

**Solar Flow-Through**  
2014-I Limited Partnership (2014 LP)




## 2014 LP Snapshot

- Distributions to unitholders increased from \$1.50 per unit in Q2 2017 to \$1.75 per unit in Q3 2017
- Liquidity event for unitholders expected in Q2 2018
- All FIT 2.1 projects operational and generating revenue
- All remaining FIT 3.1 rooftop projects operational and generating revenue
- Construction of FIT 3.1 ground mount projects commenced
- FIT 4 projects under development

### Overview

2014 LP is part of a group of limited partnerships that share the same management team which own, operate and develop solar power generation projects in the Province of Ontario. These limited partnerships include 2014 LP, Solar Flow-Through 2012-I Limited Partnership (“2012 LP”), Solar Flow-Through 2013-I Limited Partnership (“2013 LP”), Solar Flow-Through 2015-I Limited Partnership (“2015 LP”) and Solar Flow-Through 2016-I Limited Partnership (“2016 LP”) (collectively the “SFT Group”).

The investment objective of the 2014 LP is to develop and operate solar power generation projects in the Province of Ontario in a manner that provides for income tax deductions to investors during the start-up, development and construction phases and steady income upon commencement of commercial operations. The 2014 LP raised \$9.868 million in 2014. The 2014 LP primarily shares an economic interest in FIT 2, FIT 3.1 rooftop, FIT 3.1 ground mount and FIT 4 projects developed and financed by the SFT Group.

The 2014 LP targeted income distribution is 7% per annum.

### Use of Funds

2014 LP raised \$9.868 million in 2014. From the proceeds, \$9.1279 million was incurred on Canadian Renewable and Conservation Expenses

(“CRCE”) and the remaining \$0.7401 million was incurred on fully deductible partnership expenses. The 2014 LP did a renunciation for CRCE for the \$9.1279 million (“CRCE Proceeds”) prior to 2014 year-end. Unitholders received tax receipts for their investment in the 2014 LP in early 2015. The CRCE Proceeds were incurred to develop Independent Electricity System Operator (“IESO”) FIT 3.1 contracts and to secure leases and develop projects for FIT 4 contracts to develop and operate solar projects to produce electricity for the IESO at a guaranteed rate over twenty years.

### Performance of the 2014 LP

The first distribution of 1.00% was made on December 30, 2016, and increased by 0.25% per quarter to the target income distribution of 1.75% per quarter in Q3 2017. Management expects to maintain this 7% annual target.

### Net Asset Value (NAV)

At the end of Q3 2017, the NAV of 2014 LP units had not been updated and remained at \$100.00. Management intends to update the NAV in Q2 2018.

### Liquidity Options

The next liquidity event is expected to occur in Q2 2018. In the longer term, management will pursue additional liquidity opportunities, which may include a listing on a Canadian stock exchange together with the SFT Group.

**180 Kw DC FIT 3.1  
Rooftop Project  
located in Vaughan  
Ontario Canada.**



### **FIT 2.1 – All Projects Operating**

The 2014 LP primarily shares an economic interest in the FIT 2 projects with 2012 LP, 2013 LP and 2015 LP. In the second half of 2015, all FIT 2 projects were completed and connected into Ontario's electrical grid and generating revenue from the production of electricity. The 2014 LP has a shared economic interest in FIT 2 projects owned and operated by the SFT Group totalling 6.5 MW DC.

### **FIT 3.1 Projects – All FIT 3.1 Rooftop Projects Complete and Generating Revenue**

The 2014 LP shares an economic interest in the FIT 3.1 rooftop projects with 2012 LP, 2013 LP, 2015 LP and 2016 LP. Construction of the FIT 3.1 rooftop projects is complete. All FIT 3.1 rooftop projects are now generating revenue from the production of electricity into Ontario's electrical grid.

The 2014 LP shares an economic interest in the FIT 3.1 ground mount projects with 2012 LP, 2013 LP, 2015 LP and 2016 LP. Engineering and development of the FIT 3.1 ground mount projects continued through Q3 2017. Construction of the first FIT 3.1 ground mount project began in the summer 2017, with all FIT 3.1 ground mount projects expected to achieve commercial operation in 2018.

Management expects that the 2014 LP will have a shared economic interest in FIT 3.1 projects owned and operated by the SFT Group totalling between 15 and 18 MW DC.

### **FIT 4 Projects - Ongoing Development and Feasibility Analysis Underway**

The 2014 LP has an economic interest in FIT 4 projects together with the 2013 LP, 2015 LP and 2016 LP.

In Q3 2016, the IESO awarded approximately 35 MW DC of FIT 4 Contracts to entities controlled by the 2014 LP and other members of the SFT Group. A number of ground mount projects may not proceed due to higher than expected costs associated with connecting these projects to the electrical grid making them uneconomical. Management is currently investigating alternatives to reduce these connection costs. At this time, management expects to build FIT 4 projects totalling approximately 10 MW DC.

Initial development of the FIT 4 projects began during Q4 2016. Permitting, engineering and development of the FIT 4 projects continued through Q3 2017. The majority of the FIT 4 projects are ground mount projects. Management has determined that the small number of the rooftop projects were uneconomical to construct. Management expects that most of the ground mount FIT 4 projects that are expected to become operational will be completed by the end of 2018 and the remainder by end of 2019.



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