

Solar Service Co. Sunnova Raises \$300M In Financing Round

By **Maya Rajamani**

Law360, New York (October 22, 2015, 7:32 PM ET) -- Rooftop solar service provider Sunnova Energy Corp. on Thursday said it raised about \$300 million in committed debt and equity funding, bringing its total amount raised to nearly \$900 million.

The Houston-based company said it would use the funds to continue to expand its presence in the market for residential solar energy service.

"We are pleased to partner with these world-class energy investors to continue Sunnova's momentum and fund our growth in the global power industry," said Sunnova CEO William J. Berger. "We are eager to leverage the experience and resources that these energy leaders bring to the table."

The transactions involved in raising the \$300 million included a conduit facility arranged by Credit Suisse, along with an equity financing round led by Triangle Peak Partners LP, Sunnova said.

Sunnova also saw investments from business development companies sponsored by Franklin Square Capital Partners LP, a firm that is sub-advised by Blackstone's global credit investment platform GSO Capital Partners LP, the company said.

In November 2014, Sunnova closed a financing round that it says held the record for the "largest-ever round of funding raised by a private residential solar service company in the U.S.," raising \$250 million.

Sunnova said the funding it has raised so far will allow it to provide low-cost power to a greater number of homeowners, as well as provide jobs to its local partner firms and contractors around the U.S.

Along with announcing that its funding round had closed, Sunnova on Thursday also said that it would add several investors to its board of directors, including Rob Horn of GSO Capital Partners, Mike Morgan and David Pesikoff of Triangle Peak Partners and C. Park Shaper from SEIS Holdings LLC.

Morgan said that Sunnova's market has seen "impressive growth" over the past several years.

"Sunnova's innovative business model leverages local channel partners to accelerate the broad adoption of rooftop solar," he said. "[Sunnova] is building a next-generation power company that will increasingly compete with conventional energy and traditional, centralized electric utilities."

In September, industry group Solar Energy Industries Association issued a report claiming the U.S. solar

industry installed nearly 1,400 megawatts of generation capacity in the second quarter of 2015, the seventh consecutive quarter in which the U.S. added more than 1 gigawatt of solar installations and pushing total installations over the 20-gigawatt mark.

However, some experts predicted that an impending drop in value of the federal investment tax credit threatens to slow the momentum, although residential solar isn't as reliant on tax equity investment as utility-scale solar is, and therefore isn't as reliant on the investment tax credit, Mayer Brown LLP partner J. Paul Forrester told Law360 in September.

— Additional reporting by Keith Goldberg. Editing by Ben Guilfoy.

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