



**US Solar**  
Fund

# US Solar Fund

31 December 2020 Annual Results  
March 2021

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# Agenda



- 1 Investments
- 2 US Solar Market
- 3 Financials
- 4 Appendix



# Highlights from the Period



## USF assets are now 100% operating and the Company is looking towards growth

- ✓ USF's fully operating portfolio consists of 41 projects with total capacity of 443MW<sub>DC</sub>. USF has also executed binding agreements to acquire an initial 25% interest in an operating solar plant, Mount Signal 2 (**MS2**) in California, expected to be completed in March 2021, bringing USF's portfolio to a total of 493MW<sub>DC</sub> of fully operating assets
- ✓ Assets are diversified across geography (North Carolina, Utah, California and Oregon) as well as by PPA off-taker. All PPA counterparties are investment grade (S&P rated BBB+ to A)
- ✓ 31 December 2020 NAV increased by US\$1.3 million from 30 June 2020, due to construction cost savings on the Milford project, strong operating performance, and discount rate reductions as the portfolio moved to a fully operational state
- ✓ Total dividend for 2020 of 2.0 cents per ordinary share. With all projects now operating, USF confirms its 2021 annual dividend target of 5.5 cents per ordinary share, which will continue to be paid quarterly and be covered with operating cashflows
- ✓ 87GW<sub>DC</sub> utility-scale PV is expected to be installed in the US from 2021 to 2025. This includes an 8.5GW<sub>DC</sub> increase on earlier forecasts, after the ITC extension was recently passed<sup>2</sup>

Net Asset Value

**\$194.2m**

(\$0.970/share)







Total Capacity<sup>1</sup>

**493MW<sub>DC</sub>**

# Investment Management Team



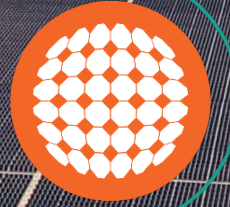
A dedicated investment management team of more than 20 people – over half based in the US

Senior Management Team		
<b>John Martin</b> Chief Executive Officer	<b>Liam Thomas</b> Chief Investment Officer	<b>Jaclyn Strelow</b> Chief Operating Officer
 <ul style="list-style-type: none"><li>• Over 30 years experience in energy, infrastructure, resources, and finance</li><li>• 10+ years experience in renewable energy (wind, hydro, and solar)</li><li>• Previous roles with ABN Amro, RBS, NAB, PwC, Zurich and Aquasia</li></ul>	 <ul style="list-style-type: none"><li>• Over 16 years experience in energy, infrastructure, mining, and agribusiness</li><li>• 6 years experience in renewable energy and has led all NESM acquisitions</li><li>• Previous roles with Origin Energy, Aurizon, Orica and AWB</li></ul>	 <ul style="list-style-type: none"><li>• Over 14 years experience in M&amp;A, debt and equity markets, and funds management</li><li>• Previous roles with Aurizon, Instinet, PwC Legal and Mallesons Stephen Jaques</li></ul>
<b>Warwick Keneally</b> Chief Financial Officer	<b>Whitney Voûte</b> Head of Investor Relations (Currently on Parental Leave)	<b>Paul Walker</b> Investor Relations Consultant
 <ul style="list-style-type: none"><li>• Over 18 years experience in funds management, corporate finance and restructuring</li><li>• Previous roles with McGrathNicol and KPMG</li></ul>	 <ul style="list-style-type: none"><li>• 13 years experience in private equity investor relations and capital raising globally</li><li>• Previous roles with Cordish Dixon, White Deer Energy and MVision Private Equity Advisors</li></ul>	 <ul style="list-style-type: none"><li>• 25 years experience in renewable energy, finance and telecommunications</li><li>• 8 year in the US renewable energy market</li><li>• Previous roles with Forefront Power, RES, BT, Telstra and Cap Gemini</li></ul>





# 1. Investments



Milford 127.8MW<sub>DC</sub>

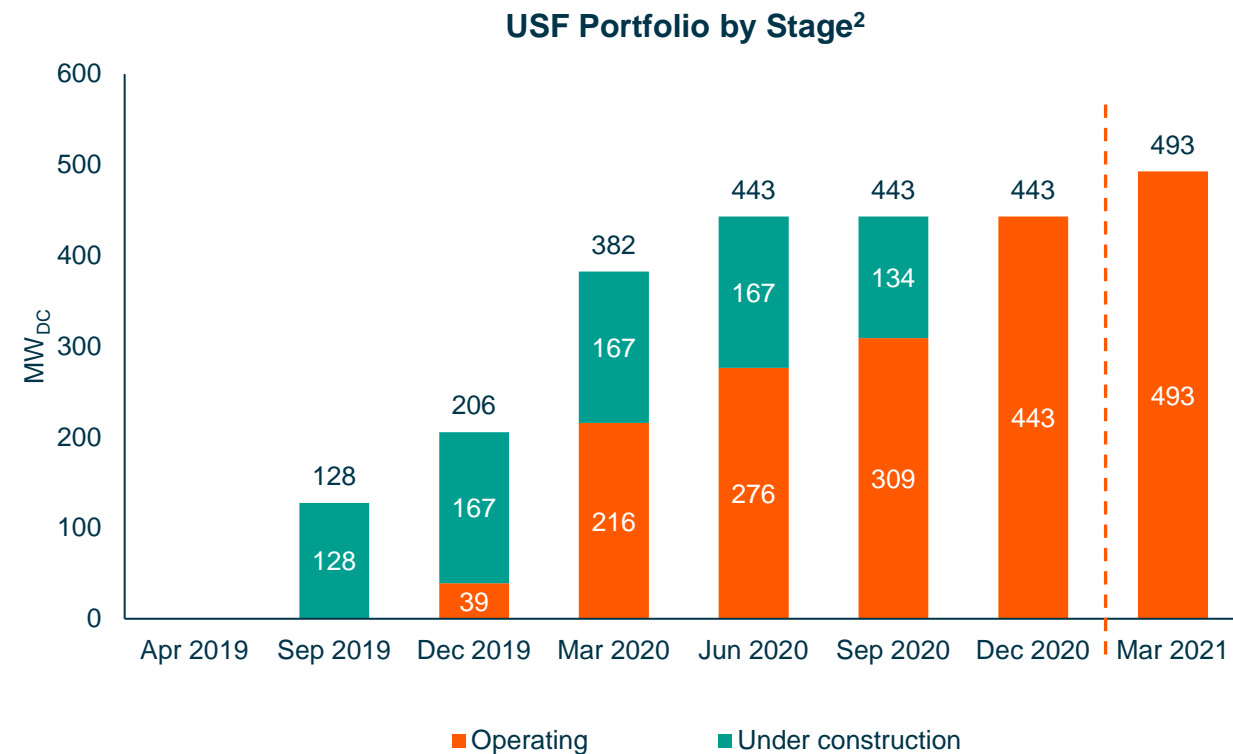


# Portfolio Progress



USF is fully committed with all projects operating and generating revenue

IPO proceeds committed across  
six transactions with 42 solar  
plants totaling 493MW<sub>DC</sub><sup>1</sup>



**Notes:** 1. USF Portfolio figure includes the 25% interest in MS2 2. June 2020 operating figure includes Acquisition Five (4 projects, 61MW, in Oregon) which were mechanically complete by June 2020

