

# RENEWABLE ENERGY APPRAISALS AND COST SEGREGATION

**November 18 – 19, 2020**  
**Online | Central Time**

## EUCI ONLINE COURSE

**EUCI is pleased to offer this virtual course on its online interactive platform. Enjoy a valuable learning experience with a smaller impact on your time and budget. Attendees will gain new knowledge, skills, and hands-on experience in just one and a half days from their remote location.**

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by IACET to offer  
1.0 CEUs for the  
course

## OVERVIEW

This 1½ day symposium will examine the dominant appraisal methodologies applied to renewable energy projects. It will review the income approach, dissecting salient features that drive the all-important measures relied on for transaction negotiations and execution. The program will distinguish appraisal nuances among the various classes of renewable energy project types, as well as accounting for differences in used, mature and re-powering assets vs. new project assets. Finally, it will consider what boundaries roles that different parties – project developers, investors and sponsors, lenders and advisors – play in the formulation of a sound, enduring appraisal.

## LEARNING OUTCOMES

- Review the three approaches to value of an appraisal
- Explore the role of an appraisal in M&A and tax equity financing transactions
- Assess the manifold externalities that can affect the appraisal
- Analyze fair market value for debt underwriting purposes
- Examine appraised values for tax equity investment purposes
- Evaluate the distinctions between cost segregation and cost certification studies to assign costs appropriately
- Discuss the use of appraisals for property tax purposes
- Identify prominent distinctions in appraisals between various renewable energy resources and their development cycle



*“EUCI events are a great way to connect with top industry experts.”*

Director, Gulf Coast Energy Network



*“EUCI made me believe that learning is not locked down during COVID 19 pandemic time. EUCI provided online learning opportunity which proved that learning from home is possible!”*

Operations Support Analyst, TC Energy

# AGENDA

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WEDNESDAY, NOVEMBER 18, 2020 - CENTRAL TIME

**8:45 – 9:00 am**

**Log In**

**9:00 – 9:15 am**

**Overview & Introductions**

**9:15 – 10:30 am**

**Anatomy of an Appraisal**

- Purposes of an Appraisal
  - o Property Tax Appeals
  - o Financial Reporting
  - o Insurable Values
  - o Litigation Support
  - o Strategic Management Discussion
  - o M&A Transactions / Tax Equity Financing
  - o Asset Re-powering
- Three Approaches to Value
  - o Income Approach
  - o Cost Approach
  - o Sales Comparison/Market Approach
- Typical Standards of Value
  - o Fair Value
  - o Fair Market Value
  - o Fair Market Value in Continued Use
  - o Orderly Liquidation Value
  - o Forced Liquidation Value
- Factors that Can Affect the Appraisal
  - o Local, State, Regional and Federal Regulatory and Environmental Policies
  - o Global Supply Chain and Project Components
  - o Tariffs, Market Disruptions and Other Externalities
  - o Industry Trends that Affect other Grid or Generation Options
  - o Technology and Yield Enhancements

**10:30 – 10:40 am**

**Morning Break**

**10:40 – 11:50 am**

**Analyzing the Cost Approach**

- Indirect Method
  - o Sources
  - o Application
- Direct Method
  - o Sources and applications
  - o NREL
  - o [www.SNL.com](http://www.SNL.com)
- Indirect vs. Direct Method
- Useful Life
- The three forms of depreciation
  - o Physical Deterioration
  - o Functional Obsolescence
  - o Economic Obsolescence

# AGENDA

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WEDNESDAY, NOVEMBER 18, 2020 - CENTRAL TIME (CONTINUED)

**11:50 am – 12:00 pm**     **Morning Break**

**12:00 – 1:15 pm**     **Analyzing the Income Approach**

- Overview
  - o Discounted Cash Flow Method
- Evaluating project cash flows and inputs / assumptions
  - o Operational characteristics / production
  - o Sources of revenue
  - o Operating expenses
  - o Taxes
  - o Depreciation
  - o Net working capital
- Calculating a discount rate
  - o Calculation of the weighted average cost of capital (“WACC”)
- Other considerations
  - o Consideration of project location / power market construct by region
  - o The level of risk associated with the cash flows
  - o Post-PPA power price forecasting
  - o Assessing Economic Useful Life
- Critical inputs and assumptions
  - o Independent Engineering report
  - o Cost segregation analysis / report
  - o Assumptions related to ITC / PTC

