

**Item 1 – Cover Page**

**Part 2A of Form ADV  
Brochure for:**

**ENERGY POWER MANAGEMENT I, LLC**

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**March 19, 2021**

**This Brochure provides information about the qualifications and business practices of Energy Power Management I, LLC (“EPM”) and its Relying Advisers (collectively, the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**The Firm is registered investment advisers with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.**

**Additional information about the Firm is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

Item 2 discusses only material changes to the Brochure since the last annual updating amendment on March 16, 2020.

Since the last annual updating amendment, there have been no material changes to the information provided in this Brochure.

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## Item 4 – Advisory Business

### A. Description of the Advisory Firm

Energy Power Management I, LLC (“EPM” or the “Firm”) is a Delaware Limited Liability Company formed in June 2011. North American Sustainable Energy Manager, LLC (“NASEM”) is a Delaware limited liability company formed in March 2014 and is a Relying Adviser of EPM in reliance on the position expressed in the American Bar Association No-Action Letter dated January 18, 2012. Each of EPM and NASEM are referred to in this Brochure as a Manager or together, the “Firm.” The Firm’s principal owners are Henry Park and Jerome P. Peters, Jr.

### B. Types of Advisory Services

The Firm serves as investment adviser to certain private investment funds, which are organized as Delaware limited partnerships (each a “Fund” and collectively the “Funds”). Affiliates of the Firm serve as the General Partner of the Funds, as described more fully in Item 10. The Firm may decide in the future to sponsor or manage additional private investment funds or other clients (collectively with the Funds, the “Clients”).

The Firm invests in private companies in the renewable and clean energy sectors, targeting mid-sized operating assets and construction-ready projects located in North America, in accordance with the strategy described in each Fund’s offering memorandum and limited partnership agreement, and subscription documents (“Governing Documents”).

The Funds offer limited partnership interests (“Interests”) to certain qualified investors as described in response to Item 7, below (such investors are referred to herein as “Investors”).

### C. Client Tailored Services and Client Imposed Restrictions

Advisory services are tailored to achieve each Fund’s investment objectives. The Firm has the authority to select which and how many portfolio companies to invest in and determine exit strategies, generally without consultation with the Fund or its Investors.

### D. Wrap Fee Programs

The Firm does not participate in wrap fee programs.

### E. Amounts Under Management

As of December 31, 2020, the Firm has approximately \$376,042,866 of regulatory assets under management on a discretionary basis and \$0 on a non-discretionary basis.

## Item 5 – Fees and Compensation

### A. Fee Schedule

The fees and compensation payable to the Firm are negotiable and vary among its Clients. However, the range of compensation is generally as follows:

#### 1. Management Fee

The Firm typically receives a semi-annual asset-based management fee calculated as a percentage of each Investor's capital account, payable in advance. The management fee varies by fund and is generally between 1.5% and 2% on capital commitments and between 1.125% and 1.75% on aggregate capital contributions for investments. A "Management Fee Offset" may apply to the extent that a General Partner receives certain other fees, as described more fully in the Funds' Governing Documents. Fees may be waived at the discretion of the Firm.

#### 2. Performance-based Fees

Each Fund's General Partner generally receives a carried interest equal to a percentage of all realized profits, as described more fully in each Fund's Governing Documents. The carried interest is subject to a giveback at the end of life of the funds if the General Partner has received excess cumulative distributions.

The carried interest will only be charged to accounts of those Investors who are "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act").

#### 4. Fee Comparison

Client expenses, including the management fee and any performance-based fees may constitute a higher percentage of average net assets than could be found in other investment programs.

### B. Payment of Fees

Management fees, performance-based fees, and third-party fees (discussed below) are deducted or drawn from Client assets. Management fees, which are paid in advance, are withdrawn at the beginning of the semi-annual period. Performance-based fees are determined as of the last business day of the calendar year.

### C. Third-Party Fees

Each Fund is responsible for its offering and organizational expenses, including travel and accommodation expenses, filing fees and expenses and printing costs or other similar amounts with respect to the offering of and subscription for Interests in the Fund, and including the fees and expenses of marketing agents in connection with the offer and sale of Interests. To the extent the Fund's General Partner has not elected to pay such costs and expenses, each Fund will bear the costs and expenses of its operation, which includes: (i) fees, costs and expenses of any administrators, custodians, attorneys and accountants (including audit and certification fees and the costs of printing and distributing reports to Partners), (ii)

all out-of-pocket fees, costs and expenses, if any, incurred in developing, negotiating, structuring, acquiring and disposing of actual Investments, including without limitation any financing, legal, accounting, advisory and consulting expenses in connection therewith (to the extent not subject to any reimbursement of such costs and expenses by entities in which the Fund invests or other third parties), (iii) broken deal expenses, as defined and described in the applicable Governing Documents, (iv) brokerage commissions, custodial expenses and other investment costs actually incurred in connection with actual investments, (v) interest on and fees and expenses arising out of all borrowings made by the Fund, including, but not limited to, the arranging thereof, (vi) the costs of any litigation, D&O liability or other insurance and indemnification or extraordinary expense or liability relating to the affairs of the Fund, in accordance with the Governing Documents, (vii) expenses of liquidating the Fund, (viii) any taxes (other than certain taxes described in the Governing Documents), fees or other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund, (ix) to the extent not paid by a corporation or its electing tax exempt partners (as defined in the Governing Documents), its corporation expenses (which expenses will be specially allocated to the electing tax exempt partners with an interest in such corporation), and (x) the out-of-pocket expenses of committees described below in Item 16.

