

Section 3. FINANCIAL CAPACITY

3.1. ESTIMATED COSTS

The total cost to construct the project is expected to be approximately \$208 million, outlined in Table 3-1 below.

Table 3-1. Estimated Project Capital Costs

	\$Million
Turbines and foundations	120
Transportation	Included in Above
Turbine Installation Cost	20
Roads	15
Electrical collector lines	19
Other Construction Costs	34

The Applicant has sufficient financial capability to design, construct, operate, and maintain the proposed Project in accordance with MDEP standards.

3.2. FINANCING

Applicant is a Delaware limited liability company that owns the Project. Applicant is, itself, indirectly wholly owned by Apex Clean Energy Holdings, LLC (Apex).

The Project construction and operations financial structure is planned as a non-recourse “project financing”, with development capital provided directly by Apex, and incorporating outside funding sources at or before key Project milestones, notably Notice to Proceed (NTP) with construction (construction debt), and full commercial operations (COD) (sponsor equity, tax equity, and long-term debt). Apex has successfully followed this model on over twenty operating utility scale wind and solar energy projects throughout the United States (Table 3-2).

3.2.1. ABOUT APEX CLEAN ENERGY

Apex is an independent renewable energy company based in Charlottesville, Virginia. Since its founding in 2009, Apex has become one of the fastest-growing companies in the industry. More than a dozen Apex-originated wind and solar facilities are now operating around the country, totaling nearly 4 GW. Operating assets under management have grown to over 2 GW. Apex has signed contracts for the sale of 28 projects totaling over 6 GW of capacity.



Table 3-2. Apex Wind and Solar Energy Projects

Project	Capacity (MW)	Year	Sponsor Equity	Power Buyers	Apex	
					Construction Manager	Asset Manager
Canadian Hills	300	2012	Atlantic Power (now Terraform)	AEP, OMPA, GRDA	✓	
Hoopeston	98	2015	IKEA	MISO Market	✓	✓
Cameron	165	2015	IKEA	ERCOT Market	✓	✓
Balko	300	2015	D.E. Shaw Renewable Investments	AEP, WFEC		
Kay	299	2015	Southern Power	Westar, GRDA	✓	
Kingfisher	298	2016	First Reserve Energy	Gulf Power (Southern Co.); Morgan Stanley	✓	✓
Grant	151.8	2016	Southern Power	ETEC, NTEC, WFEC	✓	
Grant Plains	147.2	2016	Southern Power	OMPA, Steelcase, Allianz Risk Transfer	✓	
Cotton Plains/ Old Settler/ Phantom	217	2017	Northleaf Capital Partners; Apex	U.S. Defense Logistics Agency (Fort Hood); Allianz Risk Transfer	✓	✓
Chapman Ranch	249	2017	Enbridge	Financial offtake	✓	
Upland Prairie	300	2017	Alliant Energy	Alliant Energy		
Patriot	178	2017	NRG (now Clearway)	Financial offtake		
Dakota Range I & II	300	2017	Xcel Energy	Xcel Energy		
Midway	163	2017	Sammons Renewable Energy	Financial offtake	✓	✓
Dakota Range III	151.2	2018	Engie Renewables	Xcel Energy		
Sugar Creek	202	2018	Algonquin Power & Utilities	Illinois Power Agency		
Neosho Ridge	303	2019	Liberty Utilities–Empire District	Liberty Utilities–Empire District	✓	
Diamond Spring	303	2019	ALLETE Clean Energy	Starbucks, Walmart, Smithfield		
Isabella	385	2019	DTE Energy	DTE Energy	✓	
Aviator	525	2019	Ares Management Corp.	Facebook, McDonald’s	✓	✓
Altavista	80	2020	Confidential	Facebook		✓
Caddo	303	2020	ALLETE Clean Energy	Corporate customers	✓	✓
Swiftwater	80	2020	Confidential			
White Mesa	500	2020	Confidential	Apple, eBay, Samsung Austin Semiconductor, Sprint, Baker Hughes, Applied Materials		
Carvers Creek	150	2020	Confidential	Confidential		✓
Lincoln Land	300	2020	Ares Management Corp.	Facebook, McDonald’s	✓	✓
Total	6,450 MW					

Since its inception, Apex has successfully financed over 5,000 MW of facilities representing \$6.5 billion of investment, including sponsor and tax equity. Apex and its affiliates have extensive experience in raising late-stage development, construction, and permanent financing for energy projects.

Through 2015, Apex secured equity investments of approximately \$45 million through equity offerings. Since then, it has earned strong revenues, received additional investment of \$90 million from Prudential Capital Group, and secured a \$120 million senior secured loan from Ares Capital Corporation. Most recently, Apex announced a \$25 million letter of credit from Heleba to advance development-stage projects.

Apex is not publicly traded and therefore does not have a credit rating. The company rarely utilizes credit support facilities; in most cases, liquid assets are used to satisfy any accounts owed upon. If required, bank loans, letters of credit, and escrow accounts can be easily accessed. Additionally, Apex has established strong banking relationships with such entities as Rabobank, BLB, Morgan Stanley, Wells Fargo, Citibank, and others.

A balance sheet reflecting Apex's 2018 and 2019 financials is provided in Exhibit 3-1. A letter of support from Helaba is included as Exhibit 3-2.

3.3. CERTIFICATE OF GOOD STANDING

Downeast Wind, LLC is a registered Delaware Limited Liability Company and is wholly owned by Apex GCL, LLC. A Certificate of Good Standing furnished by the Maine Secretary of State affirming that Downeast Wind, LLC is in good standing, authorization to conduct business in the State of Maine is provided in Exhibit 3-3.



