

CCH® AnswerConnect

Virtual Coffee Talk

A discussion of the latest tax updates

The IRA — One Year Later: Early Learnings From Battery Storage Projects

Kevin M. Jacobs, Managing Director at Alvarez & Marsal Tax

Rogers Herndon, Managing Director at Alvarez & Marsal
Corporate Performance Improvement

Christopher Scott, Renewable Energy Investments at Google

Chris Taylor, CEO at GridStor

Jamie Stahle, President & COO at CCA Capital, LLC

Shariff Barakat, Partner at Akin Gump

Kevin DeYoung, Lead Product Manager at Wolters Kluwer

July 24, 2023



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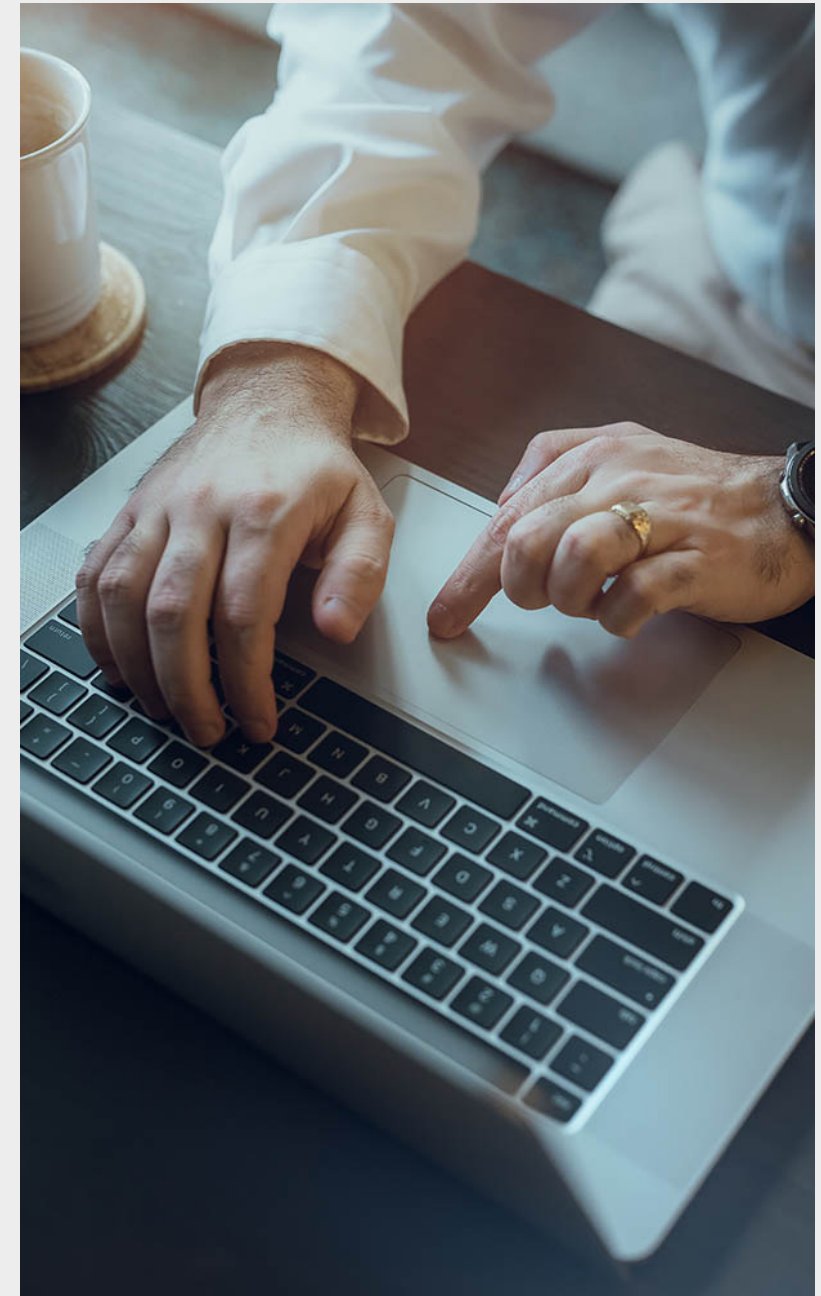
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Today's speakers



Kevin M. Jacobs
Managing Director
Alvarez & Marsal Tax



Rogers Herndon
Managing Director
Alvarez & Marsal
Corporate Performance Improvement



Christopher Scott
Renewable Energy Investments
Google, Inc.