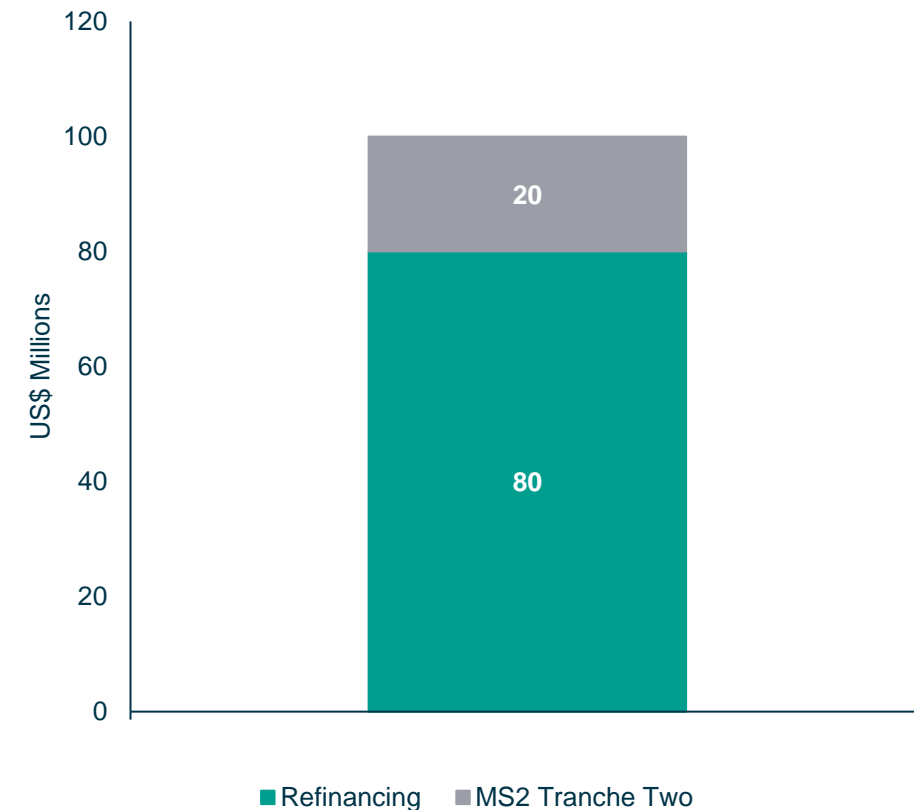
# Near-Term Opportunities



Acquisition pipeline complemented by near-term opportunities offering USF immediate benefits with no cash drag

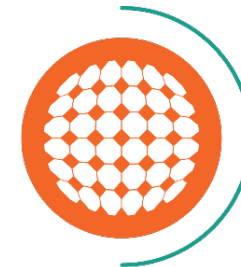
Near-Term Opportunities

- 1 Approximately **US\$80 million** for a refinancing of the Heelstone Portfolio<sup>1</sup>. This restructuring will be of benefit to the Company, improving both gearing and returns given the substantially lower cost of debt
- 2 Approximately **US\$20 million** for the acquisition of a further 25% of Mount Signal 2 (200MW<sub>DC</sub> project in Southern California). This will take the Company's ownership of the asset to 50%<sup>2</sup>. The acquisition will increase the size and diversification of the overall portfolio



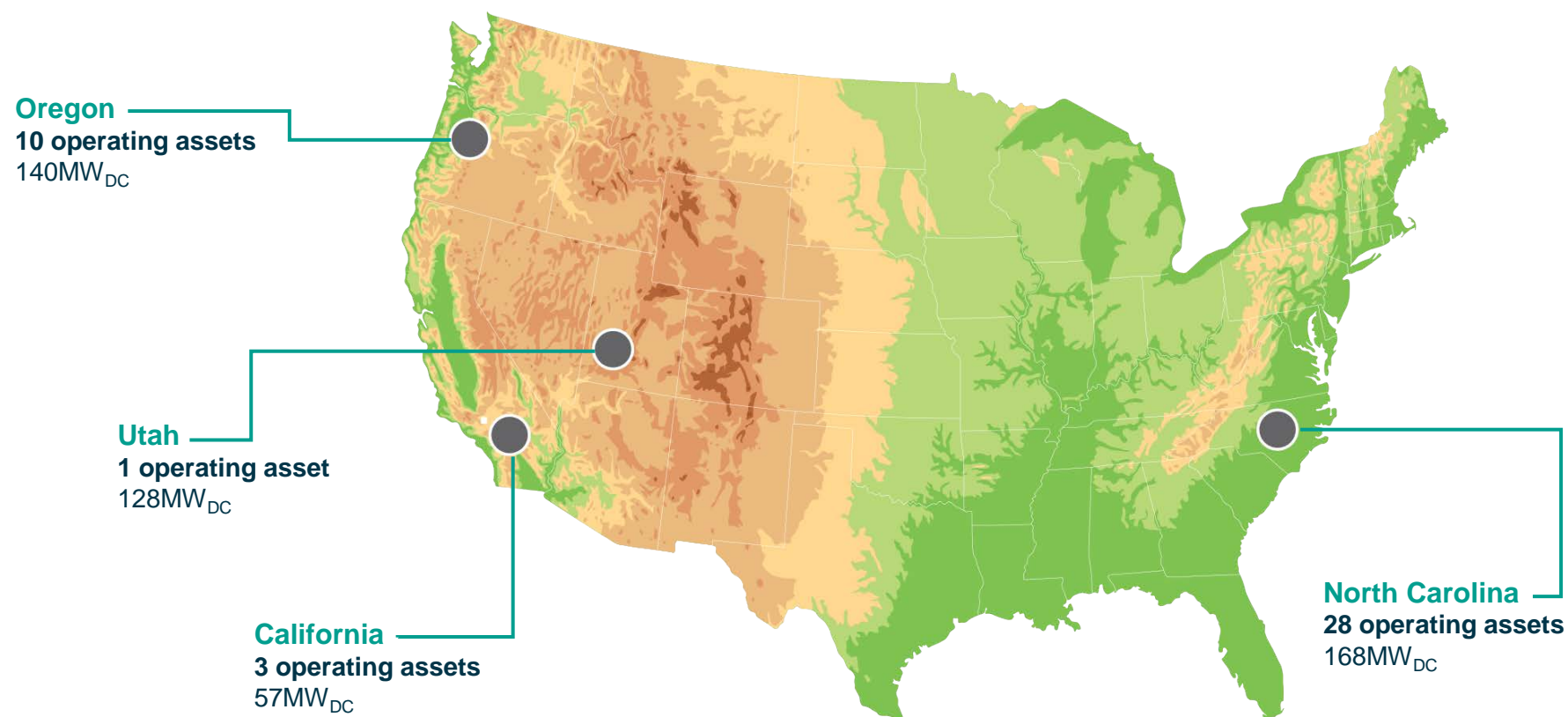
Notes 1. 177MW<sub>DC</sub> of projects in North Carolina, California and Oregon 2. MS2 ownership up to 50% assumes the initial close of Tranche One (25%) has occurred.





