



**MICROGRID  
KNOWLEDGE**

*Virtual Conference*

# How to Finance a Microgrid Project in a Post Covid-19 Economy

# Agenda

**Moderator:** Moderator: Tom Hawes (S&C Electric) Eastern Director Microgrids and NWA

## Speakers:

1. Mark Fisher (Electrical Midstream) CEO
2. Ryan Goodman (Scale Microgrid) CEO & Co-Founder
3. Jerome Garciano (Robinson & Cole) Attorney

## Resources:

- Speaker Bios
- Ask the Experts: Q&A at End
- Microgrid Resources Library

# Where Are We Now?

Mark A. Fisher, PE, Electrical Midstream,  
CEO



## What has Changed?

1. Facility Risk Factors
2. Access to Capital is Changing
3. Regulatory and Legislative Changes





# What Do We Do Now?



## Keep it Simple

- Define the facility's risks accurately and concisely.
- Improve & Strengthen access to capital.
- Be nimble in a changing regulatory/ legislative environment.



# Where Are We Going?



## Moving Forward

1. You can't say "That will never happen," again.
2. Actively maintain relationships.
3. Pending Legislation?



# Today, more than ever, it's all about resiliency & reliability

*Ryan Goodman, CEO, Scale Microgrid Solutions*

**The definition of critical industry has changed in the past few months**

**All stakeholders in traditional microgrids see a renewed value in resiliency**

**Scale's modular microgrids deploy 65% faster than typical microgrids. We've pre-engineered and designed at scale to offer a more efficient and cost effective system**

**Scale can take your project start-to-finish or partner with you at any point of your process**





# Highlighted Microgrid: Fifth Season Indoor Vertical Farm

Highly efficient, commercial-scale indoor vertical farm in Braddock, a historic steel town near Pittsburgh, PA

In order for indoor crop production to become a truly scalable solution, vertical farms need to become more sustainable and cost effective

Utilizes a combination of PV solar panels, lithium ion batteries, and a dispatchable generator outfitted with advanced emissions control technology for cheaper, cleaner and more reliable power



Fifthseasonfresh.com



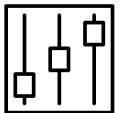
Solar



Storage



Generator



Smart  
Controls

# COVID19's Impact on Distributed Energy Financing

## Changes

**Project finance lenders in 2020 are better capitalized than in 2008**

**Capital is more scarce, scrutiny is increasing, and cost of capital is higher**

**As investors become more cautious, they will be more choosy in what projects to finance**

**For strong balance sheet investors, COVID19 is mostly seen as a short term blip when talking about 20-35 year life assets**

