

Case Study: **Connecticut Solar Portfolio**



Background

The Cherrytree Group specializes in managing tax credit funds, in fields including renewable energy, and targets investors seeking to monetize renewable energy tax credits. For three sets of projects in the state of Connecticut Cherrytree partnered with the MSL Group of Milford, CT.

The relationship was mutually beneficial to both companies. MSL Group is a firm leading the charge in solar tax investment opportunities. MSL Group is comprised of financial and renewable energy professionals who execute efficiency-focused energy projects to decrease the overall cost for low-income housing across Connecticut, and the greater United States. Meanwhile, Cherrytree has become one of the leading tax credit consultants and syndicators in the United States.

Project Details

The Solar Investment Tax Credit (ITC) allows investors to deduct 26% of installation costs from federal taxes, which applies to all residential and commercial systems.

First project: MSL Group built rooftop solar facilities in Milford, Connecticut to produce power utilized by the Milford Redevelopment and Housing Authority ("Milford Solar"). The Milford Solar initiative generated \$264,815 in Investment Tax Credits ("ITC") and \$1,080,273 in depreciation, and will generate energy of approximately 1.311MW over the course of its useful life.

Second Project: Cherrytree worked with MSL Group on a solar project in Manchester, Connecticut. This project created \$1,017,990 in Tax Credits combined with a depreciation of \$2,225,892. The total energy produced amounted to 0.32MW.

Third Series of Projects: Cherrytree has contracted with MSL Group for five solar project investments throughout the state of Connecticut. These projects are estimated to create \$1,491,516 in Tax Credits with an approximate depreciation of \$4,827,249. In total, these five solar projects will generate energy of about 1.032MW.

The complete Cherrytree/MSL Solar Portfolio will amount to \$2,774,321 of tax credits and \$8,133,514 in depreciation, while creating 2.663MW in energy.

These numbers highlight the financial benefit of investing in these tax credits, as well as the positive impact it has on reducing our nation's fossil fuel energy use. The Solar ITC is one of the brightest opportunities in real estate development and investment today.