



# WHITE PAPER #222

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## JJR MVM: Fixed Value Market Platform for Solar Cash Flows

### Executive Summary

Solar cash flows represent one of the most predictable, long-duration income streams in the alternative asset universe. Yet traditional valuation methods often fail to capture their full risk-adjusted value due to variability in production, contract structures, and merchant tail exposure.

JJR Power has developed the **JJR Market Value Matrix (MVM)**, a proprietary, data-driven modeling framework designed specifically for institutional-grade pricing and risk management of solar cash flows. By combining high-resolution production forecasts, contract analytics, real-time market data, and scenario-based stress testing, MVM delivers transparent, repeatable, and market-aligned valuations for solar assets.

This white paper explains the core methodology of JJR MVM and demonstrates how it addresses the unique challenges of pricing solar cash flows in the current 2026 market environment.

### 1. The Challenge of Pricing Solar Cash Flows

Solar assets generate cash flows from three primary sources:

- Contracted revenues (PPA or host agreements)
- Merchant energy and REC sales
- Residual value (repowering or decommissioning)

Traditional DCF models frequently under- or over-value these flows because they rely on static assumptions and fail to dynamically incorporate:

- Weather-normalized production variability
- Contract renewal or merchant tail risk
- Technology degradation and O&M escalation

JJR MVM was built to solve these limitations by creating a **live, forward-looking valuation engine** that updates in real time as new data becomes available.

### 2. JJR MVM Core Methodology

The platform integrates four interconnected modules:

#### A. Production & Performance Engine

- Uses only historical production on each asset.
- Incorporates site-specific, actual degradation curves and real-time performance data

## **B. Contract & Revenue Analytics**

- Full contract parsing of PPAs, host leases, and net metering tariffs
- Dynamic modeling of merchant tail exposure after contract expiration
- Credit-adjusted revenue forecasting

## **C. Risk & Scenario Framework**

- Variable-term pricing options
- Extension optionality scenarios
- Decommissioning risk assessment, sensitivity analysis on O&M escalation and residual value assumptions

## **D. Market Layer**

- External, visible benchmarking against solar transaction comps
- Real-time adjustment of discount rates based on observable market pricing
- Liquidity and bid-ask spread modeling for portfolio-level valuation

## **4. Why JJR MVM Matters for Institutional Investors**

- **Transparency:** Every valuation includes full audit trails and scenario outputs.
- **Consistency:** Standardized methodology across the entire JJR Power portfolio.
- **Speed:** Real-time re-valuation as new production or market data arrives.
- **Risk Management:** Explicit quantification of merchant tail, curtailment, and policy risks.

In an environment of higher interest rates and greater scrutiny of solar cash flow durability, JJR MVM provides institutional investors with the confidence needed to underwrite larger allocations to solar assets.

## **Conclusion**

JJR Power's MVM represents a significant advancement in how solar cash flows are priced and managed. By moving beyond static spreadsheets to a dynamic, data-rich platform, JJR MVM delivers valuations that are more accurate, more transparent, and more aligned with actual market conditions.

For institutional investors seeking predictable, long-duration cash flows with attractive risk-adjusted returns, JJR MVM offers a rigorous, repeatable framework for evaluating solar opportunities — and a clear competitive advantage in portfolio construction.

**JJR Power** remains committed to best-in-class valuation standards as we continue to scale our renewable energy portfolio for long-term institutional partners.