D. Prepayment of Fees

The Funds invest in the securities of private companies on a long-term basis. Accordingly, all fees are paid during the term of the Funds and Investors are generally not permitted to withdraw or redeem Interests in the Funds. Fees paid at the beginning of a fiscal period (such as management fees) will not be refunded or prorated for partial periods.

E. Outside Compensation for the Sale of Securities

Neither the Firm nor its supervised persons accepts compensation for the sale of securities or other investment products outside of its association with the Firm.

**The foregoing discussion in Items 5 represents the Firm's basic compensation arrangements. The management fees and incentive allocations described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although the Firm believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

## **Item 6 - Performance-Based Fees and Side-By-Side Management**

As discussed in Item 5.A., the Firm generally receives a carried interest equal to a percentage of all realized profits in a particular Fund. Due to the Fund's structure, the Firm allocates investment opportunities to the Fund, and not to individual Investor accounts.

Differences in the Firm's compensation arrangements with its Clients, particularly if some Clients were to pay higher performance-based compensation, could create incentives for the Firm to manage Client portfolios so as to favor those portfolios of clients paying higher performance-based compensation, as could the Firm's ownership interest (e.g., as the general partner) in some Client accounts. Notwithstanding these conflicts, the Firm will allocate transactions and opportunities among the various Client accounts it manages in a manner it believes to be as equitable as possible, considering each account's objectives, programs, limitations and capital available for investment, but even accounts with similar objectives will often have different investment portfolios.

Performance-based compensation may provide a possible incentive for the Firm to make riskier or more speculative investments on behalf of a Client than it might make otherwise. Notwithstanding this potential incentive, the Firm will evaluate investments in a manner that it considers to be in the best interest of its Clients, given those Clients' investment objectives, investment strategies, suitability of the investment, and risk profile.

### **Item 7 – Types of Clients**

The Firm provides investment advice and management to the Funds and may in the future provide the same or similar services to other privately placed investment funds and/or other Clients.

The Firm intends to restrict the number of Investors in the Funds and will offer Interests only through non-public transactions in order to maintain their exclusion from "investment company" status under the Investment Company Act of 1940, as amended (the "Investment Company Act").

Prospective Investors in the Funds must meet eligibility criteria, and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review a Fund's Governing Documents, which set forth all of the terms in detail. Though the Clients generally pursue the same strategy, offering terms may differ. Terms for Separate Accounts are generally similar to the Funds, but can be negotiated on a case by case basis and may differ from those of the Funds.

Each Investor generally must be a "qualified purchaser" (as defined by the Investment Company Act of 1940). The minimum initial investment varies by Fund but is generally in the range of \$5,000,000 to \$10,000,000 subject to waiver at the discretion of the Firm.

### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

#### **A. Methods of Analysis**

The Firm's investment process is designed to (1) maintain negotiation leverage as an investor, (2) cost effectively allocate resources to the best opportunities and (3) optimize exit strategy. The outline of the Firm's investment process and procedures is as follows:

**Origination:** The Firm's investment team will proactively seek investment opportunities that can be privately negotiated rather than acquired through other means, such as a large auction. The investment team will use the relationships it has developed in the relevant industries to source new and privately negotiated opportunities.

**Screening:** The Firm believes that rapid and efficient triage is one of the trademarks of an effective investment team. In a deal-rich environment, an investment requiring a large allocation of time and resources has a high opportunity cost. Accordingly, the Firm seeks to prescreen opportunities quickly before significant time or resources are invested, using established criteria.

**Analysis:** Once an investment opportunity has been prescreened, an execution team is assigned. The execution team will filter out substandard opportunities after nondisclosure agreements are signed and more information is made available. The Firm gathers a number of supporting documents which are provided to each Fund's investment committee when a recommendation is made.

**Proposal and Negotiation:** Once preliminary approval is received, the execution team is authorized to submit a binding proposal. All binding proposals require two signatures. All proposals are subject to satisfactory documentation, confirmatory due diligence, and final approval by the Fund's investment committee.

**Due Diligence:** The process involves not only confirming facts and representations by the target asset/company but also uncovering the upside and identifying previously unknown risks, using the measures described in each Fund's Governing Documents.

**Investment Committee Review:** Each Fund's investment committee votes to approve an investment, considering the standard merits and other factors as described in each Fund's Governing Documents.

