### **[DOC ID: 006 | DEAL: Pine Creek Solar Portfolio – Term Financing Proposal]**

Borrower seeks term debt for a 28 MW portfolio of operating solar sites in west Texas (five projects commissioned 2023). Request: $38 million senior loan to refinance construction debt and return partial equity. Existing lender facility matures July 2025.

Aggregate CapEx: 44.6 million. Equity invested: 8.7 million. Production history twelve months: 95 % of modeled output (so good track record), though PPA pricing below forecast—average 3.8¢/kWh vs 4.2¢ underwritten.

Financial summary from borrower model (unclean formulas):

Revenue = MWh × PPA rate

= (28 MW × 8760 h × 0.32 CF × 0.038)

≈ 2.98 M / yr

Opex = 650 k

EBITDA = 2.33 M

Debt svc ≈ 2.1 M @ 6.1 %

→ DSCR ~ 1.1×

Sponsor showing levered IRR 13 %, but recalculation using current rates gives ≈ 9 %. Model tab “Debt\_Sizing” still links to old term sheet; actual proceeds limit closer 35 MM (1.20× DSCR).

Other issues: PPA counterparty BBB- rated co-op; offtake contract has optional curtail clause (not priced). Equipment warranty valid but inverter supplier under Chapter 11 protection. Tax equity silent partner requesting covenant relief; may slow closing.

Overall, project solid operationally but borderline financially. Recommend structure at 34–35 MM max with cash sweep if DSCR < 1.15×. If pricing holds near 6 %, returns acceptable (unlevered ≈ 7 %). Note to file: confirm curtail provisions before term sheet issuance.