## How to Adjust

**Find a financial partner who understands your projects and knows the real risks**

**Evaluate credit quality of end users - more important than ever**

**Bring financial partners into the process early in the developments cycle**

**Rely on financial partners you trust**

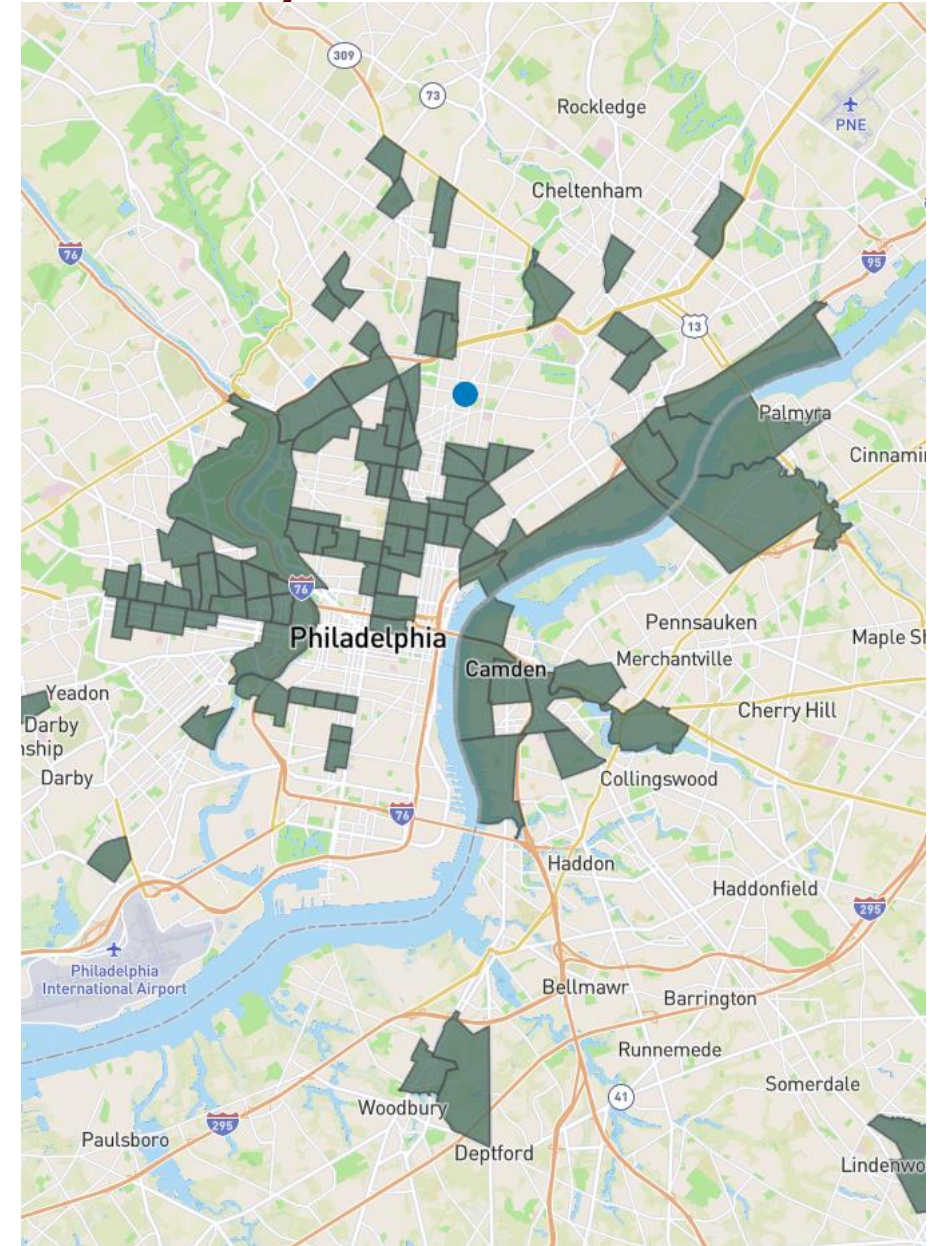


# Opportunity Zones and Microgrid Project Finance

*Jerome L. Garciano, Robinson & Cole LLP, Attorney*

## Overview:

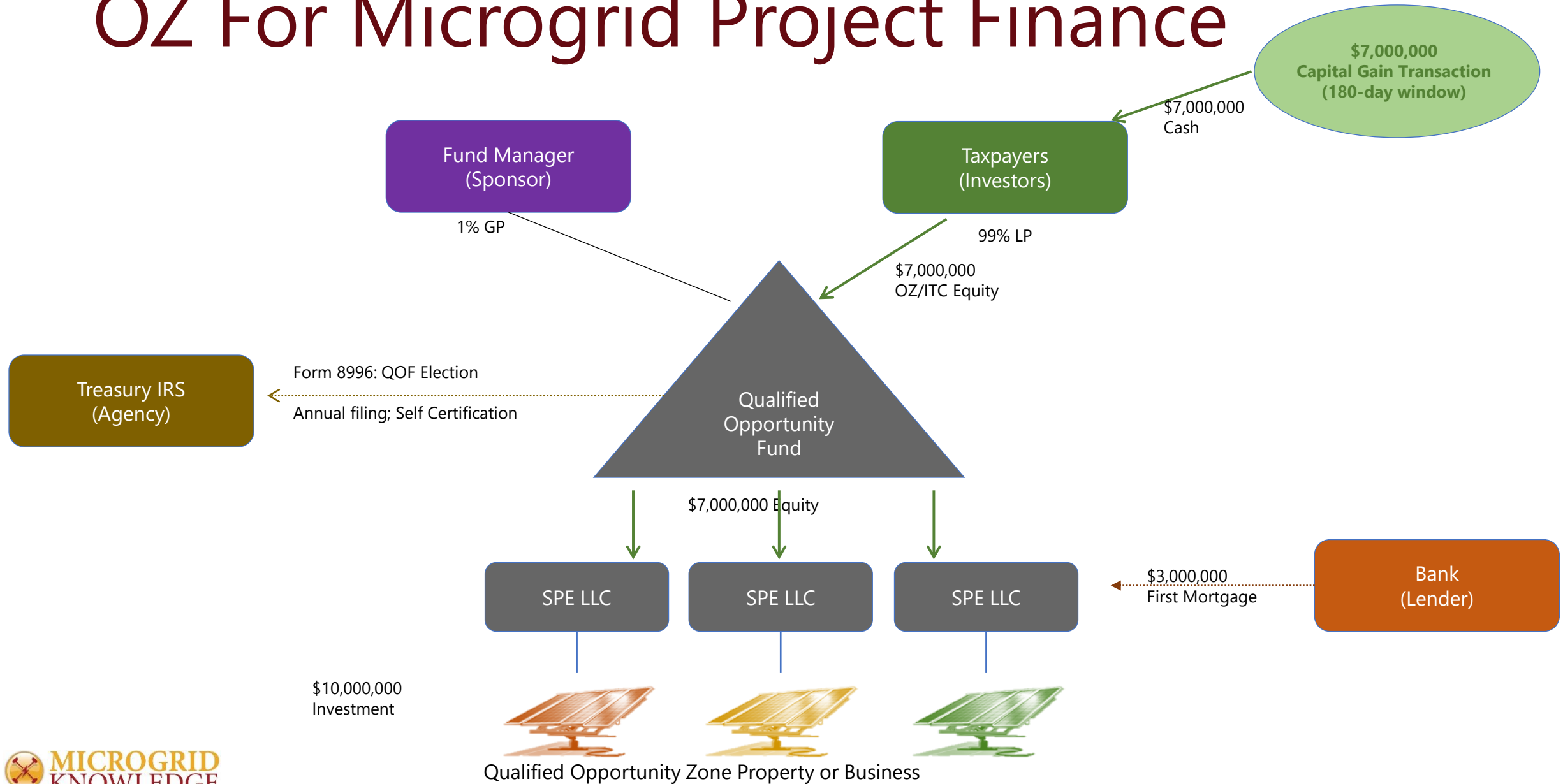
1. Tax Cuts and Jobs Act of 2017 created new §§1400Z-1 and 1400Z-2 of the Internal Revenue Code
2. IRS regulations released October 2018, April 2019 and December 2019
3. Economic growth and investment in distressed communities