**Documentation/Final Approval:** All governing documents including management agreements, partnership/LLC agreements, purchase agreements, operating contracts, financing agreements, etc. are drafted using outside counsel. Other steps in the Documentation/Final Approval process include: updating the investment committee memo for any changes as a result of final documentation negotiations and summarizing key terms for investment committee for final voting and approval.

**Closing/Booking:** The Firm's Chief Financial Officer is responsible for: closing procedures, including financing, derivatives, interest rate hedges as well as deal funding and draft closing memo for circulation along with capital call requests; and coordinating the closing process with relevant third-party service providers.

**Portfolio Management and Optimization:** To implement the investment thesis, portfolio monitoring reports are created and systems are integrated to facilitate communication and financial reporting between the Firm and its portfolio of assets and companies.

**Fund Reporting:** Standard Fund reporting process and procedures will be conducted under the guidance of the Firm's Chief Financial Officer and other principals of the firm, using outside auditors and third-party back office fund administration service providers.



At the ends of their useful lives, the Funds will regularly track valuation multiples and update exit strategies as appropriate. Capital appreciation of the assets is expected, thus typical exit strategies include a sale to a strategic or financial buyer and, depending on market conditions, a recapitalization or an IPO. Aside from basic supply-and-demand dynamics, a number of motivations and drivers will factor into the optimal exit strategy, as described in each Fund's Governing Documents.

**B. Investment Strategies**

The Firm believes that market conditions are creating near-term opportunities in the renewable industry. The Firm focuses primarily on attractive small-to-medium sized investments that have historically been too small for larger, multibillion-dollar funds or are not a strategic focus due to lack of industry expertise. Given the strong demand for private equity capital by the North American electric power and renewable industries, an opportunity exists for strategic investment in power assets that provide superior risk-adjusted returns through optimization of existing cash flows and capital appreciation.

Depending on the Fund, investments may include operating assets, construction-ready projects and portfolios of smaller renewable and clean energy companies. In certain cases, the Firm may also see value-add potential through the aggregation of certain assets using similar technology to create platforms. This strategy offers a number of benefits, particularly in the small-to-medium size segments where the ability to capture benefits of scale, and/or synergies and cost efficiencies, is a significant competitive advantage.

The Governing Documents for each Fund set forth their specific objectives, strategies, any limitations, and methodologies in detail.

**C. Risks of Investments and Strategies Utilized**

An investment in the Funds involves a high degree of risk and is suitable only for Investors that have no immediate need for liquidity of the amount invested and can withstand a loss of their entire investment. In addition to the factors set forth elsewhere in this Brochure, prospective investors should consider carefully, without limitation, the following factors in analyzing an investment in the Funds. Investment risk factors include:

**No Assurance of Investment Return; Possible Loss of Entire Investment.** The Firm cannot provide assurance that it will be able to choose, make and realize investments in any particular company or portfolio of companies. An investment in the Funds is a long-term commitment and there can be no assurance that the Funds will be able to generate returns for its Limited Partners or that the returns will be commensurate with the risks of investing in the types of companies described herein. Accordingly, an investment in the Funds should only be considered by persons who can afford a loss of their entire investment. Past activities of investment entities associated with the principals of the General Partner or their affiliates provide no assurance of future success.

**Highly Competitive Market for Investment Opportunities Generally.** The activity of identifying, completing and realizing on attractive investments is highly competitive and

involves a significant degree of uncertainty. The Funds will be competing for investments with many other investment vehicles, as well as individuals, financial institutions, investment managers, industrial groups, merchant banks and other institutional investors. There can be no assurance that the Funds will be able to locate, complete and exit investments that satisfy the Funds' objectives or realize the value of such investments.

**Reliance on Management.** The General Partner will make all decisions regarding the strategy, investments and day-to-day operations of the Funds. Limited Partners will have no right or power to participate in the management of the Funds. In addition, the Funds' success is substantially dependent on the continued availability to the Funds of the services of the General Partner and the members of the investment team. The loss of the services of any of these individuals could have a material adverse effect on the Funds, its ability to manage its investments and its prospects.

**Limited Liquidity.** The Funds' investments generally will not be sold for a number of years and will remain relatively illiquid and difficult to value. The marketability and value of any such investments will depend upon many factors beyond the control of the General Partner. Until a realization occurs, there generally will be limited or no marketability of the Funds' investments and such investments may decline in value while the Funds is seeking to dispose of them. Furthermore, the Funds may find it necessary to sell investments at a discount or to sell over extended periods of time when disposing of its portfolio investments.

**Risk of Limited Number of Investments; Lack of Diversity.** Pursuant to the Funds' investment policies, the Funds currently plan to make privately negotiated equity and equity-related investments, and debt investments, in renewable and clean energy assets and companies primarily in the U.S. and Canada. Despite the General Partner's intent to diversify the Funds by investing in a variety of investments, the Funds may ultimately participate in a limited number of investments and, as a consequence, the aggregate return of the Funds may be substantially adversely affected by the unfavorable performance of even a single investment. Additionally, the investors can have no assurance as to the degree of diversification in the Funds' investments, either by region or asset type. As a result, the value of the Funds' investments and its capital and profitability may be materially affected by a single adverse event.

