



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

**Quarterly Report- Q4 2018**

**10/1/2018 – 12/31/2018**

*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.*

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## 1 | Executive Summary

In Q4 2018, the portfolio performed 3.85% below the predicted production for the quarter.

The project had an unfavorable October and November by underproduced the estimated energy generation by about 1.55%, 15.19%. The month of December the project over produced by 6.32%. 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 - Oct	67,963	66,909	(\$1,054)	\$17,716.44	(\$3,857.95)	\$14,244.29	\$12,205.06	\$962.12
18 - Nov	42,456	36,006	(\$6,450)	\$6,666.22	(\$9,686.16)	(\$2,279.25)	\$3,398.88	(\$5,978.08)
18 - Dec	32,048	34,072	\$2,024	(\$1,266.43)	\$0.00	(\$1,266.43)	\$1,699.44	(\$3,115.85)
TRUE UP*				\$19,791.30				
Total	142,467	136,987	(\$5,480)	42,907.53	(\$13,544)	\$10,698.61	17,303.38	(\$8,132)

\* Reconciliation of 12-month period

## 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	(\$8,910.97)	\$45,719.10	\$71,959.08	(\$26,239.98)
18 – Q4	142,467	136,987	(5,480)	\$42,907.53	\$31,981.00	\$10,698.61	\$18,830.41	\$22,793.82
YTD Total	918,736	830,800	(87,936)	\$146,912.94	(\$6,519.99)	\$153,204.50	\$167,920.69	(\$6,584.39)

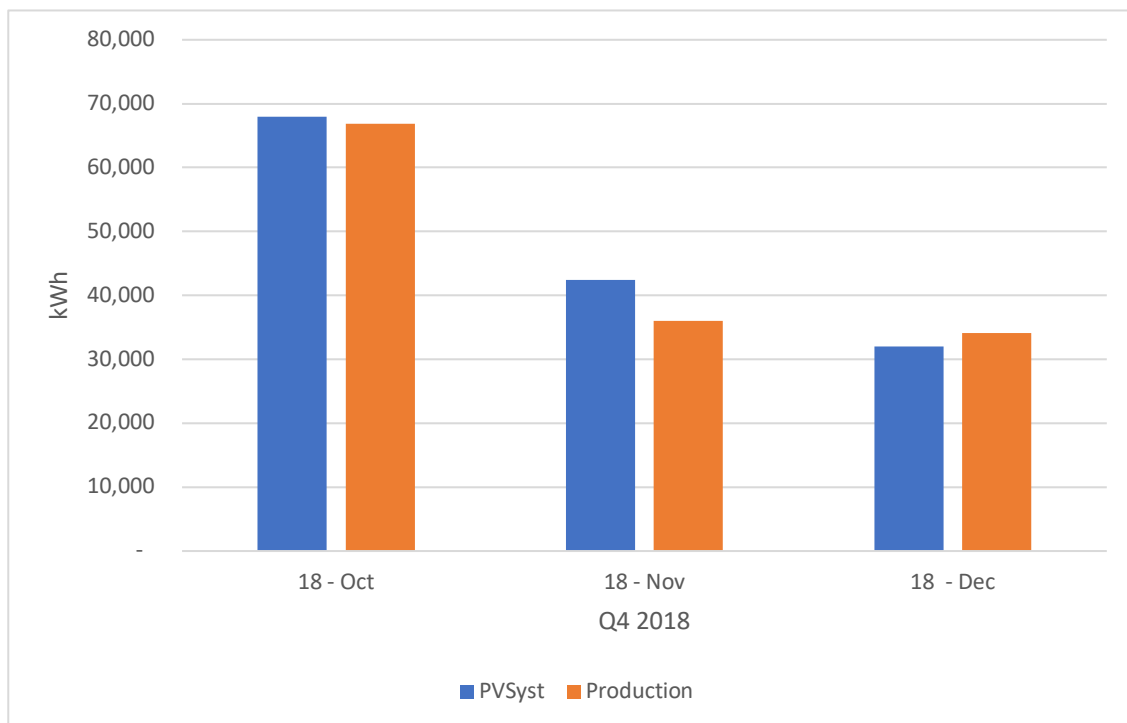
## 2 | Portfolio Performance

The predicted energy output for the Blue Sky Utility 2017 III, LLC project during Q4 2018 was **142,467 kWh**. The actual energy output for the Blue Sky Utility 2017 III, LLC project during Q4 2018 was **136,987 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 Q4 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 - Oct	N/A	141.70	70	62	
18 - Nov	N/A	86.30	57	50	
18 - Dec	40.86	65.20	51	46	

\*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 Q4 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 - Oct	\$17,716.44	\$17,716.44
18 - Nov	\$6,666.22	\$6,666.22
18 - Dec	\$19,791.30	\$19,791.30

## 8 | Financials

Financials are attached below or sent in separate document.