# Portfolio Diversified Across Four States

USF's portfolio includes 42 solar assets totaling 493MW<sub>DC</sub><sup>1</sup>



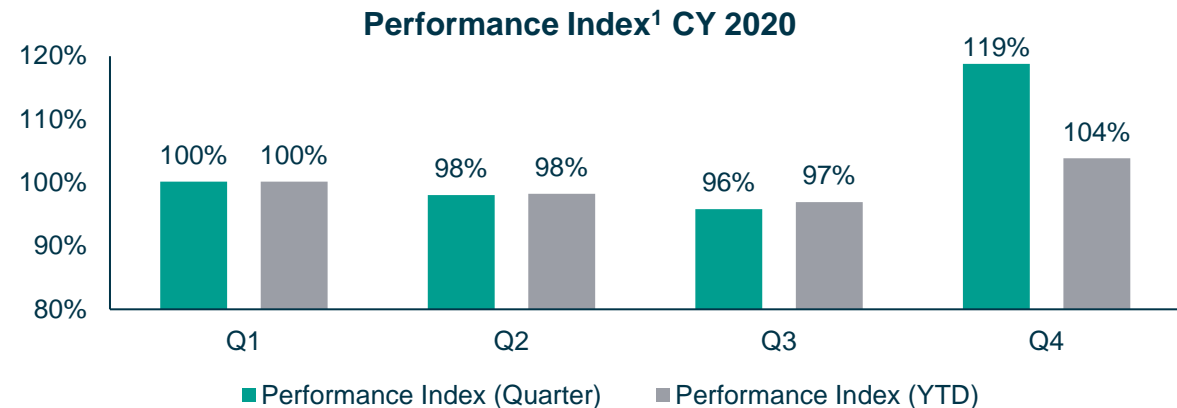
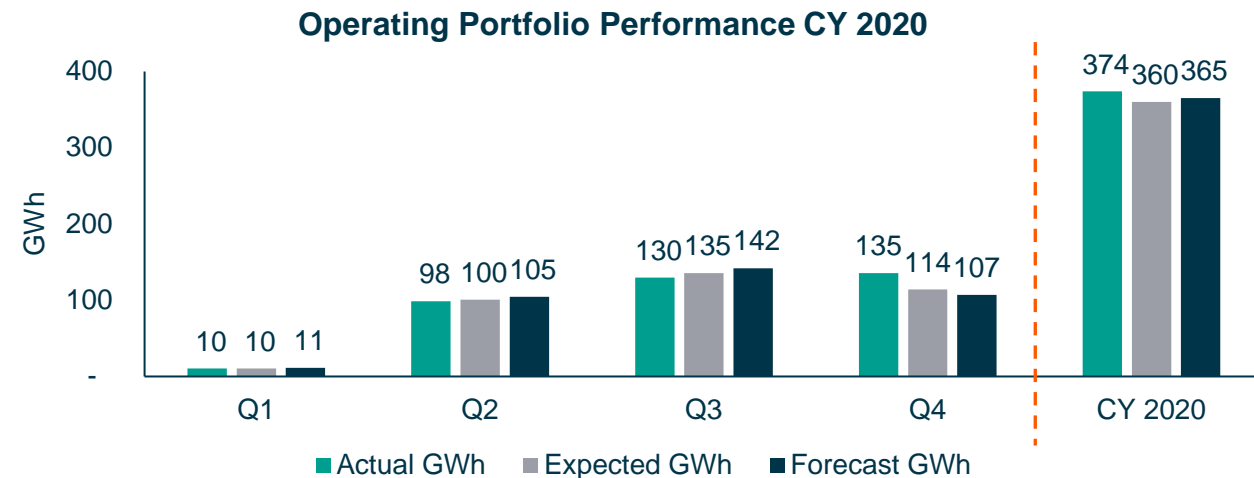
Notes: 1. USF Portfolio figures include the 25% interest in MS2.

# Portfolio Performance



## 2020 operating asset performance 4% ahead of expectations

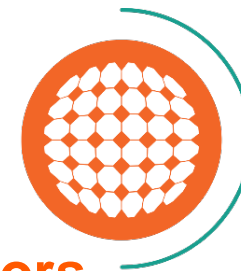
- The portfolio performed well overall during the year, with actual production of 374 gigawatt-hours (**GWh**).
- Utah and Oregon plants (60% of MW<sub>DC</sub> capacity) offsetting underperformance in California and North Carolina (40% of MW<sub>DC</sub> capacity)
- Total portfolio performance for Q4 2020 was 19% above weather-adjusted expectations (driven by earlier than expected generation and strong performance from Milford)
- The strong final quarter resulted in full year 2020 performance at 4% above weather-adjusted expectations



Notes: 1. Performance index represents the Actual production divided by Expected production



# COVID-19 Considerations



**COVID-19 has had limited impact on the Company to date, and USF closely monitors leading indicators**

Potential Concern	Comment / Mitigation
<ul style="list-style-type: none"><li>Electricity prices</li></ul>	<ul style="list-style-type: none"><li>COVID-19 restrictions of economic activity have contributed to both reduced demand for electricity and an oversupply of oil on global markets. These factors have resulted in reduced electricity prices in many markets including most US electricity markets. <b>USF's short to medium term exposure to electricity prices is limited, given its long-term PPAs.</b></li></ul>
<ul style="list-style-type: none"><li>Equity markets</li></ul>	<ul style="list-style-type: none"><li>UK equity markets have remained open during COVID-19. <b>Renewables funds have seen continued support from investors and continue to raise new capital, demonstrating demand for the sector.</b></li></ul>
<ul style="list-style-type: none"><li>Tax equity markets</li></ul>	<ul style="list-style-type: none"><li>Since the onset of COVID-19 it has become evident that tax equity funding may be less available than in previous years as the outlook for US corporate profitability remains weak, and the available pool of tax equity funding may shrink as a result. <b>This is not a current issue for USF as tax equity funding is complete or committed for all USF projects and it is not seeking to close any further transactions that require tax equity, at this time. The Investment Manager will continue to monitor US tax equity markets given the likely requirement for tax equity for any future transactions.</b></li></ul>
<ul style="list-style-type: none"><li>Debt markets</li></ul>	<ul style="list-style-type: none"><li>In the earlier stages of COVID-19, debt providers increased pricing and reduced lending volumes in response to the uncertainty of current and future economic conditions. Since then, debt markets have largely normalised and USF successfully put in place its Fifth Third Bank National Association revolving credit facility (<b>FTB Facility</b>) later in the year. <b>USF's existing assets are largely insulated from short to medium-term movements in debt markets, with all debt in place for levered projects (Acquisition One, Four and Five). Long-term debt is in place for Acquisition Four and does not mature until after 2030. Refinancing Acquisition Four's long-term debt is at USF's option and subject to raising additional equity capital.</b></li></ul>
<ul style="list-style-type: none"><li>Insurance</li></ul>	<ul style="list-style-type: none"><li>COVID-19 has caused the global insurance market, and specifically the renewables industry insurance market, to experience changes such as increased deductible amounts and additional conditions for business interruption coverage for events occurring offsite. <b>The Investment Manager is working with underwriters and insurance brokers to implement appropriate coverage to address site risks.</b></li></ul>



# ESG & Sustainability

ESG and sustainability are considered during all stages of USF investment



Stage	Approach to ESG (Highlights)
Diligence and Acquisition	<ul style="list-style-type: none"> <li>Environmental Site Assessments are completed for all assets during diligence and certification obtained that all projects comply with applicable local, state, or federal law.</li> <li>Physical climate-related risks are considered during the diligence process.</li> <li>O&amp;M contractors must obtain and maintain all permits required under applicable laws, including environmental regulations, for each facility and operate them accordingly.</li> <li>EPC contracts require third parties to conduct themselves and their processes to the highest standard of environmental control and compliance with all applicable laws.</li> </ul>
During Ownership	<ul style="list-style-type: none"> <li>As assets are onboarded and in-construction assets become operational, site specific KPIs will be implemented based on a list of potential measures for each asset</li> <li>ESG initiatives used for each site will depend on the local environment as well as the size of the asset</li> <li>USF assets to date range from 2.3MW<sub>DC</sub> to 128MW<sub>DC</sub> and different measures will be appropriate for different size assets</li> </ul>