**Contingent Liabilities upon Disposition.** In connection with the disposition of an investment in a portfolio company, the Funds may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business, and may be responsible for the content of disclosure documents under applicable securities laws. It may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities, which would be borne by the Funds.

**No Market for Interests.** Interests will be transferable only with the prior written consent of the General Partner. There is not and will not be a public market for the Interests. Investors therefore will generally be unable to liquidate their investment in the Funds during the term

of the Funds. The current terms of the Funds are between ten and twenty years, which term may be extended for up to three consecutive one-year periods. Even upon liquidation, Investors may receive restricted securities that may not be resold without registration under, or exemption from, applicable securities laws.

**Failure to Make Capital Contributions.** If an Investor fails to pay when due installments of its capital commitment, and the contributions made by non-defaulting Limited Partners and borrowings by the Funds are inadequate to cover the defaulted capital contribution, the Funds may be unable to pay its obligations when due. As a result, the Funds may be subjected to significant penalties that could materially adversely affect the returns to the Limited Partners (including non-defaulting Limited Partners). If an Investor defaults, it may be subject to various remedies as provided in the Partnership Agreement, including, without limitation, reductions in its capital account balance.

**Indemnification.** The Funds will be required to indemnify the General Partner and its affiliates, and their respective officers, directors, agents, stockholders, members and partners for liabilities incurred in connection with the affairs of the Funds. Such liabilities may be material and may have an adverse effect on the returns to the Limited Partners. For example, in their capacity as directors of portfolio companies, the members, managers or affiliates of the General Partner may be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of the Funds would be payable from the assets of the Funds, including the unpaid commitments of the Limited Partners. If the assets of the Funds are insufficient, or if the indemnification obligation of the Funds arises after the term of the Funds, the General Partner under certain circumstances may recall a portion of the distributions previously made to the Limited Partners.

**Ability to Enter into Side Letters.** The Funds and the General Partner may enter into side letters or other similar agreements without the approval of other Limited Partners, which would have the effect of establishing rights under, or altering or supplementing the terms of, the Partnership Agreement or Subscription Booklet with respect to such Limited Partner in a manner more favorable to such Limited Partner than those applicable to other Limited Partners.

**Unspecified Investments.** The Funds may not have identified all (or any) of its investments at the time Interests are offered. In addition, there can be no assurance that any investments currently being targeted by the Funds will be invested by, or available to, the Funds after the initial closing. Investors must rely on the General Partner to make all portfolio investment decisions and will not have the opportunity to independently evaluate any investments.

**Sales to Regulated Markets and Contracts and Agreements with Third-parties.** The Funds may invest in companies that sell power, energy or other products. These investments may involve sales into regulated markets or to third-parties. While investments in these companies may offer the opportunity for price stability and increased predictability of product sales, such investments rely on the policy certainty in regulated markets and long-

term financial viability of the buyer. The ability to monetize product sales through regulated markets and third-party contracts is critical to the Funds and the Funds could suffer losses.

**Use of Leverage.** Certain of the Funds' investments may be in companies that are highly leveraged. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. The Funds' investments may involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of such companies. Moreover, any rise in interest rates may significantly increase portfolio company interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the Funds may suffer a partial or total loss of capital invested in the portfolio company.

**Investment in Restructuring.** The Funds may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such portfolio companies to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject the Funds to certain additional potential liabilities that may exceed the value of the Funds' original investment therein. For example, under certain circumstances, a lender who has inappropriately exercised control over management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Funds and distributions by the Funds to the Limited Partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

**Minority Investments.** The Funds may invest in minority positions of companies and in companies for which the Funds has no right to appoint a director or otherwise exert significant influence or protect its position. In such cases, the Funds will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Fund.

**Risks Arising from Provision of Managerial Assistance.** The Funds will often seek the right to designate directors to serve on the boards of directors of portfolio companies. The designation of directors and other measures contemplated could expose the assets of the Funds to claims by a portfolio company, its security holders and its creditors. While the

General Partner intends to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

**Financial Market Fluctuations.** General fluctuations in the market prices of securities may affect the value of the investments held by the Funds. Instability in the securities markets may also increase the risks inherent in the Funds' investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public debt market or otherwise, which can be volatile. During the term of the Funds, there may be periods during which valuations in the public markets are excessive or undervalued, thereby limiting opportunities to exit private investments by selling them or taking them public. To the extent such periods of excessive valuations or under-valuations are prolonged, the Funds' ability to exit investments in the public markets may be constrained.

**Non-U.S. Investments.** Certain of the Funds' investments may be in non-U.S. securities. Non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which the Funds' non-U.S. investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative liquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and variations in government supervision and alternative regulation; and (iii) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities and U.S. taxes on certain non-U.S. entities (including under "FATCA," as discussed at "Certain U.S. Tax and Regulatory Considerations" below).