Chris Taylor
CEO
GridStor



Jamie Stahle
President and COO
CCA Capital, LLC



Shariff Barakat
Partner
Akin Gump



Kevin DeYoung
Lead Product Manager
Wolters Kluwer, TAA North America

Agenda

- Overview of the Battery Storage Industry
- Historic and Current Tax Equity Investors
- Lessons Learned from Current Battery Storage Projects
- Establishing a Durable Corporate Investor Platform
- Additional Information in CCH[®] AnswerConnect



Overview of the Battery Storage Industry



Battery Storage

The U.S. power system relies on a continuous flow of electricity to meet fluctuating demand. Historically, this “continuity” requirement was met by baseload resources, including coal and nuclear generation, combined with flexible natural gas generating resources.

With the increasing penetration of intermittent renewables and the retirement of conventional resources, there is a growing need for battery energy storage technology to fill important market demand.

Wood Mackenzie grid-storage analyst Vanessa Witte recently forecast 65 GW of energy storage projects will be necessary through 2026 to meet U.S. federal and state net zero goals in the next two decades.



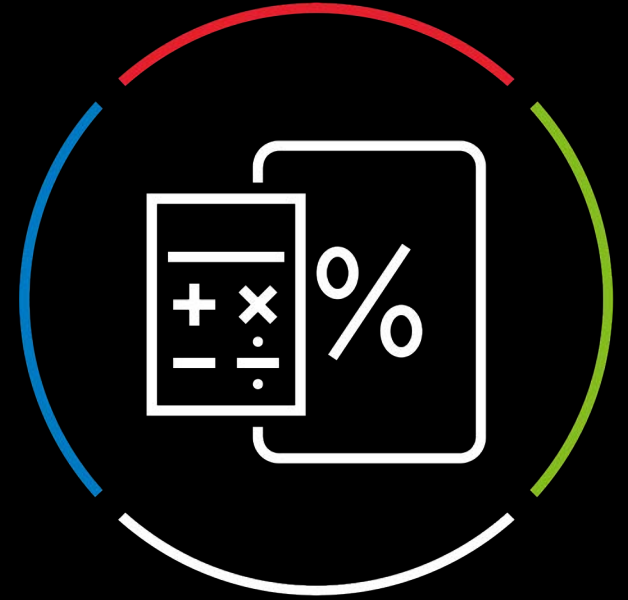
Polling question #1

Have you invested in battery storage projects?

- A. Yes
- B. No
- C. No, but we are considering it



Overview of Participants in the Tax Credit Market



Energy Tax Credits

Historic and current tax law provides various tax incentives (e.g., accelerated depreciation and tax credits) to renewable energy developers. However, these developers generally do not have tax capacity to benefit from these tax incentives.

As a result, certain tax structures have been developed that assist developers with monetizing these incentives. Initially the investors in these structures were large financial institutions.

In 2022, there was approximately \$18B-\$19B of tax equity investment. With the passing of the recent Inflation Reduction Act (the “IRA”), it is expected that the supply of tax credits will exceed the demand of the traditional tax equity investor base.



Polling question #2

Have you invested in tax equity structures?

- A. Yes
- B. No
- C. No, but we are considering it



Lessons Learned from Current Battery Storage Projects



Lessons Learned

The passing of the IRA in August 2022 marked a significant milestone in the history of U.S. energy tax incentives.

Relating to energy tax credits the IRA:

- Expands the applicability of the credits
- Increases the potential amount of the credits
- Establishes a clear horizon for credit expiration
- Provides increased flexibility in how the credits are monetized

However, the IRA contains various provisions that require additional guidance from the IRS/Treasury including involvement with other governmental bodies.

This recent tax law change and lack of guidance create contracting uncertainty and the need to revisit historic transaction structures.



Polling question #3

Do you have tax capacity for energy tax credits?

- A. Yes
- B. No
- C. Don't know as it depends on market conditions



Establishing a Durable Corporate Investor Platform



Establishing an Investor Platform

Tax policy plays a critical role in today's Corporate environment.

