



Blue Sky Utility 2017 III LLC

(NSG Colusa)

Quarterly Report- Q2

04/1/2020 – 6/30/2020

*The information contained in this report is for informational purposes only and is not intended to provide tax, legal or investment advice. Adjustments and modifications to the information contained in this report may be identified after the date of distribution of this report. This report does not constitute a solicitation of any order to buy or sell securities. This report is confidential and proprietary to **Blue Sky Utility 2017 III LLC***

CONFIDENTIAL

1 | Executive Summary

In Q2 2020, the portfolio performed -12% the predicted production model for the quarter – this amounts to -38,039kWh. Year to date the portfolio performed -3% below the predicted production for the period – this total amounts to -15,116kWh for Q1 and Q2. The reason for the decrease in production is due to lower than expected irradiance levels in Q2.

In Q2 2020, the financial income was 2% above the predicted financial model for the quarter – this amounts to a surplus of \$1,722.30.

| | PVSyst | Production Meter | Production Variance | Invoiced | Accrued Credit | Value Created | Projected Revenue | Revenue Variance |
|--------------|----------------|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| Month | kWh | kWh | kWh | \$ | \$ | \$ | \$ | \$ |
| Apr | 95,133 | 81,688 | -13,445 | \$ 11,572.68 | \$ - | \$ 11,572.68 | \$ 10,634.08 | \$ 938.60 |
| May | 113,616 | 99,086 | -14,530 | \$ 14,063.88 | \$ 4,333.10 | \$ 18,396.98 | \$ 24,207.72 | \$ (5,810.74) |
| June | 117,569 | 107,505 | -10,064 | \$ 19,909.54 | \$ 13,694.67 | \$ 33,604.21 | \$ 27,009.77 | \$ 6,594.44 |
| Total | 326,318 | 288,279 | -38,039 | \$ 45,546.10 | \$ 18,027.77 | \$ 63,573.87 | \$ 61,851.57 | \$ 1,722.30 |

Summary by Quarter

| | PVSyst | Production Meter | Production Variance | Invoiced | Accrued Credit | Value Created | Projected Revenue | Revenue Variance |
|------------------|----------------|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| Quarter | kWh | kWh | kWh | \$ | \$ | \$ | \$ | \$ |
| 20 – Q1 | 144,518 | 167,441 | 22,923 | \$ 20,557.60 | \$ - | \$ 20,557.60 | \$ 14,080.16 | \$ 5,296.26 |
| 20 – Q2 | 326,318 | 288,279 | -38,039 | \$ 45,546.10 | \$ 18,027.77 | \$ 63,573.87 | \$ 61,851.57 | \$ 1,722.30 |
| 20 – Q4 | | | | | | | | |
| 20 – Q4 | | | | | | | | |
| YTD Total | 470,836 | 455,720 | -15,116 | \$ 66,103.70 | \$ 18,027.77 | \$ 84,131.47 | \$ 75,931.73 | \$ 7,018.56 |

2 | Portfolio Performance

The predicted energy output for the Blue Sky Utility 2017 III LLC project during Q2–2020 was 326,318kWh. The actual energy output for the project during Q2–2020 was 288,279kWh. This is 12% below the predicted production model

The reason for this performance:

