

Scaling Up Solar

Commercial & Non-Profit Aggregation



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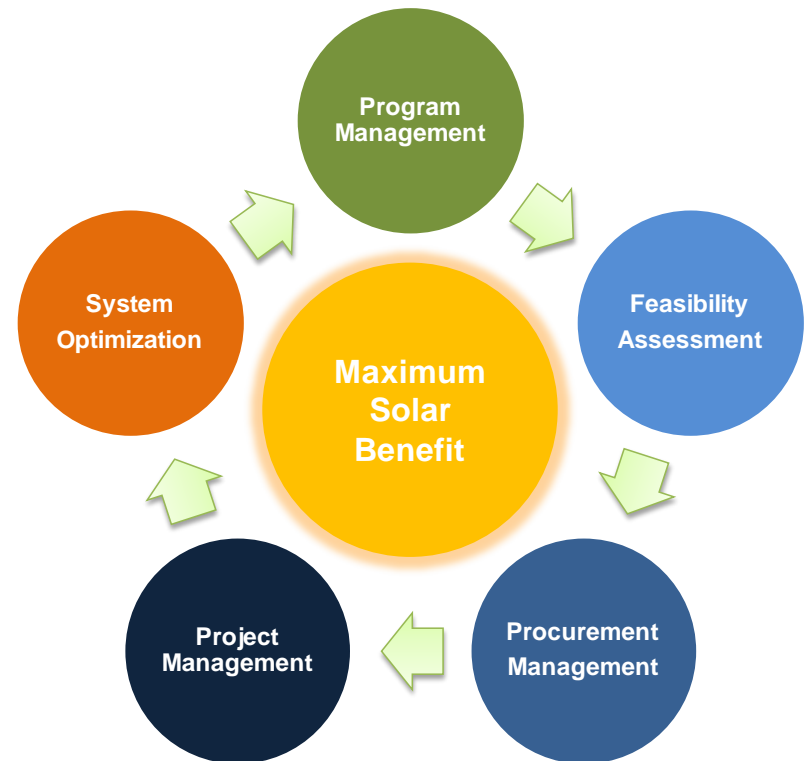
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ABOUT OPTONY INC.

Optony develops and deploys solar best practices across the entire solar project lifecycle for government agencies, schools and commercial organizations.

Working with clients across all phases of solar projects creates deep insight into true performance drivers which is used to reduce costs and improve performance at any stage in the process.

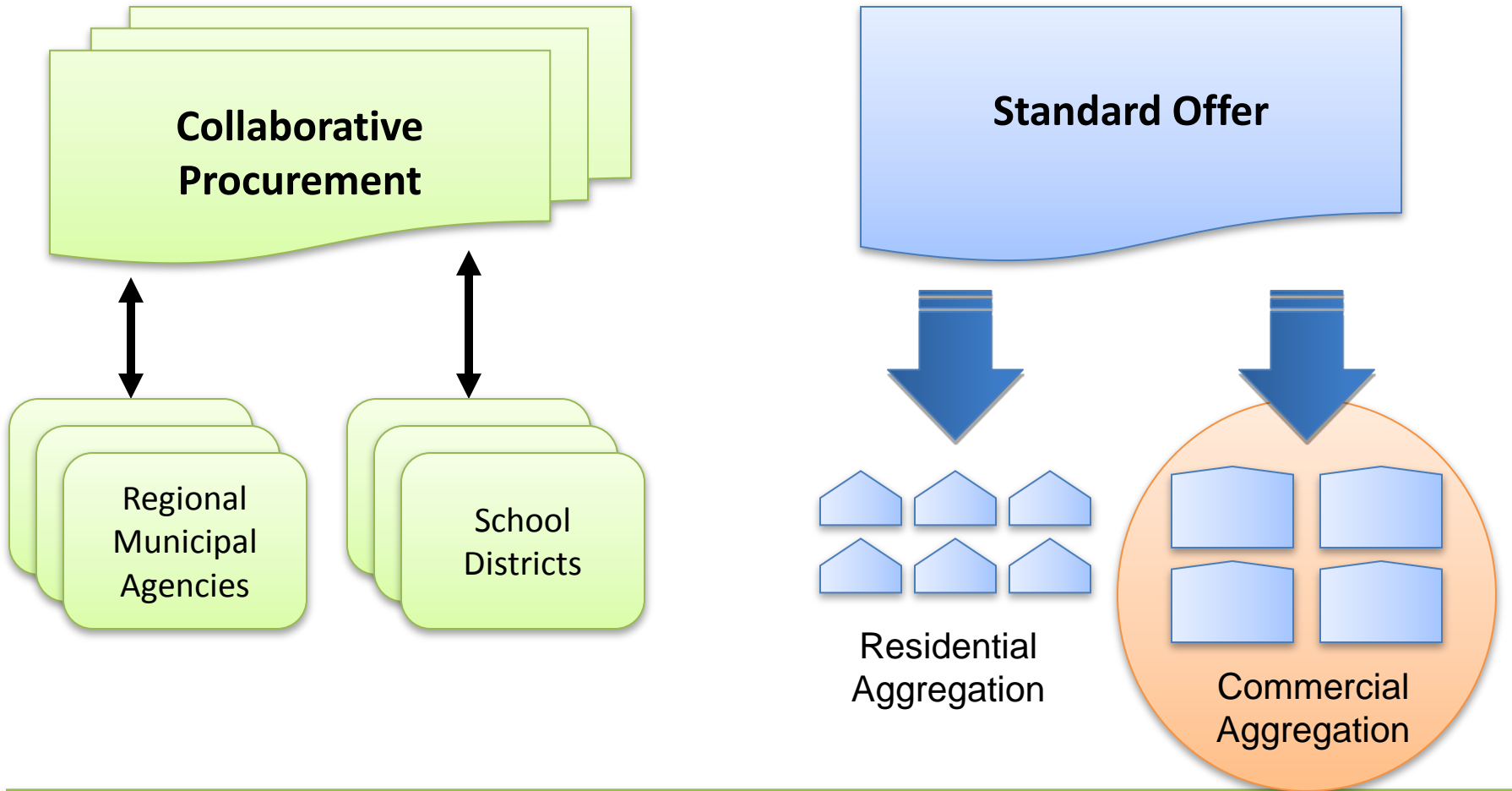
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“Optony's consulting service is a must-have for any organization considering an investment in solar. Based on Optony's comprehensive analysis and recommendations, we now have a low-risk, high-return solar strategy.”



