

Green Energy

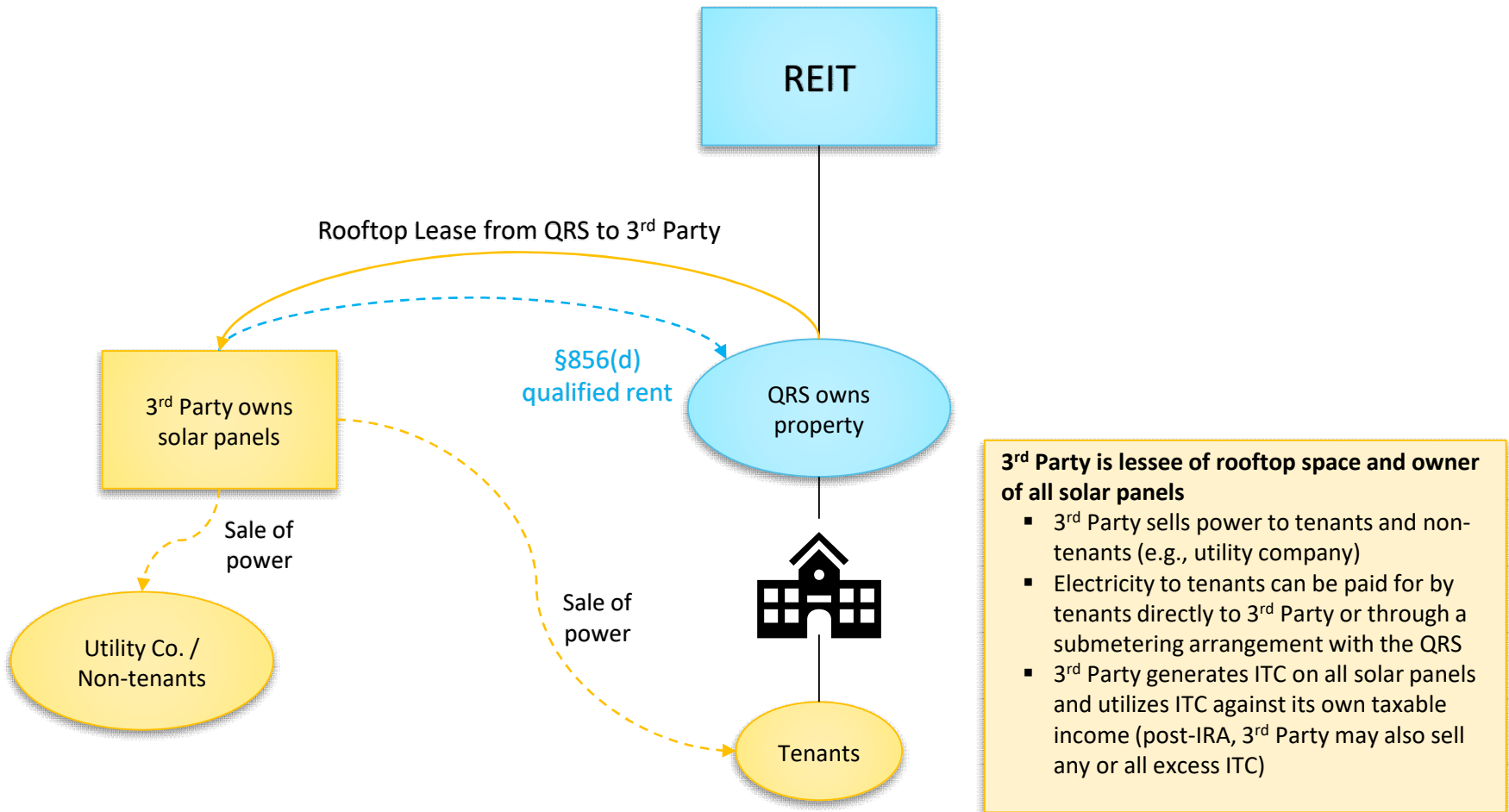
Indicative Structures - Post
Inflation Reduction Act - Solar
Power