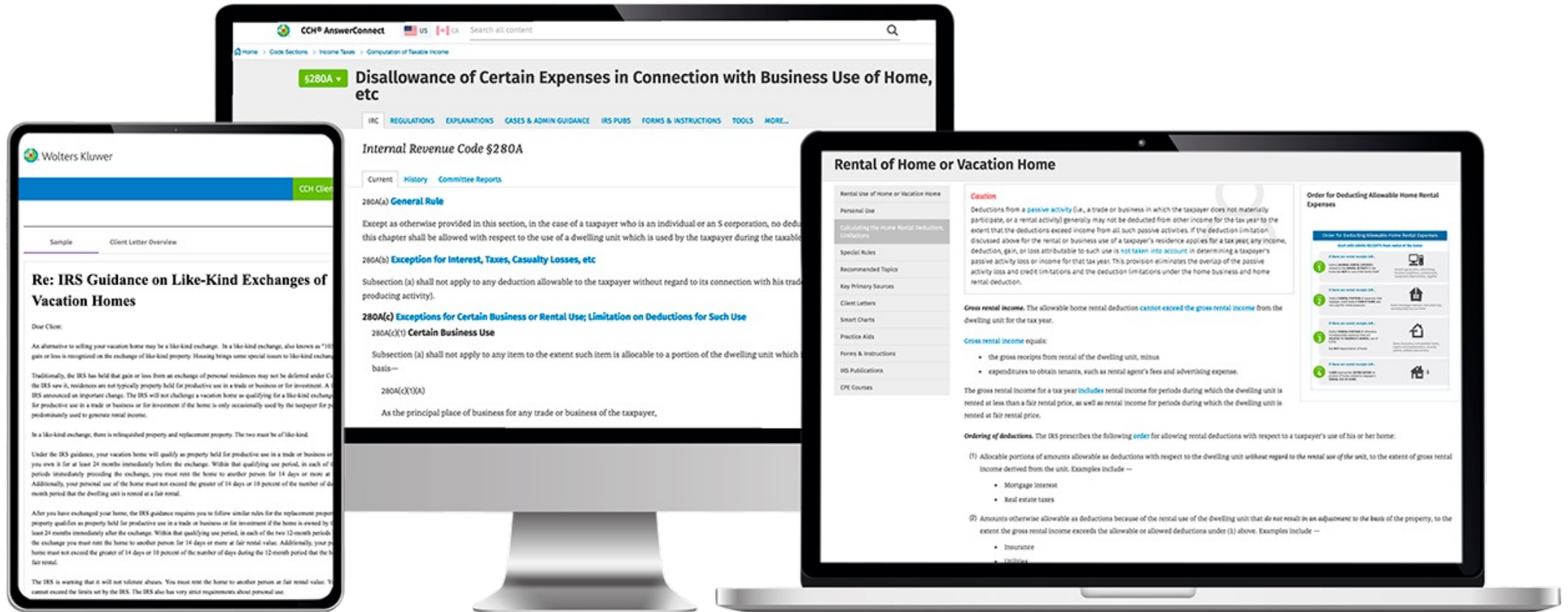
A company's tax profile can help support its environmental, social, and governance mandate as well as maximize earnings per share.

Energy tax credits are an available tool to reduce cash taxes and participate in the energy transition.

Knowing how to create a sustainable tax credit investment program is critical to executing a viable strategy.



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Additional information in CCH[®] AnswerConnect



Kevin DeYoung
Lead Product Manager
Wolters Kluwer
TAA North America

Polling question #4

Would you like a more in-depth demo or further details on the resources and tools available in CCH® AnswerConnect?

