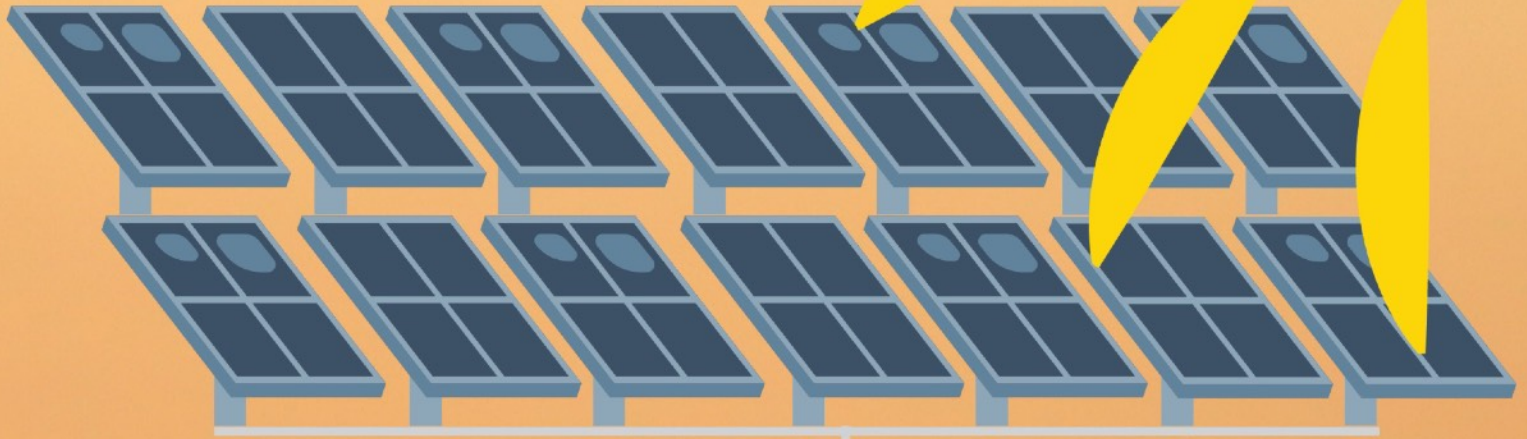
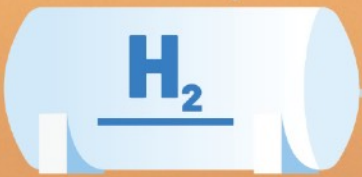


Photovoltaic  
Cells

Sunshine



Water Electrolysis



Container  
Data Center



Farming &  
Manufacturing

# California Solar Station Business Plan

Schmied Enterprises LLC  
San Jose, CA

# California Based Off-Grid Solar Station

## 1. Executive Summary:

- Our focus is on diversifying our revenue base ranging from system integration, technology, to physical infrastructure solutions.
- We plan to build a 1-20 MW solar station as a part of this strategy.
- What makes it unique is that we make it primarily off-grid supporting flexible vehicle charging, battery charging, hydrogen generation, or datacenter hardware.

## 2. Company Description:

- Schmied Enterprises is a California LLC with a single owner Miklos Szegedi. We were founded in 2020, taxed as a disregarded entity in 2020, 2021 with no revenue.
- Schmied Enterprises LLC is a California business. We are engaged in technology, but we are not limited to such projects. Our specialty is to reduce risks by focusing on simple best practices and diversifying to offset risks of any research and development. We focus on solutions that are low risk, simple and friendly to end-users. We focus on diversifying the portfolio of our projects. We may start or invest in startups, and infrastructure. Our diversified set of projects rather make us an engineering firm than a startup.
- Schmied Enterprises has been a California LLC with S-Corp taxation class since 2022.

### Schmied Enterprises LLC Income Statement 2022 (USD, thousands, cash based)

<b>Gross Sales</b>	<b>103.5</b>
Compensation	73.9
Taxes and Licenses	6.7
Advertising	0.6
Legal and Other Deductions	17.7
<b>Total Expenses</b>	<b>99.0</b>
<b>Net Income (S-Corp)</b>	<b>4.5</b>

- Schmied Enterprises LLC is a California business founded in 2020. We focused on research in the past three years generating revenue from consulting. We are shifting our focus on recurring revenue generation by automated services after we were awarded our first United States patent in 2023.
- The single major asset of Schmied Enterprises is “US Patent 11,638,040 Eco-friendly codec-based system for low latency transmission” as of July 2023 making us a prime Silicon Valley engineering company.
- Our mission is to provide products, services that are low risk, simple, and friendly.