**1:15 – 2:00 pm**     **Break for Lunch**

**2:00 – 2:45 pm**     **Analyzing the Market Approach**

- Application of the Market Approach in Appraisals
  - o C&I Context
  - o Residential, DG Context
  - o Utility-scale Context
- Guideline Companies
- Secondary Market Sources
  - o Resellers
- o Dealers
  - o Distressed Purchases

**2:45 – 3:30 pm**     **Analyzing the FMV for Debt Underwriting**

- Loan-to-value (LTV)
- Debt Coverage Service Ratio (DSCR)

**3:30 – 3:45 pm**     **Afternoon Break**

**3:45 – 5:15 pm**     **Analyzing Appraised Values for Purposes of Tax Equity**

- Evaluating and Deciding on Appraiser
- Tax Equity Credit Insurance
- Effect on Financial Model

**5:15 pm**     **Program Adjourns for Day**

# AGENDA

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THURSDAY, NOVEMBER 19, 2020 - CENTRAL TIME

**8:45 – 9:00 am**

**Log In**

**9:00 – 9:45 am**

**Assigning Costs Appropriately**

- What is a Cost Segregation Study?
- MACRS Eligibility
- Depreciation
  - o Different from Appraisal Depreciation
- What is a Cost Certification Study?
  - o ITC/PTC Eligibility and Basis Determination
- Differences between Cost Seg and Cost Cert
  - o Direct Costs
  - o Indirect Costs
- Alta Wind Legal Precedent
- California Ridge Legal Precedent
- CARES Act impact on Cost Segregation Studies

**9:45 – 10:30 am**

**Prominent Distinctions in Appraisals between Various Renewable Energy Resources**

- Solar, Wind, Biomass, Other
  - o Technologies and Deployment Scenarios
  - o Estimated Normal Useful Life (“NUL”)
  - o O&M
  - o Capacity and Yield
  - o Access to Point(s) of Interconnection (“POI”) and Proximity to Similar Resources
  - o Types and Nature of Incentives

**10:30 – 10:45 am**

**Morning Break**

**10:45 – 11:30 am**

**Accounting for Differences in Project Development Stage**

- Used
- Mature
- Re-powering Assets vs. New Property

**11:30 am – 12:30 pm**

**Considerations in Evaluating a Property Tax Assessment and Estimating Property Taxes in an Acquisition**

- Introduction
  - o Property Tax Overview
  - o Tangibles vs Intangible Valuation
- Case Law Overview
  - o Discussion of Various State Cases
  - o Are the plant and contract “inextricably” tied together
  - o Criteria Used for Determining Intangible Asset Valuation
- Other Criteria For Determining Intangible Asset Valuation
  - o IAAO White Paper Overview
  - o Appraisal Institute
  - o Purchase Price Allocation
  - o Other authorities and sources
- Key Factors in Valuation for Property Taxes
  - o Replacement Cost Trends
  - o Sales Comparison Approach
  - o Income Approach
  - o 4th Opinion of Value (something unique to property taxation)

# AGENDA

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THURSDAY, NOVEMBER 19, 2020 - CENTRAL TIME (CONTINUED)

- Other Factors and Considerations
  - o Relationship with Assessor and Jurisdiction
  - o Incentives
  - o Tax Jurisdiction's Diversity and Magnitude of Tax Base

12:30 pm

**Course Adjournment**

## SUBJECT MATTER EXPERT PRESENTERS

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**Shariff Barakat**

Partner, Nixon Peabody LLP

**Gary Blitz**

Senior Managing Director/Co-Practice Leader,  
Aon Transaction Solutions

**David Boisture**

Partner, Novogradac & Company LLP

**Bruce Cartwright**

Managing Director – Property Tax Practice,  
Duff & Phelps LLC

**Joseph Ritter**

Senior Vice President, Seminole Financial Services, LLC

**James F. Duffy**

Partner, Nixon Peabody LLP

**Tony Grappone**

Partner, Novogradac & Company LLP

**Camelia Miu**

Acquisitions, Investments and Financial Advisory, Engie

**Steven Munson**

Senior Manager – Valuation Advisory / Transactions &  
Turnaround Advisory, CohnReznick LLP

