GREENBACKER RENEWABLE ENERGY COMPANY II

A HIGH IMPACT FUND

Venture Impact Program

Photo courtesy of Greenbacker Capital

INVESTING IN THE TRANSITION TOWARD A RENEWABLE ENERGY FUTURE

Transitioning global electricity generation to clean, renewable sources is widely acknowledged as an essential prerequisite to meeting critical global climate goals. While the transition to clean energy is advancing, in order to meet global climate goals by 2050, the current pace needs to accelerate by 3 to 5 times relative to where renewable deployment is today.1 Greenbacker Renewable Energy Company II ("GREC II") provides investors with a unique opportunity to invest in a clean energy transition fund with strong returns relative to the risk of the underlying portfolio.

GREC II presents investors with a straightforward opportunity to support clean energy goals by investing in a large and growing portfolio of renewable energy projects. Due to the stability and nature of the portfolio, the fund's 7-10% target returns are favorable relative to the field on a risk-adjusted basis. The fund is one of the premier owners and operators of commercial and utility-scale renewable energy power facilities in the United States. The majority of the portfolio (50-75%) consists of solar and wind projects, with the remaining invested in energy storage and other projects including energy efficiency. Projects generate highly predictable long-term cash flows, typically secured by 15 to 25-year contracts.

GREC II offers an evergreen fund structure and provides investors with quarterly liquidity after a 1-year lock-up. The fund's 7-10% target includes a 4.5% annual cash dividend, which is generated by income earned through its projects' sale of clean electricity and the value appreciation of projects that the fund builds and brings online.

ABOUT GREENBACKER CAPITAL

Greenbacker Capital was founded in 2011, with the objective of bringing sustainable energy and other infrastructure investment opportunities to market. Greenbacker invests in a portfolio of income-producing renewable energy facilities and energy-related ventures, with holdings diversified across geography, size, and power source (e.g., solar, wind, energy storage). These projects sell power under long-term contracts to high-credit-quality counterparties, including utilities, municipalities, and corporations. Greenbacker's investment platform has grown to over $3.7 Billion in AUM. Its infrastructure portfolios have 3.7 GW of generation capacity across 480 commercial and industrial-scale solar, wind and battery storage facilities. GREC I has achieved a 6.50% net return to investors from inception through January 2024.

ABOUT THE VENTURE IMPACT PROGRAM (VIP)

VIP is an innovative way for MCF donors to engage in impact investing through philanthropy. Via a partnership with ImpactAssets — a market leader in impact investing — VIP enables philanthropic dollars to be directed towards both non-profit and for-profit companies that are seeking to make positive social or environmental impact.

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SUSTAINABLE DEVELOPMENT GOALS

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

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ImpactAssets	RISK RETURN MATRIX			
RISK LEVEL	HIGH RISK			
	MODERATE RISK			X
	LOW RISK			
		NON-MARKET RATE	NEAR-MARKET RATE	MARKET RATE
		RELATIVE RETURN		

Venture Impact Program

ImpactAssets	FUND SUMMARY
ASSET CLASS	Real Assets
TARGET FUND SIZE	$3 Billion
TERM	Evergreen
TARGET RETURN	7-10%
LIQUIDITY	Quarterly liquidity available after 1-year lockup; subject to 5% fund-level quarterly gate
IMPACT AREAS	• Energy transition • Grid resilience
INVESTMENT FEES	This investment recommendation will incur an additional fee of 0.40%. The fee is calculated on current asset basis.
INVESTMENT THESIS	• Acquire and finance the construction and/or operation of income-generating renewable energy, energy efficiency and sustainable development projects, primarily within the United States. • Build portfolio consisting of commercial and utility solar or wind projects (50-75%), and battery storage (15%), with the remaining portfolio invested in other projects including mobility and energy efficiency.
IMPACT THESIS	• Scaling up existing clean energy technologies (primarily solar and wind) that can replace fossil fuel-sourced energy in the United States, helping pave the way to carbon net zero in the U.S. over the next 30 years. • Investing in energy storage, an important component of grid stabilization. The ability to store energy via batteries can help overcome one of the major hurdles to the adoption of renewable energy sources: variability in output.
ILLUSTRATIVE INVESTMENT	**Appaloosa Solar:** Appaloosa Solar is a 240-megawatt solar generation facility located in Utah. The facility generates 100% renewable energy and has a 20-year contract in place to sell electricity to the investment-grade utility, PacifiCorp, to give clean energy to Meta. The project became operational in January 2024 and generates over 550,000 megawatt-hours of clean energy per year. That's enough to provide electricity for over 75,000 homes in one year.
STRENGTHS	• Portfolio designed to generate reliable returns with strong risk mitigation practices in place. Utilizes proven technologies and prioritizes high-quality, low-risk purchasers to buy the electricity generated by its portfolio. GREC I, has achieved a 6.50% net return to investors from inception through January 2024. • 23-person senior leadership team has 100+ years of experience in the energy, infrastructure, and project finance sector and over 90 years of experience in the financial services sector, over which the team has made $20B+ in infrastructure and real assets investments.
RISKS	• GREC II implements a strategy to invest a portion of the portfolio in battery storage assets. Greenbacker has limited experience operating standalone energy storage assets across its platform, though its expertise continues to grow. As of January 2024, Greenbacker has invested over $80MM in standalone battery storage projects. To mitigate the risk associated with managing these assets, GREC II has brought on a Senior Energy Storage Systems Engineer to support technical due diligence and asset management on all battery facilities. • The portion of the portfolio invested in pre-construction projects amplifies potential impact and financial returns, but it also poses a greater degree of execution risk than operational, cash-flowing assets. Greenbacker has been investing in pre-construction projects since 2018 and mitigates the elevated risk around these assets by targeting "shovel-ready" projects that have secured all necessary permits and already have contracts in place.