

## Investor Update – March 31, 2017

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

#### 2014 LP Snapshot

- Distributions to unitholders increased from \$1 per unit in Q4 2016 to \$1.25 per unit in Q1 2017
- Liquidity event for unitholders delayed from Q4 2016, expected in Q3 2017
- All FIT 2.1 projects operational and generating revenue
- Additional FIT 3.1 rooftop projects became operational in Q1 2017 with the remaining to become operational in Q2 2017
- Construction of FIT 3.1 ground mount projects expected to commence summer 2017
- Feasibility analysis of FIT 4 projects underway

#### 2014 LP Performance – 1.25% Distribution in Q1 2017

The investment objective of the 2014 LP is to develop income tax deductions for investors during the start-up, development and construction phases of solar PV projects, and steady income upon the completion of commercial operations. The 2014 LP raised \$9,868,000 (2014 Proceeds) in December 2014.

Management of the 2014-I Limited Partnership (Management) is pleased to announce that the first distribution of 1.00% was made at December 30th, 2016 and increased to 1.25% in the Q1 2017 distributions. Management is evaluating if and when the quarterly distributions may increase to the target of 2.00% per quarter.

#### Net Asset Value (NAV)

At the end of Q1 2017, the NAV of 2014 LP units had not been updated and remained at \$100.00. It is the intent of Management to update the NAV after completion of the 2016 year audited statements for the 2014 LP which is expected to occur in Q2 2017.

#### Liquidity Options

Previously, Management intended to facilitate a liquidity event with secondary buyers for the 2014 LP unitholders in Q1 2017. The Liquidity Event is now expected to occur in Q3 2017 after the NAV has been updated in Q2 2017.

In the longer term, Management will pursue additional liquidity opportunities, which may include a listing on a Canadian stock exchange together with the 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).

*600 kW DC FIT 2 Project located in Brampton, Ontario, completed in July 2015.*





*180 Kw DC FIT 3.1 rooftop project located in Vaughan Ontario.*

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

The 2014 LP shares an economic interest in the FIT 2.1 projects with both the 2012 LP and the 2013 LP. In the second half of 2015, all FIT 2.1 projects were completed and connected into Ontario's electrical grid and generating revenue from the production of electricity. As of March 31, 2017, the 2014 LP has a shared economic interest in FIT 2.1 projects totalling 5,344 kW DC.

### **FIT 3.1 Projects – Development, Construction Continue; More Projects Achieve Operational Milestones**

Construction of the FIT 3.1 rooftop projects continued through Q1 2017. The first set of FIT 3.1 rooftop projects were completed and connected into Ontario's electrical grid in Q4 2016, with additional FIT 3.1 rooftop projects becoming operational in Q1 2017. These are now generating revenue from the production of electricity. All remaining FIT 3.1 rooftop projects will be completed and operational in Q2 2017, ahead of Ontario's peak seasonal solar production period.

Engineering and development of the FIT 3.1 ground mount projects continued through Q1 2017. Construction of the first FIT 3.1 ground mount project is expected to begin in the summer 2017, with all FIT 3.1 ground mount projects expected to achieve commercial operation by end of Q1 2018.

In Q2 2015, the IESO awarded approximately 30 MW DC of FIT 3.1 Contracts to entities controlled by the 2014 LP and other Solar Flow-Through Limited Partnerships. A number of FIT 3.1 rooftop projects did not achieve commercial operation for various unforeseen reasons including structural (load) deficiencies of the roof, the sale of buildings and landlords' unwillingness to proceed with projects. A number of FIT 3.1 ground mount projects may not proceed due to community opposition. Once all of the FIT 3.1 rooftop and ground mount projects achieve commercial operational, Management expects that the 2014 LP will have a shared economic interest in FIT 3.1 projects totalling between 15 and 18 MW DC.

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

A significant majority of the 2014 LP's economic interests are held in FIT 2.1 and FIT 3.1 projects, and most of the expected distributions to unitholders of the 2014 LP will result from these projects. The 2014 LP also has a smaller economic interest in FIT 4 projects. The majority of economic interest held in the FIT 4 projects is held by other Solar Flow-Through Limited Partnerships.

In Q3 2016, the IESO awarded approximately 35 MW DC of FIT 4 Contracts to entities controlled by the 2014 LP and other Solar Flow-Through Limited Partnerships. 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 is uncertain as to the amount of FIT 4 projects that will achieve commercial operation.

Initial development of the FIT 4 projects began during Q4 2016. Continued permitting and initial engineering on FIT 4 projects occurred in Q1 2017. A large majority of the FIT 4 projects are ground mount projects, with a small number of these projects being rooftop. The few FIT 4 rooftop projects are expected to be completed and operational by the end of 2017. 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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