



CERTIFICATION AND FINANCING PROPOSAL

JVR ENERGY PARK PROJECT IN SAN DIEGO COUNTY, CALIFORNIA

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EXECUTIVE SUMMARY

JVR ENERGY PARK PROJECT **IN SAN DIEGO COUNTY, CALIFORNIA**

The proposed JVR Energy Park consists of a utility-scale clean energy facility comprised of a solar photovoltaic park with an installed capacity of 125 megawatts of direct current (MW_{DC})/90 megawatts of alternating current (MW_{AC}) integrated with a 70- MW_{AC} /280-megawatt-hour (MWh), four-hour battery energy storage system (BESS) located in San Diego County, California (the Project). BayWa r.e. (the Sponsor) is developing the Project and will include an interconnection into the California Independent System Operator (CAISO) grid. The Project is supported by a fully executed 20-year Power Purchase Agreement (PPA) with San Diego Community Power (SDCP; S&P: A) covering the Project's solar generation and storage capacity.

The Project's technical configuration is consistent with current trends in the California electric market, where energy storage systems are increasingly deployed alongside generation resources to improve operational flexibility and better align energy production with periods of system demand. By storing electricity during periods of higher generation availability and delivering it during periods of greater demand, battery storage systems support more efficient utilization of available energy resources and contribute to overall system reliability.

The Project has achieved significant development milestones, including the execution of the Large Generator Interconnection Agreement (LGIA), completion of the main environmental permitting activities, execution of major equipment supply agreements, and execution of the engineering, procurement, and construction (EPC) agreement. Construction began in November 2025 and, as of August 2026, approximately 75% of the construction budget had been spent, and most of the major equipment had been delivered. Commercial operation is currently anticipated mid-March 2027. Once operational, the Project will provide additional dispatchable electric capacity to the California grid while supporting continued improvements in system flexibility, reliability, and efficient energy resource utilization.

A substantial portion of the Project's main solar and BESS components are manufactured and/or assembled in the United States. The Sponsor strategically prioritized domestically manufactured components for the Project's primary solar and battery equipment to reduce procurement, logistics, and trade-related risks. This approach strengthens supply chain resiliency, supports U.S. manufacturing objectives, and supports the Project's eligibility for applicable Inflation Reduction Act (IRA) incentives, including domestic content provisions evaluated by the Sponsor and its legal, tax, and financial advisors.

NADBank has reviewed the Project's main equipment suppliers and supply chain documentation to assess compliance with applicable procurement requirements and to identify potential links to entities subject to restrictions under the Uyghur Forced Labor Prevention Act (UFLPA) and other forced labor-related regulations. Based on the

documentation reviewed, no material concerns were identified with respect to the Project's main equipment suppliers.

NADBank is proposing a US\$100 million loan to complement the financial package provided by a syndicate of lenders. The Bank's participation in the financing for the Project is important, given its environmental focus, unique experience financing hybrid energy and energy storage projects, and ability to provide debt structuring support. Further NADBank has the ability to provide extended loan tenors and recognize market revenue for debt sizing purposes. In the case of JVR, the loan structure includes a 22-year underlying amortization, which incorporates two years of market revenue.

Table 1 highlights key facts regarding the eligibility, objective and anticipated outcomes of the Project, as well as the financing proposed by NADBank.

Table 1
PROJECT OUTLINE

Project Eligibility

Sector (Type):	Energy (solar generation and storage).
Location:	San Diego County, adjacent to the U.S.-Mexico border.
Sponsor:	BayWa r.e. Projects LLC.

Project Summary

Objective:	The purpose of the Project is to increase the installed capacity of solar energy and energy storage, which will improve electric system reliability, enhance operational flexibility, and support the efficient use of available energy resources, strengthening the ability of the electric system to balance electricity supply and demand throughout the day while optimizing the utilization of cleaner generation resources.
Expected Outcomes:	The combined installation of a 90-MW_{AC} solar energy park and a 70-MW_{AC} energy storage facility will produce the following results: ▪ Approximately 310,700 megawatt-hours (MWh) per year of clean energy generated by the solar park.¹

¹ The Independent Engineer estimated annual electricity generation based on the Project's energy assessment and expected operating conditions. The estimate reflects the projected performance of the solar photovoltaic facility and may vary due to operational factors, weather conditions, equipment availability, and curtailment events during operations.

	▪ Approximately 102,200 MWh per year of energy delivered by the Battery Energy Storage System (BESS).² ▪ Criteria air pollutant emissions avoided estimates at:³ ○ 85 metric tons/year of nitrogen oxides (NO_x). ○ 1 metric ton/year of sulfur dioxide (SO₂). In addition, the Project's integrated solar-plus-storage configuration will help balance electricity supply and demand by storing excess solar generation during periods of high production and shifting delivery to periods of higher demand. This capability improves utilization of clean energy resources, reduces potential solar curtailment, and supports a more flexible, reliable, and efficient operation of the California electric system.
Population to Benefit:	173,480 residents (51,477 households). ⁴
Compliance with Applicable Laws:	The Project complies with all applicable laws and regulations, including with respect to supply chains and the importation of the main project equipment. Additionally, all major permits have been secured, and the Project is in compliance with them.
NADBank Additionality:	NADBank's engagement supports enhanced environmental, technical, and financial due diligence, helping ensure that the Project delivers its expected environmental benefits and supports development in the border region. Its participation in the Project is important given its experience in the sector and its ability to improve the financial structure, and, importantly, its ability to provide extended loan tenors and recognize market revenue for debt sizing purposes. Its participation will also help continue laying the foundation for more commercial lenders to finance solar-plus-storage projects, as there is currently more demand for debt financing than institutions willing to lend.