The Company has selected two core goals to which USF can most measurably contribute

- Once operational USF's portfolio will **displace over 679,000 tonnes of CO<sub>2</sub>** emissions, equivalent to powering approximately 92,000 US homes, or removing 147,000 US cars from the road, every year

- EPC contracts contain Health and Safety Plans incorporating health, safety and security measures
- Weekly "toolbox" meetings, designed to address potential safety concerns on-site
- Injury reporting and investigation lead to review of existing preventive measures, reducing likelihood of similar event occurring in the future



## 2. US Solar Market



West Hines 15.3MW<sub>DC</sub>



# US Solar Market in 2020



## Strong growth of US utility scale solar continued through start of year

### GROWTH OF THE US SOLAR MARKET

- 87GW<sub>DC</sub> of utility-scale solar photovoltaic (**PV**) is expected to be installed in the US from 2021 to 2025, including an 8.5GW<sub>DC</sub> increase after the ITC extension was passed
- The US utility-scale PV contracted pipeline grew by 7GW<sub>DC</sub> to a record high of 69.2GW<sub>DC</sub>
- The growth associated with the ITC extension is driven by developers having more breathing room for projects to be completed in 2024 and 2025

### US SOLAR MARKET ACTIVITY<sup>1,2</sup>

- Across all electricity market segments in the US, solar PV accounted for 43% of new electricity-generating capacity additions for Q1 through Q3 2020

### US utility-scale PV capacity installed by quarter





# US Solar Industry Forecasts

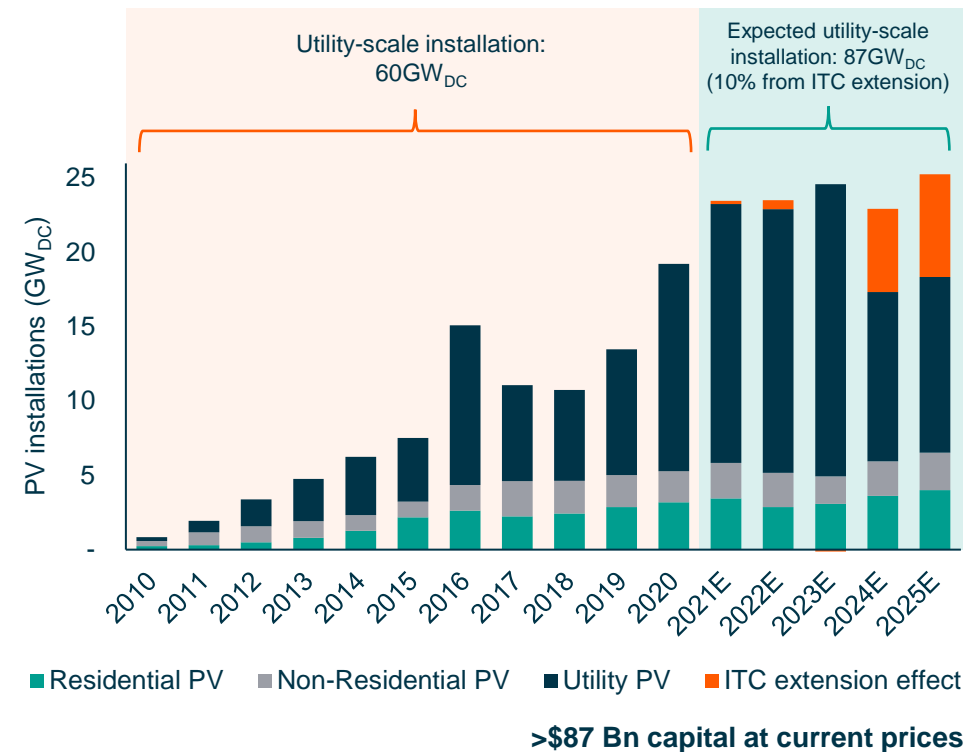
Utility-scale solar PV remains robust despite the pandemic and continues to set record high growth figures



## ITC EXTENSION AND COVID-19

- Congress passed a pandemic relief package in December 2020 which included tax credit extensions for solar. As a result, the ITC will stay at 26% for projects that begin construction by the end of 2022 before gradually stepping down<sup>1</sup>
- The Biden administration is expected to provide further upside to the U.S. solar market through favourable renewables policy
- During 2020, there were limited reports of pandemic-related delays in US utility-scale PV construction

## US solar market growth



1. Previously set to drop from 26% to 22% for projects that begin construction in 2021. The ITC then steps down to 22% in 2023 and then 10% for projects commencing construction from 2024 onwards.

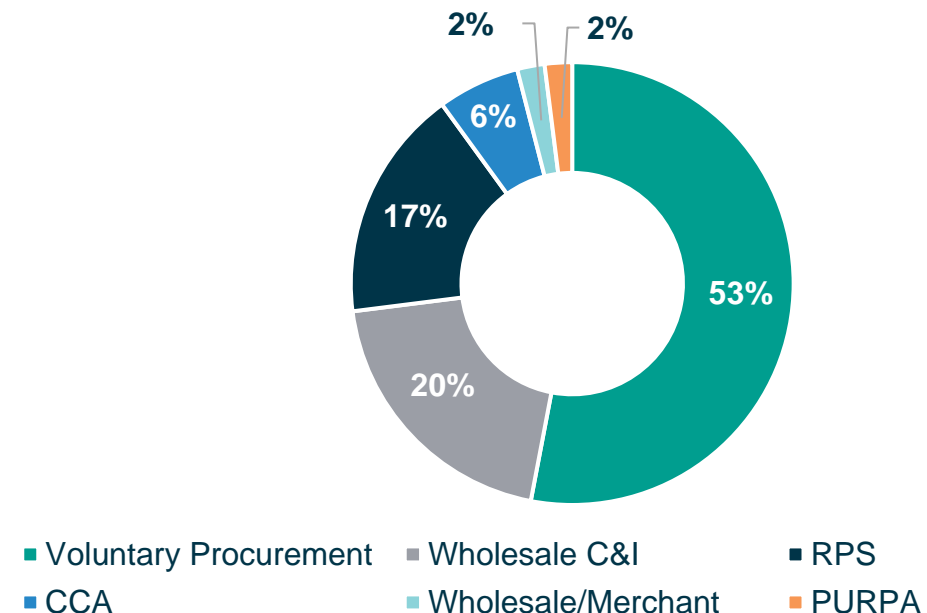
# US Solar Market Demand



**US Solar market largely driven by voluntary procurement (based largely on its economic competitiveness), supporting future growth of the industry**

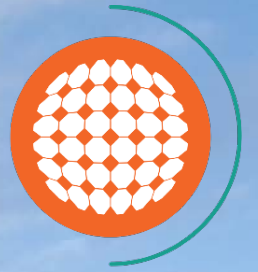
- Voluntary procurement remains largest driver of demand
- US utility-scale PV market is expecting to see a rise in Renewable Portfolio Standards (RPS) driven solar installations as state governments, utilities and corporations set more stringent renewable and carbon reduction targets
- During 2020, utilities in states including California, Colorado and Washington announced carbon reduction targets to align with state policies, but some went further, setting targets above these policies

**Driving factors for utility PV projects contracted at Q3 2020<sup>1</sup>**



1. Renewable Portfolio Standard (RPS), The United States Public Utility Regulatory Policies Act of 1978 (PURPA), Community Choice Aggregation (CCA), Wholesale Commercial and Industrial (C&I).





