

Direct Procurement of New Renewable Energy Projects

Achieving Clean Energy Use



Wiregrass Solar Project 2 & 3

November 10, 2011

Sterling Planet - Leading the Way

Only provider of all three environmental products:



Small Hydro



Geothermal



Solar

Renewable Energy



Wind



White Tags® Carbon Offsets

**STERLING
PLANET**

Nation's leading retail provider of renewable energy
45.2 billion renewable kilowatt-hours sold since 2000

Project Development



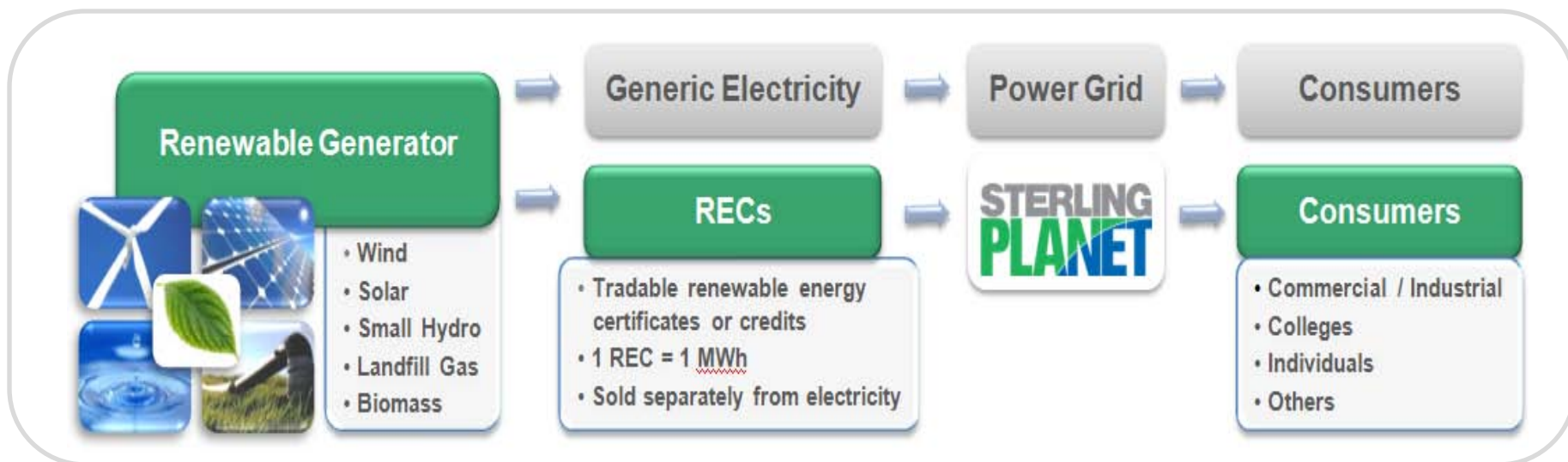
Joint Development of Renewable Energy and Carbon Reduction Projects



Leverages knowledge & relationships generated by core REC and carbon offset marketing business

Renewable Energy Certificates

- A key piece of project cashflows are the Renewable Energy Certificates (“RECs”), or Green Attributes
 - ▶ The standard method for buyers seeking to achieve renewable electric usage
 - ▶ RECs represent all environmental attributes of a power generation facility




How RECs Are Created and Sold

RECs from a renewable project can be sold:

- **“Un-Bundled” (sold separately from electricity)**
 - ▶ Achieves flexibility in buyer’s procurement and in project’s offtake agreements
 - ▶ Allows ability to be sold more widely
- **“Bundled” (with the sale of electricity)**
 - ▶ Involves physical electricity deliveries
 - ▶ Captures an additional hedge of electricity costs for buyers

➔ **Both require attestation and tracking**

 **New Jersey's Clean Energy Program**
Solar Renewable Energy Certificates (SRECs) Program

Attestation Form

All information requested below is required. Please make writing legible!

Solar Generator Owner Name / Company:	
BPU Application Number (if known):	BPU -
Installation Address:	
City, State, Zip	
Contact Person:	
Phone:	
Fax:	
E-mail:	
DC Capacity (kW = # modules * module rating):	
Date Placed in Service (yyyy-mm-dd):	

I, _____ (name) declare under penalty of perjury, that:

a. I am the owner or the authorized agent of the solar photovoltaic generation facility at the location provided above;

b. The information provided on this form is true and correct to the best of my knowledge;

c. This solar photovoltaic facility generates renewable energy, consisting of 1) the actual electric energy, measured in kWh, that is either consumed on the premises or delivered via a net metering agreement, or other electricity sales contract, to (utility or transmission / distribution owner) like the production from any other power plant, and 2) all environmental and renewable energy attributes associated with renewable energy production. These attributes are represented by SRECs, or "solar renewable energy certificates."

d. As a condition of participating in the New Jersey SRECs program, I certify that the environmental and renewable energy attributes as represented by each SREC, which include the air, water, land, labor, emission allowances, emission reduction offsets or benefits, of the electric power are not also being claimed, delivered, sold and/or transferred to any other entity, in whole or in part.