² The estimated annual energy storage capability of approximately 102,200 MWh was calculated based on the battery energy storage system's rated storage capacity of 280 MWh per full charge-discharge cycle and the contractual limit of 365 cycles per year established in the Power Purchase Agreement.

³ Potential NO_x and SO₂ emissions avoided as a result of reducing future demand on conventional higher-emission electricity generation were calculated using California-specific emission factors reported in the 2024 California State Electricity Profile published by the U.S. Energy Information Administration (EIA). Emission factors used were 0.000272 metric tons/MWh for NO_x and 0.00000317 metric tons/MWh for SO₂. The calculation was based on the Project's estimated annual electricity generation of 310,709 MWh. (Source: [California Electricity Profile 2024 - U.S. Energy Information Administration \(EIA\)](#)). The BESS was not included in the emissions calculation because, pursuant to the Project's Power Purchase Agreement, the storage facility is restricted to charging exclusively from the solar photovoltaic generation facility. As a result, the battery system stores and redistributes energy generated by the solar facility and does not produce additional electricity.

⁴ NADBank calculated the estimated population benefitted using the Project's annual electricity generation (310,709 MWh), average residential electricity consumption in California (6,036 kWh per household per year; [table 5a.pdf](#)), and an average household size of 3.37 persons ([California - Census Bureau Profile](#)). Based on these assumptions, the Project will provide electricity equivalent to the annual needs of approximately 51,477 households, or 173,480 residents. The BESS was excluded from the calculation because it stores and redistributes electricity generated by the solar facility and does not increase net electricity generation. (<https://www.eia.gov/electricity/state/california/>).

Financing Summary

Loan Type:	Non-recourse or limited-recourse senior secured loan.
NADBank Loan Amount:	Up to US\$100.0 million, in two tranches: ▪ <i>Construction-to-Term Loan (CTL)</i>: c.US\$36.6 million, and ▪ <i>Tax Equity Bridge Loan (TEBL)</i>: c.US\$63.4 million.
Loan Tenor:	▪ <i>CTL</i>: Up to six (6) years from the date of first disbursement, under a 5-year mini-perm structure with a 22-year underlying amortization. ▪ <i>TEBL</i>: Up to twelve (12) months from the date of first disbursement.
Borrowers:	JVR Energy Park LLC and JVR Class B LLC.

CERTIFICATION AND FINANCING PROPOSAL

JVR ENERGY PARK PROJECT IN SAN DIEGO COUNTY, CALIFORNIA

1. CERTIFICATION CRITERIA

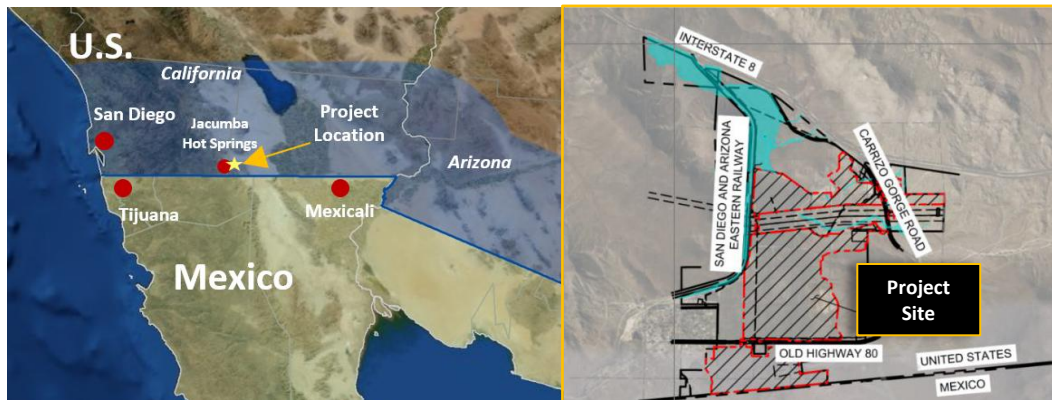
1.1. Technical Criteria

1.1.1. Project Description

Location

The Sponsor is developing the Project on approximately 1,356 acres of privately-owned land, of which approximately 575 acres correspond to the Project's developed footprint and the remainder includes biological open space and associated rights of way and easements, in San Diego County, California, located adjacent to Jacumba Hot Springs and immediately north of the U.S.-Mexico border. Figure 1 shows the location of the Project area relative to the Mexican border and nearby communities in the region.

Figure 1
PROJECT LOCATION MAP



The Project is located in San Diego County, California, which had an estimated population of approximately 3.28 million residents in 2025. According to the most recent demographic estimates available from the U.S. Census Bureau, approximately 10.1% of the population of San Diego County lived below the federal poverty level.⁵ This percentage is consistent with 10.2% national poverty rate reported for the United States.

⁵ Source: U.S. Census Bureau, ([U.S. Census Bureau QuickFacts: San Diego County, California](#)).

The Project combines solar photovoltaic generation and battery energy storage to support the reliability and operational flexibility of the regional electric system. The solar facility will generate clean electricity during periods of solar resource availability, while the battery energy storage system will enable the storage and controlled dispatch of energy during periods of higher demand, reduced solar production, or grid constraints.

