



Customer Welcome Packet



Renewable Energy Credits...Improving the Solar Economy

Have you already installed a solar energy system or have plans to install one? If so, Sol Systems can help you turn your solar renewable energy credits (SRECs) into income.

HOW SOL SYSTEMS CAN HELP

As an owner of a solar energy system, you have the ability to generate SRECs that large energy companies are looking to buy. However, it's difficult for you to approach a large energy company and work out an agreement for the sale of your individual SRECs—most homeowners and businesses just don't produce enough SRECs on their own to make the transaction worthwhile for energy companies.

This is where Sol Systems can help. We'll register your system, purchase your SRECs, combine them with credits from other homeowners and businesses, and then sell them to the energy companies that need them. And the best part is that you receive payment for your credits quarterly upon selling them to Sol Systems.

Regardless of whether you're new to the idea of solar energy or have been generating SRECs for years, Sol Systems can help.

Sol Systems provides:

- education about SRECs and how they can benefit you
- information about solar system installation companies that can install a system at your home or business
- assistance in registering your solar system as a qualified renewable energy generator in your state so that you can produce SRECs

READY TO GET STARTED?

Send us an email at info@solsystemscompany.com. We'll answer any questions you have, help you to register your solar system, and talk through the options you have for selling your SRECs.

ABOUT SOL SYSTEMS

Sol Systems is a Washington, D.C.-based solar energy finance and development firm committed to improving the economics of investing in solar energy. We work with homeowners, businesses, solar system installers and energy companies to make solar energy an economically viable energy solution by creating a market for solar renewable energy credits (SRECs).

WHAT ARE SOLAR RENEWABLE ENERGY CREDITS (SRECS)?

SRECs are the credits associated with the production of one megawatt-hour (MWh) of electricity generated from a qualified solar energy generating resource, as defined by your state's relevant statute and regulations. A megawatt-hour is the amount of electricity generated by a megawatt (MW) electric generator operating or producing electricity for one hour. On an electric bill, electricity usage is commonly reported in kilowatt-hours.

WHY DO ENERGY COMPANIES NEED SRECS?

Large-scale electricity suppliers in many states are required to supply a certain percentage of their electricity from solar energy. They can accomplish this by building large-scale solar facilities to produce their own solar energy or by purchasing SRECs—otherwise they must pay an alternative compliance fee. Most often, energy companies choose to pay the alternative compliance fee because there isn't an established market in which they can purchase SRECs. Then, the extra cost is passed along to their customers.

We want to work with you to change this practice. By establishing a market for SRECs, we make solar systems more affordable for homeowners and businesses, and in turn make more SRECs available to energy companies.



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SOL SYSTEMS CONTRACT DIRECTIONS

Please read the following document carefully, as it is a binding contract between you and Sol Systems. Please work with your installer to fill out all of the required fields in this contract, as the information obtained is crucial to the successful registration of your system.

3 KEY STEPS

First, please read through the contract and ensure you are comfortable with the terms.

Second, please note your pricing arrangement and make sure that all of the attachments are filled out.

Third, execute the contract by signing next to the yellow arrows, and give the contract to your installer, who will then forward along to us. We will send all materials in for you, including your Schedule A.

If you have any questions in the meantime, please email us at info@solsystemscompany.com

Thank you, we look forward to working with you.

Sol Systems, LLC

**SOLAR RENEWABLE ENERGY CREDIT/CERTIFICATE
PURCHASE AND SALE AGREEMENT**

This Solar Renewable Energy Certificate Purchase and Sale Agreement (the “Agreement”) is entered into by and between the Project Owner (“Seller”), as set out below, and Sol Systems, LLC, a Delaware limited liability company (“Buyer”), as of the Effective Date, defined below. Seller and Buyer are referred to individually herein as “Party” and collectively as “Parties.”

ARTICLE I: THE TRANSACTION

A. Quantity, Specifications of SRECs and Price.

1. Quantity: Seller will sell to Buyer all of the solar renewable energy credits (“SRECs”) associated with the electrical generation of the Project (as defined herein) during the Term.
2. Purchase: Seller shall sell SRECs to Buyer, and Buyer will purchase SRECs from Seller, at a price of two hundred dollars (\$200) for each SREC (the “Purchase Price”).

B. Delivery of SRECs:

1. Delivery: Delivery and transfer of title for all of the Project’s SRECs shall take place through the GATS. Seller shall execute the GATS Generator Owner’s Consent, attached hereto as Schedule A, contemporaneously with this Agreement. Seller grants authority and permission to Buyer to create and trade all SRECs associated with the Project during the Term.
2. Seller Responsibility:
 - (a) If the Project is smaller than 10 kw, Seller shall have no responsibility for the delivery of SRECs to Buyer from the Project during the Term once the Project has been registered with PJM GATS.
 - (b) If the Project is larger than 10 kw, Seller shall be responsible for the accurate recordation of the Project’s energy production. Seller shall be responsible for providing this information to Buyer during the Term. Seller shall either (i) provide Buyer with monthly updates for such production or (ii) provide Buyer with direct remote access to the meter’s output from the Project.

