



## **Blue Sky Utility 2017 III LLC (NSG Colusa)**

**Quarterly Report- Q3 2018**

**7/1/2018 – 9/30/2018**

*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 Q3 2018, the portfolio performed 17.27% below the predicted production for the quarter.

The project had an unfavorable July, August and September and underproduced the estimated energy generation by about 19.07%, 19.22% and 12.40% respectively. Significant forest fires in the immediate area caused above-normal module soiling losses and below average irradiance. This weather related loss in kWh production is the main driver of the negative revenue variance.

	PVSyst	Production Meter	Production Variance	Invoiced	Accrued Credits	Value Created	Projected Revenue	Revenue Variance
Month	kWh	kWh	kWh	\$	\$	\$	\$	\$
18 - Jul	115,383	93,385	(21,998)	\$11,036.98	\$1,683.50	\$12,720.48	\$27,741.23	\$(15,020.75)
18 Aug	106,835	86,306	(20,529)	\$11,549.70	\$5,897.75	\$17,447.45	\$24,210.53	\$ (6,763.08)
18 Sep	85,429	74,835	(10,594)	\$14,221.96	\$1,329.20	\$15,551.16	\$20,007.31	\$(4,456.15)
YTD Total	307,6470	254,526	(53,121)	\$36,808.64	\$8,910.46	\$45,719.10	\$71,959.08	\$(26,239.98)

## Summary By Quarter

	PVSyst	Production Meter	Production Variance	Invoiced*	Accrued Credits*	Value Created*	Projected Revenue	Revenue Variance
Quarter	kWh	kWh	kWh	\$	\$	\$	\$	\$
18 – Q1	143,040	134,995	(8,045)	\$25,956.09	\$ -	\$25,956.09	\$14,447.48	\$11,508.61
18 – Q2	325,582	304,292	(21,290)	\$41,240.68	\$29,590.02	\$70,830.70	\$62,683.72	\$8,146.98
18 – Q3	307,647	254,526	(53,121)	\$36,808.64	\$8,910.46	\$45,719.10	\$71,959.08	\$(26,239.98)
YTD Total	776,269	693,813	(82,456)	\$104,005.41	\$38,500.48	\$142,505.89	\$149,090.27	\$(6,584.39)

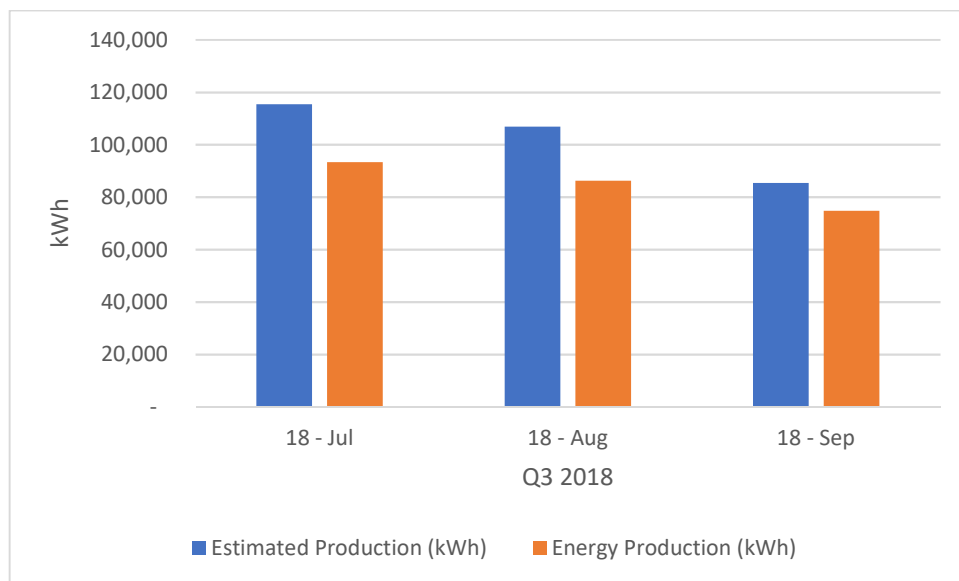
## 2 | Portfolio Performance

The predicted energy output for the Blue Sky Utility 2017 III, LLC project during Q3 2018 was **307,647 kWh**. The actual energy output for the Blue Sky Utility 2017 III, LLC project during Q3 2018 was **254,526 kWh**. As mentioned in the previous section, significant losses were sustained due to nearby forest fire ash soiling.

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 Q3 2018.



## 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
18 - Jul	222.89	237.10	83.25	77.41	895
18 - Aug	218.00	219.50	78.50	75.38	1,846
18 - Sep	198.00	175.00	77.31	73.04	8,111

\*The weather was much warmer than anticipated – while irradiance was generally below estimates.

