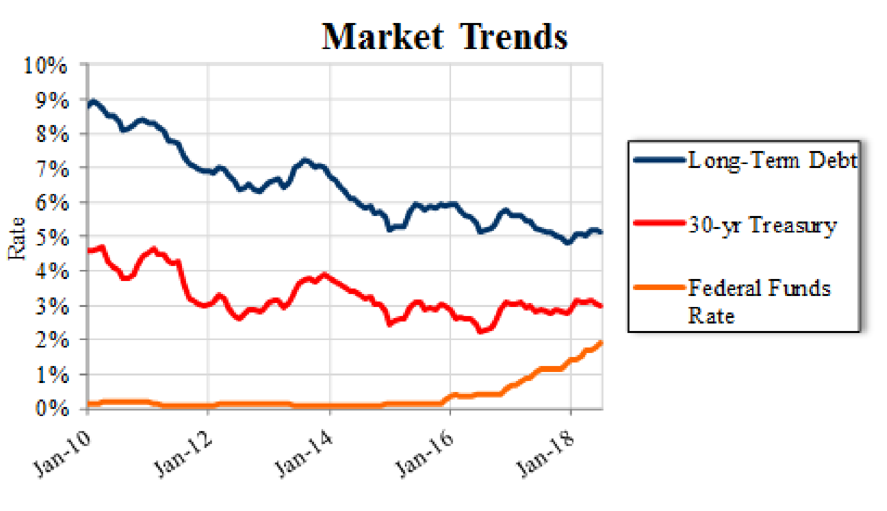
DAI

# Consultants in Energy, Power and Renewables

2018 V.3

Since late 2015, the Federal Reserve has been increasing rates from their record lows following the Great Recession. Historically, the Federal Reserve has raised rates during periods of increasing inflation expectations. Rising inflation typically coincides with rising costs of capital. However, recent long-term Treasury and corporate debt rates have not tracked the federal funds rate. While the federal funds rate has increased by almost 150 basis points since November of 2015, long-term debt and treasury rates have been declining or stagnant. For project developers facing depressed energy markets and declining PPA pricing, this has been a welcome respite.




Stability in the capital markets may signify that expectations of future inflation are lower than the Federal Reserve's. Or it may simply mean that there is so much capital available that competition is keeping rates low. Either way, there continues to be a favorable environment for capital projects seeking long-term financing.

***Upcoming Events***

SOLARPOWER INTERNATIONAL

- DAI will be attending the Solar Power International Conference in Anaheim, California from September 24th through September 27th, 2018. Contact us to schedule a meeting!

## DAI Services

- Appraisal
- Independent Engineer
- Cost Segregation
- Market Analysis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