



Infratil INVESTOR DAY

April 10, 2018

 **longroad**
ENERGY

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INTRO TO LONGROAD ENERGY

- Focused on US renewables
- Founded April 2016
- Funded October 2016
- Business model and strategy focused on three things:
 - Development
 - Operating Assets
 - Services

Owners



**LONGROAD ENERGY
PARTNERS, LLC**

INVESTMENT THESIS

- Significant growth in new plant build (>100 GW wind and solar by 2025)
- Deep pool of permanent equity
- Development capital more scarce
- Operating asset base growing (2023: PV > 120 GW, WIND > 120 GW)
- Operating asset turnover constant
- Stay close to the assets
- Keep it lean

LONGROAD TODAY

Development

1,118 MW ~6.7 GW

Near Term
Development



238 MW
WIND



880 MW
SOLAR



Development
Pipeline

Operating Assets

684 MW

Owned by LEH



386 MW
WIND



298 MW
SOLAR

Services

1,236 MW

Services



884 MW
WIND



352 MW
SOLAR

74

Employees



Development
16



Back-office
6



Services
52

US MARKET SUMMARY

Headwinds

- Tax reform
- Solar trade case

Neutral

- Paris Agreement withdrawal
- Clean Power Plan revocation
- Grid resiliency
- Steel and aluminum tariffs

Tailwinds

- Continued declining production costs of wind and solar
- Coal retirements continuing
- Corporate demand
- Municipalities demand
- Utility demand

