



Blue Sky Utility Sub 1 LLC (NSG Orland)

Quarterly Report- Q3 2018

7/1/2018 – 9/30/2018

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CONFIDENTIAL

1 | Executive Summary

In Q3 2018, the portfolio performed 11.46% below the predicted production for the quarter.

In all three months, the project experienced below average production. Significant forest fires in the immediate area caused above-normal module soiling losses and below average irradiance. This weather-related drop in kWh production is the main driver of the negative revenue variance for the quarter.

	Simulation PVSyst	Production Meter	Production Variance	Invoiced	Accrued Credits	Value Created	Projected Revenue	Revenue Variance
Month	kWh	kWh	kWh	\$	\$	\$	\$	\$
18 - Jul	117,166	96,390	(20,776)	\$12,667.17	\$ 3,848.62	\$16,515.79	\$21,617.13	(\$5,101.34)
18 - Aug	107,818	83,294	(24,524)	\$12,447.63	\$ -	\$12,447.63	\$19,892.42	(\$7,444.79)
18 - Sep	85,363	73,160	(12,203)	\$18,617.84	\$ -	\$18,617.84	\$15,749.47	\$2,868.37
Q3 Total	310,347	252,844	(57,503)	\$43,732.64	\$0.00	\$47,581.26	\$57,259.02	\$(9,677.77)

2 | Summary By Quarter

	Simulation PVSyst	Production Meter	Production Variance	Invoiced	Accrued Credits	Value Created	Projected Revenue	Revenue Variance
Q	kWh	kWh	kWh	\$	\$	\$	\$	\$
18 – Q1	141,700	134,526	(7,174)	\$26,764.73	\$0.00	\$26,764.73	\$14,629.37	\$12,135.36
18 – Q2	329,830	304,893	(24,937)	\$47,291.33	\$18,416.13	\$65,707.46	\$60,853.64	\$4,746.48
18 – Q3	310,347	252,844	(57,503)	\$43,732.64	\$3,848.62	\$47,581.26	\$57,259.02	\$(9,677.77)
YTD Total	781,877	692,263	(89,614)	\$116,777.67	\$22,264.75	\$140,053.45	\$132,742.03	\$7,204.07

3 | Portfolio Performance

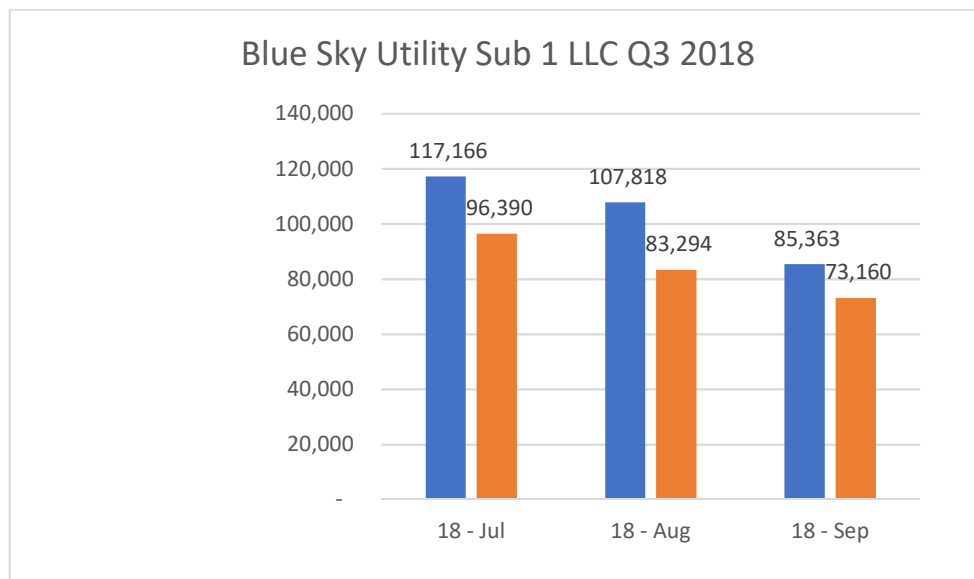
The predicted energy output for Blue Sky Utility Sub 1 LLC project during Q3 2018 was **310,347 kWh**.

The actual energy output for the Blue Sky Utility Sub 1 LLC project during Q3 2018 was **252,844 kWh**.

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”.

4 | Forecasted vs. Actual Energy

The following graphs shows performance (*Actual*-metered energy v. *Estimated*- PVsyst forecast) for Q3 2018.



5 | Weather Adjusted Performance

*Based on environmental data we expected the system to underperform.