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Accrual Basis

**Blue Sky Utility 2017 III LLC**  
**Balance Sheet**  
As of December 31, 2018

	Dec 31, 18
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
10250 · Amalgamated DSRA Account (3380)	27,984.80
Total Checking/Savings	27,984.80
Accounts Receivable	
11200 · Accounts Receivable - Unbilled	0.01
Total Accounts Receivable	0.01
Other Current Assets	
11150 · Accounts Receivable - Billed	269.62
13000 · Other Current Assets	
13100 · DFC - Current Portion	1,700.00
Total 13000 · Other Current Assets	1,700.00
Total Other Current Assets	1,969.62
Total Current Assets	29,954.43
Fixed Assets	
14100 · Plant Assets	1,969,477.00
14500 · Capitalized Interest	44,450.00
17000 · Accumulated Depreciation	-72,725.12
Total Fixed Assets	1,941,201.88
Other Assets	
16000 · Other Assets	
16100 · Restricted Cash - O&M Reserve	19,493.22
16200 · Restricted Cash - Min Pymt Res	33,000.56
16300 · Restricted Cash - Inv. Reserve	7,000.00
16500 · Deferred Financing Costs	12,608.27
Total 16000 · Other Assets	72,102.05
Total Other Assets	72,102.05
<b>TOTAL ASSETS</b>	<b>2,043,258.36</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	540.00
Total Accounts Payable	540.00

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Accrual Basis

**Blue Sky Utility 2017 III LLC**  
**Balance Sheet**  
**As of December 31, 2018**

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	<u>Dec 31, 18</u>
Other Current Liabilities	
22000 · Taxes Payable	
22200 · Commission Tax Payable	224.51
Total 22000 · Taxes Payable	224.51
23000 · LT Debt - Current Portion	37,800.00
25100 · Interest Payable	5,951.16
Total Other Current Liabilities	43,975.67
Total Current Liabilities	44,515.67
Long Term Liabilities	
28000 · Long-term Debt	
28100 · Napa Resources Bank Loan	1,119,335.00
Total 28000 · Long-term Debt	1,119,335.00
29000 · Intercompany Payables	
29100 · Due to BSU LLC	5,208.33
29200 · Due to Sub I - Orland	15,008.00
Total 29000 · Intercompany Payables	20,216.33
Total Long Term Liabilities	1,139,551.33
Total Liabilities	1,184,067.00
Equity	
32100 · Partner 1 Equit	612,005.93
32300 · Membership Interest Equity	277,828.00
33000 · Retained Earnings	-10,588.36
Net Income	-20,054.21
Total Equity	859,191.36
TOTAL LIABILITIES & EQUITY	<u><u>2,043,258.36</u></u>

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Accrual Basis

**Blue Sky Utility 2017 III LLC**  
**Profit & Loss**  
January through December 2018

	Jan - Dec 18
<b>Ordinary Income/Expense</b>	
Income	
40000 · Revenue	
41000 · Tenant Revenue	156,281.30
43000 · Sales Discounts	-13,799.73
	142,481.57
Total 40000 · Revenue	142,481.57
Total Income	142,481.57
Gross Profit	142,481.57
Expense	
60000 · Operating Expenses	
61100 · Business Licenses and Permits	800.00
61700 · Bank Service Charges	150.00
62200 · Asset Management Fees	3,300.00
64000 · Facilities Expense	
64100 · Repairs and Maintenance	3,824.00
	3,824.00
Total 64000 · Facilities Expense	3,824.00
Total 60000 · Operating Expenses	8,074.00
63000 · Depreciation Expense	67,130.88
66700 · Professional Fees	9,438.78
	84,643.66
Total Expense	84,643.66
Net Ordinary Income	57,837.91
<b>Other Income/Expense</b>	
Other Income	
71000 · Interest Income	7.92
	7.92
Total Other Income	7.92
Other Expense	
72000 · Interest Exp	
72100 · Interest Expense - DFC Amort	1,700.04
72200 · Interest Expense - Loan	76,200.00
	77,900.04
Total 72000 · Interest Exp	77,900.04
Total Other Expense	77,900.04
Net Other Income	-77,892.12
Net Income	-20,054.21