ARTICLE II: EVENT OF DEFAULT

- A. Event of Default. An “Event of Default” shall mean, with respect to a Party (the “Defaulting Party”): (a) the failure to make any payment when due under this Agreement if such failure is not remedied within sixty (60) days after written notice is given by the non-defaulting Party (the “Performing Party”); (b) the failure of Seller to deliver all SRECs produced by the Project to Buyer or (c) either Party’s actual fraud or willful misconduct in connection with this Agreement.
- B. Damages. If an Event of Default occurs and the Performing Party elects to terminate this Agreement, then the Defaulting Party will be obligated to pay cover damages (“Damages”) as set out in this paragraph II(B).
 1. Buyer’s Damages. If Seller fails to deliver SRECs to Buyer as set forth in this agreement then Seller will pay Damages to Buyer equal to (a) the Average SREC Price less (b) the Purchase Price multiplied by (c) the Remaining SRECs.
 2. Seller’s Damages. If Buyer fails to purchase Seller’s SRECs, as set forth in this Agreement, then Buyer will pay Damages to Seller equal to (a) the Purchase Price less (b) the Average SREC Price multiplied by (c) the Remaining SRECs.
 3. Payment of Damages. Any termination damages due under this Agreement will be paid within 60 days after the Defaulting Party’s receipt of the Performing Party’s written termination notice, which shall fully explain the calculation for the termination payment that the Performing Party claims to be due.

- C. Limitation of Liability. THE PARTIES AGREE THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED HEREIN SATISFY THE ESSENTIAL PURPOSES HEREOF.

ARTICLE III: MISCELLANEOUS

- A. Multi-State Registration. Seller hereby grants Buyer the right to register the Seller's Project in multiple states as a renewable energy generator for the purposes of selling SRECs from the Project in such states. If necessary, Seller will provide Buyer with such additional information as needed for such registration.
- B. Regulatory Termination Right. BUYER SHALL HAVE THE RIGHT, BUT NOT THE OBLIGATION, TO TERMINATE THIS AGREEMENT UPON THE EXPIRATION OF THE RPS PROGRAM OR ANY CHANGE IN THE ADMINISTRATION OF THE RPS PROGRAM THAT WOULD PREVENT BUYER FROM SELLING SRECs.
- C. Assignment. Seller will not transfer or assign all or any part of this Agreement or its rights or obligations hereunder or otherwise dispose of any right, title or interest herein without the prior written consent of Buyer, which consent will not be unreasonably withheld or delayed.
- D. Governing Law. This Agreement will be governed by Virginia law.
- E. Confidentiality. Seller shall not share the price terms of this agreement.

DEFINITIONS

Capitalized terms used in this Agreement shall have the meaning given to them therein, if not defined below. The following terms shall have the meanings set forth herein:

"ACP" means the Alternative Compliance Payment for solar renewable energy credits, as set out D.C. Code §34-1434(c) and as amended by the Clean and Affordable Energy Act of 2008.

"Average SREC Price" shall be the weighted average of the purchase price for SRECs in the state of SREC production of the prior year at the time of termination of the Agreement by Seller. The Average SREC Price shall be determined by the state agency or independent third-party responsible for the administration of the SREC program for such a state, *provided however* that if there is no such agency or third party or such agency or third party is unable to provide such information accurately, the Average SREC Price shall be determined by a mutually acceptable third-party broker who is actively involved in the SREC market of the relevant state.

"Effective Date" is the date first written below, on which this Agreement has been executed by the Parties.

"Environmental Attributes" means any and all current or future credits, benefits, emissions reductions, environmental air quality credits, emissions reduction credits, renewable energy credits, offsets and allowances, attributable to the Project attributable to the generation, purchase, sale or use of Metered Output from or by the Project during the Term, howsoever entitled or named, resulting from the avoidance, reduction, displacement or offset of the emission of any gas, chemical or other substance, including without limitation any of the same arising out of legislation or regulation concerned with oxides of nitrogen, sulfur or carbon, with particulate matter, soot or mercury, or implementing the United Nations Framework Convention on Climate Change (UNFCCC) or the Kyoto Protocol to the UNFCCC or crediting "early action" emissions reduction, or laws or regulations involving or administered by EPA's Clean Energy Markets Division, or any state or federal entity given jurisdiction over a program involving transferability of Environmental Attributes, and any Green Tag Reporting Rights to such Environmental Attributes. Notwithstanding any other provision hereof, Environmental Attributes do not include: (a) the PTCs or any state or federal production tax credits, (b) any investment tax credits and any other tax credits associated with the Project, (c) any state, federal or private cash payments or grants relating in any way to the Project, the output thereof or PTCs, (d) state, federal or private grants or other benefits related to the Project, the output thereof or PTCs, or (e) Metered Output, or (f) Capacity Attributes. One (1) MWh of electrical energy from the Project corresponds to one (1) MWh of Environmental Attributes.

