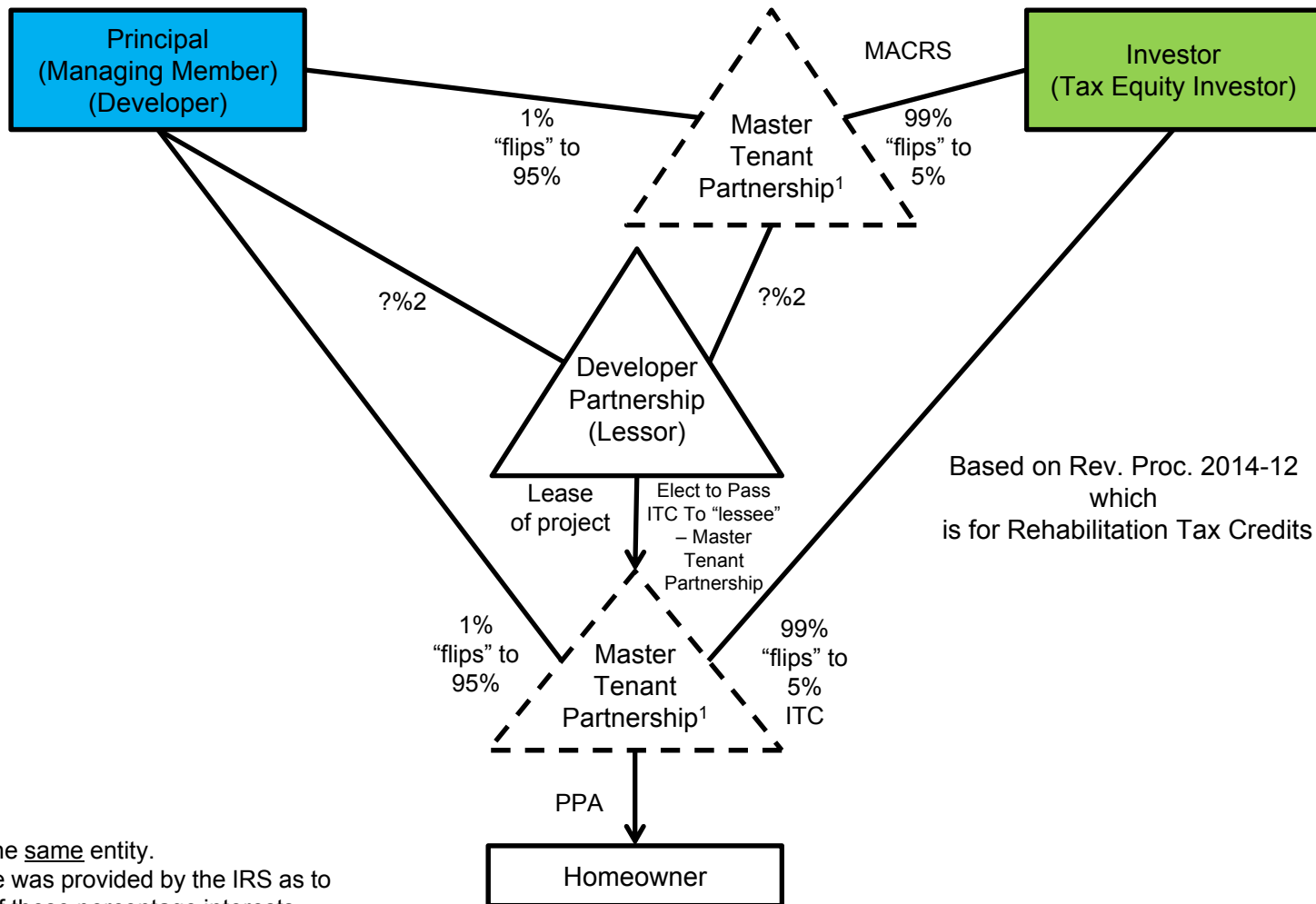
- Developer leases project to Investor
 - Investor delivers power to offtaker via a power purchase agreement (“PPA”)
 - At lease end, which needs to be at least 5 years, the project is returned to the Developer
- Tax Attributes
 - Investor claims ITC of 30% of notional FMV
 - Investor deducts rental accrued per § 467
 - Investor has income annual inclusion equal to 3% of FMV for 5 years (in lieu of 50% basis adjustment)
 - Investor has taxable income from PPA payments
 - Developer depreciates project using its tax basis (i.e., cost)
 - Developer pays tax on accrued rent per § 467
- Trade off: Step-up ITC to 30% of FMV w/o tax cost, but Investor does not claim MACRS



Lease and Partnerships in a Single Transaction – Master Tenant Partnership



Master Tenant Partnership: Inverted Lease for ITC Transactions



¹ These are the same entity.

² No guidance was provided by the IRS as to parameters of these percentage interests.



