

## SECTION 3 FINANCIAL CAPACITY

### A. Estimated Project Costs

The total preliminary cost for construction of the Project is estimated to be approximately \$349 million, as further described in Table 3-1 below. It is important to note that factors such as fluctuations in market dynamics, material costs, labor rates, interconnection cost and other regulatory requirements could significantly impact the final Project costs.

**Table 3-1 Estimated Costs for the Hartland Solar Project.**

Category	+/- 25% Preliminary Budgetary Cost Estimates
Solar Panels	60,000,000
Civil/Site Work	55,000,000
Solar Panel Racking	43,000,000
Foundation and Racking Installation	27,000,000
115 kV Gen-Tie	2,000,000
DC and AC Collection System	60,000,000
Substation	37,000,000
Misc: PM, General Contractor, Design, Engineering, Tax, Insurance, Contingency	65,000,000
<b>Total</b>	<b>\$349,000,000</b>

### B. Project Structure and Financing

The Applicant is a Maine limited liability company and a special purpose entity that owns the Project. The Applicant is a subsidiary of Teichos Energy.

Teichos Energy, a utility-scale renewable energy developer, was founded in 2012 in Seattle, WA. It is led by Steve Voorhees, CEO. In 2000, Mr. Voorhees started Ridgeline Energy, a wind and solar development company that was sold to the French environmental services company, Veolia, in 2008. Seven former Ridgeline colleagues joined Teichos Energy bringing their varied expertise in energy project development, construction and operations and maintenance averaging over 20 years of experience in the renewable energy industry. The Applicant is expected to have the structure typical of a non/limited-recourse project financing, including construction debt coupled with tax equity and long-term debt commitments. Sponsor equity will fill the remainder of the funding need. The Applicant anticipates that roughly 20 percent (%) of the construction costs will be funded with equity and the balance funded by debt and tax equity.

The following describes typical financing for utility-scale Solar that the Applicant has implemented on past projects. The precise financing structure for the Project may differ from the typical structure described here.

Typically, the construction loan will be funded at Final Notice to Proceed, and monthly loan draws will be utilized to fund construction activities until the Project reaches the Commercial Operation Date. Following the commercial operation date, the construction loan will convert to long-term debt.

As noted above, this financing plan is customary for utility-scale solar projects and is one that the Applicant has implemented for several gigawatts of projects it has developed. Providers of debt and tax equity have not yet been

selected for this Project, but the Applicant anticipates working with financial counterparties where it has a strong relationship and proven track record of success.

As an example, a Customers Bank Letter of Support is provided in Exhibit 3-1.

### C. Certificate of Good Standing

A Certificate of Good Standing furnished by the Maine Secretary of State affirming that the Applicant is in good standing and authorized to conduct business in the State is provided in Exhibit 3-2.

### Exhibits

- Exhibit 3-1 Financial Support Letter
- Exhibit 3-2 Certificate of Good Standing





January 22, 2024

**STRICTLY PRIVATE AND CONFIDENTIAL**

Hartland Solar Facility LLC  
500 Union Street Suite 625  
Seattle WA 98101

**RE: Teichos Energy**

On behalf of RE Royalties Ltd, a publicly traded company listed on the TSX Venture Exchange in Canada ([www.reroyalties.com](http://www.reroyalties.com)), I am writing to express our support for Teichos and the Hartland Project in Maine.

RE Royalties Ltd, is proud to be at the forefront of innovative renewable energy financing. Our successful collaboration with Teichos on two previous financings in 2021 and 2023 was a success for both companies. Our experience with Teichos has been characterized by their commitment to the highest professional standards and their record in the renewable energy industry has solidified our confidence in their capabilities as leaders in the field.

In our discussions with Teichos regarding the Hartland project, we are impressed by their strategic approach to securing financing for project deposits, debt, and equity. We are confident in Teichos' ability to navigate the project development steps successfully, and we eagerly anticipate the opportunity to contribute to its success.

To provide a deeper understanding of RE Royalties' financial capacity and experience, we invite you to review our comprehensive financial statements, available on our website and SEDAR. For any inquiries or to learn more about our capabilities and track record, please feel free to contact me directly at [alistairhoward@reroyalties.com](mailto:alistairhoward@reroyalties.com).

Yours truly,

A handwritten signature in blue ink that reads 'Alistair Howard'.

**Alistair Howard**  
Vice President – Corporate Development  
RE Royalties Ltd.



# Delaware

## The First State

*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "HARTLAND SOLAR FACILITY LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWELFTH DAY OF OCTOBER, A.D. 2023.*

*AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "HARTLAND SOLAR FACILITY LLC" WAS FORMED ON THE THIRTEENTH DAY OF SEPTEMBER, A.D. 2023.*

*AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN ASSESSED TO DATE.*



  
Jeffrey W. Bullock, Secretary of State

7673364 8300

SR# 20233717697

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

Authentication: 204360589

Date: 10-12-23