

COUNTY OF SUSSEX  
SOLAR PROGRAM-RECEIPTS & DISBURSEMENTS SUMMARY

**Cash Rollforward**

Receipts:

Note B-Net of Underwriter Fee	983,418.75
Serial Bonds-Net of Underwriter Fee	26,590,490.25
PPA Revenue	537,685.02
Federal 1603's	4,382,476.00
Transfer from Debt Service Fund	250,000.00
Interest	<u>26,825.12</u>
Total Receipts	<u>32,770,895.14</u>

Disbursements:

Bond Issuance Costs	-359,991.67
Administrative Expenses	-874,596.81
Debt Service Payments	-6,631,583.40
Payments to Contractor	-6,455,585.00
Solar Panel Safe Harbor	-1,255,903.00
Payments to Sunlight General:	
Development Fees	-500,000.00
Admin Costs/Professional Fees/Insurance	-2,545,458.47
Add'l Professional Fees	<u>0.00</u>
Total Disbursements	<u>-18,623,118.35</u>

Balance of Funds 14,147,776.79

**Analysis of Funds Available**

Trust Funds:

Revenue Acct.	197,131.39
Aged Revenue Acct.	135,906.90
Project Acct.	13,275,045.95
Cost of Issuance Acct.	17,554.78
Admin. Expense Acct.	46.92
County Securities Acct.	<u>28.77</u>
Total Trust Funds	<u>13,625,714.71</u>

SLG Accounts:

Checking-1603's	129,985.23
Saving-1603's	<u>392,076.85</u>
Total SLG Accounts	<u>522,062.08</u>

Total All Funds 14,147,776.79

Note: Information was compiled from cash receipts (net) and cash disbursements (net) from County of Sussex Solar Trust Accounts and Sunlight General LLC-Sussex County Solar Projects-Cash Activity Worksheets (1603 Grant Funds).



**SUSSEX SOLAR SETTLEMENT ANALYSIS:**

	Arbitration Award	89%	Relevant Sections of Settlement/Notes
Contract Price Award	\$ 19,048,802		
Interest & Attorneys Fees	\$ 2,357,583		
<b>TOTAL AWARD</b>	<b>\$ 21,406,385</b>	<b>\$ 19,051,683</b>	
Cash Received	\$ (6,455,585)	\$ (6,455,585)	Previously paid to PPM
Unpaid Contract Price	\$ 14,950,800	\$ 12,596,098	
Inventory Award	\$ 1,056,013	\$ 1,056,013	Solar Panel Inventory
<b>TOTAL AWARD INCLUDING INVENTORY</b>	<b>\$ 16,006,813</b>	<b>\$ 13,652,111</b>	
PPM Settlement- 89% of total award less amount paid - unpaid contract price (excluding inventory)		\$ 12,596,098	
Sources of funds to pay PPM			
Net project funds		\$ 6,292,966	Article I C. (page 5)
1603 Funds		\$ 747,071	Article I A. (page5) + 1603 balance
Cash Available		\$ 7,040,037	
Other cash contribution from County		\$ 5,790,826	<i>Amount to be borrowed thru MCIA (+ admin costs)</i>
Total funds to PPM		\$ 12,830,863	Article I D. (page 6)
Tax Equity to PPM			
Credit on future sites - to County		\$ (144,000)	
<b>Total Paid to PPM - Current Proposal</b>		<b>\$ 12,686,863</b>	
Estimated Additional 1603 Funds		\$ 1,566,000	Article I E. (page 6)
Tax Equity to County		\$ 1,010,000	Article I B. (page 5)

Summary of Settlement, Including Payments to Power Partners\*

County	Total Payment	Payment Breakdown	Source	Notes
Sussex	<b>\$12,838,862**</b>	\$6,292,966.00	Project Funds	Remaining Project Funds (\$6,979,861.60) to be utilized to construct remaining projects
		\$522,071.91	SunLight Payment	
		\$225,000.00	Retainer Reimbursement	Probable source will be Additional Bond offering, Series 2015 Note Not to Exceed \$6,750,000
		5,798,824.09	Balance Due	
Somerset	<b>\$22,364,994.00</b>	\$11,187,661.00	Project Funds	Remaining Project Funds (\$612,339) to be utilized to construct remaining projects
		\$4,225,960.60	SunLight Payment	
		\$225,000.00	Retainer Reimbursement	Probable source will be Additional Bond offering, Series 2015 Note Not to Exceed \$7,600,000
		\$6,726,372.40	Balance Due	
Morris	<b>\$16,700,000**</b>	\$7,064,758.00	Project Funds	Remaining Project Funds (\$7,395,363) to be utilized to construct remaining projects or pay down amounts owed to Power Partners
		\$2,408,808.80	SunLight Payment	
		\$225,000.00	Retainer Reimbursement	Potential sources include Additional Bond offering (Series 2015 Note Not to Exceed \$8,000,000) or remaining Project Funds if less than all remaining sites are constructed
		\$7,001,433.20	Balance Due	

\* Other potential sources of recovery are available to the Counties and Power Partners, and are detailed in the Settlement Documents. If realized, they would off-set amounts paid by Counties.

\*\* These required payments have been lowered based upon the availability of tax equity proceeds to be paid to Power Partners by SunLight.