July 2023



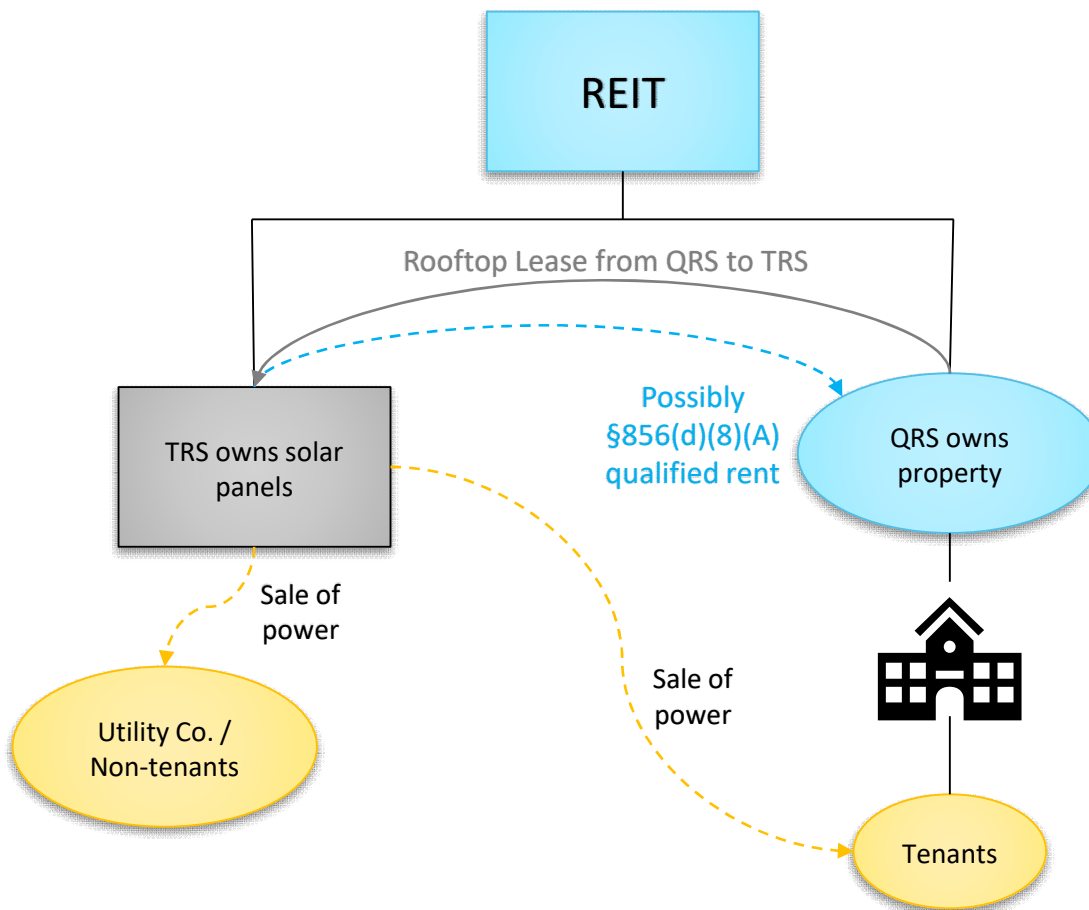
Indicative Structure – Option A1 (Baseline)

Available Pre & Post Inflation Reduction Act



Indicative Structure – Option A2 (Baseline)