The facility will generate approximately 310,700 MWh of clean energy per year, while the BESS is expected to deliver approximately 102,200 MWh of electricity annually through storage and dispatch, the equivalent of serving 173,480 residents (51,477 households).⁶

Project Scope

The Project consists of the design, construction, and operation of a solar park, coupled with a BESS, that includes the following main components:

- **Solar Modules**: The solar generating facility consists of approximately 221,760 bifacial photovoltaic modules, rated at 580 and 585 watts, mounted on single-axis tracking systems.⁷ The facility will have a total installed capacity of 125 MW_{DC}/90 MW_{AC} at the point of interconnection.
- **BESS**: The 70-MW_{AC}/280-MWh, four-hour per cycle system consists of 152 enclosures containing a total of 456 battery packs and 7,296 lithium iron phosphate (LFP) battery modules. The system is designed to allow clean energy generated by the solar facility to be stored and dispatched during periods of system demand. The BESS operating parameters established under the performance warranties in the Long-term Service Agreement (LTSA) allow up to 1.5 charge/discharge cycles per day.
- **Power Conversion System (PCS)**: The Project includes 38 advanced multiport power stations integrated with the BESS and solar facility. The PCS equipment performs DC-to-AC power conversion and battery charging/discharging functions and will be interconnected to the medium-voltage collection system.
- **Collector System and Project Substation**: The Project includes a medium-voltage collection system operating at 34.5 kV, a Project substation that steps voltage from 34.5 kV to 138 kV, and associated protection, control, metering, and communication equipment required for grid interconnection.
- **Gen-Tie Works**: These facilities consist of a Project substation, gen-tie line and switchyard operating at approximately 138 kV to connect the Project substation to the

⁶ NADBank calculated the estimated population benefitted using the Project's annual electricity generation (310,709 MWh), average residential electricity consumption in California (6,036 kWh per household per year; [table 5a.pdf](#)), and an average household size of 3.37 persons ([California - Census Bureau Profile](#)). Based on these assumptions, the Project will provide electricity equivalent to the annual needs of approximately 51,477 households or 173,480 residents. The BESS was excluded from calculation because it stores and redistributes electricity generated by the solar facility and does not increase net electricity generation. (<https://www.eia.gov/electricity/state/california/>).

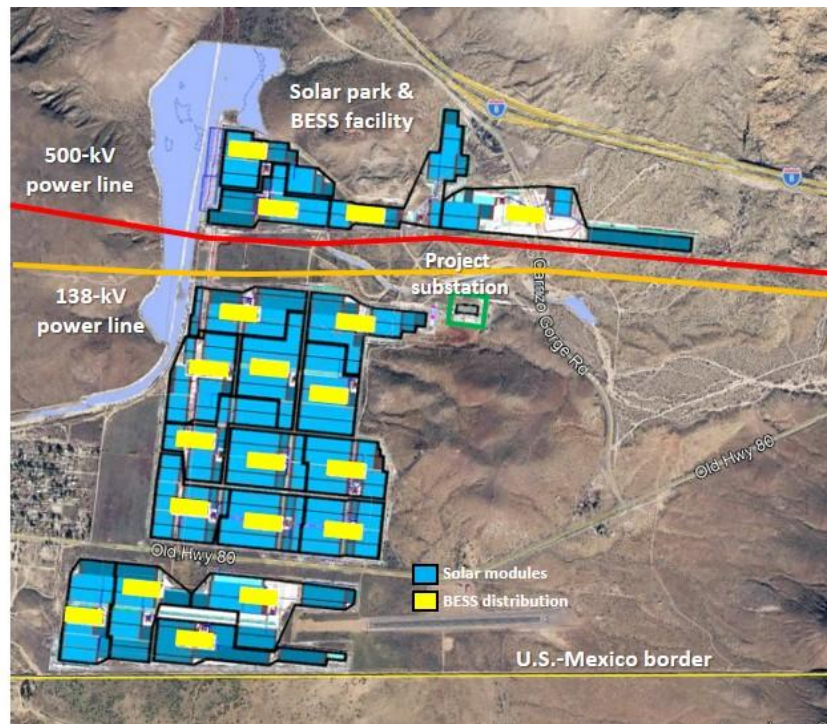
⁷ A bifacial photovoltaic module has a dual glass structure that can convert solar power into electricity from the reflecting light on the rear side of the module, in addition to the typical conversion of incident light on the front side, providing higher output power, a lower temperature coefficient, less shading loss, and enhanced tolerance for mechanical loading.

Carrizo Gorge Switchyard, which serves as the point of interconnection with the SDG&E transmission system.

- ***Operations and Control Systems:*** The Project incorporates supervisory control and data acquisition (SCADA), energy management systems, communication infrastructure, monitoring equipment, and protection systems necessary for facility operation, performance monitoring, dispatch coordination, and compliance with applicable grid requirements.

Figure 2 shows the general Project layout.

**Figure 2
PROJECT LAYOUT**



Electricity generated by the Project will be delivered through the Project substation and associated interconnection facilities into the SDG&E transmission network under the terms of the LGIA with SDG&E and CAISO executed in May 2020. The LGIA authorizes the Project to deliver energy to the CAISO-controlled transmission system through the Carrizo Gorge Switchyard, which serves as the Project's point of interconnection.

Project Milestones

The NADBank loan will be used to support the construction of the Project, including construction expenditures incurred to date and execution of the remaining activities through commercial operation. Construction commenced in November 2025, and commercial operation is currently expected in mid-March 2027, representing an approximately 16-month construction period. As of August 2026, approximately 75% of the construction budget had been spent, and most major equipment had been delivered. Table 2 presents the status of key Project implementation milestones.

