



Blue Sky Utility 2017 II LLC (Passco Hanford Mall)

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 II LLC.

CONFIDENTIAL

1 | Executive Summary

In Q4 2018, the asset performed 8.8 % below the predicted production. We believe that the soiling factor (accumulation of dirt on panels) is much more pronounced than the production model accounted for. This soiling factor is most likely the cause of the kWh production variance. We are continuing to troubleshoot this asset and determine the sources of the production variance. The solar panel producer, Sunpreme, is assisting in these efforts. Although the weather and irradiance conditions surpassed our assumptions (pg 4), the asset still underperformed.

	Total PVSystem	Total Production	Production kWh Variance	Invoiced	Est Accrued Credits*	Value Created**	Projected Revenue	Revenue Variance
Month	kWh	kWh	kWh	\$	\$	\$	\$	\$
18 - Oct	204,574	188,098	(16,476)	\$26,088.61	\$ -	\$26,088.61	\$28,264.48	(\$2,175.87)
18 - Nov	133,510	117,468	(16,042)	\$28,082.66	\$ -	\$28,082.66	\$21,470.56	\$6,612.10
18 - Dec	98,017	92,285	(5,732)	\$22,514.12	\$ -	\$22,514.12	\$18,857.51	\$3,364.22
YTD Total	436,101	397,851	(38,250)	\$76,685.39	\$ -	\$76,685.39	\$68,592.55	\$ 8,092.84

* The \$ value of the solar generation credits generated during the billing period. Credits still pending within SCE.

**Includes accrued credits that utility has yet to officially apply to the account due to a billing backlog.

2 | Summary By Quarter

	Total PVSystem	Total Production	Production kWh Variance	Invoiced	Accrued Credits*	Value Created**	Projected Revenue	Revenue Variance
Quarter	kWh	kWh	kWh	\$	\$	\$	\$	\$
18 – Q1	477,400	195,684	(281,716)	\$30,892.56	\$13,228.81	\$44,121.37	\$77,720.72	(\$46,828.16)
18 – Q2	951,000	793,239	(157,761)	\$129,515.27	\$53,629.58	\$183,144.85	\$154,822.80	(\$25,307.53)
18 – Q3	907,000	690,416	(216,584)	\$119,048.63	\$16,152.25	\$135,200.88	\$147,659.60	(\$12,458.72)
18 – Q4	436,101	397,851	(38,250)	\$76,685.39	\$ -	\$76,685.39	\$68,592.55	\$8,092.84
YTD Total	2,771,501	2,077,190	(694,311)	\$356,456.46	\$83,010.64	\$439,152.49	\$448,795.67	(\$76,501.57)

3 | Portfolio Performance

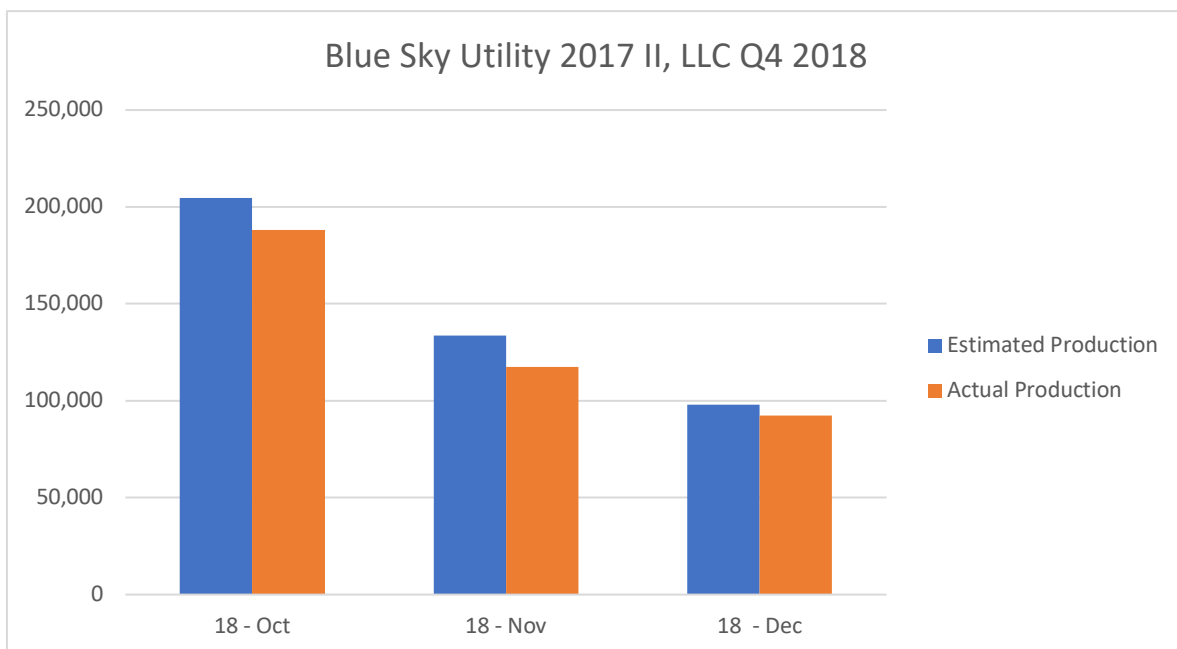
The predicted energy output for the Blue Sky Utility 2017 II, LLC project during Q4 2018 was **436,101 kWh**.