"GATS" means PJM's Generated Attribute Trading System, an "unbundled," certificates-based tracking system where the attributes or characteristics of electrical generation are separated from the megawatt-hour of energy and recorded onto a certificate after the electricity is produced.

“**PJM**” means PJM Interconnection, a regional transmission organization (RTO) that coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia.

“**Project**” means the solar power facility as more fully described in Exhibit A.

“**Remaining SRECs**” means those SRECs that would have been delivered during the Term but for an Event of Default under this Agreement. The actual number of Remaining SRECs shall be determined by an annual output estimate for the System, utilizing PV Watts modeling, multiplied by the remaining length of the Term of this Agreement

“**Renewable Portfolio Standards**” or “**RPS**” means the Renewable Energy Portfolio Standard Act of the District of Columbia, enacted on April 12, 2005 pursuant to DC Code §34-1431, amended by the Clean and Affordable Energy Act of 2008, and as further amended

“**Solar Renewable Energy Certificates**” or “**SRECs**” means those renewable energy credits specifically associated with the production of solar energy as described in the in Section 10 of DC Code §34-1431 et seq. as amended, and all of the Environmental Attributes associated with such SRECs.

“**Term**” shall mean a five (5) year period, beginning on the Effective Date.

IN WITNESS WHEREOF, the Parties have caused this Solar Renewable Energy Credit/Certificate Purchase and Sale Agreement to be duly executed as of _____, ___ 20__ (the “Effective Date”). This Agreement shall not become effective as to either Party unless and until executed by both Parties.

SOL SYSTEMS, LLC

SELLER




Yuri Horwitz
President and CEO
info@solsystemscompany.com

Seller Name: _____
Seller Phone: _____
Seller Email: _____

SCHEDULE A
Generator Owner's Consent

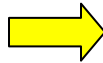
The undersigned on behalf of the Generator Owner, _____, ¹ represents to PJM Environmental Information Services, Inc. ("EIS") that:

1. I/we am/are the Generator Owner who holds legal title to the Generating Unit(s) designated below.
2. I/we the Generator Owner hereby grant authority and permission to Account Holder, Sol Systems, LLC ² to create and trade all Certificates associated with the following Generating Unit(s), which Certificates shall also be registered to the GATS account(s) of the Account Holder.
3. I/we the Generator Owner further represents that I/we have not granted similar authority or permission to any other subscriber or account holder for use in the GATS or any similar system.

Generating Unit Name and Address Optional: [Generating Unit Size/System Size]	PJM MSET ID or EIA Plant Code and Generator Identifier (as applicable)



GENERATOR OWNER ³



Name:
Title:
Address:
Date:

Directions for Generator Owner's Consent

All information on this Generator Owner's Consent must be typed or neatly printed in blue or black ink as follows:

1. Fill in the Generator Owner's full legal name, i.e. ABC Domestic Energy Company, Inc.
2. Fill in the Account Holder's full legal name, i.e. ABC Domestic Energy Company, Inc.
3. If Generator Owner is a corporation, partnership or other legal entity, this Consent must be executed by a company officer of the Generator Owner. If Generator Owner is an individual, this Consent must be executed by the individual.
4. Return the original, completed Consent to: **GATS Administrator, c/o PJM Environmental Information Services, Inc., 955 Jefferson Avenue, Norristown, PA 19403-2497**

Recognition of Assignment of Solar AECs to Aggregator

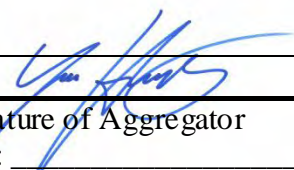
Facility Name: _____
Facility Contact: _____
Facility Location: _____ Address 1
_____ Address 2
_____ City, State, Zip

Aggregator Name: Sol Systems, LLC
Aggregator Phone: (888) 235-1538
Name of Company Representative: Yuri Horwitz

Contract Expiration Date:

By signing this document, the facility owner _____, recognizes that the Solar AECs generated by the facility are represented by the above named aggregator per the terms and condition of the formal contract between the above named parties. This document only constitutes proof of a relationship between the parties named above and does not dictate the terms of the agreement. This document is to be used by the Commonwealth of Pennsylvania to record the facility owner's name, the aggregator responsible and the contract expiration date. Arrangement for compensation for these AECs is not defined by this contract. The Commonwealth of Pennsylvania shall not be responsible for the interactions between the facility owner and aggregator.

The undersigned state that the facts set forth in this document are true and correct and understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to uns worn falsification to authorities).

_____ Signature of Facility Owner Date: _____	 _____ Signature of Aggregator Date: _____
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