Table 2
SUMMARY OF PROJECT MILESTONES

Milestone	Status
Project site control	Completed (March 2025)
Engineering, Procurement and Construction agreement	Executed (September 2025)
Major Use Permit (MUP) by San Diego County	Issued (August 2021)
Large Generator Interconnection Agreement	Executed (May 2020)
Power Purchase Agreement	Executed (October 2024)
California Environmental Quality Act (CEQA) Notice of Determination	Issued (August 2021)
Environmental Impact Report	Completed (August 2021)
COD	March 2027

The Sponsor has confirmed that the required permits and regulatory approvals for Project development and construction have been secured. The engineering, procurement and construction (EPC) contractor remains responsible for contractor-related permit compliance activities during construction and for providing monthly written progress reports documenting construction status and implementation activities.

1.1.2. Technical Feasibility

The Sponsor evaluated commercially proven solar photovoltaic and battery energy storage technologies to identify equipment suitable for the site conditions, performance objectives, interconnection requirements, and long-term operational needs of the Project. The technology review included an assessment of equipment design, technical performance, reliability, operating history, warranty coverage, certification requirements, and compatibility with the selected solar and storage configuration. The selected equipment is supplied by established manufacturers with experience in the utility-scale energy sector and commercially proven operating histories. This procurement strategy also supports the Project's compliance with the domestic content requirements and other applicable provisions of the U.S. Inflation Reduction Act (IRA). The Project has been structured to satisfy the eligibility requirements associated with the federal tax incentives pursued by the Sponsor, as validated by the Project's legal, tax, and financial advisors.

Regarding the solar infrastructure of the Project, the Sponsor selected bifacial photovoltaic technology capable of producing electricity from solar irradiance received on both the front and rear surfaces of the modules, improving energy yield relative to conventional mono-facial

technologies under suitable site conditions. Bifacial modules have a growing competitive advantage despite higher overall installation costs, and it is estimated that more than 75% of modules manufactured in 2024 were bifacial.⁸ The solar modules have been installed on single-axis tracker systems. The combination of bifacial photovoltaic modules and single-axis trackers enhances energy capture from both direct and reflected irradiance, resulting in higher energy yield, improved site utilization, and stronger long-term project economics relative to conventional mono-facial fixed-tilt systems.

To estimate Project energy production, the Independent Engineer (IE) carried out an independent resource and performance assessment utilizing industry-standard solar modeling methodologies. Based on that analysis, the Project will generate approximately 310,700 MWh of electricity during the first year of operation, taking into consideration expected system losses, equipment performance characteristics, and site-specific operating conditions. The IE determined the resulting energy production estimate to be reasonable based on the Project's site-specific solar resource, design configuration and technology selection, including the use of bifacial solar modules and single-axis trackers.

As for the BESS, the Sponsor selected battery systems that incorporate proven technology to ensure reliable operation. The Project includes battery energy storage systems with lithium iron phosphate (LFP) battery technology, liquid thermal management, battery management systems, and fire detection and protection features, as well as operational controls consistent with current utility-scale energy storage industry practices. In addition, the BESS enables excess electricity generated during periods of high solar production to be stored and dispatched when required by the electric grid, helping balance supply and demand and supporting transmission system reliability.

Overall, the configuration of the solar-plus-storage facilities is consistent with the Project's hybrid design, which combines clean energy generation with battery storage to improve operational flexibility, support clean energy integration, and increase the ability to deliver electricity during periods of peak demand. This integrated design is expected to improve system value and optimize revenue while enhancing grid reliability and clean energy utilization. These operational benefits are consistent with those identified by the CAISO for hybrid resources.⁹

The IE concluded that the selected solar photovoltaic modules, inverters, tracking systems, and battery storage technology are commercially proven and appropriate for a utility-scale solar-plus-storage project of this size. The Independent Engineer further concluded that the Project design has been developed in accordance with generally accepted industry practices and that the major equipment selected for the Project is consistent with technologies commonly deployed in similar projects.

⁸ Source: IEA, PVPS: *Trends in Photovoltaic Applications 2025* ([IEA-PVPS Trends 2025-.pdf](#)).

⁹ CAISO Report (<https://www.caiso.com/Documents/Jul19-2021-HybridResourcesInformationalReport-AD20-9.pdf>).

1.1.3. Land Acquisition and Right-of-Way Requirements

The Project area includes rights-of-way and easements associated with Old Highway 80, SDG&E facilities, and the San Diego and Arizona Eastern Railway. The Sponsor has secured the land rights, easements, and interconnection rights necessary for the construction and operation of the solar photovoltaic facility, BESS, Project substation, and associated transmission infrastructure. The Sponsor controls the Project development area through a land lease agreement covering approximately 575 acres that was fully executed in March 2025 with a single landowner. These 575 acres correspond to the Project's developed footprint within the broader 1,356 acres Project tract. The lease has an initial term of 25 years with optional extensions, providing long-term control of the Project development area for up to 40 years to support construction, operation, and maintenance of the Project.

1.1.4. Project Operations

The EPC contractor has the experience and qualifications necessary to construct the Project, having installed more than 3 GW of solar generation facilities in the U.S. and recently deployed utility-scale battery energy storage projects of similar size and technology. The EPC Agreement was executed in September 2025 and covers the construction of the solar photovoltaic facility, BESS, Project substation, and associated interconnection infrastructure. The IE reviewed the EPC's qualifications, capabilities, and relevant experience and concluded that it has the resources and expertise necessary to properly construct projects of comparable size and complexity. The activities completed and remaining under the EPC Agreement during the Implementation Phase and the Post-implementation Phase are described below.

Implementation Phase

The contractor is responsible for engineering, procurement, construction, commissioning, testing, and completion of the Project facilities. The EPC scope includes civil, mechanical, electrical, and control systems work, construction of access roads and associated infrastructure, commissioning services, and performance testing necessary to achieve commercial operation. The EPC contractor is also required to support regulatory compliance activities and provide monthly progress reports throughout the construction period.