**Hedging Policies/Risks.** In connection with the financing of certain investments, the Funds may employ hedging techniques designed to reduce the risks of adverse movements primarily in interest rates, and occasionally in securities prices and currency exchange. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in rates may result in a poorer overall performance for the Funds than if it had not entered into such hedging transactions.

**Bridge Financings.** From time to time, the Funds may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Funds' control, such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

**Co-Investment Policy.** The Funds may co-invest with third parties through joint ventures or otherwise. Such investments may involve risks in connection with such third-party

involvement, including the possibility that a third-party co-investor may have financial difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Funds, or may be in a position to take (or block) action in a manner contrary to the Funds' investment objectives. In addition, the Funds may in certain circumstances be liable for the actions of its third-party co-investors. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

**Utility Regulation.** The electric power industry is extensively regulated and subject to frequent regulatory change. The adoption of new legislation or changes in existing laws, or new interpretations of existing laws, could have a significant impact on the methods and costs of doing business of one or more portfolio companies. The electric power industry is and will continue to be subject to varying degrees of regulation and licensing by federal, state and local regulatory authorities.

**Public Utility Holding Company Act of 2005.** If a Fund were to hold 10% or more of the voting securities in a "public utility company" or a "holding company" of a public utility company (as those terms are defined in the Public Utility Holding Company Act of 2005 ("PUHCA")), the Funds would become a holding company subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC"). If the Funds were to have the ability to exercise a "controlling influence" over the management of a public utility company or a holding company of a public utility company, regardless of the percentage of the outstanding voting securities or the company under PUHCA. The Funds would be required to notify the FERC of its status as holding companies under PUHCA. The Funds, as a holding companies, and any affiliate, associate company and subsidiary company (as those terms are defined in PUHCA) would be required to maintain, and make available to the FERC, such books, accounts, memoranda and other records of transactions that the FERC may deem relevant to electric or natural gas rates subject to the FERC's jurisdiction. However, if the public utility company of which one of the Funds (i) directly or indirectly holds 10% or more of the voting securities or (ii) has the ability to exercise a controlling influence is a qualifying facility ("QF"), exempt wholesale generators ("EWG") or foreign utility company ("FUCO") such terms are defined in PUHCA, and the Funds are a holding company solely with regard to interests held in such QFs, EWGs or FUCOs, the Funds will be exempt from the books and records and record-retention requirements of PUHCA.

**Regulatory Approvals and Related Portfolio Company Matters.** The Funds may invest in portfolio companies it believes have obtained all material energy-related federal, state, local or non-U.S. approvals required as of the date thereof to acquire and operate the facility. In addition, the Funds may require the consent or approval of applicable regulatory authorities to acquire or hold particular portfolio companies. A portfolio company could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Moreover, additional regulatory approvals, including without limitation, renewals, extensions, transfers,

assignments, reissuances or similar actions, may become applicable in the future due to a change in laws and regulations, a change in the companies' customer(s) or for other reasons. There can be no assurance that the Funds or any portfolio company will be able (i) to obtain all required regulatory approvals that it does not yet have or that it may require in the future, (ii) to obtain any necessary modification to existing regulatory approvals or (iii) to maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of the facility or sales to third parties or could result in additional costs to a portfolio company. In connection with the regulatory approval, licensing or review processes for any portfolio company, disclosures and other undertakings may be required from or in respect to the existing or prospective owners of such portfolio company, potentially including the Funds or in turn the Investors. The General Partner will seek to avoid or mitigate any such processes for the Funds and the Investors.

**Environmental, Health and Safety Regulation.** The electric power industry is subject to the regulation by governmental agencies with respect to a wide range of environmental, safety, and other matters. In particular, the operations of the portfolio companies will be subject to permit requirements and increasingly stringent regulations under numerous environmental laws, such as the federal Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act and other similar federal, state, and local laws. Various governmental authorities have the power to enforce compliance with environmental regulations and the permits issued under them, and violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions, or both. Liability for the remediation of contaminated areas may be incurred without regard to fault. Losses may also be incurred as a result of interruptions of business in connection with regulatory actions. Private parties, including the owners of properties through which gathering and pipeline systems pass, also may have the right to take legal action against violators to enforce compliance and to seek damages for noncompliance with environmental laws and regulations, as well as the right to take legal action for personal injury or property damage. In the future, federal, state, and local agencies could impose additional environmental regulations or safety requirements on activities relating to the gathering, processing, storage, or transmission of energy, any of which could increase the costs, and consequently negatively impact the profitability, of one or more portfolio companies, which may result in an adverse effect to the financial condition of the Funds.