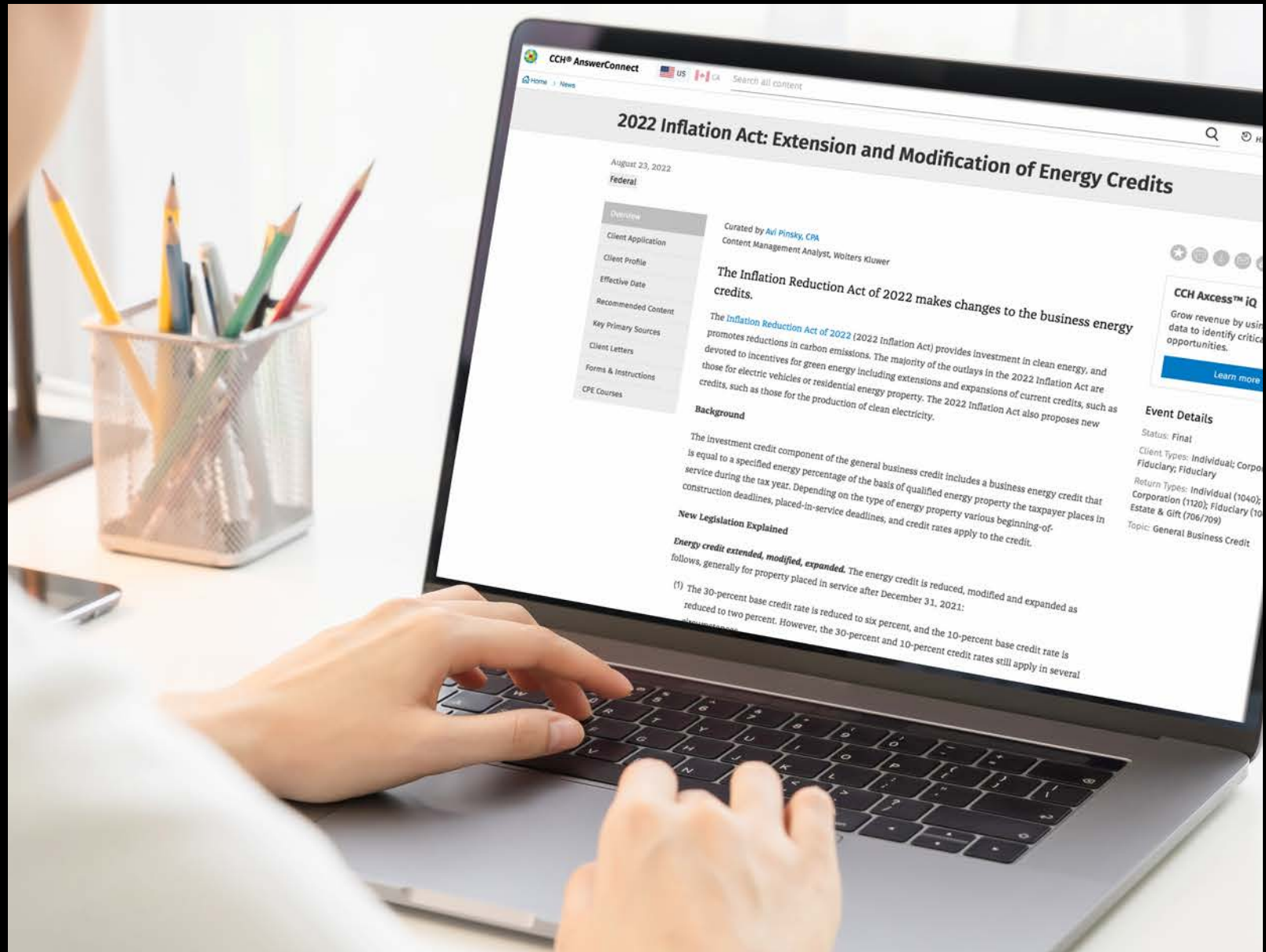
- A. Yes
- B. No



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Thank you for attending the Virtual Coffee Talk — *One Year Later: Early Learnings From Battery Storage Projects*

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Kevin M. Jacobs

Kevin M. Jacobs is a Managing Director with Alvarez & Marsal Tax in Washington D.C. and the National Tax Office Practice Leader. Mr. Jacobs co-leads the firm's Restructuring Tax Service (RTS) initiative, which aligns with A&M's core restructuring business assisting distressed companies with complex tax matters. He brings more than 15+ years of experience in tax matters in both the public and the private sectors.

Prior to joining A&M, Mr. Jacobs was a Senior Technician Reviewer (TCJA) with the IRS Office of Associate Chief Counsel (Corporate) for more than six years, where he advised on tax issues such as corporate re-organizations and corporation-shareholder issues, earning and profits, recovery and allocation of stock basis, liquidations, redemptions, bankruptcies, spin-offs and consolidated returns.

