



**Streamlining the Project Development Cycle  
To Maximize Valuation**

- Some developers unknowingly target 'early' project sales/exits while inherent development risks are still very much present.
- These developers also expect high valuation levels and attractive payment terms at time of sale.
- Prospective buyers on the other hand common seek a fully 'de-risked' project at the lowest valuation that the seller is willing to transact.
- This structural mismatch in the M&A landscape is now increasingly common, causing delays to the overall sale process as well as frictions in the negotiation dynamics.



- What are the key development milestones and their underlying factors?

## 1. Early-Stage

Site Control (Lease or Purchase Option)

Foundational Documents

Development Budget

Prelim Project Financial Modeling

## 2. Mid-Stage

CIA / Permitting Matrix

Interconnection (IX) Application

IX Studies in Progress

Prelim Site Layout

NTP in < 36 months

## 3. Late-Stage

IX Studies Complete

Interconnection Agreement < 6 months

Environmental / Permits Complete

Site Survey / ROW Easements Complete

Revenue / Offtake Strategy Complete

LMP Congestion / Curtailment Complete

10% Engineering

Long-Lead Procurement Analysis

Other Final Dev Work

NTP in < 12 months

## 4. Ready-to-Build

IA Executed

Equipment and EPC RFP Initiated

Draft IE Report Initiated

Revenue Final

Financing < 6 months

- Some developers commonly make the mistake of starting project sale efforts following completion of the Early-Stage milestone.
- Such an early exit translates to lengthy sale processes, heavily discounted project valuation levels, and overall lower interest from prospective buyers.
- Furthermore, it is common for developers to believe that they've achieved the Mid-Stage milestone without necessarily having completed the underlying criteria.
- The most common mistakes are the lack of a Dev Budget / Project Modeling and Permitting Matrix / CIA.

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## Buyer Target Milestone

- Although prospective buyers may seek projects at different development stages, the bulk of potential acquirors typically target the following two milestones.
- Most buyers require clear line of sight on the interconnection studies (whether already completed or weeks away), as well as all matters pertaining to key permits and easements.
- These buyers typically want to enter the project right before posting the Interconnection deposit and begin equipment / EPC procurement efforts.
- Another subset of buyers may only target ready-to-build projects that have completed all the underlying criteria, while only having the EPC, Equipment and Financing outstanding.

### 3. Late-Stage

IX Studies Complete

Interconnection Agreement < 6 months

Environmental / Permits Complete

Site Survey / ROW Easements Complete

NTP in < 12 months

### 4. Ready-to-Build

IA Executed

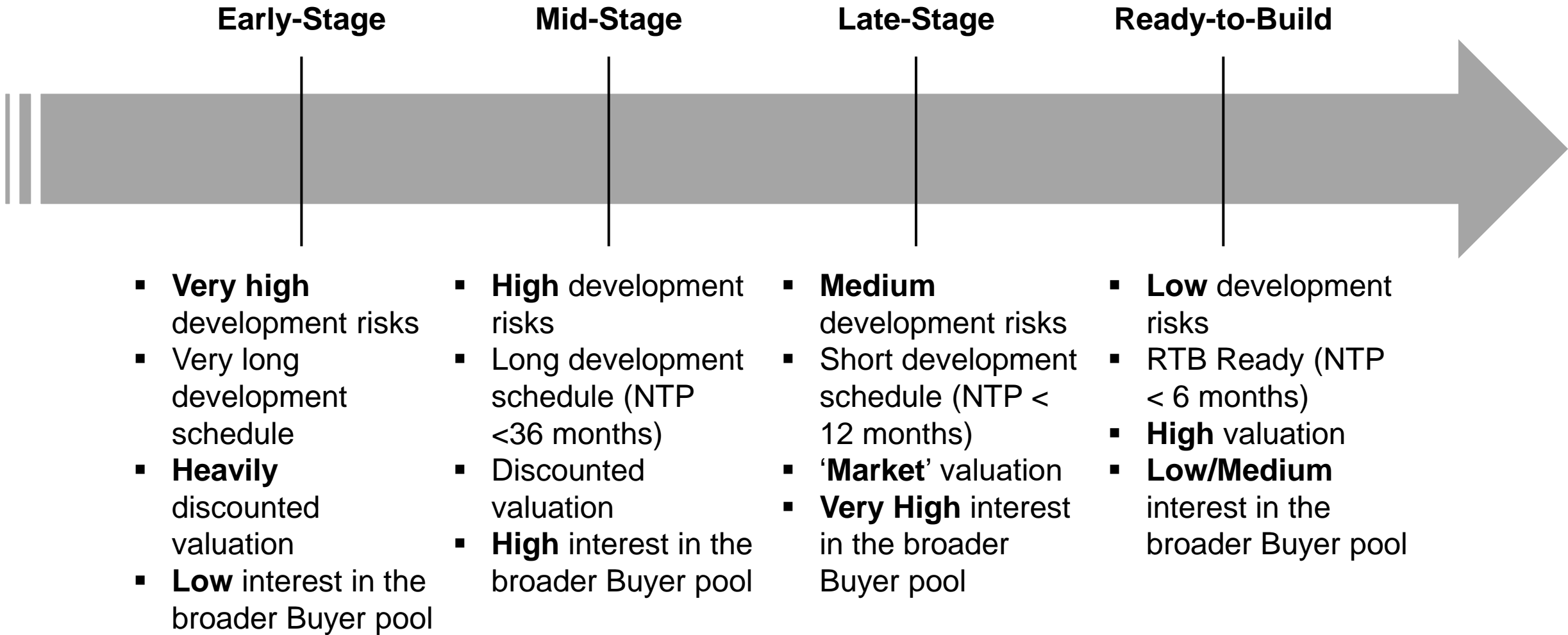
Equipment and EPC RFP Initiated

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- Some developers may have a skewed perception of their project development stage.
- Sale processes may be launched with the claim that the project is Late-Stage however some of the critical items of a Mid-Stage project have yet to be achieved. Therefore, the structural mismatch in valuation expectations versus market feedback becomes apparent throughout the process.
- Prospective buyers also might have skewed perceptions of acquisition opportunities, seeking discounted valuations but without underwriting any development risk. This is also a structural gap that can complicate due diligence, negotiation dynamics and a successful transaction.
- Developers should seek to streamline the development stage of the project by achieving the critical items required prior to a sale, while Buyer should be mindful that attractive valuations can only be successful with adequate development risk underwriting.





## VALUE STREAMS

- Energy storage subject matter experts
- Real hand-on experience, real-world analysis
- First-class customer service
- De-risk, optimize and accelerate projects
- Full lifecycle support

800+  
Engagements

8 GW  
Design / Analysis

1<sup>st</sup> Storage  
Consultant

5 GWh  
In Operations