EXHIBIT 3-1: APEX CLEAN ENERGY BALANCE SHEET 2019 AND 2018

APEX CLEAN ENERGY COMPANIES

Combined Balance Sheets

December 31, 2019 and 2018

Assets	2019	2018
Current assets:		
Cash	\$ 18,634,368	31,646,767
Restricted cash	6,090,600	764,569
Accounts receivable	44,773,972	5,032,684
Due from related parties	288	585
Prepaid expenses	1,419,239	1,276,631
Total current assets	<u>70,918,467</u>	<u>38,721,236</u>
Noncurrent assets:		
Property and equipment, net	1,404,567	1,913,834
Development-in-progress	504,956,736	193,978,442
Intangible assets	869,060	844,895
Investments	22,178,028	16,178,028
Deferred tax asset, net	20,892,508	—
Other assets, net	11,075,863	22,782,316
Total noncurrent assets	<u>561,376,762</u>	<u>235,697,515</u>
Total assets	<u>\$ 632,295,229</u>	<u>274,418,751</u>
Liabilities and Members' and Stockholder's Equity		
Current liabilities:		
Accounts payable	\$ 13,468,712	6,815,091
Long-term debt, current portion	1,000,000	252,495
Accrued expenses and other liabilities	7,339,198	6,903,658
Deferred revenue	32,000,000	45,606,183
Total current liabilities	<u>53,807,910</u>	<u>59,577,427</u>
Noncurrent liabilities:		
Term notes, net of deferred financing costs and debt discount	119,141,350	110,791,696
Other liabilities	—	1,000,000
Construction loan	289,382,741	—
Asset retirement obligation	780,821	—
Puttable warrants at fair value	23,725,000	15,760,484
Total noncurrent liabilities	<u>433,029,912</u>	<u>127,552,180</u>
Total liabilities	<u>486,837,822</u>	<u>187,129,607</u>
Commitments and contingencies		
Members' and stockholder's equity:		
Apex Clean Energy Companies' members' and stockholder's equity:		
Members' paid-in-capital	20,700,559	19,918,356
Preferred units	20,906,250	20,906,250
Common stock	1	1
Retained earnings	103,905,979	46,519,768
Total Apex Clean Energy Companies' members' and stockholder's equity	<u>145,512,789</u>	<u>87,344,375</u>
Noncontrolling interest	<u>(55,382)</u>	<u>(55,231)</u>
Total equity	<u>145,457,407</u>	<u>87,289,144</u>
Total liabilities and equity	<u>\$ 632,295,229</u>	<u>274,418,751</u>

¹ 2020 audited financials will not have their auditor opinion and be made available until April 2021.



EXHIBIT 3-2: HELABA LETTER OF SUPPORT

February 26, 2021

Apex Clean Energy Holdings, LLC
310 4th St. NE Suite 300
Charlottesville, VA
22902

ATTN: Jim Trousdale, Chief Financial Officer

Re: Apex Clean Energy's Downeast Wind Project

Dear Jim:

As you know, Landesbank Hessen-Thüringen Girozentrale, New York Branch ("Helaba") has had a lending relationship with Apex Clean Energy ("Apex") since 2018. Helaba's most recent experience with Apex was in February 2021, when Helaba provided letters of credit for numerous Apex wind and solar projects.

Apex has informed Helaba that it is developing a 126 MW wind project in Washington County, Maine (the "Downeast Wind Project").

Based upon the information provided to Helaba by Apex and Helaba's prior experience with Apex, Helaba would be interested in pursuing the opportunity to provide secured construction and term financing for the Downeast Wind Project.

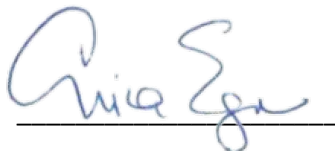
As you will appreciate, at this stage this letter does not constitute a commitment on the part of Helaba to seek approval for, provide, arrange, underwrite and/or participate in any financing. Any commitment of Helaba would ultimately be subject to customary conditions precedent for transactions of this type, including, *inter alia*, due diligence, independent consultants' reports, acceptable terms and conditions and the bank's internal credit approval.

This letter is issued for information only and no person or entity may rely on it. Helaba will not be responsible or liable to you or any other person for any damages, which may be claimed as a result of this letter.

We look forward to continuing our discussions with Apex about this project.

Regards,

On behalf of Landesbank Hessen-Thüringen Girozentrale, New York Branch



Erica Egan
Senior Vice President
Corporate Finance Division



Michael D. Novack
Senior Vice President
Corporate Finance



EXHIBIT 3-3: STATE OF MAINE CERTIFICATE OF GOOD STANDING

State of Maine



Department of the Secretary of State

I, the Secretary of State of Maine, certify that according to the provisions of the Constitution and Laws of the State of Maine, the Department of the Secretary of State is the legal custodian of the Great Seal of the State of Maine which is hereunto affixed and of the reports of qualification of foreign limited liability companies in this State and annual reports filed by the same.

I further certify that DOWNEAST WIND, LLC, a DELAWARE limited liability company, is a duly qualified foreign limited liability company under the laws of the State of Maine and that the application for authority to transact business in this State was filed on October 15, 2013.

I further certify that said foreign limited liability company has filed annual reports due to this Department, and that no action is now pending by or on behalf of the State of Maine to forfeit the authority to transact business in this State and that according to the records in the Department of the Secretary of State, said foreign limited liability company is a legally existing limited liability company in good standing under the laws of the State of Maine at the present time.

In testimony whereof, I have caused the Great Seal of the State of Maine to be hereunto affixed. Given under my hand at Augusta, Maine, this fifteenth day of February 2021.



Shenna Bellows

Shenna Bellows
Secretary of State