**J. Fernando Sosa**

Director – Valuation & Advisory, Cushman & Wakefield

**Patricia Tuite**

Managing Director, Deloitte Advisory LLP

**Caroline (Sieber) Walters**

Director – Valuation Advisory Services, Duff & Phelps LLC

## IACET CREDITS



EUCI has been accredited as an Authorized Provider by the International Association for Continuing Education and Training (IACET). In obtaining this accreditation, EUCI has demonstrated that it complies with the ANSI/IACET Standard which is recognized internationally as a standard of good practice. As a result of their Authorized Provider status, EUCI is authorized to offer IACET CEUs for its programs that qualify under the ANSI/IACET Standard.

**EUCI is authorized by IACET to offer 1.0 CEUs for the course.**

## ONLINE COURSE DELIVERY & PARTICIPATION DETAILS

EUCI will use Microsoft Teams to facilitate participation in the upcoming event. Attendees do not need to have an existing Teams account to participate in the broadcast. The course will play in attendee's browser. When attendees sign on, their microphones are typically muted. Attendees should keep their mic muted until such time as it's needed to ask a question. During the event, participants will have the option of using a microphone to speak with the room and ask questions, or type in any questions via the chat window and our on-site representative will relay your question to the instructor.

- Each attendee will receive an event invitation by e-mail, which will include one link to sign on for each half-day of the event (i.e., three links for a 1 ½ day event). The appropriate link must be used to join each half-day event segment at the appropriate time.
- The remote meeting connection will open approximately 30 minutes before the start of the course. We encourage attendees to connect as early as possible in case of unforeseen problems.

## REQUIREMENTS FOR SUCCESSFUL COMPLETION

Participants must log on each day and be in attendance for the entirety of the course to be eligible for continuing education credit.

## INSTRUCTIONAL METHODS

This program will use PowerPoint Presentations and group discussions.

To Register Click Here, or

**Mail Directly To:**

PMA Conference Management

405 Highview Rd

Englewood NJ 07631

201 871 0474

Fax 253 663 7224

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Energize Weekly is EUCI's free weekly newsletter, delivered to your inbox every Wednesday. We provide you with the latest industry news as well as in-depth analysis from our own team of experts. Subscribers also receive free downloadable presentations from our past events.

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## PLEASE SELECT

**RENEWABLE ENERGY APPRAISALS AND COST SEGREGATION ONLINE COURSE**  
NOVEMBER 18-19, 2020: US \$1295 (Single Connection)

**PACK OF 5 CONNECTIONS:** US \$ 5,825

**PACK OF 10 CONNECTIONS:** US \$9,715

### Online Course Delivery & Participation Details

*See page 7 for information*

**Recording:** Each event is recorded, and will be available for three business days. For registrants only.

How did you hear about this event? (direct e-mail, colleague, speaker(s), etc.)

Print Name

Job Title

Company

Address

City

State/Province

Zip/Postal Code

Country

Phone

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### CREDIT CARD INFORMATION

Name on Card

Billing Address

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Billing City

Billing State

Exp. Date

Security Code (last 3 digits on the back of Visa and MC or 4 digits on front of AmEx)

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**OR** Enclosed is a check for \$ \_\_\_\_\_ to cover \_\_\_\_\_ registrations.

#### Substitutions & Cancellations

Your registration may be transferred to a member of your organization up to 24 hours in advance of the event. Cancellations must be received on or before July 23, 2020 in order to be refunded and will be subject to a US \$195.00 processing fee per registrant. No refunds will be made after this date. Cancellations received after this date will create a credit of the tuition (less processing fee) good toward any other EUCI event. This credit will be good for six months from the cancellation date. In the event of non-attendance, all registration fees will be forfeited. In case of course cancellation, EUCI's liability is limited to refund of the event registration fee only. For more information regarding administrative policies, such as complaints and refunds, please contact our offices.

EUCI reserves the right to alter this program without prior notice.