## 3. Financials



Merrill 10.5MW<sub>DC</sub>

# Key Financial Highlights

At 31 December 2020



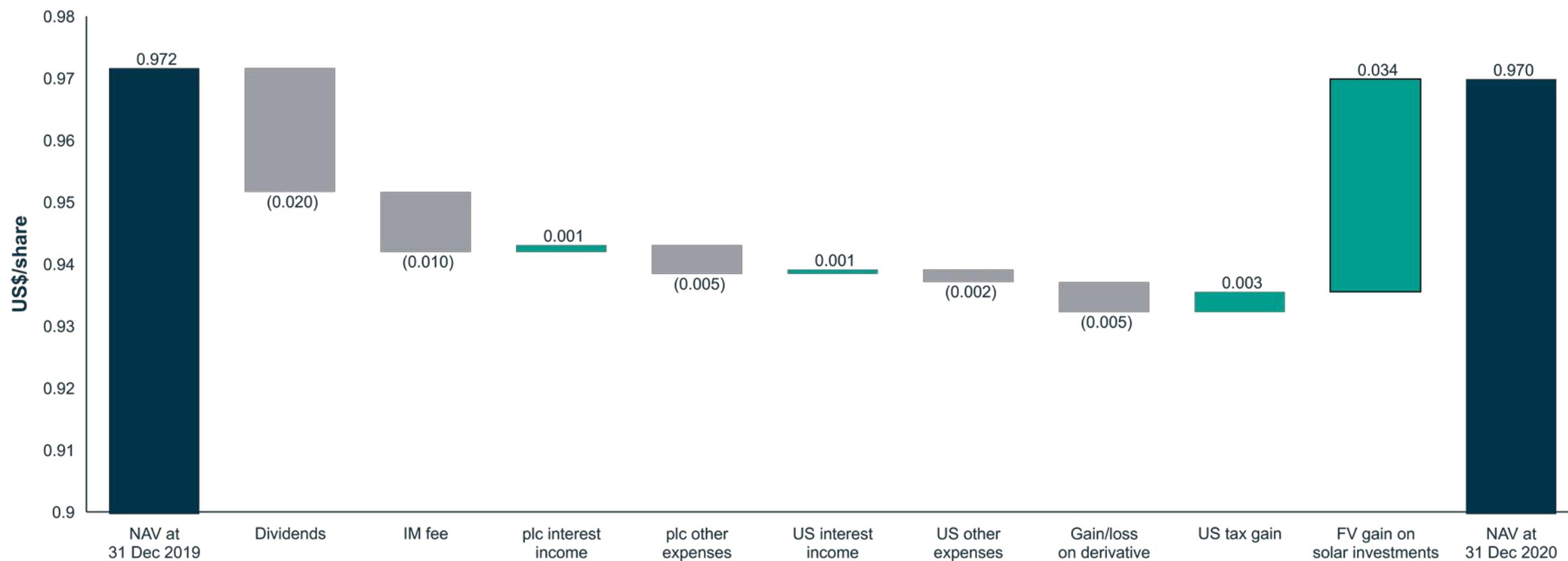
	31 December 2020	30 June 2020	31 December 2019
Net asset value (NAV)	\$194.2m	\$192.9m	\$194.4m
NAV per share	\$0.970	\$0.964	\$0.972
Ordinary shares issued	200.2m	200.1m	200.1m
Closing share price (USF)	\$1.075	\$0.940	\$1.050
Premium (Discount) to NAV	10.8%	(2.5%)	8.1%
Market capitalisation (Based on closing price)	\$215m	\$188m	\$210m
Dividends Paid	\$4.00m (full year)	\$2.00m (half year)	\$0.82m (full year)
Share Price total return since IPO <sup>1</sup>	10.13%	(4.67%)	5.44%
Ongoing Charges <sup>2</sup>	1.48%	1.50%	1.50%

**Notes:** 1. Total return to shareholders based on reinvested dividends (at ex-dividend date) paid throughout the period and share price movement since the issue price of \$1.00.  
2. The ongoing charges ratio is calculated in accordance with the Association of Investment Companies ("AIC") methodology "The estimated total cost as laid out in the prospectus was 1.35% based on proceeds of \$250 million. As total proceeds of the IPO were \$200 million, this ratio is slightly higher than estimated at IPO.

# NAV Bridge



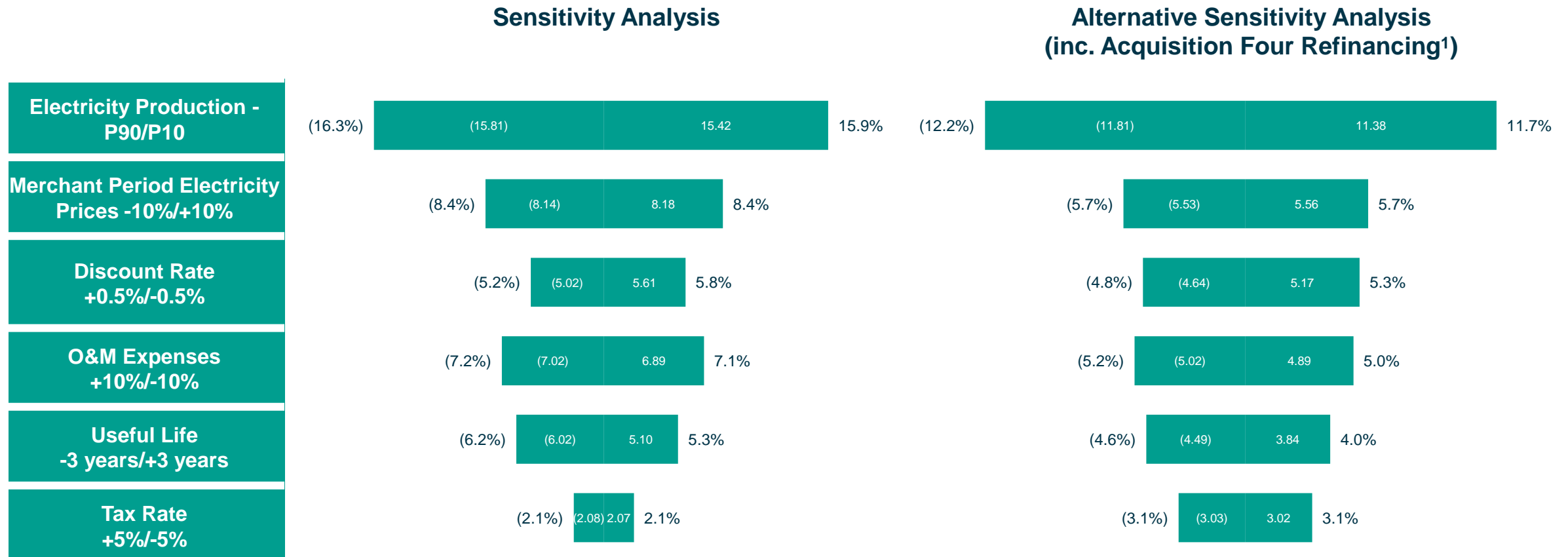
## NAV Bridge 31 December 2019 to 31 December 2020





# NAV Sensitivity Analysis

Sensitivity shown for the existing and an alternative NAV (Change in cents per share)



**Notes:** 1. Based on using approximately \$20m of existing cash plus \$80m net proceeds from a potential equity raise in H1 2021. Any such equity raising is subject to Board approval and market conditions.