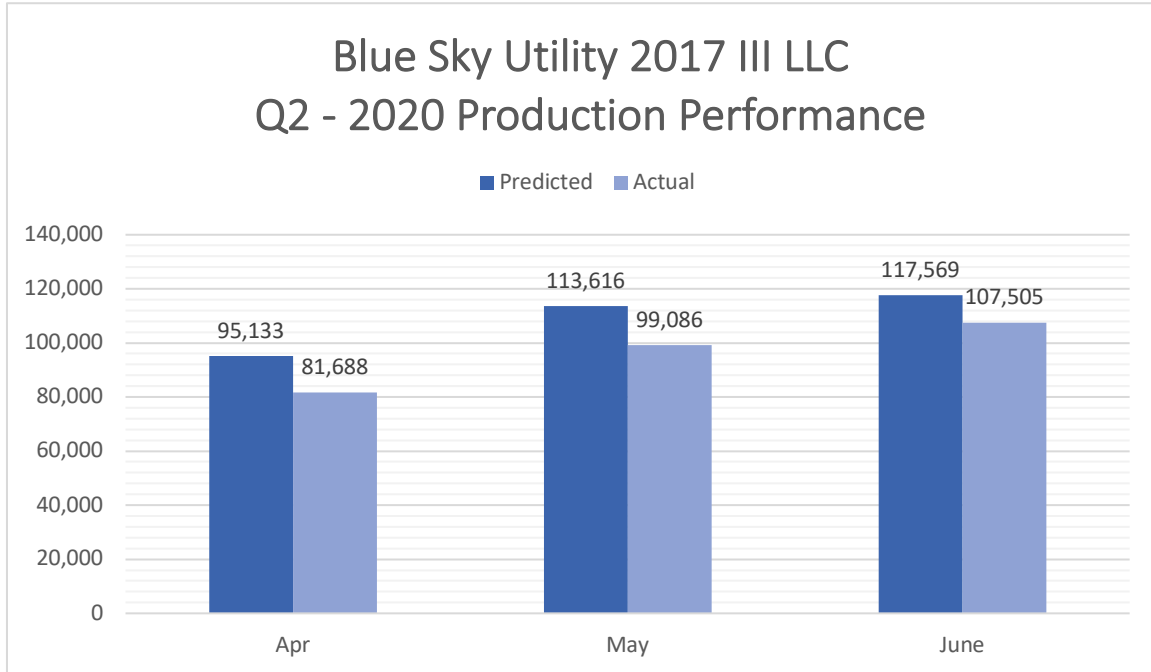
Irradiance was below expected model: -11% in April, -14% in May, and -11% in June.

There were also issues with the Data Logger and it was replaced in June.

The performance of the portfolio is evaluated by comparing the produced energy to two quantities: (1) the energy forecasted/modeled during pre-acquisition of each array (PVSyst model), to which the quantities are labeled as “predicted” will be associated, and (2) the energy expected using the same model as the forecast, but applied to the actual irradiance, temperature, and wind speed observed at the site during the reporting period. Quantities associated with the specific energy production are labeled as “actual”.

3 | Forecasted vs. Actual Energy

The following graph shows performance (*Actual*-metered energy v. *Predicted*- PVSYST forecast) for Q2.



4 | Weather Adjusted Performance

| | Measured Avg Irradiance | Assumed Avg Irradiance | Measured Avg Temp | Assumed Avg Temp | Weather adjusted expected production variance |
|-------|-------------------------|------------------------|-------------------|------------------|---|
| Month | kWh/m^2 | kWh/m^2 | F | F | % Variance |
| Apr | 166 | 186 | 65 | 61 | -11% |
| May | 200 | 231 | 71 | 69 | -14% |
| June | 220 | 247 | 72 | 74 | -11% |

5 | Operations & Maintenance

The following table details all operations/maintenance related issues and corrective actions for Q2-2020

Operations:

Data Logger was replaced on June 16th. The site lost data for 12 days.

Cleaning:

Panels were cleaned in June 2020.

6 | Availability

The overall availability for this quarter was **86%**. The Data Logger did not report for 12 days.

7 | Billings & Collections

| Month | Invoice Amount | Collections |
|-----------|----------------|--------------|
| 20 – Q1 | \$ 20,557.60 | \$ 20,557.60 |
| 20 – Q2 | \$ 45,546.10 | \$ 45,546.10 |
| 20 – Q3 | | |
| 20 – Q4 | | |
| YTD Total | \$ 66,103.70 | \$ 66,103.70 |

8 | Financials

Financials are attached below or sent in separate document.