Construction commenced following issuance of the Full Notice to Proceed in November 2025. Commercial operation is currently scheduled for mid-March 2027, representing an approximately 16-month construction period.

Post-Implementation Phase

BayWa r.e. Operation Services LLC, an affiliate of the Sponsor with experience providing operation and maintenance services for utility-scale clean energy facilities will be responsible for preventive and corrective maintenance of the solar photovoltaic and balance-of-plant facilities, including remote monitoring, performance reporting, vegetation management, regulatory compliance support, and warranty administration. BayWa r.e. maintains a global clean energy platform with approximately 925 MW of independent power producer (IPP) assets and extensive experience supporting the long-term operation of solar, wind, and energy storage projects.

The BESS supplier will operate the battery systems under the LTSA. The agreement includes preventive maintenance, remote monitoring, software updates, spare parts management, diagnostic support, warranty administration, and performance optimization. Based on the IE review, the proposed O&M strategy is consistent with accepted industry practices.

BayWa r.e. will provide asset management services to the Project under a separate Asset Management Agreement. Under this arrangement, BayWa r.e., in its capacity as Sponsor and affiliate service provider, will support administration of project contracts, financial and accounting oversight, budget management, regulatory compliance support, insurance administration, performance monitoring, and coordination of key project participants and service providers. This structure is commonly used in project-financed clean energy projects and provides dedicated oversight of the Project's operational, contractual, and financial obligations during the operating period.

1.2. Environmental Criteria

1.2.1. Environmental and Health Effects/Impacts

A. Existing Conditions

The Electricity sector in California has undergone a substantial transition toward lower-emission and clean energy resources over the past decade. According to the U.S. Energy Information Administration (EIA), natural gas remained the largest source of in-state electricity generation in California in 2024, with approximately 40%, followed by utility-scale solar generation (23.4%), large hydroelectric generation (11.7%), nuclear generation (8.5%), and wind generation (7.3%).¹⁰

According to the EIA, California generated approximately 214,191 GWh of electricity in 2024. Electricity generated from conventional energy resources continues to produce air pollutant emissions that are associated with adverse air quality and public health impacts. In 2024, California's electric power sector emitted approximately 56,717 metric tons of nitrogen oxides (NO_x), and 679 metric tons of sulfur dioxide (SO₂).¹¹ California continues to expand the deployment of clean energy generation technologies and battery energy storage resources as part of its electricity portfolio, supporting the state's transition toward a lower-emission electric system.

California has established clean energy policies requiring that 100% of retail electricity sales come from clean energy by 2045. Achieving this objective will require significant investments in clean-generation technologies, energy storage systems, transmission infrastructure, and other grid reliability resources.¹²

¹⁰ Source: California Energy Commission (<https://www.energy.ca.gov/data-reports/energy-almanac/california-electricity-data/2024-total-system-electric-generation>).

¹¹ Source: EIA, California Electricity Profiles. ([California Electricity Profile 2024 - U.S. Energy Information Administration \(EIA\)](#)).

¹² Source: EIA, Today in Energy article ([Updated renewable portfolio standards will lead to more renewable electricity generation - U.S. Energy Information Administration \(EIA\)](#)).

In addition, portions of San Diego County are designated as nonattainment areas for certain federal ozone and particulate matter air quality standards. A nonattainment designation indicates that monitored ambient air quality concentrations exceed one or more National Ambient Air Quality Standards (NAAQS) established by the U.S. Environmental Protection Agency (EPA) to protect public health and the environment. As a result, state and local agencies are required to implement air quality management programs, emission reduction measures, and planning efforts aimed at achieving compliance with the applicable federal standards.¹³ The Project will contribute clean electricity generation and energy storage capacity to the regional power system, supporting broader efforts to reduce emissions associated with conventional electricity generation.

B. Expected Environmental/Human Health Outcomes

Clean energy projects create an opportunity to generate electricity by using sources that do not produce criteria pollutants such as NO_x and SO₂. Sunlight is a clean form of energy, which means that it can be used continuously without depleting natural resources and does not produce waste by products that require disposal or emissions that contribute to air pollution. Battery storage systems capture excess solar generation that might otherwise be curtailed during periods of oversupply, allowing energy to be shifted to periods of higher grid demand.

To achieve California's goals of obtaining 100% of retail electricity sales from clean energy by 2045 and enhancing the resilience of the grid, California will need to continue to investment in cleaner energy sources and storage. The Project will contribute to the storage and supply of clean energy, increase the capacity of the California energy mix to meet supply needs and reduce the demand for electricity generated by less efficient fuel-based power plants, thus avoiding associated emissions.

The Project will generate environmental and human health benefits from the combined installation of the 90 MW_{AC} of the solar energy park and the 70 MW_{AC} of the energy storage facility, and include:

- Approximately 310,700 MWh per year of clean energy generated by the solar park.¹⁴
- Approximately 102,200 MWh per year of energy delivered by the BESS.¹⁵
- Criteria air pollutant emissions avoided estimates at: ¹⁶

¹³ Source: San Diego County, ([Attainment Status - San Diego County Air District](#)).

¹⁴ The Independent Engineer estimated annual electricity generation based on the Project's energy assessment and expected operating conditions. The estimate reflects the projected performance of the solar photovoltaic facility and may vary due to operational factors, weather conditions, equipment availability, and curtailment events during operations.

¹⁵ The estimated annual energy storage capability of approximately 102,200 MWh was calculated based on the battery energy storage system's rated storage capacity of 280 MWh per full charge-discharge cycle and the contractual limit of 365 cycles per year established in the Power Purchase Agreement.