Flip Partnership, Sale-Leaseback & Pass-Through Lease Comparison

| | Available for Production Tax Credit Deals | Amount of Developer's Upfront Proceeds | Cost for Developer to Re-Acquire Interest at End of Transaction | Taxable Income Recognized by Developer at Closing | Monetization of MACRS Depreciation | Availability of IRS Structuring Guidance | Simplicity |
|------------------------------|---|--|---|---|------------------------------------|--|------------|
| Flip Partnership: RP 2007-65 | Green | Yellow | Yellow | Yellow | Yellow | Green | Yellow |
| Sale-Leaseback | Red | Green | Red | Red | Green | Yellow | Yellow |
| Pass-Through Lease | Red | Red | Green | Green | Red | Yellow | Red |
| Inverted Lease | Red | Half Green, Half Yellow | Half Green, Half Yellow | Half Green, Half Yellow | Half Green, Half Yellow | Yellow | Red |



Tax Equity Financial Models – Best Practices

- Accurate financial models are important not only during project financing but also during operations for tracking and reporting purposes and M&A
- The model must accurately reflect key provisions of operating and financing agreements and address the needs of multiple model users
- Below is a list of model best practices and “must-haves”:
 - Serve the needs of multiple users, including project developers (management, operations, finance, FP&A / accounting and tax) and external parties (investors and lenders)
 - Have user-friendly and flexible model structure that clearly presents key operating, financial and tax inputs / outputs and allows for sensitivity and scenario analyses
 - Incorporate partnership taxation logic, including 704(b) capital accounts and outside basis for each partner, including ability to perform easy true-ups to the annual federal tax returns.
 - Have a complete set of US GAAP financial statements (income statement, balance sheet and cash flow statement), including integration of HLBV methodology, for EPS analysis
 - At COD, the “financing” models shall be converted to “operating/tracking” models to allow for periodic updates for actuals (e.g. have interface with accounting systems) to meet budgeting, forecasting and reporting requirements
 - Invest in ongoing model maintenance, including periodic reviews and audits
 - For large asset portfolios, create consolidation models with ability to include / exclude multiple projects and perform portfolio-level scenario analyses



Speaker Biographies



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David K. Burton advises clients on a wide range of U.S. tax matters, with a particular emphasis on project finance and energy transactions. In addition, he also advises clients on tax matters regarding the formation and structuring of domestic and offshore investment funds.

Mr. Burton has extensive experience structuring tax-efficient transactions, such as sale-leasebacks, flip partnerships, pass-through leases and other structures, for the acquisition and financing of renewable energy assets.

Prior to joining Akin Gump, Mr. Burton was the managing director and senior tax counsel at GE Energy Financial Services (GE EFS), one of the world's leading investors in energy projects. At GE EFS, Mr. Burton oversaw all of the tax aspects for over \$21 billion in global energy projects from structuring transactions to accounting for taxes to formulating tax policy initiatives. During his tenure at GE EFS, the division's investments in wind, solar, hydro, biomass and geothermal power grew to \$6 billion, making GE EFS the largest tax-advantaged energy investor in the U.S. Before joining GE EFS, Mr. Burton was a tax lawyer at GE Capital and primarily focused on aircraft and equipment leasing and financing and asset acquisitions. From 1996-2000, Mr. Burton was a tax lawyer at a large, international law firm in Philadelphia.

Mr. Burton is editor of Akin Gump's Tax Equity Telegraph blog that addresses the intersection of tax policy and energy policy in the United States.

Mr. Burton has been recognized by *Chambers USA: America's Leading Lawyers for Business* (2015) in the area of Projects: Renewables & Alternative Energy. He was also quoted in North American WindPower's article "Is Treasury More Closely Scrutinizing Cash-Grant Applications" and in the Power Finance & Risk article "YieldCo Sweep." He is also quoted in North American WindPower's article "IRS Provides Certainty For Wind Developers To Move Forward With PTC-Eligible Projects."

Mr. Burton received his B.A. *magna cum laude* from Ithaca College in 1993 and his J.D. *cum laude* from the Georgetown University Law Center in 1996, where he was on the staff of *The Tax Lawyer*.



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Vadim Ovchinnikov is a Director at Alfa Business Advisors. Mr. Ovchinnikov has over fifteen years of professional experience in project finance, capital raise, M&A, project due diligence, and valuation. He assisted numerous clients in the power sector (solar, wind, gas, geothermal and hydro) and actively works with project developers, investors, and corporate clients in North America, Latin America, Europe and emerging markets.

Prior to Alfa Business Advisors, Mr. Ovchinnikov was a Managing Director at Chicago Advisory Group for five years providing financial advisory services to clients in the energy and banking sectors. His prior experience includes working for PricewaterhouseCoopers in the Mergers & Acquisitions Group in Europe. Prior to that he was part of PwC's Investment and Capital Markets Group in Chicago focusing on serving clients in the banking industry. Mr. Ovchinnikov started his career at the Financial Accounting Standards Board (FASB) where he was a member of the Derivatives Implementation Team and the Financial Instruments Team.

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Gintaras Sadauskas is a Director at Alfa Business Advisors. Mr. Sadauskas focuses on providing financial and commercial advice in relation to the development, financing, purchase and sale of power generation assets (solar, wind, gas, hydro, geothermal and coal). During the past fifteen years, he has been involved in numerous project financings and portfolio transactions in North America, Europe, Asia, Latin America and Africa.

Prior to joining Alfa Business Advisors, Mr. Sadauskas worked in the project finance and M&A groups at the AES Corporation headquarters. He participated in multiple acquisitions and structured project financings in the US and internationally. Prior to AES, Gintaras worked in the Financial Advisory Services Group at KPMG in Europe.

Mr. Sadauskas received an MBA degree from the Darden School of Business, University of Virginia and M.Sc. in International Management from the University of Lausanne in Switzerland.