## 5 | Operations & Maintenance

The following table details all operations/maintenance related issues and corrective actions for Q3 2018.

Colusa	Issue/Date	Corrective Action	Resolved/Not Resolved	kWh Lost

## 6 | Availability

The overall availability for this quarter was **100.00%** and there were no outages.

## 7 | Billings & Collections

Month	Invoice Amount	Collections
18 - Jul	\$11,036.98	\$12,837.16
18 - Aug	\$11,549.70	\$11,036.98
18 - Sep	\$14,221.96	\$11,549.70

## 8 | Financials

Financials are attached below or sent in separate document.

**Blue Sky Utility 2017 III LLC**  
**Balance Sheet**  
As of September 30, 2018

Sep 30, 18

**ASSETS**

**Current Assets**

**Checking/Savings**

**10000 · Cash**

10200 · New Resource Bank - Minimum Pay

21,479.79

10300 · New Resource Bank #2 - O&M Res

-6,640.03

**Total 10000 · Cash**

14,839.76

**Total Checking/Savings**

14,839.76

**Accounts Receivable**

11200 · Accounts Receivable - Unbilled

5,751.17

**Total Accounts Receivable**

5,751.17

**Other Current Assets**

11150 · Accounts Receivable - Billed

-13,188.29

13000 · Other Current Assets

13100 · DFC - Current Portion

1,700.00

13200 · Prepaid Assets

450.02

**Total 13000 · Other Current Assets**

2,150.02

**Total Other Current Assets**

-11,038.27

**Total Current Assets**

9,552.66

**Fixed Assets**

14100 · Plant Assets

1,969,477.00

14500 · Capitalized Interest

44,450.00

17000 · Accumulated Depreciation

-55,942.40

**Total Fixed Assets**

1,957,984.60

**Other Assets**

16000 · Other Assets

16100 · Restricted Cash - O&M Reserve

18,788.20

16200 · Restricted Cash - Min Pymt Res

33,000.06

16300 · Restricted Cash - Inv. Reserve

7,000.00

16500 · Deferred Financing Costs

13,033.28

**Total 16000 · Other Assets**

71,821.54

**Total Other Assets**

71,821.54

**TOTAL ASSETS**

**2,039,358.80**

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

20000 · Accounts Payable

540.00

**Total Accounts Payable**

540.00

**Other Current Liabilities**

23000 · LT Debt - Current Portion

36,900.00

25100 · Interest Payable

5,562.07

**Total Other Current Liabilities**

42,462.07

**Total Current Liabilities**

43,002.07

**Long Term Liabilities**

28000 · Long-term Debt

28100 · Napa Resources Bank Loan

1,128,260.00

**Total 28000 · Long-term Debt**

1,128,260.00

10:22 PM

10/15/18

Accrual Basis

# Blue Sky Utility 2017 III LLC

## Balance Sheet

As of September 30, 2018

---

	Sep 30, 18
29000 · Intercompany Payables	
29100 · Due to BSU LLC	2,208.33
Total 29000 · Intercompany Payables	2,208.33
Total Long Term Liabilities	1,130,468.33
Total Liabilities	1,173,470.40
Equity	
32100 · Partner 1 Equit	628,584.00
32300 · Membership Interest Equity	277,828.00
33000 · Retained Earnings	-10,588.36
Net Income	-29,935.24
Total Equity	865,888.40
TOTAL LIABILITIES & EQUITY	<u>2,039,358.80</u>

4:42 PM

10/17/18

Accrual Basis

## Blue Sky Utility 2017 III LLC

## Profit &amp; Loss

July through September 2018

---

	Jul - Sep 18
Ordinary Income/Expense	
Income	
40000 · Revenue	
41000 · Tenant Revenue	37,131.66
43000 · Sales Discounts	-3,970.77
Total 40000 · Revenue	33,160.89
Total Income	33,160.89
Gross Profit	33,160.89
Expense	
60000 · Operating Expenses	
61700 · Bank Service Charges	120.00
62200 · Asset Management Fees	450.00
Total 60000 · Operating Expenses	570.00
63000 · Depreciation Expense	16,782.72
Total Expense	17,352.72
Net Ordinary Income	15,808.17
Other Income/Expense	
Other Income	
71000 · Interest Income	1.62
Total Other Income	1.62
Other Expense	
72000 · Interest Exp	
72100 · Interest Expense - DFC Amort	19,475.01
Total 72000 · Interest Exp	19,475.01
Total Other Expense	19,475.01
Net Other Income	-19,473.39
Net Income	<u>-3,665.22</u>