Available Pre & Post Inflation Reduction Act

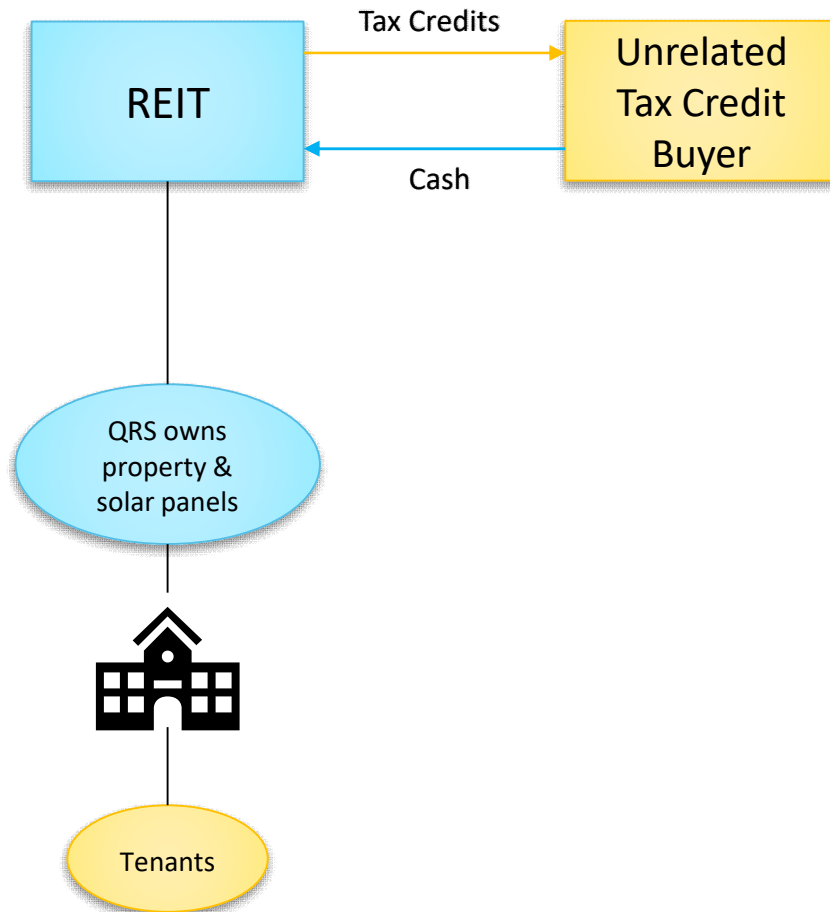


TRS is lessee of rooftop space and owner of all solar panels

- TRS sells power to tenants and non-tenants (e.g., utility company)
- Electricity to tenants can be paid for by tenants directly to TRS or through a Rev. Rul. 2002-38 arrangement
- TRS generates ITC on all solar panels and utilizes ITC against its own taxable income (post-IRA, TRS may also sell any or all excess ITC)