10:54 AM

07/20/20

Accrual Basis

Blue Sky Utility 2017 III LLC
Profit & Loss
January through June 2020

| | Jan - Jun 20 |
|---------------------------------------|--------------|
| Ordinary Income/Expense | |
| Income | |
| 40000 · Revenue | |
| 41000 · Tenant Revenue | 73,391.72 |
| 43000 · Sales Discounts | -7,339.17 |
| Total 40000 · Revenue | 66,052.55 |
| Total Income | 66,052.55 |
| Gross Profit | 66,052.55 |
| Expense | |
| 60000 · Operating Expenses | |
| 61700 · Bank Service Charges | 0.25 |
| 62200 · Asset Management Fees | 0.00 |
| 64000 · Facilities Expense | |
| 64100 · Repairs and Maintenance | |
| 64150 · Amortization of O&M Expense | 3,671.06 |
| Total 64100 · Repairs and Maintenance | 3,671.06 |
| Total 64000 · Facilities Expense | 3,671.06 |
| Total 60000 · Operating Expenses | 3,671.31 |
| 63000 · Depreciation Expense | 33,565.44 |
| Total Expense | 37,236.75 |
| Net Ordinary Income | 28,815.80 |
| Other Income/Expense | |
| Other Income | |
| 71000 · Interest Income | 28.96 |
| Total Other Income | 28.96 |
| Other Expense | |
| 72000 · Interest Exp | |
| 72100 · Interest Expense - DFC Amort | 850.02 |
| 72200 · Interest Expense - Loan | 38,100.00 |
| Total 72000 · Interest Exp | 38,950.02 |
| Total Other Expense | 38,950.02 |
| Net Other Income | -38,921.06 |
| Net Income | -10,105.26 |

10:54 AM

07/20/20

Accrual Basis

Blue Sky Utility 2017 III LLC
Balance Sheet
As of June 30, 2020

| | Jun 30, 20 |
|--|--------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 10000 · Cash | |
| 10050 · Operating Acct - Amalgamated | 989.00 |
| Total 10000 · Cash | 989.00 |
| Total Checking/Savings | 989.00 |
| Accounts Receivable | |
| 11200 · Accounts Receivable - Unbilled | 1,649.87 |
| Total Accounts Receivable | 1,649.87 |
| Other Current Assets | |
| 11150 · Accounts Receivable - Billed | 19,933.82 |
| 13000 · Other Current Assets | |
| 13100 · DFC - Current Portion | 1,700.00 |
| 13200 · Prepaid O&M | 3,718.94 |
| Total 13000 · Other Current Assets | 5,418.94 |
| Total Other Current Assets | 25,352.76 |
| Total Current Assets | 27,991.63 |
| Fixed Assets | |
| 14000 · Property, Plant & Equipment | |
| 14100 · Plant Assets | 1,969,477.00 |
| 14500 · Capitalized Interest | 44,450.00 |
| 14900 · Accumulated Depreciation | -173,421.44 |
| Total 14000 · Property, Plant & Equipment | 1,840,505.56 |
| Total Fixed Assets | 1,840,505.56 |
| Other Assets | |
| 16000 · Other Assets | |
| 16100 · Restricted Cash - O&M Reserve | 12,100.57 |
| 16200 · Restricted Cash - Min Pymt Res | 46,182.07 |
| 16300 · Restricted Cash - Inv. Reserve | 7,000.00 |
| 16500 · Deferred Financing Costs | 10,058.21 |
| Total 16000 · Other Assets | 75,340.85 |

10:54 AM

07/20/20

Accrual Basis

Blue Sky Utility 2017 III LLC
Balance Sheet
As of June 30, 2020

| | Jun 30, 20 |
|---------------------------------------|---------------------|
| 18200 · Due from Winery | 5,700.00 |
| Total Other Assets | 81,040.85 |
| TOTAL ASSETS | 1,949,538.04 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Other Current Liabilities | |
| 22000 · Taxes Payable | |
| 22200 · Commission Tax Payable | 268.53 |
| Total 22000 · Taxes Payable | 268.53 |
| 23000 · LT Debt - Current Portion | 43,750.00 |
| 25100 · Interest Payable | 10,950.93 |
| Total Other Current Liabilities | 54,969.46 |
| Total Current Liabilities | 54,969.46 |
| Long Term Liabilities | |
| 28000 · Long-term Debt | |
| 28100 · Amalgamted Bank Loan | 1,055,585.00 |
| Total 28000 · Long-term Debt | 1,055,585.00 |
| 29000 · Intercompany Payables | |
| 29200 · Due to Sub I - Orland | 14,721.00 |
| Total 29000 · Intercompany Payables | 14,721.00 |
| Total Long Term Liabilities | 1,070,306.00 |
| Total Liabilities | 1,125,275.46 |
| Equity | |
| 32100 · Partner 1 Equit | 612,005.93 |
| 32300 · Membership Interest Equity | 233,137.75 |
| 33000 · Retained Earnings | -10,775.84 |
| Net Income | -10,105.26 |
| Total Equity | 824,262.58 |
| TOTAL LIABILITIES & EQUITY | 1,949,538.04 |