# Portfolio Valuation



**NESM has engaged independent valuer KPMG to calculate the fair value of its operating renewable energy assets at 31 December 2020**

## Primary Valuation Methodology

- The equity fair values of USF's construction assets are based on the equity purchase price plus transaction costs (no assets were valued on this basis for 31 December 2020 as all assets were operational at period end)
- The equity fair values of USF's operational assets are based on DCF modelling of pre-tax cashflows to equity as at 31 December 2020. This methodology more accurately reflects the valuation impact of the discrete debt instruments that USF has in place when compared to an unlevered valuation
- A post-tax valuation is conducted at the US Holding Corp. level to cross-check the implied post-tax discount rate

## Electricity Prices & Discount Rates

- The Investment Manager has used the most current merchant curves available at the valuation date
- For 31 December 2020 valuations, given the impact of the pandemic, KPMG has included COVID-19 risk premiums in overall equity and asset specific risk premiums
- The discount rates used by the external valuer ranged from 6.5% to 7.0% on a pre-tax weighted average cost of capital (**WACC**) basis for unlevered assets (30 June 2020: 6.8% to 7.2%) and 8.1% to 9.7% on a pre-tax cost of equity basis (30 June 2020: 8.1% to 8.8%) for levered assets
- The use of a WACC or cost of equity in valuations is dependent on actual leverage employed



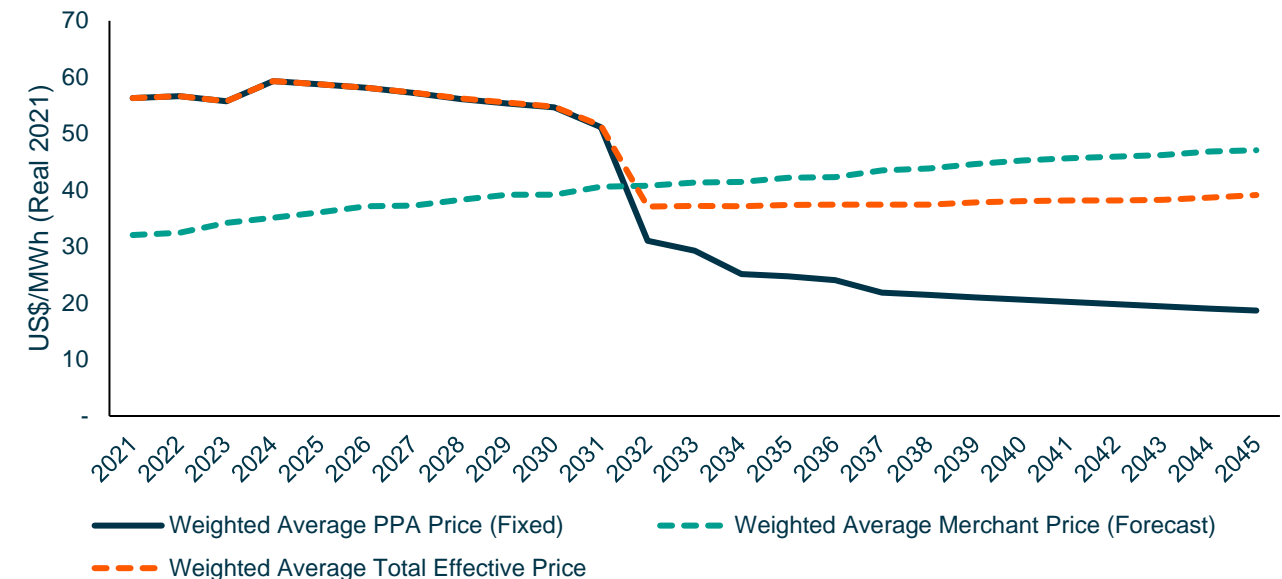
# USF PPAs and Electricity Pricing



## USF's long-term PPAs reduce NAV sensitivity to electricity price forecasts

- Long-term electricity price forecasts are obtained every six months from two leading independent power price forecasting firms for each jurisdiction in which Solar Assets are located
- The most recent two electricity price forecasts from each firm are averaged and provided to the independent valuer to project the prices at which existing PPAs will be re-contracted
- The independent valuer assesses these forecast prices for reasonableness against their own internal forecasts and others in the marketplace

Portfolio Weighted Average Electricity Pricing – PPA vs Merchant (Real 2021 at 2% inflation)<sup>1</sup>



Notes: 1. 25% interest in MS2 not included in illustration



# Gearing Summary



**USF's 31 December 2020 gearing was 55%<sup>2</sup>**

ASSET	EQUITY VALUATION <sup>1</sup>	DRAWN FACE VALUE OF DEBT	GROSS ASSET VALUE
Acquisition One	172.5	48.1	409.8
Acquisition Two		-	
Acquisition Three		-	
Acquisition Four		147.6	
Acquisition Five		41.6	
Projects Subtotal	172.5	237.3	409.8
Cash and Other Current Assets	21.7	-	21.7
<b>Total</b>	<b>194.2</b>	<b>237.3</b>	<b>431.5</b>
<i>% of Gross Asset Value</i>	<i>45%</i>	<i>55%</i>	<i>100%</i>

Notes: 1. All acquisitions were externally valued at 31 December 2020. 2. exceeds target 50%, however Acquisition Four debt is expected to be refinanced in 2021

# Highlights from the Period



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- ✓ USF's fully operating portfolio consists of 41 projects with total capacity of 443MW<sub>DC</sub>. USF has also executed binding agreements to acquire an initial 25% interest in an operating solar plant, Mount Signal 2 (**MS2**) in California, expected to be completed in March 2021, bringing USF's portfolio to a total of 493MW<sub>DC</sub> of fully operating assets
- ✓ Assets are diversified across geography (North Carolina, Utah, California and Oregon) as well as by PPA off-taker. All PPA counterparties are investment grade (S&P rated BBB+ to A)
- ✓ 31 December 2020 NAV increased by US\$1.3 million from 30 June 2020, due to construction cost savings on the Milford project, strong operating performance, and discount rate reductions as the portfolio moved to a fully operational state
- ✓ 87GW<sub>DC</sub> utility-scale PV is expected to be installed in the US from 2021 to 2025. This includes an 8.5GW<sub>DC</sub> increase on earlier forecasts, after the ITC extension was recently passed<sup>2</sup>
- ✓ The Company's objective is to provide investors with attractive and sustainable dividends, with an element of capital growth, by investing in a diversified portfolio of Solar Power Assets

Net Asset Value

**\$194.2m**

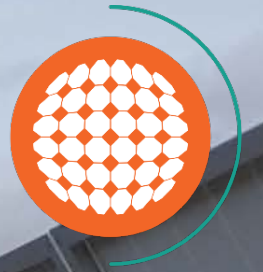
(\$0.970/share)