	Measured Avg Irradiance	Assumed Avg Irradiance	Measured Avg Temp	Assumed Avg Temp	Expected Production Variance
Month	kWh/m^2	kWh/m^2	°F	°F	% Variance
18 - Jul	244.00	247.40	84.90	77.41	+4,863
18 - Aug	221.03	229.60	78.02	75.43	+4,058
18 - Sep	181.53	183.40	75.13	73.11	+5,275

6 | Operations & Maintenance

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

Issue/Date	Corrective Action	Resolved/Not Resolved	kWh Lost
n/a	n/a	n/a	n/a

7 | Availability

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

8 | Billings & Collections

Month	Invoice Amount	Collections
18 – July	\$12,667.17	\$16,506.09
18 – Aug	\$12,447.63	\$12,667.17
18 - Sept	n/a*	\$12,447.63

*September billing period ends on 10/10/18

9 | Financials

Financials are attached below or sent in separate document.

Blue Sky Utility Sub 1 LLC

Balance Sheet

As of September 30, 2018

Sep 30, 18

ASSETS

Current Assets

Checking/Savings

10000 · Cash and Cash Equivalents

10100 · Napa Resources Bank - #1.3422 24,671.72

10200 · Napa Resources Bank #2.2184 -7,304.68

Total 10000 · Cash and Cash Equivalents 17,367.04

Total Checking/Savings 17,367.04

Accounts Receivable

11000 · Accounts Receivable

11200 · Accounts Receivable - Unbilled 6,996.17

Total 11000 · Accounts Receivable 6,996.17

Total Accounts Receivable 6,996.17

Other Current Assets

11150 · Accounts Receivable - Billed 17,499.26

13000 · Other Current Assets

13100 · DFC - Current Portion 1,700.00

13200 · Prepaid Asset 450.60

Total 13000 · Other Current Assets 2,150.60

Total Other Current Assets 19,649.86

Total Current Assets 44,013.07

Fixed Assets

14000 · Property, Plant & Equipment

14100 · Plant Equipment 1,901,958.45

14500 · Capitalized Interest 44,450.00

14900 · Accumulated Depreciation -54,066.90

Total 14000 · Property, Plant & Equipment 1,892,341.55

Total Fixed Assets 1,892,341.55

Other Assets

16000 · Other Assets

16100 · Restricted Cash - O&M Reserve 18,959.89

16200 · Restricted Cash - Min Pymt Res 33,000.06

16300 · Restricted Cash -Inv Res 6,900.00

16500 · Deferred Financing Costs 13,033.28

Total 16000 · Other Assets 71,893.23

Total Other Assets 71,893.23

TOTAL ASSETS 2,008,247.85

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

23000 · LT Debt - Current Portion 36,900.00

25100 · Interest Payable 6,913.19

Total Other Current Liabilities 43,813.19

Total Current Liabilities 43,813.19

Long Term Liabilities

28000 · Long-term Debt

28100 · Loan 400119500 1,128,290.00

Total 28000 · Long-term Debt 1,128,290.00

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10/15/18

Accrual Basis

Blue Sky Utility Sub 1 LLC

Balance Sheet

As of September 30, 2018

	Sep 30, 18
29000 · Other LT Liabilities	
29100 · Due To BSU LLC	24,844.38
Total 29000 · Other LT Liabilities	24,844.38
Total Long Term Liabilities	1,153,134.38
Total Liabilities	1,196,947.57
Equity	
31xxx · Partner 1 Equity	716,108.45
32300 · Membership Interest Equity	123,023.65
33000 · Retained Earnings	-10,867.45
Net Income	-16,964.37
Total Equity	811,300.28
TOTAL LIABILITIES & EQUITY	<u>2,008,247.85</u>

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Accrual Basis

Blue Sky Utility Sub 1 LLC

Profit & Loss

July through September 2018

Jul - Sep 18

Ordinary Income/Expense	
Income	
40000 · Revenues	
41000 · Tenant Revenues	45,356.47
43000 · Sales Discount	-4,676.53
Total 40000 · Revenues	40,679.94
Total Income	40,679.94
Gross Profit	40,679.94
Expense	
60000 · Operating Expenses	
61700 · Bank Service Charges	150.00
62200 · Asset Management Fees	450.00
Total 60000 · Operating Expenses	600.00
63000 · Depreciation Expense	16,220.07
64000 · Facilities Expenses	
64100 · Repairs and Maintenance	1,963.20
Total 64000 · Facilities Expenses	1,963.20
Total Expense	18,783.27
Net Ordinary Income	21,896.67
Other Income/Expense	
Other Income	
71000 · Interest Income	1.57
Total Other Income	1.57
Other Expense	
72000 · Interest Expense	19,475.01
Total Other Expense	19,475.01
Net Other Income	-19,473.44
Net Income	<u>2,423.23</u>