I attest that the statements above are true and correct.

Name: _____

Signature: _____

Date: _____ Place of Execution: _____

Please return this form:

By Mail:
New Jersey Clean Energy Program
Solar RECs Program
c/o Conservation Services Group
75 Lincoln Highway
Iselin, New Jersey 08830

By Fax:
New Jersey Clean Energy Program
Solar RECs Program
c/o Conservation Services Group
Fax: (732) 634-8010

Renewable Certification

Independent Verification and Certification

- **Voluntary purchases of RECs sold by Sterling Planet are all independently verified, then Green-e® Energy certified**
 - ▶ This means that the RECs meet stringent environmental and consumer protection standards

⇒ **Commercial buyers can achieve a tailored, cost-effective REC product to meet their exact needs**



Wiregrass Solar – Project Overview

- **Development is a project expansion of SEA's existing solar array that began commercial operation in April, 2011**
 - ▶ Wiregrass II project: 840KW photovoltaic solar
 - ▶ Wiregrass III project: 7MW photovoltaic solar
 - ▶ Location: Near Valdosta, GA
- **Next phases of development online December 2012 - 2013**



Wiregrass Solar - Status

- **Interconnection:** Ph II – Studies complete, Agreement pending
Ph III – Applied for/expansion of Phases
- **Permitting:** Ph II – Permitted and ready for construction start
Ph III – Permits have been applied
- **EIS/EIA:** Not required for permitting
- **Project Site:** Lease-to-purchase with Development Authority
- **Electrical Energy:** Supply to local utility under certain pre-qualified tariffs for renewable electricity
- **Construction:** Ph I EPC contractor ready to construct Ph II & III
- **Timeline:** Within 2 months of signed long-term renewable energy purchase/sale and financing (next slide)

Wiregrass Solar - Financing

- **SEA Wiregrass Solar LLC. (“SWS”) is seeking:**
 - A) Forward purchase of RECs for a number of years. As RECs are produced, the counterparty makes payment and RECs are delivered to offset electric use
 - B) Pre-paid REC purchaser to purchase all RECs for a number of years. As RECs are produced, they are delivered to offset electricity use
 - C) Traditional project/tax investor whereby Sterling Planet markets all RECs and the investor receives its share in the P/L, including sale of RECs, tax arrangements

Wiregrass Solar – Development Value

- **The Project achieves substantial value once constructed:**
 - ▶ Opportunity to support optimal scale solar technology in a region of deficit peaking electric generation
 - ▶ Anchor revenue from AA-rated utility
 - ▶ Key tie-in to local environmental energy initiative that aims to raise awareness in the regional community
 - ▶ PR value from direct purchase and project support



Other Long-Term Renewable Opportunities

SEA's development portfolio of small renewable generation facilities also includes:

28 MW “Project Carl” – Permitted renewable project with 14 month construction schedule	22.5 MW “Port Townsend Project” – Permitted renewable project with 18 month construction schedule
Project located on 36 acre site in the heart of the Southeast US timber region	Project co-located with an operating paper mill in the Pacific Northwest
Also permitted for renewable fuel diversity – up to 40% chicken litter fuel from the large regional poultry industry	Attractive economics from cogeneration with paper mill operations
Abuts a landfill / wood waste recycling center	Project is qualified to sell RECs in Washington, Oregon and California markets
Site expansion plans to add 2 x 10 MWs of solar	Achieves goal of eliminating use of fossil fuels at existing paper mill

Project Carl: 28.5 MW Biomass



Pt. Townsend Project: 22.5 MW Biomass



Summary

- Sterling Energy Assets has a pipeline of renewable energy plants open for direct purchase
 - ➔ Current examples are Wiregrass Solar II, III and greenfield Biomass projects
 - ➔ RECs from these projects can be sold on a bundled or unbundled basis
- ▶ The unbundled basis to participate includes:
 - ➔ Forward REC purchase contracting
 - ➔ Pre-paid REC purchase contracting
 - ➔ Equity/tax equity participation with REC sales managed by Sterling Planet

Sterling Planet

We look forward to further discussions around
renewable project procurement strategies



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