Total Capacity<sup>1</sup>

**493MW<sub>DC</sub>**



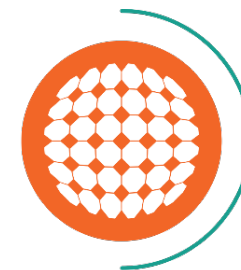
## 4. Appendix



Turkey Hill 13.2MW<sub>DC</sub>



# The Investment Proposition



**US Solar Fund seeks to provide investors strong risk-adjusted returns through disciplined investing principles**

- US Solar Fund aims to provide attractive and sustainable dividends together with capital growth by investing in a diversified portfolio of solar power assets in North America
- The Company acquires and operates solar power assets that have Power Purchase Agreements or other similar revenue contracts for a minimum of 10 years' duration with investment grade offtakers

Strategic Pillars	Investment Strategy	Target Outcomes
Active asset management	Diversified portfolio	5.5% Target Distribution Yield
Bilateral acquisition negotiations	Long-term PPAs	>7.5% Target Total Return
Strong relationships with proven vendors	Investment grade offtakers	Steady, disciplined portfolio growth
Focus on mid-market segment	Mitigate exposure to development risks	Continuous operational improvement



# Overview: US Solar Fund



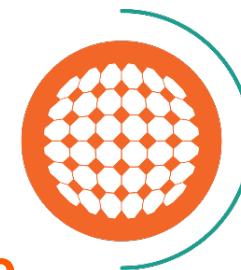
**A US-focused solar infrastructure fund offering attractive risk-adjusted returns from a manager with a strong track record in the sector**

## Fund Summary

<b>Investment Entity</b>	US Solar Fund plc, a LSE listed UK Investment Trust
<b>IPO</b>	US\$200 million in April 2019
<b>Investment Manager</b>	New Energy Solar Manager Pty Limited
<b>Fund Strategy</b>	Invest in a diversified portfolio of utility-scale North American solar power assets to generate attractive risk-adjusted returns from long-term power purchase agreements with investment grade counterparties
<b>Portfolio Leverage</b>	Target long-term operational portfolio gearing of 50%
<b>Target Returns</b>	Target distribution yield of 5.5%+ once all assets are operational and total return of >7.5% (post-fees before tax) over the expected life of the assets
<b>Pipeline</b>	As of 31 December 2020, access to a US\$2.7 billion (cash equity) pipeline originated by the Investment Manager
<b>Fees</b>	Investment Management fee of 1% of NAV up to US\$500 million; 0.9% p.a. of NAV US\$500 million to US\$1 billion; 0.8% p.a. above. 10% of management fees to be paid in shares. No performance fees.

# Board

**A diverse Board with deep relevant experience in investment trusts, infrastructure, energy, capital markets, and listed businesses**



**Gillian Nott**  
Chair



- Highly experienced chairman and non-executive director of financial service companies, with a previous career in the energy industry.
- Previously a non-executive director of the Financial Services Authority from 1998 until 2004, and non-executive director or Chairman of a number of venture capital trusts and investment trusts.
- Held numerous other Board and executive roles, including being a non-executive director of Liverpool Victoria Friendly Society, Deputy Chairman of the Association of Investment Companies, and CEO of ProShare.
- Currently Chairman of JPMorgan Russian Securities plc, Premier Miton Global Renewables Trust plc, PMGR Securities 2025 plc and Hazel Renewable Energy VCT1.

**Jamie Richards**  
Non-Executive Director



- Chartered accountant with 25 years' experience in fund management, banking and corporate recovery with a focus on the infrastructure and solar sector.
- Previously a Partner, Executive Committee member and Head of Infrastructure at Foresight Group, including leading Foresight's solar business.
- Held other previous roles at PwC, Citibank and Macquarie, both in London and Sydney.
- Currently alternative Chairman of the Investment Committee of Community Owned Renewable Energy LLP, an investment programme targeting ground based solar farms in the UK.

**Rachael Nutter**  
Non-Executive Director



- Over 20 years in the energy sector and the last 15 years in the renewable and clean energy sector.
- Director for Nature Based Solutions (NBS) at ClimateCare, a leading player in the carbon markets.
- Previous roles at Shell in NBS business development, global solar business development and leading the development of the solar entry strategy for the company, and other roles at CT Investment Partners, Carbon Trust and PA Consulting Group.
- Board member of the Energy Technologies Institute, a UK public-private partnership to accelerate the commercialisation of low carbon technologies.

**Thomas Plagemann**  
Non-Executive Director



- Almost 30 years of experience originating and executing financings and investments in energy and infrastructure assets.
- Has been involved with projects valued in excess of \$29 billion and has completed transactions across the balance sheet from debt to equity.
- Most recently, Chief Commercial Officer at Vivint Solar, with responsibility for developing Vivint Solar's tax equity, capital markets, market expansion, and fundraising efforts and leading the financing strategy beyond its existing third-party financing structures.
- Previous roles at Santander Global Banking & Markets, First Solar, AIG FP, GE Capital and Deutsche Bank.



# Diversified Asset Portfolio (1/2)



Asset	Capacity (MW <sub>DC</sub> )	Location	Acquisition Tranche	Acquisition Date	Energy Offtaker <sup>1</sup>	Offtaker Credit Rating	Remaining PPA Length (Years)	COD <sup>2</sup>
Milford	127.8	Utah	One	Aug 19	PacifiCorp	S&P: A	24.9	Nov 20
Mount Signal 2	49.9	California	Six	Mar 21 <sup>3</sup>	Southern California Edison	S&P: BBB	19.4	Jan 20
Suntex	15.3	Oregon	Five	Jun 20	Portland General Electric	S&P: BBB+	10.6	Jul 20
West Hines	15.3	Oregon	Five	Jun 20	Portland General Electric	S&P: BBB+	10.6	Jun 20
Alkali	15.1	Oregon	Five	Jun 20	Portland General Electric	S&P: BBB+	10.7	Jun 20
Rock Garden	14.9	Oregon	Five	Jun 20	Portland General Electric	S&P: BBB+	10.7	Jun 20
Chiloquin	14.0	Oregon	Four	Mar 20	PacifiCorp	S&P: A	11.0	Jan 18
Dairy	14.0	Oregon	Four	Mar 20	PacifiCorp	S&P: A	10.8	Mar 18
Tumbleweed	14.0	Oregon	Four	Mar 20	PacifiCorp	S&P: A	11.0	Dec 17
Lakeview	13.7	Oregon	Four	Mar 20	PacifiCorp	S&P: A	10.8	Dec 17
Turkey Hill	13.2	Oregon	Four	Mar 20	PacifiCorp	S&P: A	10.8	Dec 17
Merrill	10.5	Oregon	Four	Mar 20	PacifiCorp	S&P: A	10.8	Jan 18
Lane II	7.5	North Carolina	Two	Dec 19	Duke Energy Progress	S&P: A-	12.7	Jul 20
Pilot Mountain	7.5	North Carolina	Two	Dec 19	Duke Energy Carolinas	S&P: A-	12.7	Sep 20
Davis Lane	7.0	North Carolina	Four	Mar 20	Virginia Electric & Power	S&P: BBB+	12.0	Dec 17
Gauss	7.0	North Carolina	Four	Mar 20	Virginia Electric & Power	S&P: BBB+	12.6	Oct 18
Jersey	7.0	North Carolina	Four	Mar 20	North Carolina Electric	S&P: A-	7.0	Dec 17
Sonne Two	7.0	North Carolina	Four	Mar 20	Duke Energy Carolinas	S&P: A-	10.6	Dec 16
Red Oak	6.9	North Carolina	Four	Mar 20	Duke Energy Progress	S&P: A-	11.0	Dec 16
Schell	6.9	North Carolina	Four	Mar 20	Virginia Electric & Power	S&P: BBB+	11.0	Dec 16
Siler 421	6.9	North Carolina	Four	Mar 20	Duke Energy Progress	S&P: A-	10.6	Dec 16