The actual energy output for the Blue Sky Utility 2017 II, LLC project during Q4 2018 was **397,851 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 “estimated” 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 Q4 2018.



5 | Weather Adjusted Performance

	Assumed Average Irradiance	Measured Average Irradiance	Assumed Average Temperature	Measured Average Temperature	Expected kWh production variance*
MONTH	Wh/m ²	Wh/m ²	°F	°F	(+/-) kWh
18-Oct	143.3	151.1	68	68	
18-Nov	88.66	95.9	57	52	
18-Dec	66.6	70.4	50	46	

* Temperature and irradiance were higher than anticipated.

6 | Operations & Maintenance

The following table details all operations/maintenance related issues and corrective actions for Q4 2018.

Issue/Date	Corrective Action	Resolved/Not Resolved	kWh Lost
N/A			

7 | Availability

The overall availability for this quarter was **100%**.

8 | Billings & Collections

Month	Invoice Amount	Collections
18 – Oct	\$26,088.61	\$26,088.61
18 – Nov	\$28,082.66	\$28,082.66
18 - Dec	\$22,514.12	\$22,514.12

9 | Financials

Financials are attached below or sent in separate document.

9:15 PM

02/26/19

Accrual Basis

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

	Jan - Dec 18
Ordinary Income/Expense	
Income	
40000 · Revenue	
41000 · Tenant Billings	299,474.51
Total 40000 · Revenue	299,474.51
Total Income	299,474.51
Gross Profit	299,474.51
Expense	
60000 · Operating Expenses	
61000 · Selling, General & Admin	
61100 · Business Licenses and Permits	2,850.00
61700 · Bank Service Charges	1,068.41
63000 · Depreciation Expense	188,427.12
Total 61000 · Selling, General & Admin	192,345.53
62200 · Asset Management Fee Expense	4,500.00
Total 60000 · Operating Expenses	196,845.53
64000 · Facilities Expense	
64100 · Repairs and Maintenance	13,383.37
64300 · Rent Expense	73,108.39
Total 64000 · Facilities Expense	86,491.76
Total Expense	283,337.29
Net Ordinary Income	16,137.22
Other Income/Expense	
Other Income	
71000 · Interest Income	7.40
Total Other Income	7.40
Other Expense	
72000 · Loan Interest	
72100 · Amortization of DFC	8,423.28

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

	Jan - Dec 18
72200 · Interest Expense	108,249.96
Total 72000 · Loan Interest	116,673.24
Total Other Expense	116,673.24
Net Other Income	-116,665.84
Net Income	-100,528.62

9:14 PM

02/26/19

Accrual Basis

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

	Dec 31, 18
ASSETS	
Current Assets	
Checking/Savings	
10000 · Cash and Cash Equivalents	
10100 · New Resource Bank #3.3794 - OPA	554.00
Total 10000 · Cash and Cash Equivalents	554.00
Total Checking/Savings	554.00
Accounts Receivable	
11200 · Accounts Receivable - Unbilled	2,703.22
Total Accounts Receivable	2,703.22
Other Current Assets	
11150 · Accounts Receivable - Billed	57,997.96
13000 · Other Current Assets	
13100 · DFC - Current Portion	8,423.29
13200 · Prepaid Expenses	1,216.63
Total 13000 · Other Current Assets	9,639.92
Total Other Current Assets	67,637.88
Total Current Assets	70,895.10
Fixed Assets	
14000 · Property, Plant & Equipment	
14100 · Plant Equipment	5,607,710.91
14500 · Capitalized Interest	45,103.00
14900 · Accumulated Depreciation	-204,129.12
Total 14000 · Property, Plant & Equipment	5,448,684.79
Total Fixed Assets	5,448,684.79
Other Assets	
16000 · Other Assets	
16100 · Restricted Cash - O&M Reserve	16,337.75
16200 · Restricted Cash - Min Pymt Res	72,076.44
16500 · Deferred Financing Costs	36,701.73
Total 16000 · Other Assets	125,115.92
Total Other Assets	125,115.92
TOTAL ASSETS	5,644,695.81

9:14 PM

02/26/19

Accrual Basis

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

	Dec 31, 18
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	
20100 · A/P owed to BPI	361,557.91
Total 20000 · Accounts Payable	361,557.91
Total Accounts Payable	361,557.91
Other Current Liabilities	
21000 · Accrued Liabilities	14,034.00
23000 · LT Debt - Current Portion	270,800.00
25000 · Other Current Liabilities	
25100 · Interest Payable	8,433.34
25200 · Deferred Rent	52,127.56
Total 25000 · Other Current Liabilities	60,560.90
25300 · State Tax Payable	360.07
Total Other Current Liabilities	345,754.97
Total Current Liabilities	707,312.88
Long Term Liabilities	
27000 · Due to Deferred Dev. Fee BSU	1,056,130.00
28000 · Long-term Debt	
28100 · Loan 400121300	1,758,800.00
Total 28000 · Long-term Debt	1,758,800.00
29000 · Other LT Liabilities	
29100 · Due to BSU LLC	1,242,302.80
Total 29000 · Other LT Liabilities	1,242,302.80
Total Long Term Liabilities	4,057,232.80
Total Liabilities	4,764,545.68
Equity	
32100 · BSU Portfolio1 Equity	1,082,111.00
33000 · Retained Earnings	-101,432.25
Net Income	-100,528.62
Total Equity	880,150.13
TOTAL LIABILITIES & EQUITY	5,644,695.81