RESOURCE HUB | THE ENERGY ACADEMY

Investor Diligence Checklist for a Solar Project

59 items across 9 sections.

PROJECT

LOCATION

PREPARED BY

DATE

Tick each item when it is verified. Write N/A where an item does not apply to your project, and use the right-hand column for notes, owner and due date.

1 Ownership, corporate and title

NOTES / OWNER / DUE

Diligence starts by establishing that the seller owns what it is selling and can transfer it cleanly. This work is unglamorous, and it is where deals quietly die, usually over a signature from an earlier stage that was never properly obtained.

☐	1.1	Confirm the project company is validly formed and in good standing where organized and where the project sits	
☐	1.2	Trace the ownership chain from the project company to the ultimate parent, with each transfer documented	
☐	1.3	Confirm every prior assignment of project rights was signed by an authorized party and consented to where required	
☐	1.4	Obtain a current title commitment for the site and review every exception listed	
☐	1.5	Identify existing liens or security interests and confirm the mechanism and timing for their release	
☐	1.6	Confirm no pending or threatened litigation or regulatory proceeding involves the project company	

2 Site control and land rights

NOTES / OWNER / DUE

Site control is binary: either the project has the legal right to occupy the ground for the full term, and to reach and connect it, or it does not. Partial answers become title exceptions, and title exceptions become conditions to funding.

☐	2.1	Confirm the lease, easement or deed covers the full array area, equipment pads and laydown	
☐	2.2	Verify the land term covers the expected operating life plus any decommissioning period	
☐	2.3	Confirm recorded access rights covering every route needed for construction and ongoing maintenance	
☐	2.4	Verify recorded easements for collection lines, the point of interconnection and any offsite equipment	
☐	2.5	Obtain non-disturbance agreements from any mortgage holder on the underlying property	
☐	2.6	For rooftop projects, confirm the roof warranty holder has approved the specific attachment method in writing	

2 Site control and land rights

		NOTES / OWNER / DUE
☐ 2.7	For rooftop projects, confirm remaining roof life against the project term and who pays for a re-roof	
☐ 2.8	Verify rent escalation, production-based rent and end-of-term restoration obligations appear in the financial model	

3 Permitting and environmental

Permits are reviewed for what they require after issuance as much as for their existence. A conditional approval with an unmet condition is functionally no permit, and conditions are often buried in a resolution attachment.

		NOTES / OWNER / DUE
☐ 3.1	Inventory every permit and approval required at local, county, state and federal level, with status for each	
☐ 3.2	Confirm the appeal period on each discretionary approval has expired without challenge	
☐ 3.3	Read every condition of approval and assign a responsible party and a schedule to each	
☐ 3.4	Verify zoning permits the use outright, or that a variance or special use permit is in hand and recorded	
☐ 3.5	Confirm the environmental site assessment is complete and any recognized condition has been addressed	
☐ 3.6	Verify wetlands, waters and habitat findings and any required consultation or mitigation	
☐ 3.7	Verify the decommissioning plan and any required financial assurance instrument are in place	

4 Interconnection and grid

Interconnection is the largest source of late-stage cost surprise on most projects. The questions are what the project may inject, what it must pay for, and what remains to be built by a party the developer does not control.

		NOTES / OWNER / DUE
☐ 4.1	Confirm the executed interconnection agreement matches the project's actual capacity and configuration	
☐ 4.2	Verify studies are complete and no restudy is pending or triggered by a queue change ahead of the project	
☐ 4.3	Quantify remaining network and distribution upgrade obligations and confirm they are funded in the budget	
☐ 4.4	Confirm the utility's schedule for its own scope and where it sits on the project's critical path	
☐ 4.5	Confirm any operating restriction, export limit, curtailment right or control requirement in the agreement	
☐ 4.6	Confirm the queue position is properly assigned to the project company and survives the contemplated transfer	

5 Offtake and revenue contracts

NOTES / OWNER / DUE

Revenue contracts are read for the terms governing bad outcomes, not the price. An investor is buying a payment stream whose value depends on who is obligated, for how long, and what excuses performance.