### 3. Financial risks:

- Risk of Revenue. Our primary risk is revenue. California has a mature and stable electric grid, with heavy regulation. Many jurisdictions require grid connection for any new sites. California has several nuclear power plants and green energy facilities that are the strongest competitors for solar installations capable of generation prices of \$9.8/MWh. [bloom] [worldnuclear] Solar can still compete with becoming the second bidder pricing that nuclear plants choose to sell to the state grid. Hydro plants are planned to be privatized generating more price pressure. [hydro] We mitigate the revenue risks by designing our solution primarily off-grid supporting datacenter, batteries, hydrogen, EV charging and recharging vehicle charging stations.
- Maintenance risks. Our equipment operates in a hot climate environment. This poses risks. Inverters have a typical lifetime of seven years; batteries have ten years. [satpathy] Solar panels have longer warranty lifetime, but we set the financing term to the battery lifetime. Excess solar panels may be resold as salvage at a nominal fraction of 1-5% of the project.
- Policy risk. California has a strong regulatory framework and green project subsidies. Federal subsidies make low-cost competition that free market projects need to compete with. Such policies can change energy prices often without any notice. The 2024 Federal Elections may change such policies. Foreign photovoltaic manufacturers can rely on subsidies, and they can scale quickly reducing prices introducing sudden competition. We do not rely on government subsidies as a result. We try to push down our material and installation costs. We may leverage government subsidies and tax credits, but only if we would be profitable otherwise. We make sure that can still apply for financing abroad by not applying for government support in advance.
- International market risk. We also understand that several countries invest heavily in commodities and photovoltaic manufacturing. Prices can drop constantly creating low-cost competition for our revenue, risking interest payments. We raise more debt as a result to compete with government subsidies mixing the investment in solar equipment and government notes. This allows us to have the cash ready to spend on cost cutting, system failure maintenance, and adding alternative consumer equipment in case of changes in solar equipment prices.
- Development risk. Our proposal is subject to a matching offer from a construction vendor. Limited initial response ratio showed that there is a supply chain issue in construction. We may need to purchase in bulk to get a competitive offer on solar panels. Retail solar system prices still fluctuate between \$500-\$2000/kW. [amzn]
- Investing and doing business involves risks. Please read the entire document and any incorporation by reference to assess such risks. Risks may cause the partial or entire loss of investment.
- We reserve the right to issue debt for this project by any of our subsidiaries or by creating a subsidiary for managing this project.
- Such a subsidiary may deal with other projects, issue debt or equity that is not detailed in this document.
- We have no intent to list on any national securities exchanges.
- We cannot ensure liquidity of any debt subject to this business plan.

- We may issue from time to time senior or subordinate debt or preferred or common stock unrelated to this document. Such securities may have their own documentation and preference unrelated to this document.
- Our principal executive office is located at 5703 Meridian Avenue San Jose, CA, 95118. Telephone number is (669) 9464687
- Neither the Securities and Exchange Commission nor any foreign or state securities commission has approved or disapproved this offer or determined if this document is truthful or complete. Any representation to the contrary is a criminal offense.
- We are not offering business, financing to or from any jurisdiction where such conduct is not permitted by law.
- Any forward-looking statements are merely a reflection of the historical data of such prospects. You must assume that that such statements have a risk to change from historical values due to but not limited to economic, natural, political, technological reasons.
- Any provision herein may be inaccurate after the date of publication of this document.
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- Incorporation by reference. We will provide a written copy of this report and any incorporation by reference, if any interested parties request it writing to this company address: Schmied Enterprises LLC, Attn: Request for 64355, 5703 Meridian Ave, San Jose, CA, 95118
- This is a pre-audit business document. Any contracts and payments are subject to the approval of locally licensed legal, financial, and property partners.
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#### 4. Market Analysis:

- California is the home state of Tesla. Electric charging stations and electric vehicles spread constantly.
- We compete in a strong free market. California licensing standards give some barriers to entry. Regardless of this we cannot expect to become a monopoly by increasing and multiplying the invested amount by our investors in any sub-market or market segment. Our prices are market prices.
- We focus on extremely low fixed costs. The project is intended to be a best practice that can be replicated by us or by our investors elsewhere with small businesses. Such growth potential may invite more investment.
- Analysis of the solar energy market, including growth trends and potential may subject to change as other technologies like nuclear, fusion, wind, etc. gain traction.

- We identify our target markets and customer segments as both homeowners with electric vehicles, and small businesses relying on such an equipment. Electric vehicles consumed only 1.9% of electricity in California in 2022 compared to a projection of 21.9% in 2035. [statista]
- We may rely on local and regional regulations, incentives, and policies related to solar energy, once the project is built. However, we try to reduce costs with such subsidies as the law allows, taking into consideration that we may have foreign investors whose businesses may be excluded from such policies.