Indicative Structure – Option B

Available Post Inflation Reduction Act

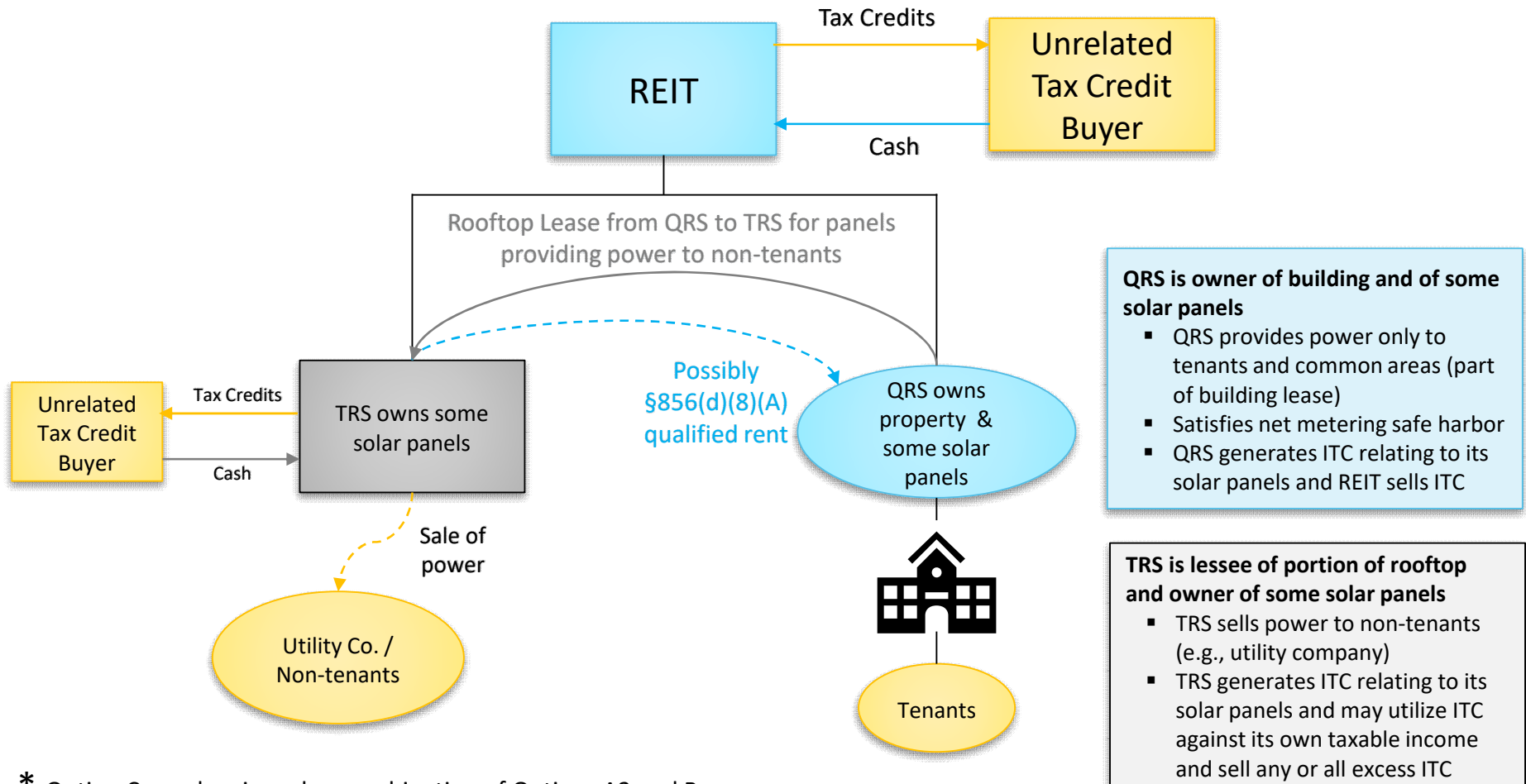


QRS is owner of building and of all solar panels

- QRS provides power only to tenants and common areas (part of building lease)
- Satisfies net metering safe harbor
- QRS generates ITC on all solar panels and REIT sells ITC