<b>SUSSEX SOLAR SETTLEMENT</b>	
<i>Settlement</i>	<i>No Settlement</i>
Costs quantifiable	Costs Unkown
	-Legal costs to defend in current litigation and to proceed with additional litigation
	- Potential for have to continue to carry Sunlight legal costs
	- High Probability of high payout to Mastec at end given arbitration decision and County "deep pockets"
	- Supremet Court decision regarding liens not decided
\$1M in SLG SREC Accounty available to County to offset	\$1M in SLG account likely utilized by SLG to continue litigation
Budget impacts managed proactively on long term basis	Budgets managed reactively year to year
Unconstructed projects built	Unconstructed projects shelved permanently
- \$1M+ in revenue generated to offset debt service	- Loss of ability to generate \$1M + in revenue to offset debt service
- Local school districts save on energy costs	- Local school districts not able to take advantage of energy savings
Projects completed by 12/31/15 - debt service payments managed. Minimal staff time to manage.	Litigation continues for years. Large amounts of staff time diverted to managing emergent issues

County of Sussex  
 2011 Solar Project  
 Cashflow Analysis - Summary  
 Comparison of Stop Construction and Settlement Scenarios (Medium SRECs)  
 February 24, 2015

	Year Ending 12/15/13	Year Ending 12/15/14	Year Ending 12/15/15	Year Ending 12/15/16	Year Ending 12/15/17	Year Ending 12/15/18	Year Ending 12/15/19	Year Ending 12/15/20	Year Ending 12/15/21	Year Ending 12/15/22	Year Ending 12/15/23	Year Ending 12/15/24	Year Ending 12/15/25	Year Ending 12/15/26	Year Ending 12/15/27	Year Ending 12/15/28	Year Ending 12/15/29	Year Ending 12/15/30	Total
<b>Stop Construction Scenarios<sup>1</sup></b>																			
<b>1) No Settlement</b>																			
Total Revenue	446,657	1,226,557	374,091	383,387	392,914	402,678	412,684	422,940	433,450	444,221	455,260	466,573	478,167	490,050	502,228	0	0	0	7,331,855
Total Expenses	226,087	151,640	2,928,386	2,890,318	2,845,231	2,788,672	2,732,926	2,673,846	2,612,157	2,538,177	2,452,834	2,367,664	2,282,671	2,197,852	2,113,242	0	0	0	33,801,714
Net Income/(Shortfall):	220,570	1,074,916	(2,554,295)	(2,506,931)	(2,452,317)	(2,385,994)	(2,320,242)	(2,250,906)	(2,178,707)	(2,093,956)	(1,997,574)	(1,901,090)	(1,804,504)	(1,707,812)	(1,611,015)	0	0	0	(26,713,197)
<b>2) Settlement &amp; \$2.7 Million Cash Defeasance<sup>2</sup></b>																			
Total Revenue	446,657	1,226,557	374,091	383,387	392,914	402,678	412,684	422,940	433,450	444,221	455,260	466,573	478,167	490,050	502,228	0	0	0	7,331,855
Total Expenses	226,087	151,640	2,928,386	2,776,991	2,731,904	2,675,345	2,619,599	2,560,519	2,498,830	2,059,109	1,992,283	1,925,630	1,859,155	1,773,358	1,703,366	0	0	0	30,482,202
Net Income/(Shortfall):	220,570	1,074,916	(2,554,295)	(2,393,604)	(2,338,990)	(2,272,667)	(2,206,914)	(2,137,579)	(2,065,380)	(1,614,888)	(1,537,023)	(1,459,057)	(1,380,988)	(1,283,308)	(1,201,139)	0	0	0	(23,150,347)
<b>Build-Out Scenarios</b>																			
<b>1) Settlement with Bond Financing<sup>3</sup></b>																			
Total Revenue	446,657	1,226,557	2,194,171	3,623,490	2,522,505	2,463,340	2,409,091	2,352,476	2,297,049	2,242,640	2,263,751	2,354,553	2,445,152	2,535,551	2,633,629	2,133,381	1,157,113	930,926	38,232,033
Total Expenses	226,087	308,232	3,089,675	4,691,271	3,592,250	3,530,175	3,477,360	3,420,145	3,364,177	3,309,500	3,330,533	3,426,029	3,509,853	2,421,124	2,343,202	466,229	480,215	494,622	45,480,680
Net Income/(Shortfall):	220,570	918,325	(895,504)	(1,067,781)	(1,069,745)	(1,066,835)	(1,068,269)	(1,067,669)	(1,067,128)	(1,066,860)	(1,066,781)	(1,071,476)	(1,064,701)	114,426	290,427	1,667,153	676,898	436,304	(7,248,648)
<b>2) Settlement with Self Financing<sup>4</sup></b>																			
Total Revenue	446,657	1,226,557	2,194,171	3,623,490	2,522,505	2,463,340	2,409,091	2,352,476	2,297,049	2,242,640	2,263,751	2,354,553	2,445,152	2,535,551	2,633,629	2,133,381	1,157,113	930,926	38,232,033
Total Expenses	226,087	308,232	3,089,675	4,615,512	3,519,131	3,459,967	3,405,717	3,349,102	3,293,675	3,239,266	3,260,378	3,351,286	3,441,777	2,421,124	2,343,202	466,229	480,215	494,622	44,765,198
Net Income/(Shortfall):	220,570	918,325	(895,504)	(992,022)	(996,627)	(996,627)	(996,626)	(996,626)	(996,626)	(996,626)	(996,626)	(996,733)	(996,625)	114,426	290,427	1,667,153	676,898	436,304	(6,533,165)

<sup>1</sup> Assumes no SREC revenue is received

<sup>2</sup> Defeasance of a portion of certain maturities of the 2011 Bonds with \$2.7 million of available funds, as follows:

Year	Amount
2022	\$375,000
2023	375,000
2024	375,000
2025	375,000
2026	395,000
2027	400,000
Total	\$2,295,000

<sup>3</sup> Financing of \$6.5 million at 2.65% 2015 to 2025

<sup>4</sup> Financing of \$6.5 million at 1% 2015 to 2025