EVEN WITH SHORT TERM UNCERTAINTY, RENEWABLE DEPLOYMENTS ARE STRONG

CHALLENGES

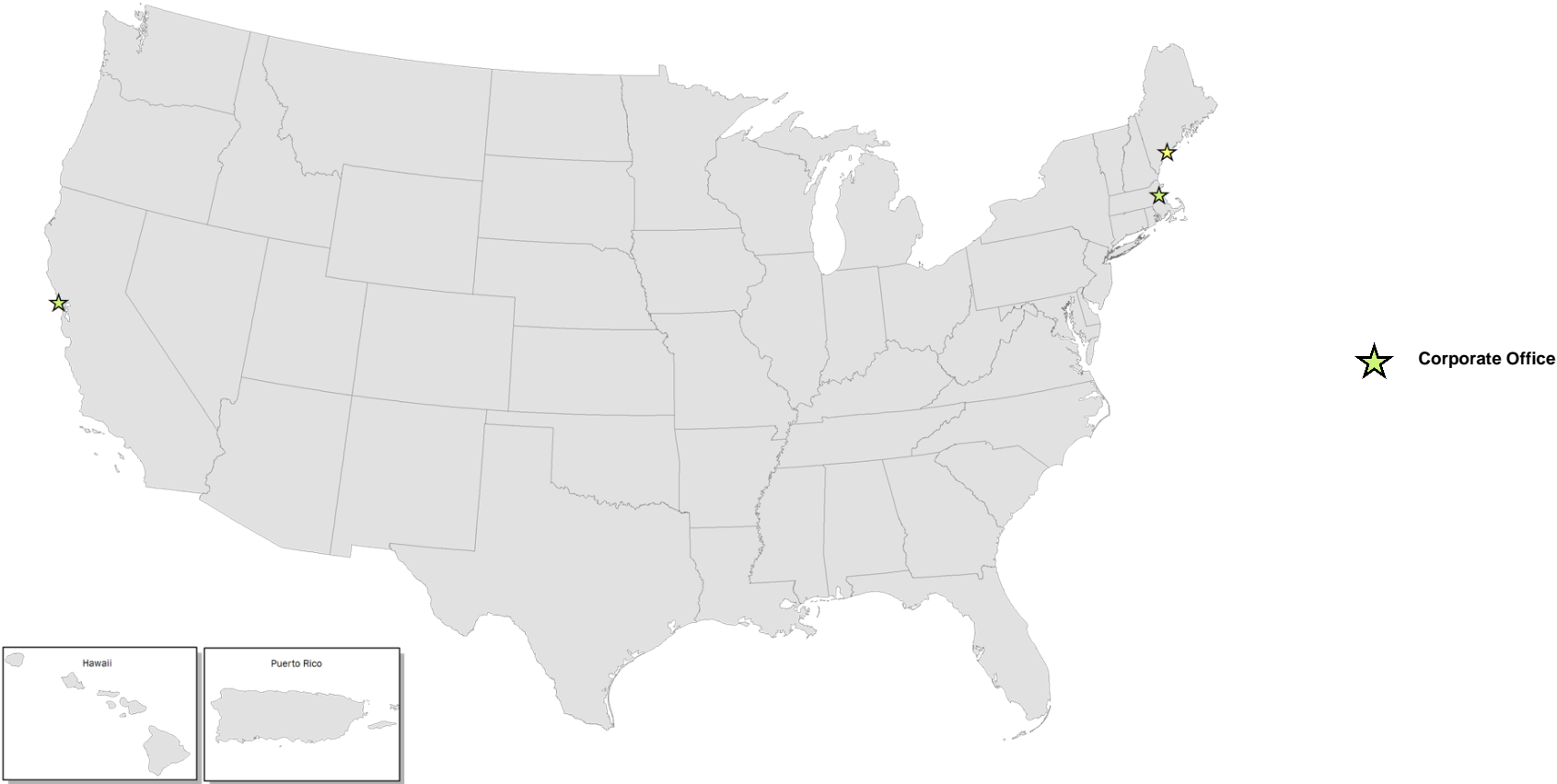
Tax Reform

- 35% reduced to 21%, potentially decreasing tax equity supply and challenging economics
- Wind hurt more than solar

Solar Trade Case

- POTUS decision 1/22/2018 30% import tariff on solar cells and panels
- Longroad procured 880 MW of exempt solar panels from First Solar to preserve near term pipeline
- Significant execution advantage

