

GRID CAPITAL

Next Generation
Grid Finance
and Advocacy

New Solutions for a New Time

USGRDCO

US Grid Company



Utilities wanting to advance sooner need a finance model that is regulator friendly, delivers predictable EPS growth and mitigates "rate shock" to protect customers. **GRID CAPITAL** is a financing solution that helps 3rd parties and utilities alike transition to the power model of the future.



Insight: Political and consumer buy-in can only be achieved through consolidated advocacy balanced with public engagement. Our expertise in this key area sets us apart from our competitors and accelerates project implementation and success.

gathering momentum

Our vision of the future utility model fully integrates distributed energy resources, including renewables and low-carbon sources, via dynamic microgrid and smart grid systems, designed to give customers exactly what they want from energy in a way they can afford.

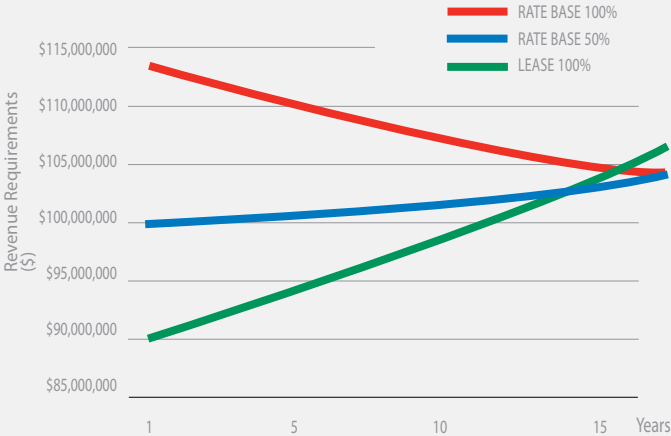


Our financing approach provides utilities with the requisite capital to improve their distribution grid security, reliability, resilience and efficiency through an investment structure that combines current rate base inclusion for a significant portion of the new investment required, and subsequently leases back the remainder of the new distribution assets to utilities on a lower-cost, levelized basis.

This structure will provide visible earnings-per-share (EPS) growth to utilities reflecting a lower, near-term cost to customers.

Grid Capital Financing

REVENUE REQUIREMENT



LEVELIZATION OF RATES: The blue line shows the payments levelized with 50 / 50 split between Rate Base and Lease.

Key assumptions :

- Financing
 - Rate Base 50% / Lease 50%
- Utility rating
 - S&P : A rated utility
- Lease term (structured as an operating lease)
 - 18 Years
- Depreciation life of assets
 - 25 years
- Debt / Equity ratio
 - 50 / 50
- Utility share of operating cost saving
 - 30%
- Operating cost saving period
 - 5 years

Advantages of our structure:

- Lower cost of investment capital
- Levelized rate structure (no rate shocks)
- Allows for build-out of deferred projects and required maintenance: back-logged because of capital requirements and regulatory push-backs
- Incorporates performance incentives for utilities, based on grid efficiency and reliability
- Supports the move away from an inadequate, one-size-fits-all model towards the *right size* fits exactly right

GRID CAPITAL
catalyzes your ability to mobilize quickly and rapidly respond to regulatory directives with a solution that protects customers from rate shocks, and delivers predictable EPS growth

Advantages of our approach:

- Experience, relationships and know how
- Strong advocacy with state and federal regulators, legislators and policy makers
- Robust finance & project management capability with relentless focus on detail and execution

Our grid projects are rooted in a deep understanding of current and future needs and designed for dynamic integration with utilities to cumulatively strengthen the US power delivery system, which is in everyone's best interests and results in a Win-Win scenario for all.

next steps...



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