Indicative Structure – Option C*

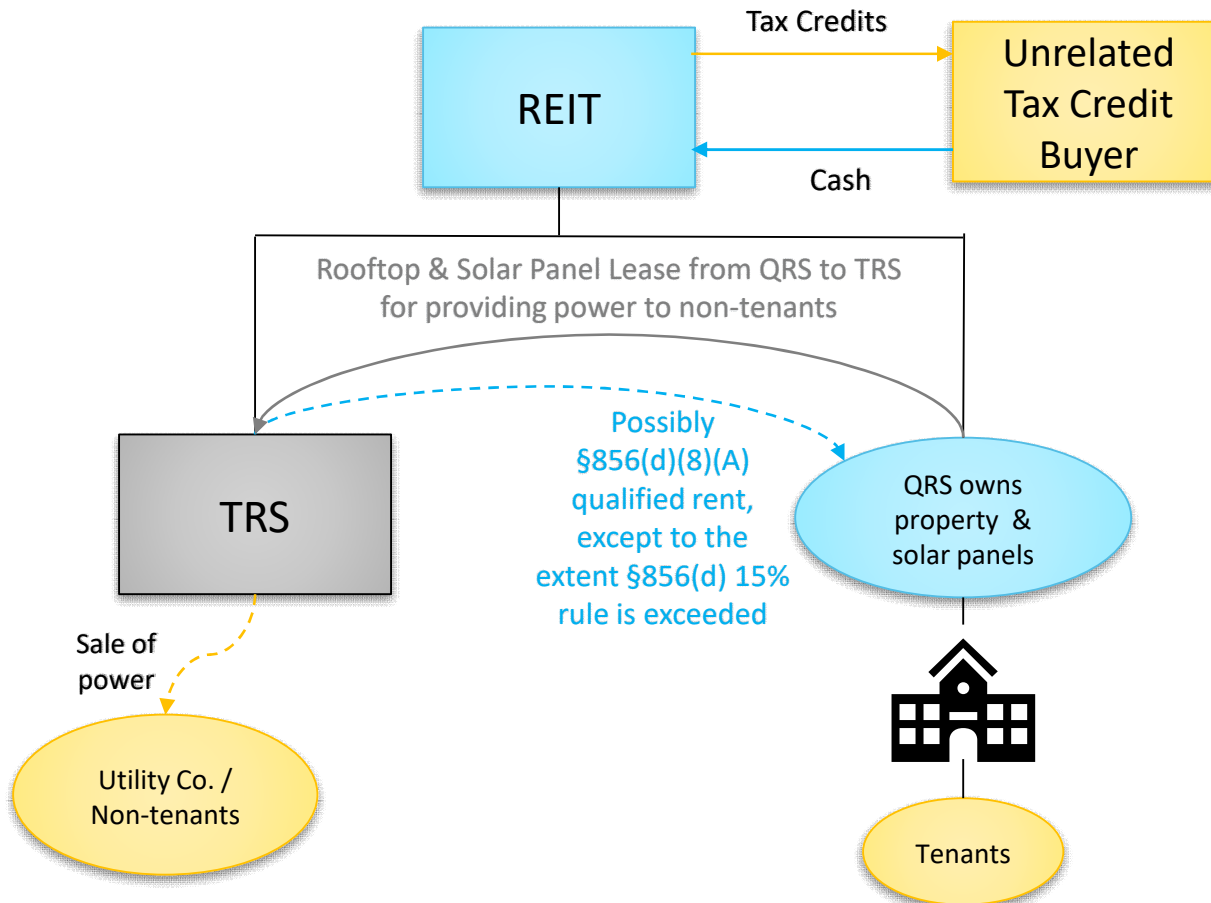
Available Post Inflation Reduction Act



* Option C may be viewed as combination of Options A2 and B

Indicative Structure – Option D

Available Post Inflation Reduction Act



QRS is owner of building and of all solar panels

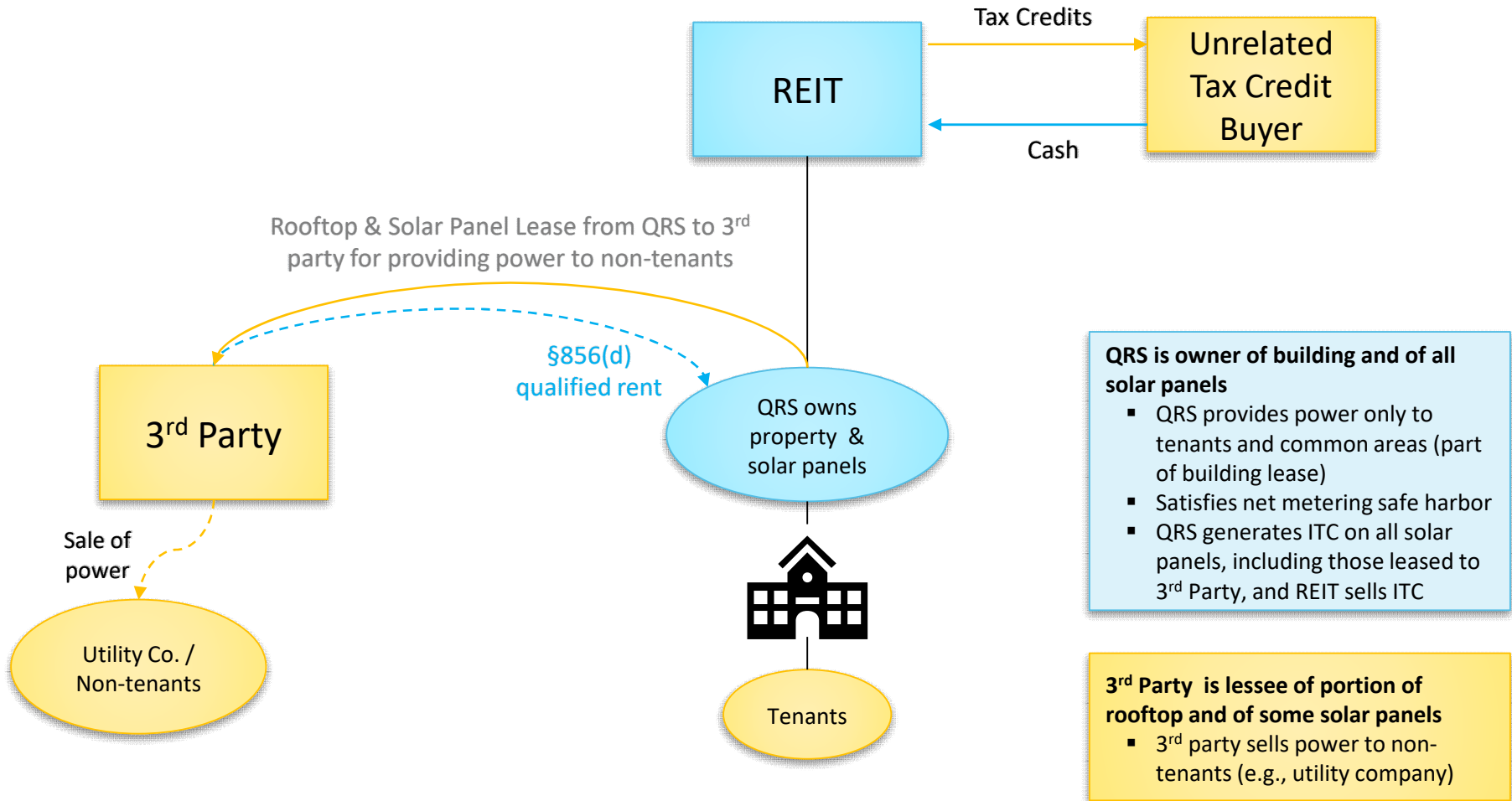
- QRS provides power only to tenants and common areas (part of building lease)
- Satisfies net metering safe harbor
- QRS generates ITC on all solar panels, including those leased to TRS, and REIT sells ITC

