Frequently Asked Questions on
Fortified Solar's Safe Harbor Project

In 2022, the Inflation Reduction Act (IRA) strengthened the solar Investment Tax Credit (ITC) by restoring a 30% base credit and adding bonus incentives that can increase total credits to 40–50% or more of eligible costs, alongside extended bonus depreciation. In July 2025, the One Big Beautiful Bill (OB3) introduced new timing rules that made when a project begins construction critical to ITC eligibility, prompting Fortified Solar to develop its Safe Harbor Solar Strategy. This document provides answers to FAQ about this strategy.

Key Questions Answered in this FAQ:

1. **What is Safe Harbor and why is it important?**
2. **How did OB3 affect qualifying solar investment tax credits?**
3. **What qualifies a project to have "begun construction" within OB3?**
4. **How does Fortified Solar handle FEOC guidelines?**
5. **What is a Fortified Solar Safe Harbor Solar Project?**
6. **What type of solar facilities will be deployed under this capacity?**
7. **What is the minimum capital requirement to invest in Fortified Solar's Safe Harbor projects?**
8. **How do I calculate the 5% down payment?**
9. **Can I apply my 5% capital down payment to my first year's project?**
10. **What is the timeline for executing a Safe Harbor Agreement?**
11. **If I sign a Safe Harbor Agreement and later change my mind, how do I exit?**
12. **How do I transfer my agreement to another party?**
13. **Is there a penalty if I simply terminate my agreement?**
14. **What if I decide to decrease the total project size?**
15. **When is the 5% safe harbor cash payment due?**
16. **What are the payment requirements for Year 1 projects?**
17. **How is the total safe-harbored amount allocated across years?**
18. **Is the annual investment amount fixed?**
19. **Can I skip a year entirely?**
20. **Can I increase the project amount?**
21. **When will I receive details on future projects?**

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Safe Harbor and Tax Law Context

1. What is Safe Harbor and why is it important?

Within the context of solar energy, Safe harbor is an IRS-sactioned method of establishing the "Beginning of Construction" for a project to lock in current federal tax credits and regulations before they change or expire. The One Big Beautiful Bill (OB3), passed in July 2025, significantly influenced the expiration timeline of the current tax incentives for qualifying solar projects.

2. How did OB3 affect qualifying solar investment tax credits?

OB3 established that projects starting after July 4th, 2026 are not eligible for Investment Tax Credits if they are placed in service after December 31st, 2027. However, projects that are started by July 4th, 2026, may be placed in service up through December 31st, 2030 and beyond.

3. What qualifies a project to have "begun construction" within OB3?

There are several ways to officially begin construction using Safe Harbors. OB3 specifically designates a "5% Safe Harbor" (Financial Test) and a "Physical Work Test" as an independent criteria establishing a project's start. If a developer meets either of these tests before July 4th, 2026, the project qualifies as having started, and has to be placed in service by December 31st, 2030 or possibly later.

Safe harbor is important because it provides certainty. Once properly established, future legislative or regulatory changes generally do not affect the project's eligibility for the credit.

4. The One Big Beautiful Bill introduced Foreign Entity of Concerns (FEOC) rules. How does Fortified Solar handle FEOC guidelines?

Fortified Solar has proactively structured its platform to support FEOC compliance. We manufacture key components in the United States and maintain a supply chain designed to avoid FEOC involvement, helping projects align with the stricter eligibility expectations introduced under OB3.

Fortified Solar Program Overview

5. What is Fortified Solar's Safe Harbor Solar Project?

Fortified Solar has launched a $3 Billion solar deployment project initiative, which falls under current federal safe harbor guidelines. Each identified project is under 1.5 Megawatts as required by safe harbor provisions. This initiative represents $3 Billion in total deployment capacity available to solar business owners who execute a safe harbor project agreement and satisfy the IRS-recognized 5% safe harbor requirement on or before July 4, 2026.

By safe harboring this capacity in advance, Fortified Solar has established a specifically defined pipeline of solar sites that will be deployed over multiple years, through the end of 2030, while preserving eligibility under current investment tax guidelines.

