

3.0 FINANCIAL CAPACITY

3.1 ESTIMATED PROJECT COSTS

The total cost of the project is expected to be approximately \$145 million, categorized in Table 3-1 below.

Table 3-1. Estimated costs for the Weaver Wind Project

	\$Million
Turbines and foundations	92
Transportation	3
Turbine installation cost	10
Roads	6
Electrical collector lines	10
Other construction costs	24
Total	\$145 million

3.2 PROJECT STRUCTURE AND FINANCING

The Applicant is a Delaware limited liability company and is a special purpose entity that owns the Project. The Applicant is wholly owned by Longroad Development Holdings, LLC, a Delaware limited liability company, which is in turn a wholly owned subsidiary of Longroad Energy Partners, LLC (Longroad). Longroad’s balance sheet is attached as Exhibit 3-1.

Longroad is a Boston, MA, based company focused on the development, construction and operation of utility-scale wind and solar energy projects throughout the United States. Longroad was founded by the former executive team of First Wind Holdings, LLC (First Wind). While at First Wind and later at SunEdison (following its acquisition of First Wind), the core members of the Longroad team successfully developed and built over 33 utility-scale solar and wind energy projects totaling more than 3,300 MW of installed generation capacity, including 603 MW in Maine.

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Table 3-2. Select team development experience in Maine

Project(s)	State	Size (MWac)	Technology	COD Year	Off-taker
Mars Hill	ME	42	Wind	2007	New Brunswick Power
Stetson I	ME	57	Wind	2009	Constellation Energy
Rollins	ME	60	Wind	2010	CMP, Bangor Hydro
Stetson II	ME	25.5	Wind	2010	Harvard University
Bull Hill	ME	34.5	Wind	2012	NSTAR (Eversource)
Oakfield	ME	148	Wind	2015	Eversource, National Grid
Bingham	ME	185	Wind	2016	Eversource, National Grid
Hancock	ME	51	Wind	2016	MMWEC, Burlington Electric

Since 2008, the Longroad team's collective track record of raising capital includes:

- Over \$11 billion of capital raised at First Wind, including project finance debt, tax equity, corporate debt, partnerships, and sponsor equity;
- In 2015, after First Wind was acquired by SunEdison, over \$4 billion of capital raised; and
- Since forming Longroad in 2016 the team has raised over \$1.8 billion of development, construction and operating capital.

The Applicant is expected to have the structure typical of a non/limited-recourse project financing, including construction debt coupled with tax equity and long-term debt commitments. Sponsor equity will fill the remainder of the funding need. The project anticipates that roughly 20% of the construction costs will be funded with equity and the balance funded by debt and tax equity.

The following describes the typical financing for utility scale wind projects that the Longroad team has implemented on past projects. The precise financing structure for the project may differ from the typical structure described here.

Typically, the construction loan (and any remaining sponsor equity) will be funded at financial close/Final Notice To Proceed and monthly loan draws will be utilized to back construction activities until the project reaches the Commercial Operation Date (COD). Shortly after COD, the construction loan will be replaced by a combination of tax equity and long-term debt.

As noted above, this financing plan is customary for utility scale wind and solar projects and is one that the Longroad team has implemented for several gigawatts of projects it has developed. Providers of debt and tax equity have not yet been selected, but the Project anticipates working with financial counterparties where it has a strong relationship and proven track record of success. As an example, Keybank and US Bank debt and tax equity Letters of Support are provided in Exhibit 3-2. Keybank and US Bank have financed a number of projects in Maine developed by the Longroad Team, including: Rollins (Keybank), Oakfield (US Bank and Keybank), Bingham (US Bank and Keybank) and Hancock (US Bank).

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3.3 CERTIFICATE OF GOOD STANDING

The Applicant is a Delaware limited liability company with a presence in Maine. Exhibit 3-3 is information from the Maine Secretary of State demonstrating that it is in good standing.

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Exhibit 3-1

Longroad Balance Sheet

Longroad Energy Partners, LLC and Subsidiaries

Consolidated Balance Sheets December 31, 2017 and 2016 (in thousands)