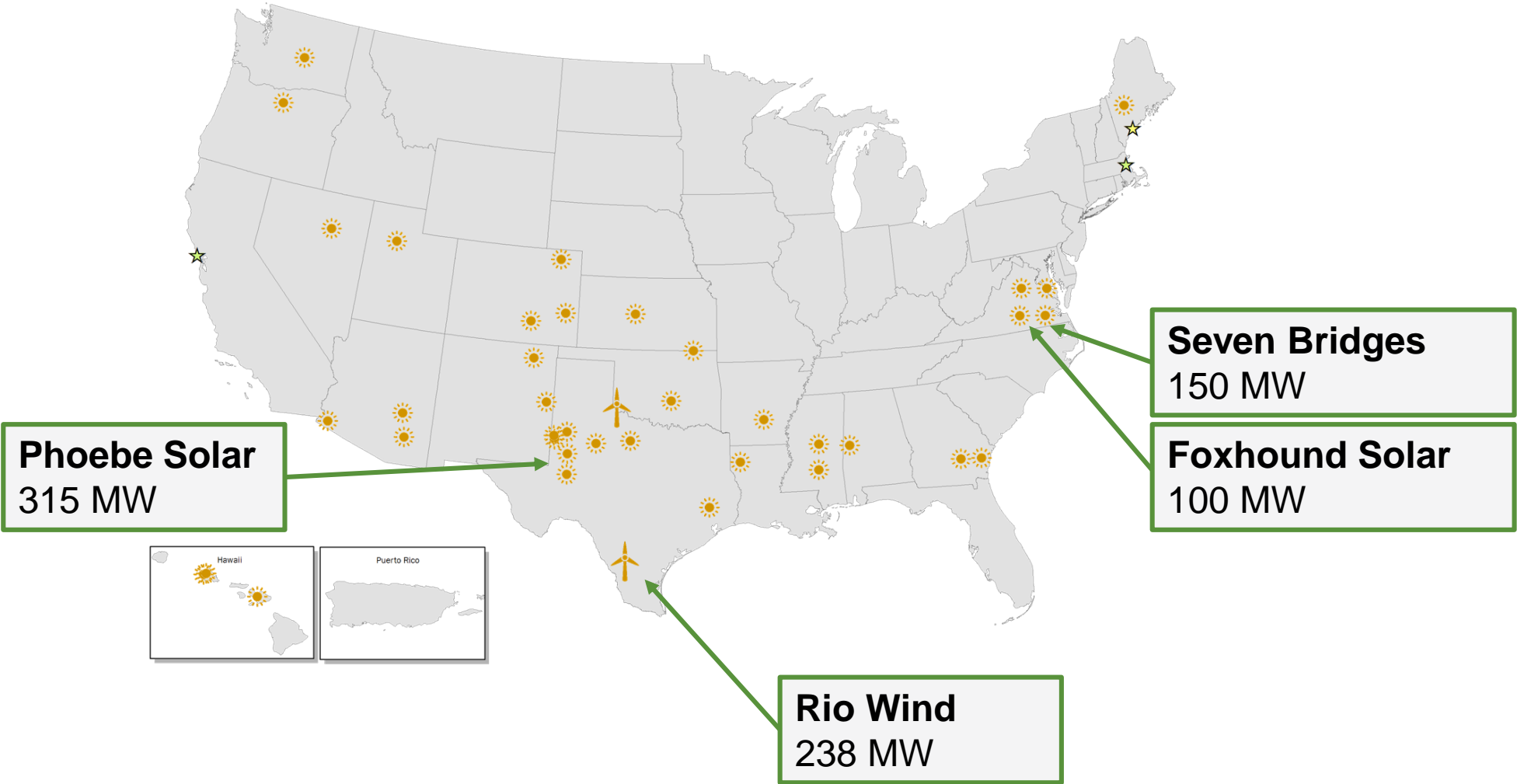
LONGROAD – 18 MONTHS AGO



VESTAS PTC QUALIFIED COMPONENTS

- Longroad qualified enough components to build out ~600 MW
- 100% Production Tax Credit (PTC) value applies so long as operational by end of 2020
- Expect to deploy 238 MW at Rio Wind in near term
- Actively developing another 200 MW for 2019
- Remaining components being evaluated for certain repowering opportunities on our current ownership portfolio as well as new M&A deals

DEVELOPMENT PIPELINE



As of March 2018/Wind MW in AC and Solar in DC

DEVELOPMENT MARGINS

- **Highly dependent on project specifics; very little public disclosure**
- **Key drivers: revenue contract term and credit quality, equipment vendors (Tier 1 vs. others), post-contract revenue assumptions**
- **Levered project returns of 15-20% selling to buyers at 10% could earn development margins:**
 - **Solar: range from \$100 - \$400/kWac**
 - **Wind: range from \$50 - \$300/kW**
- **Typical wind project buyers use higher cap rates than solar project buyers, reflecting higher resource and operating risk**

PHOEBE SOLAR

- 315 MWdc new build solar project in Texas
- Financial closing expected 2Q2018
- 12-year revenue agreement in place
- Fully-financed with construction and term lenders plus tax equity
- EPC and panel supply by First Solar
- Commercial operation expected in late 2019
- Longroad likely to monetize its interest at financial closing