6. What type of solar facilities will be deployed under this capacity?

All projects deployed under the safe-harbored capacity will utilize Fortified Solar's dual-purpose solar photovoltaic steel solar panels that are custom built per project.

This proprietary system integrates solar generation directly into long-life steel, allowing the asset to function simultaneously as a qualified solar energy system and, if the need is there, as a structural building component. This feature enables a differentiated commercial advantage to our site partners and operators, further leveraging the renewable energy and sustainability benefits of our US made solar technology.

Entry and Agreement Structure

7. What is the minimum capital requirement to invest in Fortified Solar's Safe Harbor project?

$75,000 is the annual capital entry point for each year in our safe harbor project. A business owner may participate in the installation of solar facilities each year through 2030 if desired, but participation beyond 2026 is not required.

8. How do I calculate the 5% down payment?

Per OB3, the 5% test is on total project cost.

Fortified Solar's safe harbor project involves both a capital and debt component. As an example, the entry point of $75,000 of annual capital represents approximately a $150,000 yearly project value. Through 2030, the total project value would be $750,000. With this example, a solar business owner would budget to make a 5% down payment on the total $750,000, or $37,500.

9. Can I apply my 5% capital down payment to my first year's project?

Yes, the entire 5% down payment for the project can be applied to the capital requirement for 2026.

10. What is the timeline for executing a Safe Harbor Agreement?

A Safe Harbor Agreement must be executed, and the required 5% capital payment made, on or before July 4.

11. If I sign a Safe Harbor Agreement and later change my mind, how do I exit?

The purchaser must enter into a legally binding contract that dictates the terms of the purchase. That agreement will include specific, IRS compliant, language about terminating their agreement. Additionally, the IRS does allow for the transfer or sale of their agreement to another party. Both are considered allowable by OB3.

12. How do I transfer my agreement to another party?

By entering into a project transfer agreement you can move that project to someone else. You can designate a party of your choice, consult with your advisor, or directly solicit Fortified Solar as a potential buyer of your project agreement.

13. Is there a penalty if I simply terminate my agreement?

After your 2026 facilities are placed in service, and the project value of your facilities is greater than or equal to 15% of your total project cost, there is no additional termination penalty as the 15% penalty will have been met with your first completed project. If the project is less than 15% of your total project cost, you would be liable for the difference of your 2026 facilities cost, and 15% of your total project cost since those costs were already incurred by Fortified Solar.

14. What if I decide to decrease the total project size?

After you have facilities placed in service that meet the requirements of the binding contract, generally equal to at least 15% of your total project cost, there would contractually be no further penalties incurred, and the remaining agreement amount in 2030 would be taken out of our pipeline.

Payment Structure & Timing

15. When is the 5% safe harbor cash payment due?

The 5% cash payment is due at contract signing and on or before June 30th, 2026.

16. What are the payment requirements for Year 1 projects?

For Year 1 deployments:

- 50% of the year 1 capital outlay will be paid on or before June 30th. We will automatically apply your 5% down payment to your initial capital contribution for 2026.

For 2027 through 2030

- Capital contributions will be paid quarterly for that year’s facilities. We will confirm your yearly plan in early Q1 of each year. Adjustments to your yearly plan can be confirmed at that time.

17. How is the total safe-harbored amount allocated across years?

The total safe-harbored amount is documented in your Safe Harbor agreement. Allocation for each year is documented in a simple non-binding project forecast table and can be adjusted annually.

Yearly Allocation Flexibility

18. Is the annual investment amount fixed?

There is a legally binding contract that defines the amount of purchase, and that agreement must be followed. Annual allocations may only be adjusted by mutual agreement between the buyer and Fortified Solar, but under no circumstance can the overall contract increase in size after July 4th, 2026.

19. Can I skip a year entirely?

The legally binding contract must be followed. However, if you need a project deferred, the IRS has allowed for delays of that deployment based on specific parameters.

20. Can I increase the project amount?

The total safe-harbored amount cannot be increased, but year-to-year allocations may be adjusted each year.

21. When will I receive details on future projects?

Project details are provided for each contract before signing. If any modifications or assignments that need to be updated will be done via an addendum to the original contract, those changes may include:

- Project specifications
- Estimated timelines
- Expected ITC and depreciation characteristics

Disclaimer

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