TRS is lessee of portion of rooftop and of some solar panels

- TRS sells power to non-tenants (e.g., utility company)

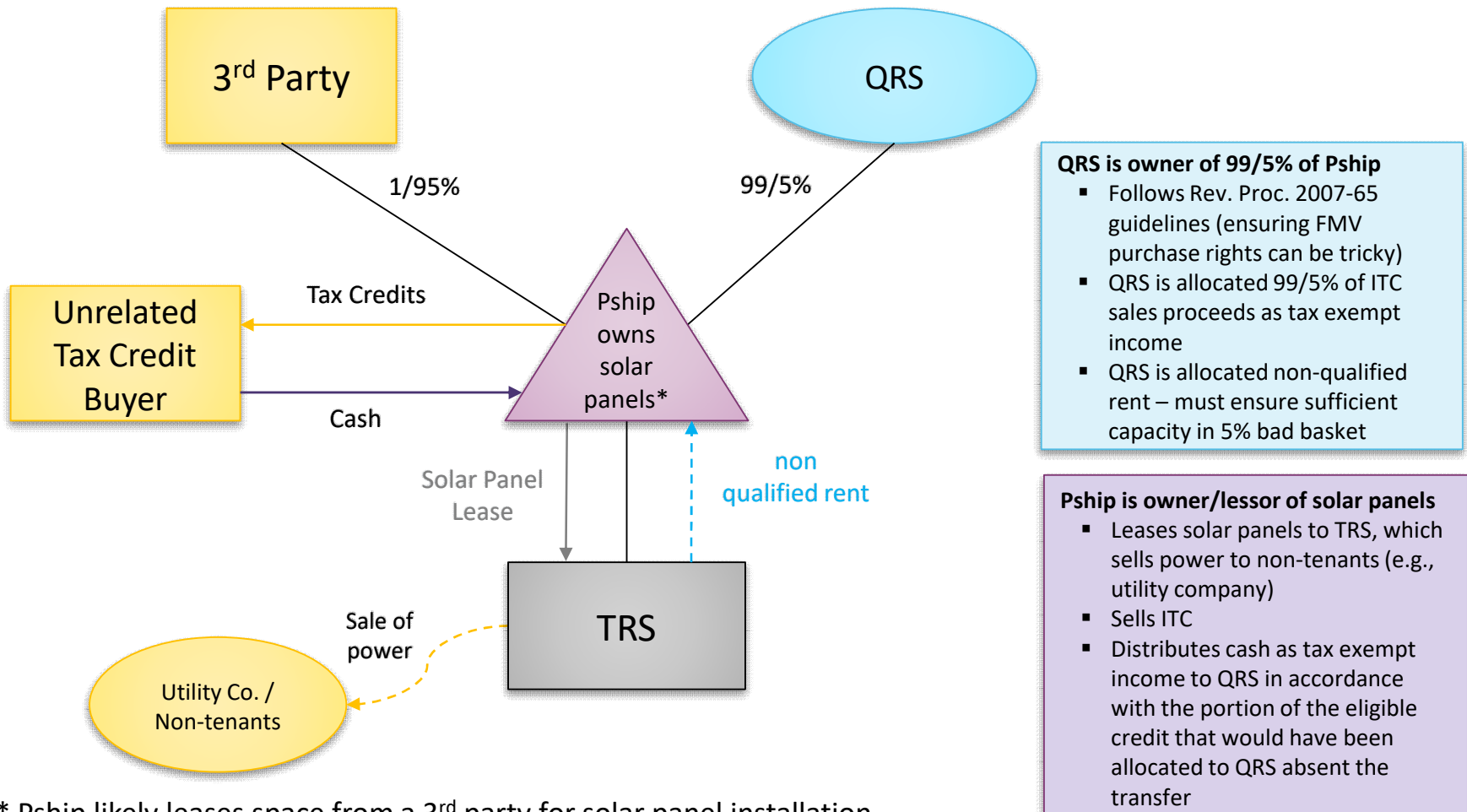
Indicative Structure – Option E

Available Post Inflation Reduction Act



Indicative Structure – Option F

Available Post Inflation Reduction Act (applies Rev. Proc. 2007-65 and Proposed Reg. §§ 1.6418-2(a)(3)(iv); -3(b), (d), (e))



* Pship likely leases space from a 3rd party for solar panel installation

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