#### 5. Services and Products:

- We intend to use contracting partners for the installation of the solar equipment, inverters and downstream consumer devices. The specific company is yet to be decided as of July, 2023. Two companies contacted so far were Rosendin and Canadian Solar.
- We intend to lease the land for the term of the loan versus buying with a mortgage. Mortgages tend to have longer time spans and the financing strategy of such investors is different than the profile of this document.
- We try to fill a gap to add risk mitigation off-grid solutions for charging on-site staying in a “Recharge Inn”, filling hydrogen containers, charging recharging trucks, batteries in shippable containers, batteries for construction and secondary recharging vehicles. All such consumer side stations are plug and play giving liquidity and flexibility.
- Such an installation requires maintenance, management overview, that we calculate into the initial amount raised. This gives us the flexibility to change pricing to generate more revenue.
- Solar and battery equipment requires maintenance due to but not limited to corrosion, environment, vandalism, sulfation, etc. Some of these require replacement of capital. We will increase the amount raised as a deposit to offset such risk and to ensure continuous operations without the need of external financing during the term.

#### 6. Marketing and Sales Strategy:

- We plan to market the project providing large visible signs for charging capabilities. We are bound to local customers.
- We plan to do direct sales outreach to potential customers, whether they require hydrogen supplies for fuel cells, battery containers, etc.

#### 7. Operations and Implementation:

- Overview of the business operations, including project management and installation processes. TBD on vendor selection.
- We plan to hire part time administration and independent contractors for temporary maintenance.

## 8. Financial Projections:

- Our project has these financial cash flow projections for the years 2024-2034.
- The financial projections exclude sales and use taxes.

**SOLAR STATION ENTERPRISE**  
**FINANCIAL PROJECTIONS BY SCHMED ENTERPRISES LLC**  
(\$ thousands)

Year	Gr. Receipts	Expenses	Debt payments	Interest On Cash	Income Tax	Cash Balance
0	\$0	(\$7,037)	\$8,384	\$0	\$0	\$1,347
1	\$1,052	(\$122)	(\$958)	\$34	(\$2)	\$1,351
2	\$1,052	(\$122)	(\$958)	\$34	(\$2)	\$1,355
3	\$1,052	(\$122)	(\$958)	\$34	(\$2)	\$1,359
4	\$1,052	(\$122)	(\$958)	\$34	(\$2)	\$1,362
5	\$1,052	(\$122)	(\$958)	\$34	(\$2)	\$1,366
6	\$1,052	(\$122)	(\$958)	\$34	(\$2)	\$1,370
7	\$1,052	(\$122)	(\$958)	\$34	(\$2)	\$1,375
8	\$1,052	(\$122)	(\$958)	\$34	(\$2)	\$1,379
9	\$1,052	(\$122)	(\$958)	\$34	(\$2)	\$1,383
10	\$1,052	(\$122)	(\$958)	\$35	(\$2)	\$1,387

- Such financial projections are subject to the following pricing strategy.

**SOLAR STATION ENTERPRISE  
BUSINESS PLAN BY SCHMED ENTERPRISES LLC  
(informational)**

Panel Count	3100
Number of stations	20
Term	10 years
Land Lease	\$500 \$/acre/year
Panel Count	62000 units
Cost per Panel	\$25 per unit
Nominal Performance	320 W
Panel Size	1.95 m <sup>2</sup>
Total Nominal Power	19840 kW
Total Area	120900 sq meter
Land Used	29.88 acres
Land Needed	89.64 acres
Side	348 m
Land lease annual	\$44,822.05 \$/year
Land lease lifetime	\$448,220.46 \$
Salvage value	\$2,000
Our Non-subsidized price	27 \$/MWh
Annualized IRR	2.5% percent
Gross Debt Return	\$1,195,486
Net Equity Return	\$1,389,403

- Capital and expense estimates.

**SOLAR STATION ENTERPRISE  
BUSINESS PLAN BY SCHMED ENTERPRISES LLC  
(negotiable)**

Long term capital estimates		
Panel Material	\$78.13	\$/kW
Inverter	\$101.56	\$/kW
Battery/Charger	\$140.63	\$/kW
Permissions/civil/construction	\$34.38	\$/kW
Initial Fixed Cost	<b>\$354.69</b>	<b>\$/kW</b>
Working capital estimates (full term)		
Maintenance/administration/corp tax	\$39.06	\$/kW
Land lease	\$22.59	\$/kW
Investment per kW		
Maintenance reserve/credit	\$6.25	\$/kW



#### 9. Funding and Financing:

- We will rely on domestic and foreign investment banks and private investors to raise capital.
- The targeted annual interest rate of such debt is 2.5%.
- We raise the entire capital in advance, so that our operations are secured.
- We may invest any excess capital in US or foreign government debt higher than or equal to the above-mentioned interest rate.
- Any excess capital can be used to mitigate maintenance risks in case insurance payments cannot be leveraged. We become our own insurers of the project.
- These financial measures allow us to change pricing and consumer devices to reflect the customer demand over the term of the project. For example, if we see lower demand for electric vehicle charging from locals, we may contract to become a hydrogen supplier using the solar station.

#### 10. Competitive Analysis:

- Please refer to the risks that we mentioned above.

## References

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[satpathy] Rabindra Kumar Satpathy, Venkateswarlu Pamuru, Solar PV Power, 2021

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