**Notes:** 1. Duke Energy Carolinas, Duke Energy Progress and Progress Energy are subsidiaries of Duke Energy Corporation and are separate legal entities which are liable to meet their own financial obligations and as such are subject to separate credit ratings. 2. Commercial Operation Date 3. USF has executed binding agreements to acquire 25% of MS2 however transaction close is subject to customary regulatory approval expected in March 2021



# Diversified Asset Portfolio (2/2)



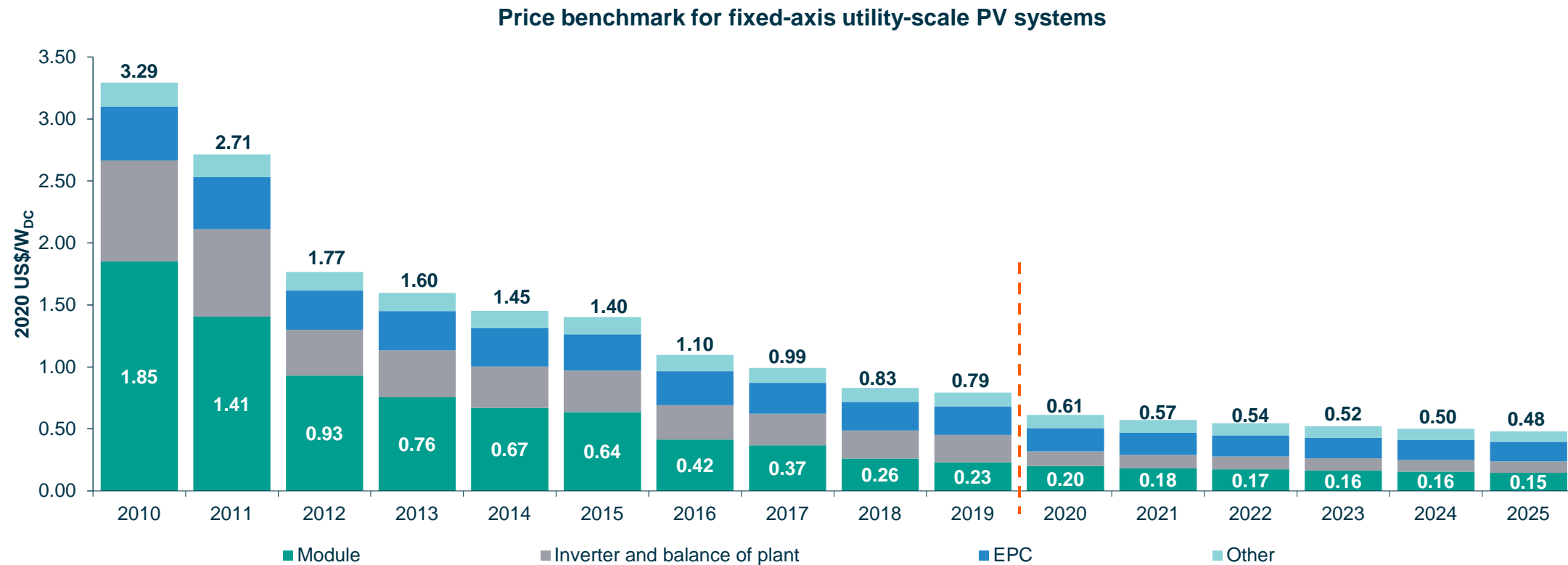
Asset	Capacity (MW <sub>DC</sub> )	Location	Acquisition Tranche	Acquisition Date	Energy Offtaker <sup>1</sup>	Offtaker Credit Rating	Remaining PPA Length (Years)	COD <sup>2</sup>
Cotten	6.8	North Carolina	Four	Mar 20	Duke Energy Progress	S&P: A-	10.9	Nov 16
Tiburon	6.7	North Carolina	Four	Mar 20	Duke Energy Carolinas	S&P: A-	10.6	Dec 16
Monroe Moore	6.6	North Carolina	Four	Mar 20	Duke Energy Carolinas	S&P: A-	10.6	Dec 16
Four Oaks	6.5	North Carolina	Three	Dec 19	Duke Energy Progress	S&P: A-	9.8	Oct 15
Princeton	6.5	North Carolina	Three	Dec 19	Duke Energy Progress	S&P: A-	9.8	Oct 15
Tate	6.5	North Carolina	Two	Dec 19	Duke Energy Progress	S&P: A-	12.7	Aug 20
Freemont	6.4	North Carolina	Four	Mar 20	Duke Energy Carolinas	S&P: A-	10.6	Dec 16
Mariposa	6.4	North Carolina	Four	Mar 20	Duke Energy Carolinas	S&P: A-	10.7	Sep 16
S. Robeson	6.3	North Carolina	Three	Jan 20	Progress Energy	S&P: A-	6.6	Jul 12
Sarah	6.3	North Carolina	Three	Dec 19	Duke Energy Progress	S&P: A-	9.5	Jun 15
Nitro	6.2	North Carolina	Three	Dec 19	Duke Energy Progress	S&P: A-	8.9	Jul 15
Sedberry	6.2	North Carolina	Four	Mar 20	Duke Energy Progress	S&P: A-	10.6	Dec 16
Willard	6.0	North Carolina	Two	Dec 19	Duke Energy Progress	S&P: A-	12.7	Oct 20
Benson	5.7	North Carolina	Two	Dec 19	Duke Energy Progress	S&P: A-	12.7	Aug 20
Eagle Solar	5.6	North Carolina	Two	Dec 19	Duke Energy Progress	S&P: A-	12.7	Aug 20
Granger	3.9	California	Four	Mar 20	San Diego Gas & Electric	S&P: BBB+	15.7	Sep 16
Valley Center	3.0	California	Four	Mar 20	San Diego Gas & Electric	S&P: BBB+	15.9	Dec 16
County Home	2.6	North Carolina	Four	Mar 20	Duke Energy Carolinas	S&P: A-	10.6	Sep 16
Progress 1	2.5	North Carolina	Three	Jan 20	Progress Energy	S&P: A-	11.3	Apr 12
Progress 2	2.5	North Carolina	Three	Jan 20	Progress Energy	S&P: A-	7.0	Apr 13
Faison	2.3	North Carolina	Three	Dec 19	Duke Energy Progress	S&P: A-	9.3	Jun 15
<b>Portfolio Total</b>	<b>492.9</b>						<b>15.4<sup>3</sup></b>	

**Notes:** 1. Duke Energy Carolinas, Duke Energy Progress and Progress Energy are subsidiaries of Duke Energy Corporation and are separate legal entities which are liable to meet their own financial obligations and as such are subject to separate credit ratings. 2. Commercial Operation Date 3. Capacity-weighted average remaining PPA term as at 31 December 2020

# Global Solar PV Module Costs Continue to Fall



Utility-scale photovoltaic capital expenditure has fallen primarily due to lower module costs



Source: Bloomberg NEF 4Q 2020 Global PV Market Outlook