**Energy Industry Risks.** Investments in the energy industry may be subject to a variety of risks, not all of which can be foreseen or quantified presently. Examples of such risks may include, but are not limited to: (a) risks associated with the volatility of energy, raw materials, labor, commodity and other prices, (b) risks that technology employed in an energy project or product will not be effective or efficient, or will be rendered obsolete by new competing technology, (c) risks that regulations affecting the energy industry will change in a manner detrimental to one or more portfolio companies, (d) environmental liability risks related to the gathering, processing, storage, and transmission of hydrocarbons and electricity, and (e) risks of equipment failures, acts of God, acts of terrorism, or other accidents or catastrophes

and the inability to obtain desirable amounts of insurance at reasonable rates. The energy industry is also subject to general economic conditions and to actions of foreign governments in countries that produce significant quantities of oil and gas. The occurrence of events related to the foregoing risks could adversely affect one or more of the portfolio investments.

**Renewable Industry Risks.** The market for renewable and clean energy products is emerging and rapidly evolving, and its future success is uncertain. If renewable and clean energy technologies prove unsuitable for widespread commercial deployment or if demand for renewable and clean energy products fails to develop sufficiently, the Funds' portfolio companies could be unable to generate enough revenue to achieve and sustain profitability. In addition, demand for renewable and clean energy products in the markets and geographic regions that the Funds target may not develop or may develop more slowly than anticipated. Many factors will influence the widespread adoption of renewable and clean energy technology and demand for renewable and clean energy products, including the cost-effectiveness, performance and reliability of renewable and clean energy technology and the availability of government subsidies and incentives.

**Uncertain Economic and Political Environment for Renewable and Clean Energy Projects.** Renewable and clean energy projects currently enjoy support from national, state and local governments and regulatory agencies designed to finance the development of renewable and clean energy, such as the federal production tax credit, various renewable and clean energy portfolio standard requirements enacted by several states, renewable and clean energy credits and state-level utility programs, such as system benefits charge and customer choice programs. Although the Funds do not rely on subsidy programs to generate target returns, the combined effect of the programs proposed by the current administration is significant. Any reduction in or elimination of these programs may have an adverse effect on the industry and the development of renewable and clean energy resources, as was demonstrated by the significant reduction in wind power development projects between the end of 2003 when the federal production tax credit expired and the reinstatement of such credit by Congress in October 2004. There is no assurance that Congress will continue to support comparable incentive programs.

**Potential Conflicts of Interest.** Certain factors may give rise to conflicts of interest between the General Partner and its affiliates, on the one hand, and the Investors, on the other hand.

**General Partner's Carried Interest.** The existence of the General Partner's Carried Interest may create an incentive for the General Partner to make more speculative investments on behalf of the Funds than it would otherwise make in the absence of such performance-based arrangement.

**Activities of the Investment Team.** With certain exceptions, members of the investment team generally will devote substantially all of their business time and attention to the affairs of the Funds and the business of the General Partner and the Firm. However, they may have other business interests; for example, fund personnel may serve as members of the boards of directors of companies other than portfolio companies. Although the investment team is



committed to the success of the Funds, there can be no assurance that the affairs of the Funds will receive their undivided attention at all times.

**Material, Non-Public Information.** By reason of their responsibilities in connection with their other activities, certain Fund personnel may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

**Diverse Investor Group.** The Investors may have conflicting investment, tax and other interests with respect to their investments in the Funds. The conflicting interests of individual Investors may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with the decisions made by the General Partner, including with respect to the nature or structuring of investments that may have an effect that is more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Funds, the General Partner will consider the investment and tax objectives of the Funds and its investors as a whole, not the investment, tax or other objectives of any Investor individually.

**Cybersecurity Breaches and Identity Theft.** The Firm's and the portfolio companies' technology and information systems may be susceptible to interruption from network failures, computer viruses, telecommunication failures, infiltration by unauthorized persons and security breaches, 10 usage errors, power outages and catastrophic events (such as fires, tornadoes, floods, hurricanes and earthquakes) and damage generally. Although the Firm has implemented, and portfolio companies will likely implement, various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time, or cease to function properly, the Firm, the Funds and/or a portfolio companies may have to make a significant investment to fix or in certain circumstances, replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm's, a Fund's and/or portfolio company's operation and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors. Such a failure could harm the Firm's, the Fund's and/or a portfolio company's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

**Public Health Emergencies; COVID-19.** Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19 (as defined below), have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Fund.

Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization formally declared in March 2020 to constitute a global "pandemic." COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and a severe decline in all financial markets. Among other things, these unprecedented developments have resulted in material reductions in demand across most categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The extent of COVID-19's impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained, it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior. Therefore, there exist a risk that the ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Fund.

### **Item 9 – Disciplinary Information**

The Firm and its management persons have not been a party to any legal or disciplinary events that would be material to a client's or prospective client's evaluation of its investment advisory business or the integrity of its management.

### **Item 10 – Other Financial Industry Activities and Affiliations**

**A. Registration as a Broker-Dealer or Broker-Dealer Representative**

Neither the Firm nor its management persons are registered as a broker-dealer or broker-dealer representative.

**B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser**

Neither the Firm nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading adviser.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

The following affiliates provide certain services to the Funds, as described for each. Some of the principals, officers, employees and/or consultants of the Firm serve EPM, NASEM and/or the General Partners and other entities making up the Firm in similar capacities.