☐	5.1	Confirm the offtake term, price, escalation mechanism and any price adjustment provisions	
☐	5.2	Verify who owns environmental attributes and whether they are bundled with the energy	
☐	5.3	Assess offtaker creditworthiness and confirm any guaranty, letter of credit or collateral requirement	
☐	5.4	Review termination rights, default triggers, cure periods and any termination payment formula	
☐	5.5	Confirm the treatment of curtailment, including whether deemed generation is compensated	
☐	5.6	Verify change of control and assignment provisions and obtain consent where the transaction requires it	
☐	5.7	For community solar, review subscriber agreements, churn assumptions and unsubscribed capacity treatment	

6 Engineering, equipment and construction

NOTES / OWNER / DUE

The technical review establishes that what is being built matches what was modeled, and that someone creditworthy must finish it. An independent engineer normally does this work; the investor sets its scope.

☐	6.1	Confirm the construction contract scope, price, schedule and whether it is fixed price and fully wrapped	
☐	6.2	Verify liquidated damages for delay and performance, their caps and the contractor's aggregate liability limit	
☐	6.3	Assess contractor financial strength and confirm any payment and performance bond or parent guaranty	
☐	6.4	Confirm equipment supply agreements are assignable and delivery schedules support the construction schedule	
☐	6.5	Verify module, inverter and tracker warranties and the financial standing of each warranty provider	
☐	6.6	Review the independent engineer's report and every qualification or exception it contains	
☐	6.7	Confirm the as-designed configuration matches what the energy assessment and financial model assume	

7 Production and technical assumptions

NOTES / OWNER / DUE

Production drives every revenue line, so its analysis draws more scrutiny than any other technical input. The review is less about the central estimate than its basis and uncertainty.

☐	7.1	Confirm the energy assessment was prepared or reviewed by an independent party acceptable to the investor	
☐	7.2	Verify the solar resource dataset used, its period of record and any adjustment applied	

7 Production and technical assumptions

			NOTES / OWNER / DUE
☐	7.3	Confirm loss assumptions for soiling, shading, availability and wiring are documented and site-specific	
☐	7.4	Verify the degradation rate against equipment warranties and confirm it compounds correctly in the model	
☐	7.5	Confirm which probability of exceedance case is used for sponsor economics and which for debt sizing	

8 Operations, insurance and ongoing risk

Operating arrangements determine whether modeled expenses are real commitments or estimates. Insurance determines who pays when something breaks.

			NOTES / OWNER / DUE
☐	8.1	Review the O&M agreement scope, term, pricing, escalation and any availability guarantee	
☐	8.2	Confirm what is excluded from the O&M scope and who bears the cost of those items	
☐	8.3	Confirm insurance coverage, limits, deductibles and named parties for property, liability and business interruption	
☐	8.4	Verify natural catastrophe exposure for the site and that coverage and deductibles reflect it	
☐	8.5	Confirm property tax treatment or any payment in lieu agreement and its term relative to project life	

9 Financial model and capital structure

The model is reviewed last, because it is only as good as the documents behind it. This pass confirms every assumption traces to something reviewed above.

			NOTES / OWNER / DUE
☐	9.1	Reconcile every model assumption to the underlying contract, quote or report	
☐	9.2	Confirm total project cost includes development, interconnection, financing fees, interest during construction and contingency	
☐	9.3	Verify sources equal uses as a formula, with no manual balancing entry	
☐	9.4	Confirm each revenue stream is modeled separately with its own term and stops when that term ends	
☐	9.5	Verify the debt schedule amortizes to zero at maturity and coverage is calculated as the credit agreement defines it	
☐	9.6	Confirm reserve funding and release are modeled, including return of balances at maturity	
☐	9.7	Run downside cases on production, expense escalation and merchant tail value, and review the results	
☐	9.8	Verify any assumed incentive or tax benefit is supported by documentation of eligibility rather than assumption	

+ Additional Diligence Items	NOTES / OWNER / DUE
Items found that are not covered above.	
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SIGN-OFF

PREPARED BY

SIGNATURE AND DATE

REVIEWED BY

SIGNATURE AND DATE

This checklist is a structure for making sure nothing obvious is missed. It does not replace the judgment of qualified professionals, the governing documents or the advice of counsel, engineers and other advisors.