¹⁶ Potential NO_x and SO₂ emissions avoided as a result of reducing future demand on conventional higher-emission electricity generation were calculated using California-specific emission factors reported in the 2024 California State Electricity Profile published by the U.S. Energy Information Administration (EIA). Emission factors used were 0.000272 metric tons/MWh for NO_x and 0.00000317 metric tons/MWh for SO₂. The calculation was based on the Project's estimated annual electricity generation of 310,709 MWh. (Source:

- 85 metric tons/year of NO_x.
- 1 metric ton/year of SO₂.

In addition, the Project's integrated solar-plus-storage configuration will help balance electricity supply and demand by storing excess solar generation during periods of high production and shifting delivery to periods of higher demand. This capability enhances the utilization of clean energy resources, reduces potential solar curtailment, and supports a more flexible, reliable, and efficient power grid.

C. Other Project Benefits

The Project will also benefit the region by creating employment opportunities and generating additional income during its construction and operation. During construction, the Project is expected to support up to 400 jobs.

D. Transboundary Impacts

No adverse transboundary impacts are anticipated due to the implementation of the Project; on the contrary, a beneficial effect is anticipated on regional air quality due to the decreased demand for higher emission power plants in the region. Conventional power generation facilities with a combined installed capacity of more than 1.2 GW operate within approximately 45 miles of the Project site. The Project's solar generation and battery storage capabilities will support the integration of additional clean energy resources within the regional electric grid.¹⁷

1.2.2. Compliance with Applicable Environmental Laws and Regulations

The Project is located in San Diego County, California, and is subject to applicable federal, state, and local environmental laws, regulations, permits, and approval requirements. The Project completed the environmental review process required under CEQA and received approval of the Major Use Permit (MUP) and the final Environmental Impact Report (EIR) in August 2021. San Diego County subsequently issued a vesting determination in June 2023, preserving the Project's development rights subject to continued compliance with permit conditions, mitigation measures, and regulatory requirements.

Construction activities are subject to environmental compliance requirements. The Project obtained coverage under the California construction stormwater permitting program, and a Stormwater Pollution Prevention Plan (SWPPP) and associated best management practices are required during construction. In addition, Spill Prevention, Control, and Countermeasure (SPCC) plan are required for construction and operational activities. The Sponsor is working in coordination with the EPC Contractor, has incorporated SPCC-related requirements into

[California Electricity Profile 2024 - U.S. Energy Information Administration \(EIA\)](#)). The BESS was not included in the emissions calculation because, pursuant to the Project's Power Purchase Agreement, the storage facility is restricted to charging exclusively from the solar photovoltaic generation facility. As a result, the battery system stores and redistributes energy generated by the solar facility and does not produce additional electricity.

¹⁷ Source: California Energy Commission ([California Power Plants | California Energy Commission GIS Open Data](#)).

project engineering and construction activities. The Independent Engineer reported that the construction SPCC Plan was under development during the due diligence review, while subsequent construction documentation demonstrates implementation of SPCC.

The Sponsor and contractors are responsible for complying with all applicable permit conditions, mitigation measures, environmental monitoring requirements, and regulatory obligations. The IE reported that the permits and approvals required for the Project are typical for utility-scale solar photovoltaic and BESS projects. Given the advanced stage of project construction, permitting has not resulted in material delays and are not expected to affect the start-up of operations.

A. Environmental Studies or Consultations

The Sponsor conducted several studies to determine potential impacts to the environment in the Project area, as well as to identify any mitigation measures that might be required. The studies and activities were carried out using best management practices to identify and avoid potential Project impacts and are summarized below.

- *Phase I Environmental Site Assessments (ESA)*

Environmental reviews of the Project site were conducted in 2018, 2024, and 2025 and no Recognized Environmental Conditions, Controlled Recognized Environmental Conditions, Historical Recognized Environmental Conditions, or significant environmental data gaps were identified within the Project area. The consultants concluded that no additional environmental investigation was warranted and that environmental conditions were not expected to have any adverse effect on Project development.

- *Biological Resources Assessment*

The Sponsor conducted biological resource studies to evaluate special-status species, sensitive habitats, wildlife movement corridors, and other biological resources that could be affected by Project development. As part of the approved mitigation strategy, approximately 435 acres were designated as biological open space and habitat preservation areas under a Resource Management Plan approved by San Diego County. These areas will remain undeveloped throughout the life of the Project and will be managed for the long-term conservation of sensitive habitats, biological resources, and wildlife movement functions within the Project vicinity.

In addition, the Project's CEQA review identified mitigation measures requiring biological monitoring, nesting bird surveys during the breeding season, habitat preservation, wildlife corridor protections, invasive species management, and implementation of a Resource Management Plan. Impacts to biological resources were determined to be less than significant following implementation of the approved mitigation measures.

- *Cultural Resource Assessment*

The Sponsor conducted archaeological and cultural resource evaluations as part of the CEQA review process. Cultural resource studies identified archaeological and

cultural resource sites within the broader study area and resulted in preparation of a Cultural Resources Treatment Agreement and Preservation Plan approved by San Diego County. Mitigation measures include archaeological monitoring, Native American monitoring during ground-disturbing activities, protection buffers, resource avoidance measures, and procedures for inadvertent discoveries. Impacts to cultural resources were determined to be less than significant following implementation of the approved mitigation measures.

- **Waters and Wetlands Evaluation**

The Sponsor completed wetland delineation studies and jurisdictional waters evaluations to determine whether federal permitting requirements would apply within the Project area. Based on site investigations and agency review, the U.S. Army Corps of Engineers issued an Approved Jurisdictional Determination concluding that no waters of the U.S. were present within the Project review area. As a result, permits under the Clean Water Act were not required for Project development.