**Energy Power Partners GP I, L.L.C** is the General Partner of Energy Power Partners Fund I, L.P. EPM is the manager of that Fund.

**North American Sustainable Energy GP, LLC** is the General Partner of North American Sustainable Energy Fund, L.P.

**North American Sustainable Energy Manager, LLC** is the manager of North American Sustainable Energy Fund, L.P. It provides investment advisory services to that Fund and is a Relying Adviser of EPM pursuant to the SEC's No-Action Letter to the American Bar Association dated January 18, 2012.

**EPP Service Company** is owned by Henry Park and Jerome P. Peters, Jr. It provides employees, operational and management services to certain projects that the Funds invest in. Services are provided pursuant to a Management Services Agreement between EPP Service Company and the project and/or the Manager of the applicable Fund, which subcontracts certain of the services to EPP Service Company. Fees are either paid to the Manager and passed through to EPP Service Company or paid directly to EPP Service Company.

Currently, EPP Service Company is providing services to one project, with fees of approximately \$275,000 annually. It is expected that EPP Service Company will provide similar services to other projects in the future. Fees for these services will vary by project based on the scope of services being provided.

Because EPP Service Company is affiliated with the Firm through common ownership by Messrs. Park and Peters, the Firm may have an incentive to engage EPP Service Company although similar services may also be available through third-party providers. To address this potential conflict of interest, the Firm has established policies and procedures to diligence and review service providers with the goal of selecting the most effective candidates for a particular Fund, portfolio company or project, as the case may be.

D. Selection of Other Advisors or Managers

The Firm does not utilize nor select other advisors or third-party managers. All assets are managed by the Firm.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

A. Code of Ethics

The Firm has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code governs the activities of each member, officer, director and employee of the Firm (collectively, "Employees"). The Firm

holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Client. In serving its Client, the Firm strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Employees and Client securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code's specific provisions: (a) at all times the interests of Client must be paramount; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

The Firm will provide a copy of its Code of Ethics to Clients and prospective Clients upon request. Such a request may be made by submitting a written request to the Firm at the address on the cover page to this Brochure.

**B. Recommendations Involving Material Financial Interests**

Neither the Firm nor its related persons recommends to Clients, or buys or sells for Client accounts, securities in which the Firm or a related person has a material financial interest.

**C. Investing Personal Money in the Same Securities as Clients**

The Firm invests in the securities of private companies. The Code requires Employees to obtain preapproval of any investments in private offerings to minimize the possibility of conflicts with the Funds' investments. The Firm requires Employees to sign and adhere to the Code and to report personal securities holdings and transactions to its Chief Compliance Officer.

**D. Trading Securities At/Around the Same Time as Clients' Securities**

The Firm invests in the securities of private companies. The Code requires Employees to obtain preapproval of any investments in private offerings to minimize the possibility of conflicts with the Funds' investments. The Firm will document any transactions that could be construed as conflicts of interest and will always transact Client business before the business of its Employees and/or related persons when similar securities are being bought or sold.

## **Item 12 – Brokerage Practices**

**A. Factors Used to Select or Recommending Broker-Dealers**

The Firm invests in the securities of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. The Firm may also distribute securities to investors in the Funds or sell such securities, including through using a broker-dealer, if a public trading market exists.

Although the Firm does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

The Firm will always have discretion as to the placement of brokerage (and accordingly, the commission rates paid). In selecting brokers to effect portfolio transactions, the Firm considers such factors as price, quality of execution, expertise in particular markets, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by clients and certain brokerage or research services ("soft dollar items") provided by such brokers and clearing and settlement capabilities. The Firm is subject at all times to principles of best execution, in accordance with the Firm's policies and procedures. In selecting broker/dealers to execute transactions, the Firm need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Firm believes that the broker-dealers that it recommends provide competitive transaction and custody costs, helping clients to eliminate or control costs and optimize the custodial structure to the benefit of account holders. When possible, the Firm seeks to pre-negotiate preferred terms for its clients providing clients with the benefits associated with the economy of scale and custodial knowledge of the firm.

Certain brokers utilized by the Firm may provide general assistance to the Firm, including, but not limited to technical support, consulting services, and consulting services related to staffing needs. In selecting a broker, the Firm may consider the broker's general assistance and consulting services. To the extent the Firm would otherwise be obligated to pay for such assistance, it has a conflict of interest in considering those services when selecting a broker.

1. Research and Other Soft Dollar Benefits

The Firm currently does not anticipate receiving research or other products or service other than execution from a broker-dealer or third-party in connection with Client securities transactions ("soft dollar benefits"). However, in the future, the Firm shall have the right if, in good faith, it considers it to be in the best interest of the Client and consistent with the Firm's obligations to do so, to enter into "soft dollar" arrangements with one or more broker-dealers. All "soft dollar" arrangements will fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act, as that safe harbor is currently interpreted by the Securities and Exchange Commission. If in the future the Firm obtains "soft-dollar" benefits, this Brochure will be appropriately amended.