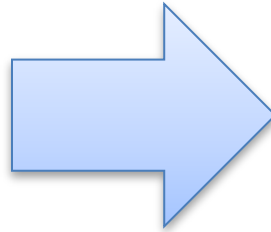
Solar Project Aggregation Models



Financing Choices Impact Project Design & Outcome

Financing Structures

- Direct Purchase
- Power Purchase Agreement
- Equipment Leasing
- Bond Financing
- Enhanced Use Lease
- Utility Financing
- Energy Service Contract



Changes Project:

- Performance Risk
- Up-Front Costs
- Long-Term Returns
- Procurement Process
- System Design
- Project Benefits
- Operations & Maintenance

Commercial Solar Challenges & Opportunities

○ Challenges

- Capital intensity of initial purchase
- Energy usage profile vs. space available
- Operational focus and issues
- Cash flow and credit challenges
- Desire to “own” vs. “rent”

○ Opportunities

- Flexibility with recognizing tax benefits
- Multiple financing structures available
- Large facilities can make good sites
- Green marketing to customers

Commercial Aggregation

Solar@Work - San Francisco Bay Area

- Commercial business & property owners
- Facilities in San Francisco and Adjacent Counties
- Pool of 300+ potential participants
- Standard offer by selected vendor – SolarCity
- Various financing offers – purchase, lease, PPA
- Program launched in August 2011
- 2011 Target: 20 sites with 2MW of installed capacity
- Progress to date: 45+ in pipeline, 15+ pending

Ideal Commercial Solar Project Profile

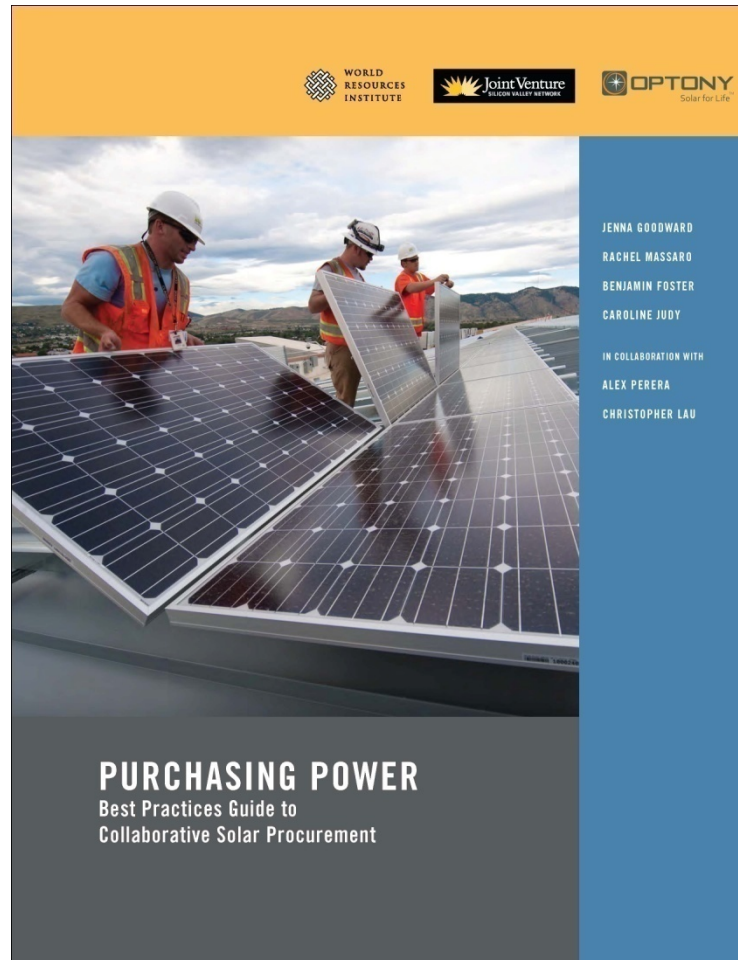
- Business property is owner-occupied
- Motivated to reduce net energy use through efficiency and renewables
- Building has high ratio of usable roof/parking area solar production to energy usage (~70%)
- The facility should not require any roof upgrades/replacement within 15+ years
- The electrical infrastructure can accommodate the addition of a solar power system



Application of Best Practices

- Thorough review of individual site characteristics
 - Look for potential sizing issues and opportunities
- Consider site-specific constraints and financing options
 - Energy usage, tax credit appetite, commercial credit, access to capital
- Standard offer requires outreach, time and marketing
 - Offer must be compelling, well described, and marketed effectively
 - As with all commercial projects, time and attention to business needs is expected
- Incorporate solar market/vendor input and resources
 - Capabilities, economies of scale, and relevant project experience
 - Vendor lead sources/pipeline can be incorporated into program
- Leverage existing relationships and initiatives
 - Local/regional green initiatives, economic development groups, constituent groups

Best Practices Guide



Available for download at: <http://www.wri.org/publication/purchasing-power>



Questions