The Project complies with applicable environmental laws and regulations. Any necessary mitigation measures are proposed and described in Section C below.

B. Environmental Clearance and Permitting

The Project has completed the main environmental review and permit requirements necessary for development and construction under applicable federal, state, and local regulations and obtained the corresponding MUP. In addition, the Project has obtained key environmental and regulatory approvals, including a Vesting Determination issued by San Diego County (June 2023), Approved Jurisdictional Determination from the U.S. Army Corps of Engineers (October 2025), Federal Aviation Administration Determinations of No Hazard (December 2024), the State Water Resources Control Board Stormwater General Permit (October 2025), the Fire Department Service Agreement (May 2025), and the PV Grading Permit (November 2025). The Project has also secured site control, executed interconnection rights, and completed the environmental studies required to support Project development.

Construction activities are subject to implementation of a SWPPP, SPCC requirements, and other environmental management measures required under applicable permits and approvals. The main permits required for development and construction have been obtained.

According to the IE review, the environmental permits and approvals required for the Project are typical for utility-scale solar photovoltaic and BESS projects and are not expected to adversely affect the Project schedule or budget. The Project's advanced stage of construction indicates that compliance with these requirements has been effectively incorporated into Project implementation. The Independent Engineer concluded that the Project complies with the applicable environmental requirements and presents a low overall environmental risk.

C. Mitigation Measures

The Sponsor designed the Project to minimize environmental impacts through implementation of the mitigation measures identified in the approved Final EIR, MUP, Resource Management Plan, and Mitigation Monitoring and Reporting Program. The Sponsor

has been implementing these measures during construction, and will continue to implement them during operation, in accordance with applicable permit conditions and regulatory requirements. In addition, Project implementation has been carried out in compliance with applicable county and state regulations, as well as the best management practices, including but not limited to the actions listed below.

- Waste management. Waste materials generated during the construction and operational phase of the Project have been, and will continue to be, collected, handled, transported, and disposed of at authorized facilities using approved waste management practices, in accordance with applicable federal, state, and local regulations.
- Hazardous waste. Construction and operational activities involving fossil fuel products and other regulated materials have been, and will continue to be, conducted in accordance with the SPCC plan and applicable hazardous materials regulations. Appropriate spill containment, reporting, and response procedures have been and will continue to be maintained throughout Project construction and operation.
- Water and Stormwater Management. Construction activities are subject to the California Construction Stormwater General Permit and implementation of a SWPPP. Best management practices have been implemented to control erosion, sedimentation, and stormwater runoff during construction activities.
- Air Quality and Dust Control. Dust control measures have been implemented during construction activities in accordance with County requirements and San Diego County Air Pollution Control District regulations, including the use of water or soil stabilizers, speed limits on unpaved roads, covering stockpiles, and other fugitive dust control measures.

At the end of the Project's operational life, the facility will be decommissioned in accordance with the applicable County requirements. Consistent with the County-approved Decommissioning Plan and applicable financial assurance requirements, the Sponsor will dismantle and remove the Project facilities from the site, and recyclable materials—such as photovoltaic modules, structural steel, electrical equipment, wiring, concrete, battery energy storage system components, transformers, and other Project infrastructure—will be reused, recovered or recycled. Recycling, transportation, recovery, and disposal activities will be performed by qualified and licensed contractors using authorized recycling, recovery, or disposal facilities, consistent with applicable California requirements, including regulations governing the management of end-of-life photovoltaic modules as Universal Waste pursuant to Title 22, California Code of Regulations, Division 4.5, Chapter 23.¹⁸ Any remaining materials will be managed and disposed of in accordance with applicable regulatory requirements.

D. Pending Environmental Tasks and Authorizations

The Project has obtained the principal environmental, land-use, interconnection, and construction-related authorizations required for development and construction.

¹⁸ Source: Department of Toxic Substances Control of California ([Official California Code of Regulations, Title 22, Division 4.5 | Department of Toxic Substances Control](#)).

1.2.3. Safeguards & Performance Risk (S&PR) Due-diligence Review

A. Performance Risk Management System Scoring

In accordance with the NADBank Project Safeguards and Performance Risk Policy, as well as all available information provided by the Sponsor, the Project is classified as a category B or medium risk. This category applies to projects with limited environmental and community impacts and risks that are generally site-specific, reversible and can be mitigated through available measures applicable within the context of project operations. Potential impacts are less adverse than those of high-risk transactions.

The Project has completed the environmental review and permitting processes required by applicable authorities and has incorporated mitigation measures, monitoring requirements, and environmental management commitments into its implementation. As part of its report, the IE also reviewed the Project under the Equator Principles framework and concluded that its environmental and social risks are consistent with a Category B classification.¹⁹

Based on the IE report, as well as the Bank's internal assessment, NADBank confirmed that the Project falls under Category B pursuant to its S&PR policy.

B. S&PR Due Diligence Conclusions

With respect to labor standards, based on available information about the Sponsor and main suppliers, no evidence was found linking the principal technology providers of the Project (including solar modules, BESS and battery technology)—nor their supply-chains, governance practices or supplier compliance framework—to practices involving forced labor or child labor. In addition, the Sponsor and main suppliers operate globally, including in U.S., Europe, and other jurisdictions subject to applicable labor standards and regulatory requirements.