Mr. Jacobs was the principal Associate Chief Counsel (Corporate) attorney on several regulatory projects including the proposed section 382(h) regulations on built-in gains and losses, the global intangible low-taxed income regulations, and debt-equity regulations. He provided substantial contributions to numerous other guidance projects, such as the limitation on interest deductions regulations, and assisted in overseeing the Corporate Division's response to TCJA, including the coordination with Treasury's Offices of Tax Legislative Counsel and International Tax Counsel.

Mr. Jacobs earned a bachelor's degree in accounting, a master's degree in accounting (with a concentration in taxation), a J.D. (*magna cum laude*) from the University of Florida and an LL.M. in taxation from New York University. He is admitted to practice before multiple courts and to the District of Columbia and Florida Bars. He is also a licensed Certified Public Accountant (CPA) in Florida and Colorado. Mr. Jacobs is a member of several organizations including the American Bar Association, the American Institute of Certified Public Accountants, the International Fiscal Association, and the New York State Bar Association.

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Managing Director
Alvarez & Marsal Tax, LLC
kjacobs@alvarezandmarsal.com

202-729-2084

Chris Taylor

Chris Taylor is the founder and CEO of GridStor. He has over two decades of experience in the clean energy sector, leading development and investments in renewable energy projects. Prior to starting GridStor, he led clean energy investing and transaction structuring for Google's global data center organization and was head of Google's Portland office. During his seven years at Google, Chris originated and managed investments in both projects and companies totaling over \$2B in equity commitments. Prior to Google, he was a co-founder and Chief Development Officer of Element Power, a private equity-backed wind and solar IPP where he built a team of over 20 and a portfolio of 5+ GW.

Chris began his career in clean energy in 2002 at Zilkha Renewable Energy, which was acquired by Goldman Sachs and became Horizon Wind Energy and later EDPR. He led the West region for EDPR, including building a team of 20 professionals and a portfolio of 6 GW. His other experience includes environmental policy and advocacy roles for both NGOs and government as well as serving as Peace Corps volunteer in Ivory Coast. Chris has a BA from Amherst College and an MPA from Princeton University's School of International and Public Affairs.



CEO
GridStor

Chris.taylor@gridstor.com

503-714-3146

Christopher Scott

Christopher Scott is the Global Lead of Energy Investments at Google. In this role, Christopher oversees strategy and transaction execution of capital investments to execute Google's 100% Renewable Energy and 24/7 Carbon-Free Energy by 2030 strategies.

In the first year under his leadership, Google is on track to enable 1.4 GW of solar projects through its investment. Google now maintains an investment portfolio of over \$2.5 Billion of clean energy assets.

Prior to Google, Christopher launched a Philadelphia-based non-profit organization established to drive renewables access and adoption in low-income communities. Mr. Scott started his career at Goldman Sachs & Company, where he was a Vice President working primarily on structured products.

Mr. Scott holds a Bachelor of Systems Engineering from the University of Virginia and a Master of Urban Planning from Harvard University.



Global Lead
Renewable Energy Investments
Google, Inc.

clscott@google.com

917-254-2361

Jamie Stahle

Jamie Stahle, Senior Managing Director, Partner, and Founding Member, works closely with institutional clients on project acquisitions and providing structured tax, equity, and debt capital investments in renewable energy and infrastructure projects. He also works extensively with new sponsor issuers in the renewable energy market, including regulated and non-regulated utilities, both foreign and domestic, seeking access to both capital and new investment opportunities. As an active leader and the Senior Managing Director at CCA Group, he currently oversees the day-to-day activities of the firm, new business initiatives (including the expansion of CCA's private debt investment platform) and cultivating new institutional clients across the various business lines impacting clean energy initiatives and global sustainability needs. Over the past 40 years, Jamie has been involved in over \$40 billion worth of asset and project finance transactions as either a principal or advisor including renewable energy projects, oil and gas resource investments, thermal generation, transportation assets (commercial and industrial) and energy infrastructure for U.S. and foreign companies.

Prior to establishing CCA Group, Jamie was a Managing Director at Bank of Tokyo Mitsubishi, where he established the structured products platform to provide sell-side and buy-side advisory services to issuer and institutional clients, as well as syndication and distribution on principal and issuer mandates. He is currently a board member of Melmark Inc. and Melmark New England School for Autism, which is part of his more general advocacy for projects and initiatives to support children and adults with autism.

