



Investor Update - March 31, 2015

Solar Flow-Through 2014-I Limited Partnership

Overview

The investment objective of the Solar Flow-Through 2014-I Limited Partnership (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 \$9,868,000 (**2014 Proceeds**) in December 2014. The 2014 LP has a targeted income distribution of 8% per annum expected to commence on December 31, 2016 (i.e. 24 months from the closing).

Use of Funds

\$9,127,900 representing 92.5% of the 2014 Proceeds was to be incurred on Canadian Renewable and Conservation Expenses (**CRCE**). The 2014 LP did a renunciation for CRCE for the \$9,127,900 (**CRCE Proceeds**) prior to 2014 year end. It is anticipated that the CRCE Proceeds that were renounced in 2014 would be incurred in 2015 in the following manner.

- The development of the Feed-in-Tariff (**FIT**) 3.5 projects originally secured by the Solar Flow-Through 2012-I Limited Partnership (**2012 LP**) together with the Solar Flow-Through 2013-I Limited Partnership (**2013 LP**),
- To secure leases and develop projects for application submission for contracts under FIT 4.

The remaining \$740,100 representing 7.5% of the 2014 Proceeds was incurred on fully deductible partnership expenses prior to December 31, 2014. T5013A tax receipts were issued in March 2015 to all unitholders for the full amount of their investment for the 2014 tax year.

Merger of OPA and IESO

On January 1, 2015, the Ontario Power Authority (**OPA**), which was the agency of the Government of Ontario that administered the FIT program, merged with the Independent Electricity System Operator (**IESO**), another government agency. The merged entity is now collectively operating as IESO.

FIT 3 and FIT 3.5 Projects

The 2013 LP, in partnership with the 2012 LP, applied to the OPA for FIT 3 Contracts in Q4 2013. In Q3 2014, the IESO awarded an initial round of 123 MW AC of FIT 3 Contracts. On December 19, 2014, the IESO announced an additional 100 MW AC of contracts (**FIT 3.5 Contracts**) would be awarded to projects that applied for FIT 3 Contracts in Q4 2013. Based on the IESO's December 19, 2014 announcement, the

2013 LP and the 2012 LP, together with their development partners, will receive FIT 3.5 Contracts for over 100 projects (**FIT 3.5 Projects**) totaling approximately 33.5 MW AC (or ~40 MW DC).

The economic interest in approximately 6.8 MW AC (or ~8.1 MW DC) of the FIT 3.5 Projects is controlled by third-party development partners of the 2012 LP and 2013 LP. The remaining economic interest of approximately 26.7 MW AC (or ~32.0 MW DC) is held by companies controlled by the 2012 LP and the 2013 LP.

Some of the 2014 Proceeds will be used to fund development expenses of the FIT 3.5 Projects held by the 2012 LP and the 2013 LP. As a result of the 2014 LP's funding of the FIT 3.5 Projects, the 2014 LP will have an economic interest in the FIT 3.5 Projects along with the 2012 LP and 2013 LP.



FIT 4 Applications

During 2014, proceeds from the 2013 LP were used to secure leases with landlords and landowners for the purpose of submitting FIT 4 applications. The IESO had originally indicated that the FIT 4 application window for contracts would open in Q3 2014. The IESO has now indicated that the application window will be in June and July 2015.

Some of the 2014 Proceeds will be used to secure additional FIT 4 leases. In addition to securing leases, other development work on these sites is being performed in order to get them to the point where they can be submitted for applications. As a result of the 2014 LP's funding of the FIT 4 leases and applications, the 2014 LP will have an economic interest in the FIT 4 Projects along with the 2013 LP.

The IESO has indicated that FIT 4 Contracts will be awarded to the successful FIT 4 applications in Q4 2015. It is expected that the projects that receive FIT 4 Contracts will be developed and built out over 2016 and 2017.

Liquidity Options

Unitholders in the 2014 LP can anticipate a steady income stream over 20 years beginning on December 31, 2016. Alternatively, Management of the 2014 LP is investigating possible liquidity options for its unitholders if they choose to divest their units. These options include the following:

- organizing offerings to secondary buyers of the units,
- listing of the 2014 LP on a Canadian stock exchange along with the 2012 LP, and/or 2013 LP, or
- sale of some or all the assets of the 2014 LP.

Acceptance of the last two liquidity options requires the approval of at least two-thirds of the votes cast at a meeting of unitholders.

Management does not expect any liquidity options to occur in 2015. It is not expected that either of these last two options would occur prior to December 31, 2016.

Solar Flow-Through 2012-I Limited Partnership

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