2. Brokerage for Client Referrals

The Firm does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer. The Firm may receive referrals in the future and if it does it will appropriately amend this Brochure.

3. Directed Brokerage

The Firm does not accept directed brokerage arrangements. Transactions are executed by brokers selected by the Firm in its discretion and without the consent of the Clients or Fund Investors. The Firm may enter into directed brokerage arrangements only in its discretion.

**B. Aggregating Trading for Multiple Client Accounts**

As discussed elsewhere in this Item, the Firm invests in the securities of private companies and generally does not trade in public securities or similar instruments on behalf of Client accounts. To the extent it does so, Firm policies permit (but do not require) the Firm combine orders on behalf of one Client account with orders for other Client accounts for which it or its principals have trading authority, or in which it or its principals have an economic interest. When it does, the Firm will generally allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. The Firm believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a Client than if that Client had been the only account effecting the transaction or had completed its transaction before the other participants. Because of the Firm's relationship to the Clients it manages by virtue of its position as an investment manager, there may be circumstances in which transactions for those entities may not, under certain laws, regulations and internal policies, be combined with those of some of the Firm's and its affiliates' other Clients, which may result in less advantageous execution for those Clients.

The Firm may place orders for the same security for different Clients at different times and in different relative amounts due to differences in investment objectives, cash availability, size of order and practicability of participating in "block" transactions. The level of participation by different Clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular Client.

In addition, the Firm and/or its related persons or Clients may buy or sell specific securities for its or their own account that are not deemed appropriate for Client accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in client accounts are made. Where execution opportunities for a particular security are limited, the Firm attempts in good faith to allocate such opportunities among Clients in a manner that, over time, is equitable to all clients.

### **Item 13 – Review of Accounts**

**A. Frequency and Nature of Periodic Review and Who Makes Those Reviews**

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Firm closely monitors companies and/or projects in which the Funds invest, and Firm policies require checks no less than annually to confirm that each Fund is maintained in accordance with its stated objectives.

**B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may take place more frequently if triggered by economic, market, or political conditions.

C. Content and Frequency of Regular Reports

The Funds will furnish audited financial statements to all Investors, valuations of all investments and tax information necessary for the completion of U.S. tax returns after the end of each fiscal year. Each Investor will also be furnished with the unaudited financial statements of the relevant Fund after the end of each calendar quarter, along with descriptive investment information for each of the investments.

## **Item 14 – Client Referrals and Other Compensation**

A. Economic Benefits Provided by Third Parties

The Firm does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the Client.

B. Compensation to Non-Advisory Personnel for Client Referrals

Currently, neither the Firm nor its related persons directly or indirectly compensates any person who is not advisory personnel for Client referrals. If in the future the Firm enters into such arrangements, this Brochure will be appropriately amended.

## **Item 15 – Custody**

A rule under the Investment Advisers Act provides that, because the Firm or an affiliate is the general partner of the Fund, it is considered to have “custody” of the Fund’s assets, even though independent, qualified custodians actually hold those assets. That rule generally requires investment advisers that have “custody” of Client assets to cause certain account statements detailing holdings and transactions to be sent to Clients, and imposes certain other obligations. However, advisers to investment funds like the Fund need not comply with those requirements if, among other things, the Fund provides Investors with audited financial statements by a specified time each year and those financial statements meet certain requirements. The Firm satisfies those conditions and therefore is not subject to reporting and other obligations.

## **Item 16 – Investment Discretion**

Each Manager has discretionary authority to manage investments on behalf of its Fund, within the objectives, strategies and any limitations set forth in the Governing Documents. As a general policy, the Managers do not allow clients to place limitations on this authority. However, pursuant to the terms of each Fund’s Governing Documents, a Manager may enter into “side letter” arrangements with certain Investors whereby the terms applicable to such Investor’s investment in the Funds may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. The

Managers assume this discretionary authority pursuant to the terms of the Governing Documents.

The Governing Documents may establish committees of Investors, selected by each General Partner, to resolve certain issues involving conflicts of interest and will advise the General Partner on other matters presented to it or as specified in the Governing Documents. Representatives of the General Partner will be able to attend and chair meetings of these committees but shall not be entitled to vote.

Certain Funds may specify additional criteria for the Investor committee and/or establish other committees that may review and/or provide approval on the investment activities of a particular Fund.

### **Item 17 – Voting Client Securities**

The Firm invests in the securities of private companies and therefore does not vote proxies on behalf of Clients. If in the future the Firm obtains authority to vote proxies, this Brochure will be appropriately amended.

### **Item 18 – Financial Information**

The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy petition.

A. Balance Sheet

The Firm does not require nor solicit prepayment of more than \$1200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

B. Financial Condition

The Firm has discretionary authority over the Client's assets. At this time, neither the Firm nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

C. Bankruptcy Petitions in Previous Years

The Firm has not been the subject of a bankruptcy petition in the last ten years.

### **Item 19 – Requirements for State-Registered Advisers**

Not applicable.