Like a “Yield Co” the Sol-Wind MLP has two levels of tax.
Sol-Wind’s Structure is Like an *Upside-Down* “YieldCo”

**Typical U.S. YieldCo.**

In a YieldCo, the public entity is a *corporation* that *owns a partnership*; in Sol-Wind’s MLP the public entity is a *partnership* that *own a corporation.*
Sol-Wind’s Structure Parallels a Publicly Traded Private Equity Manager’s (e.g., KKR) MLP Structure

Both Sol-Wind and the Typical Private Equity Manager MLP own assets that Generate Income that Does not “Qualify” for I.R.C. § 7704(d) Purposes, so a Corporate Blocker is Needed.
The oil and gas MLP Structure has only a single level of tax because its assets generate “qualifying income” for I.R.C § 7704(d) purposes.

Sol-Wind’s assets do not “qualify” because I.R.C. § 7704(d) does not include income from wind and solar projects as “qualifying.” If enacted the MLP Parity Act, which has bipartisan and bicameral support, would change that and Sol-Wind would no longer need a corporate blocker.
Legend

- Corporation = 35% Tax
- Partnership = No Tax
- Disregarded Entity = No Tax
- Individual Taxpayer = 39.6% Tax