	<u>Assets</u>	
	2017	2016
Current assets		
Cash and cash equivalents	\$ 4,700	\$ 7,583
Restricted cash - current	77,088	-
Accounts receivable	6,060	-
Prepaid expenses and deposits	3,699	229
Total current assets	91,547	7,811
Restricted cash - non-current	3,254	-
Other long-term assets	4,410	1,398
Intangible assets	39,547	-
Property, plant and equipment, net	446,046	152
Assets under construction	57,751	44,632
Total non-current assets	551,008	46,182
Total assets	\$ 642,555	\$ 53,993
	<u>Liabilities and Members' Capital</u>	
Current liabilities		
Accounts payable	\$ 4,730	\$ 223
Accrued expenses	6,895	296
Derivative liability - current	120	-
Capital lease obligations - current	20,230	-
Current portion of long-term debt	3,270	-
Note payable - related party - current	6,300	-
Total current liabilities	41,545	519
Asset retirement obligation	15,741	-
Derivative liability - non-current	53	-
Capital lease obligations - non-current	450,225	-
Long-term debt, net	65,685	-
Total non-current liabilities	531,704	-
Total liabilities	573,249	519
Commitments and contingencies	-	-
Capital		
Founding members' capital	362	2,895
Preferred member's capital	2,597	1,620
Non-controlling interests	66,520	47,059
Accumulated other comprehensive loss	(173)	-
Total members' capital	69,306	51,574
Total liabilities and members' capital	\$ 642,555	\$ 52,093

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Exhibit 3-2

Financial Support Letters



August 29, 2018

Peter Keel
Chief Financial Officer
Longroad Energy Holdings, LLC
133 Federal St Suite 1202
Boston, MA 02110

RE: Longroad Energy's Weaver Wind Project

Dear Peter:

Longroad Energy ("Longroad" or the "Company") has informed KeyBank National Association ("KeyBank") of its intention to permit and build its Weaver Wind project, a 72.6 MW project located in Hancock County, ME (the "Project"). Given our expertise within the renewable energy sector, leading debt-raising capabilities, experience financing projects in Maine and our longstanding and strong relationship with the Longroad team, we believe KeyBank is very well suited to support Longroad with respect to the Weaver Wind project.

Based on our experience providing construction and long term financing for power generation and transmission portfolios and our familiarity with the financial markets generally, we are confident that, assuming the Company can (1) demonstrate the operational and engineering feasibility of the Project, and (2) employ appropriate equipment for the Project, the Company will be able to obtain financing on market terms and conditions sufficient to cover development costs, construction financing, and other financing as necessary for the Project to reach commercial operation. Once these project details are addressed, we would enter into negotiations with the Company to provide a Summary of Terms and Conditions offering financing for the project, not to exceed an appropriate loan to value.

Cleveland-based KeyBank is one of the nation's largest bank-based financial services companies, with assets of over \$136 billion. Alternative energy is a focus area for KeyBank, and we are supportive of renewable energy developers such as Longroad. KeyBank currently has over \$8.0 billion committed to the utility and power sector, including commitments to some of the largest renewable energy developers in the U.S. KeyBank has over \$3.0 billion currently committed to the development and operation of renewable energy. Since 2010, KeyBank has financed over 20,000 MW of installed capacity, including Rollins Wind (60 MW, Penobscot, ME), Oakfield Wind (148 MW, Oakfield, ME) and Bingham Wind (185 MW, Auburn, ME), which were developed and constructed by the Longroad team. Additionally, KeyBank has extensive experience working in concert with tax equity providers and would be well-positioned to facilitate additional forms of financing should the Company explore additional funding sources.

This letter is for discussion purposes only and is not an offer of financing or any commitment on our part, nor is it intended to be legally binding or to give rise to any legal or fiduciary relationship between KeyBank or its affiliates and any other person. Such a commitment, if any, will be delivered upon receipt of all requisite internal approvals and completion of due diligence.

We hope that this letter demonstrates the high regard that KeyBank has for Longroad's management team, and our confidence in Longroad's ability to obtain financing for the Weaver Wind project and to bring it online as scheduled.

Sincerely

A handwritten signature in black ink, appearing to read "Daniel Brown", written over a light blue horizontal line.

Daniel Brown
Managing Director
Utilities, Power & Renewable Energy
216-689-5519

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Exhibit 3-3

Certificate of Good Standing



MAINE

Department of the Secretary of State
Bureau of Corporations, Elections and Commissions

Corporate Name Search

Information Summary

[Subscriber activity report](#)

This record contains information from the CEC database and is accurate as of: Wed Oct 17 2018 11:40:57. Please print or save for your records.

Legal Name	Charter Number	Filing Type	Status
WEAVER WIND, LLC	20130154FC	LIMITED LIABILITY COMPANY (FOREIGN)	GOOD STANDING

Filing Date	Expiration Date	Jurisdiction
09/24/2012	N/A	DELAWARE

Other Names	(A=Assumed ; F=Former)
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NONE

Clerk/Registered Agent

CORPORATION SERVICE COMPANY
45 MEMORIAL CIRCLE
AUGUSTA, ME 04330
