



**Alternative Financial Structures**  
*for Energy Infrastructure*



# What is a REIT?

*Real Estate Investment Trust*

**75%**

of assets in real estate

**75%**

of gross income rents from real property

**95%**

of taxable income paid to shareholders

**100+**

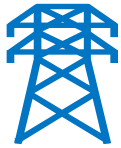
minimum shareholders

**< 50%**

of shares held by 5 or fewer individuals

UNITED STATES  
Internal  
Revenue  
Service  
Building

# IRS Private Letter Rulings and Guidance



## Electric Transmission

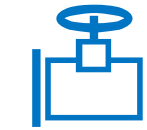
- System is physically connected & functionally interdependent
- Serves as a “passive” conduit; does not create or generate any signal or commodity
- Each component is intended to serve indefinitely



## Solar

**Land Mounts**  
**Exit Wires**

**Photovoltaic Modules (PV Modules)**



## Pipelines



## Storage Tanks



## Offshore Platforms



## Railroads

Safe harbor for other energy-related assets with **“inherently permanent structures”**

## Basic REIT Structure *Electric Transmission & Distribution Assets*

- Lessee must be unrelated to REIT
- REIT owns interest in HoldCo Partnership
- Holdco Partnership owns interest in OpCo
- OpCo owns Assets
- OpCo leases Assets to Unrelated Operator
- Lease is not based on Operator's net profits