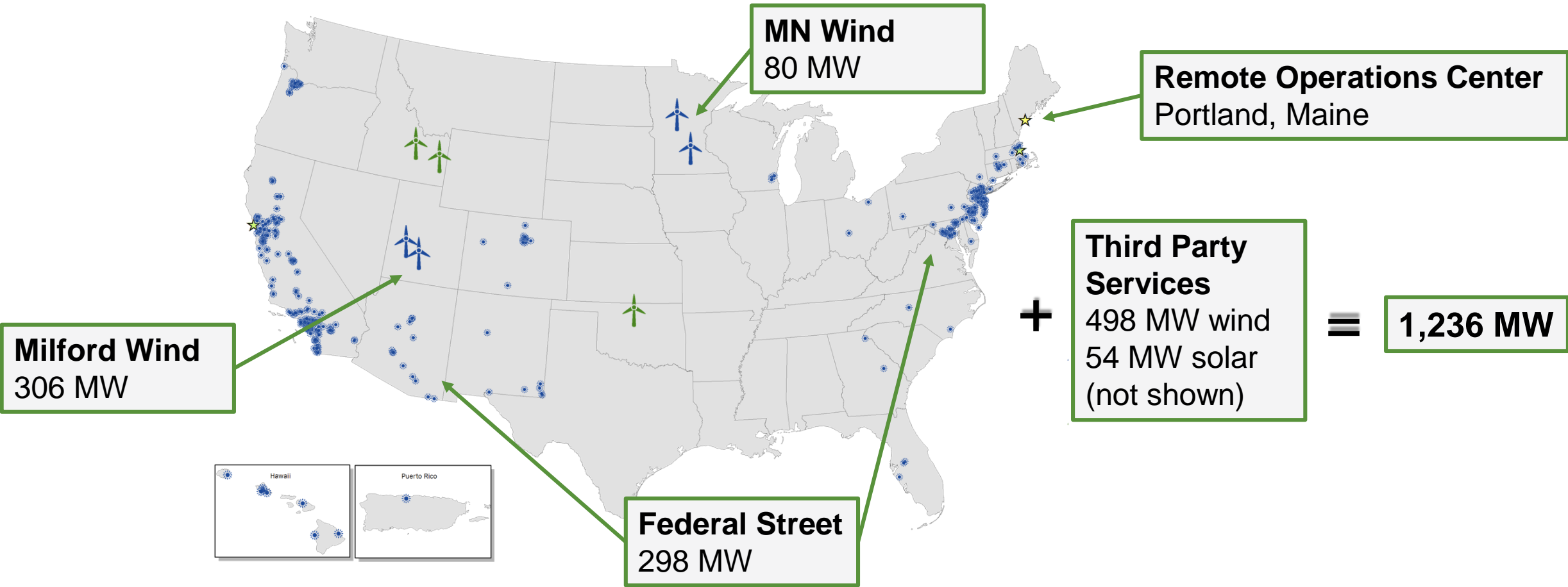
RIO WIND

- **238 MW new build wind project in south Texas**
- **Financial closing expected 2Q2018**
- **15-year revenue agreement in place at closing**
- **Fully-financed with construction and term lenders plus tax equity**
- **Vestas turbine technology with EPC by Mortenson**
- **Commercial operation expected in June 2019**
- **Longroad to monetize its interest either during construction or at commercial operations**

GE REPOWERING

- Longroad qualified repowering components for ~200 MW GE 1.5 technology
- 80% PTC value applies so long as operational by end of 2021
- Ability to raise new tax equity and re-qualify project's tax benefits
- US: 14.5 GW of pre-2011 GE 1.5 technology
- Prioritized most executable 1.5 GW

OPERATING ASSETS AND SERVICES



As of March 2018/Wind MW in AC and Solar in DC

FEDERAL STREET SOLAR

- 14 portfolios of operating distributed generation solar projects
- 297 MW at 435 individual projects
- ~15 years average remaining contracted revenue life
- Longroad acquired on balance sheet in 4Q2017
- Recapitalization closed in 1Q2018 resulting in re-cycling of capital and profit
- 100% ownership
- Asset management and operations
- Remaining option value in lessor buyouts, technical, and operational improvements

MINNESOTA WIND

- 80 MW operating wind farms
- Long term contracts with Xcel Energy
- Candidates for repowering using Vestas technology
- Investment case: acceptable returns through long term ownership with upside in repowering
- Asset management and operations

MILFORD WIND

- Two operating wind farms – 306 MW total
- Long term contracts with Southern California Public Power Authority
- Asset management and operations
- Investment case: low purchase price with upside in longer term residual value and expansions

LONGROAD TODAY

- Flexible source of capital allows diversified approach to market
- Significant progress on all three fronts: development, operating assets, and services
- Key staff in place
- Market continues to grow but not without some hurdles
- Well positioned for continued growth through development pipeline, PTC component, and solar panel purchases



THANK YOU