Additionally, as part of this preliminary S&PR due-diligence process and based on publicly available information at the time of review, NADBank conducted an indicative screening of the Project's principal equipment suppliers and technology providers against relevant U.S. forced labor enforcement frameworks, including the Uyghur Forced Labor Prevention Act (UFLPA) Entity List.²⁰ No companies associated with the Project suppliers were identified on such lists. According to NADBank, no significant community risks related to forced labor or child labor are anticipated with the proposed Project.

C. Summary of Proposed Mitigation Measures

No additional mitigation measures are needed since the Sponsor provided documentation to support compliance with applicable environmental and community requirements.

¹⁹ Developed by the International Finance Corporation and the World Bank Group, the Equator Principles serve as an internationally recognized risk management framework that enables financial institutions to evaluate and address environmental and community risks in financed projects.

²⁰ Notice Regarding the Uyghur Forced Labor Prevention Act Entity List, (<https://www.federalregister.gov/documents/2024/05/17/2024-10544/notice-regarding-the-uyghur-forced-labor-prevention-act-entity-list>).

1.3. Financial Criteria

Project construction is being financed with Sponsor equity, tax-credit proceeds and senior debt from a syndicate of lenders, including NADBank. The proposed payment mechanism for the loan is standard for similar hybrid solar and energy storage transactions in the United States. The source of payment will include the revenue under the 20-year PPA with San Diego Community Power (S&P: A), together with investment tax-credit proceeds, as applicable. Project revenue is estimated to be sufficient to: (i) cover scheduled O&M expenses; (ii) pay debt service on the senior loans; (iii) fund debt service and other reserves; and (iv) comply with debt service coverage requirements.

Considering the characteristics of the Project and based on the financial and risk analyses performed, the proposed Project is considered to be financially feasible and presents an acceptable level of risk. Therefore, NADBank proposes to provide a market-rate loan for up to US\$100.0 million to the Borrowers.

2. PUBLIC ACCESS TO INFORMATION

2.1. Public Consultation

On October 16, 2026, NADBank published the draft certification and financing proposal for a 30-day public comment period. The following Project documentation is available upon request:

- Final Environmental Impact Report, approved in August 2021.

2.2. Outreach Activities

The Sponsor has published information about its investments, operations, financial goals and business on its official website. In addition, publicly available information describes The Sponsor's activities as an international developer, owner, operator, and service provider, including projects under development in the United States and other countries. This information is available for public consultation through the Sponsor's corporate communications.

The Project is currently in the advanced stages of construction and is expected to achieve commissioning and commercial operation in mid-March 2027. Prior to construction, the Project completed the environmental review, permitting, and public consultation processes required by San Diego County under CEQA, including approval of the MUP, certification of the final EIR, and completion of the associated regulatory review process. These records are available for public review through County planning and environmental review processes.²¹

²¹ Source: San Diego County (<https://www.sandiegocounty.gov/content/sdc/pds/ceqa/MUP-18-022.html>).

The Sponsor has followed all public consultation requirements in order to comply with applicable environmental assessment and permitting processes. During those processes, community members of Jacumba Hot Springs and local business owners expressed concerns regarding the scale of the Project, visual impacts, compatibility with the rural character of the area, tourism, biological resources, wildfire risk, air quality, noise, and other environmental topics.²² Following approval of the Project by San Diego County in August 2021, legal challenges were filed in September 2021 contesting the Project's environmental review and land-use approvals. The litigation was subsequently dismissed by the Superior Court in 2022, and the decision was affirmed by the California Court of Appeal in January 2024, allowing the Project approvals to remain in effect.²³

In order to support the community, BayWa r.e. committed approximately US\$4 million in community investments, designated approximately five acres of the Project property for a future fire station, and incorporated a 435-acre biological open space easement as part of the Project's environmental mitigation commitments.

In January 2026, concerns related to construction-generated dust were raised during the grading phase of construction. Throughout construction, the Sponsor and EPC contractor have implemented dust control and mitigation measures in accordance with applicable permit requirements and maintained coordination with County authorities, including the use of publicly posted contact information to facilitate reporting and responding to dust-related concerns. Since then, a substantial portion of the site preparation activities has been completed, and the Project has advanced to equipment installation and assembly activities. As a result, significant dust emissions are no longer expected.

As part of its review, NADBank conducted a search of publicly available information to identify media coverage and public opinion related to the Project. The following articles or references to the Project and the Sponsor were found.

- *SolaReit*, (June 8, 2026), "*SolaREIT™ Donates Land for New San Diego County Fire Station*" (<https://www.solareit.com/solareit-donates-land-for-new-san-diego-county-fire-station/>).
- *KPBS*, (March 24, 2026), "*East County green energy boom sparks concern over impacts to natural landscape, cultural sites*" ([East County green energy boom sparks concern over impacts to natural landscape, cultural sites | KPBS Public Media](#)).
- *KPBS*, (January 26, 2026), "*Jacumba residents say solar project is kicking up too much dust*" [([Jacumba residents say solar project is kicking up too much dust | KPBS Public Media](#))].
- *Mercom Capital Group*, (December 11, 2025), "*BayWa r.e. Secures \$416 Million Funding for JVR Energy Park*" (<https://mercomcapital.com/baywa-r-e-secures-416-million-funding-for-jvr-energy-park/>).

²² Source: [Idem](#).

²³ Source: Unicourt files (<https://unicourt.com/case/ca-sca1-casebs0106b245cedd-223994>).

- *Solar Power World*, (December 9, 2025), “Construction begins on BayWa’s JVR Energy Park solar + storage project in California” ([Construction begins on BayWa's JVR Energy Park solar + storage project in California](#)).

Based on the information reviewed, NADBank did not identify any unresolved public issues that would materially affect the Project’s ability to proceed.