Jamie earned his Bachelor of Science in Economics and Business Administration from Colby College.

Jamie holds Series 7, SIE, 24, 63, and 79 licenses and is the President of CCA Capital LLC, the FINRA-registered broker-dealer subsidiary of CCA Group, LLC.



President and COO
CCA Capital, LLC

jestahle@ccagp.com

617-429-4469

Rogers Herndon

Rogers Herndon is a Managing Director within Alvarez & Marsal's Energy practice in Houston. Rogers joined A&M in the fall of 2019 with over 30 years of leadership experience in power markets, operations, M&A, and finance. Rogers has led numerous strategy and transformation initiatives across a broad range of energy clients and is currently serving as interim CFO for GridStor, LLC, a utility-scale battery energy storage service (BESS) platform.

Rogers' experience includes:

- Commercial Operations of > 50 GW of power generation resources across NAM power markets
- Development and commercialization of over 1.5 GW of gas-fired resources across SERC and MISO
- 15+ years of leadership and P&L responsibility for leading wholesale and retail power platforms
- US Treasury approvals for first commercial US bank participation in physical power market activity
- Principal in over \$6Bn in M&A and financing transactions for broad range of power sector assets/platforms

Prior to joining Alvarez & Marsal, Rogers had various industry roles including:

- CEO of Quintana Energy Services ("QES", NYSE) (2014 – 2019) – US Onshore Oilfield Services
- Chief Investment Officer – Quintana Capital Group) (2011 – 2014) Energy Private Equity
- EVP, Office of the CEO, Reliant Energy (2006 – 2010) – Power and Utility
- Managing Director, PSEG Power (2003 – 2005)
- Managing Director, Global Commodities, Bank of America (2002 – 2003)
- Vice President, Enron North America (1998 – 2002)
- Managing Director, Dynegy Marketing and Trade (1992 – 1998)
- Business Development – Transcontinental Gas Pipe Line (1990 – 1992)

Rogers holds a BA in Economics from Washington and Lee University (1990) and an MBA in Finance from Wharton School of the University of Pennsylvania (2006)

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Managing Director
Alvarez & Marsal Corporate
Performance Improvement

rherndon@alvarezandmarsal.com

908-377-4496

Shariff Barakat

Shariff Barakat represents clients involved in the acquisition, development, and financing of power generation and infrastructure projects, with a particular focus on tax equity financing.

His experience spans billions of dollars in closed and funded investments supporting gigawatts of renewable energy, including large and small utility-scale solar and wind projects, large and small residential solar portfolios, community solar projects, C&I solar projects, geothermal projects, and biomass projects. More recently, Shariff has also worked on carbon capture, hydrogen, and waste-to-product projects currently under development.

Prior to joining Akin Gump, Shariff practiced as a project finance lawyer in Washington, D.C. Additionally, Shariff worked at a large consulting firm where he provided tax advice and opinions, financial modeling services, and valuation services in connection with renewable energy projects. He also provided tax advice and opinions on several large M&A and tax-advantaged leasing transactions.

Shariff holds a JD and LLM from Georgetown University Law Center and is licensed in both California and the District of Columbia.



Partner

Akin Gump

sbarakat@akingump.com

202-702-9483

Thank you for joining us today!

Contact:



Kevin M. Jacobs — Alvarez & Marsal Tax, LLC

Phone: 202.729.2084

kjacobs@alvarezandmarsal.com

Chris Taylor — GridStor

Phone: 503.714.3146

Chris.taylor@gridstor.com

Christopher Scott — Renewable Energy
Investments Google, Inc.

Phone: 917.254.2361

clscott@google.com

Jamie Stahle — CCA Capital, LLC

Phone: 617.429.4469

jstahle@ccagp.com

Rogers Herndon — Alvarez & Marsal, LLC

Phone: 908.377.4496

rherndon@alvarezandmarsal.com

Shariff Barakat — Akin Gump

Phone: 202.702.9483

sbarakat@akingump.com

Kevin DeYoung

Wolters Kluwer Tax & Accounting
North America

Phone: 815.686.6789

kevin.deyoung@wolterskluwer.com