



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



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