# Opportunity Zones Basics

- Tax breaks (deferral and exclusion) for equity investments in designated opportunity zones
- Investments must be made through qualified opportunity funds owning qualified opportunity zone property or businesses
- Assets must be tangible property acquired for original use or substantially improved

# OZ For Microgrid Project Finance



# Final OZ Regulations, 2020 and beyond

1. Final Regulations released December 2019
2. Effects of COVID-19 and Economic Recession
3. Possible statutory changes from Congress?

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# Ask the Experts: Q&A Session

Type your questions in to the Q&A box

#MicrogridVirtual

# Microgrid Knowledge Virtual Conference Resource Library

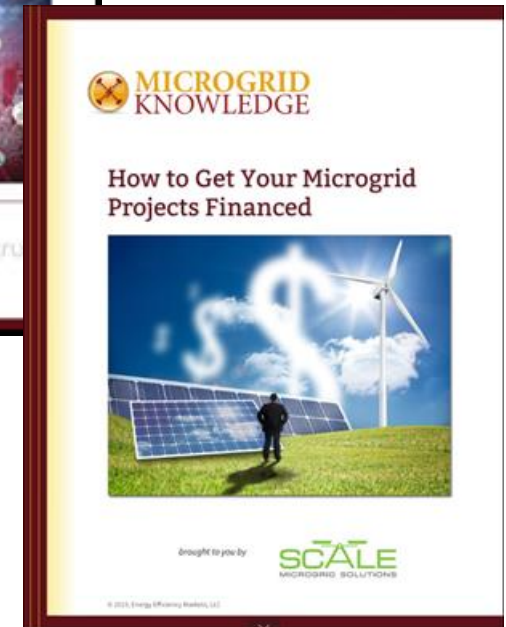
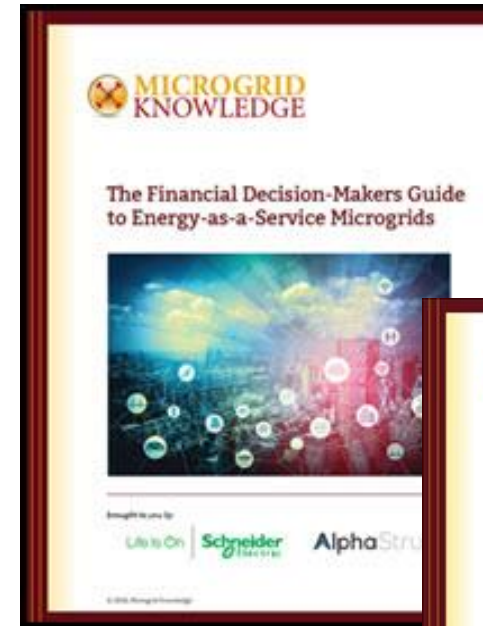
## Recommended Resources

### Microgrid Resource Library

- [www.ThinkMicrogrid.com](http://www.ThinkMicrogrid.com)

### Microgrid Finance Connection:

- Connecting Developers and Financiers



# Microgrid 2020 LIVE Conference – Nov. 18-20

Philadelphia, PA

**Finance Session:** *The Evolution of Microgrid Finance: The Latest on Impact Investing, Project Finance, As-a-service and other Financial Mechanisms*

- Plus 90 speakers in 30+ sessions on best practices
- 35 exhibitors
- Networking opportunities







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# Thank You!

Next Session: *Benefits and Challenges of Integrating Energy Storage and Renewable Energy @ 1PM Eastern*

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