
Project Finance w/ SRECs

2007 New Jersey Clean Energy Conference



SRECs are Changing

Credit for solar energy production

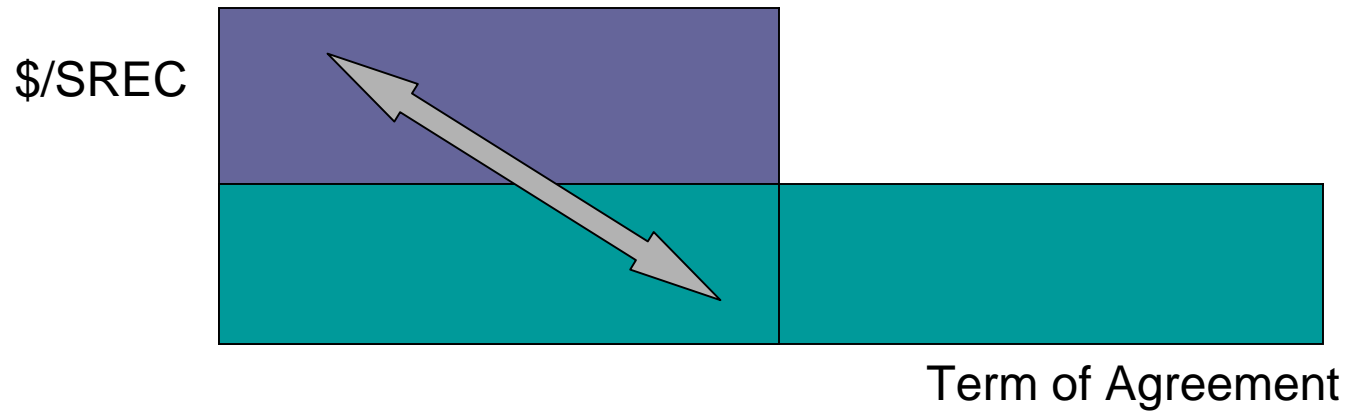
- 15 Year Term, then Class I
 - 8 Year SACP improves long term definition
 - 2 Year Shelf Life
 - Allow for larger systems to net metering limit
 - Community Projects coming soon
 - No more waiting on a rebate queue!
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All SRECs Are Not Created Equal!

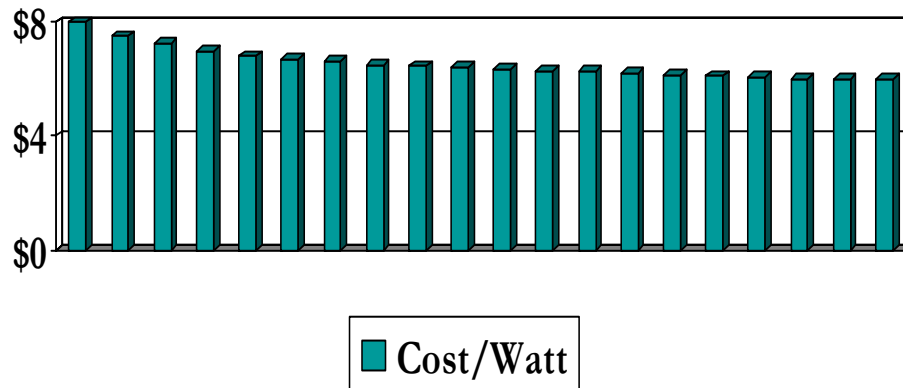
- Term, Volume
 - Third party financiers
 - Systems owned by host
 - Quality/Reliability: “Firm” vs “Contingent”
 - Project Size/Cost
 - Underlying Credit Quality of Integrator, Host and Maintenance Provider
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Clearing the Investment Hurdle

Price and Term Impact Ability to Finance...

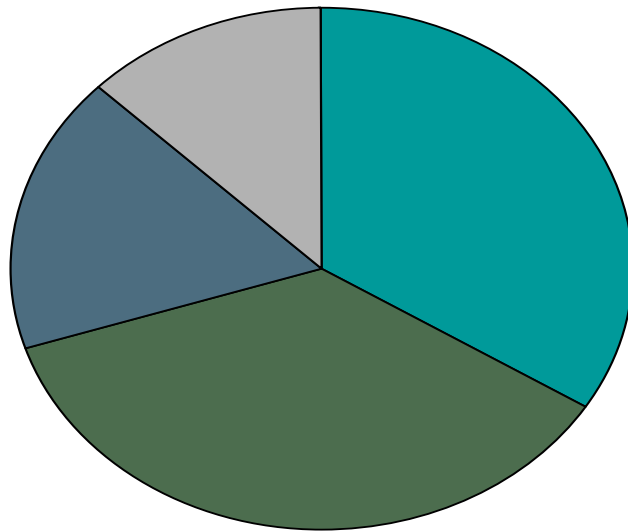


Scale Reduces Unit Cost of Project, Spreads Transaction Costs...

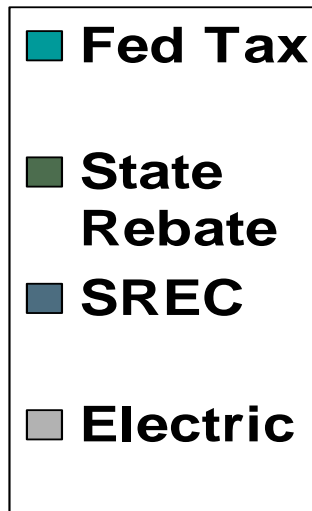
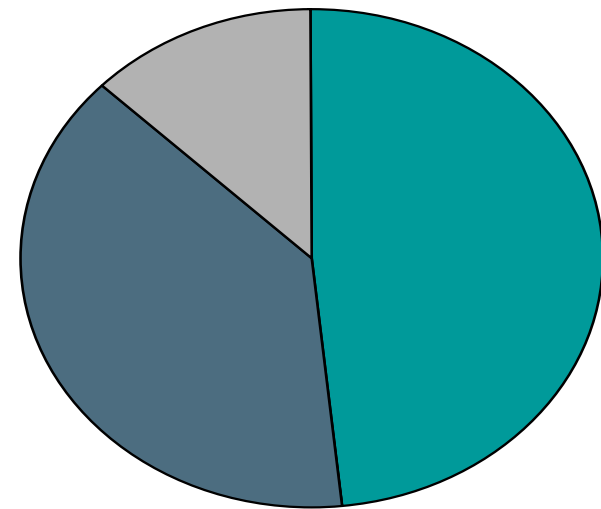


Commercial Project Economic Drivers

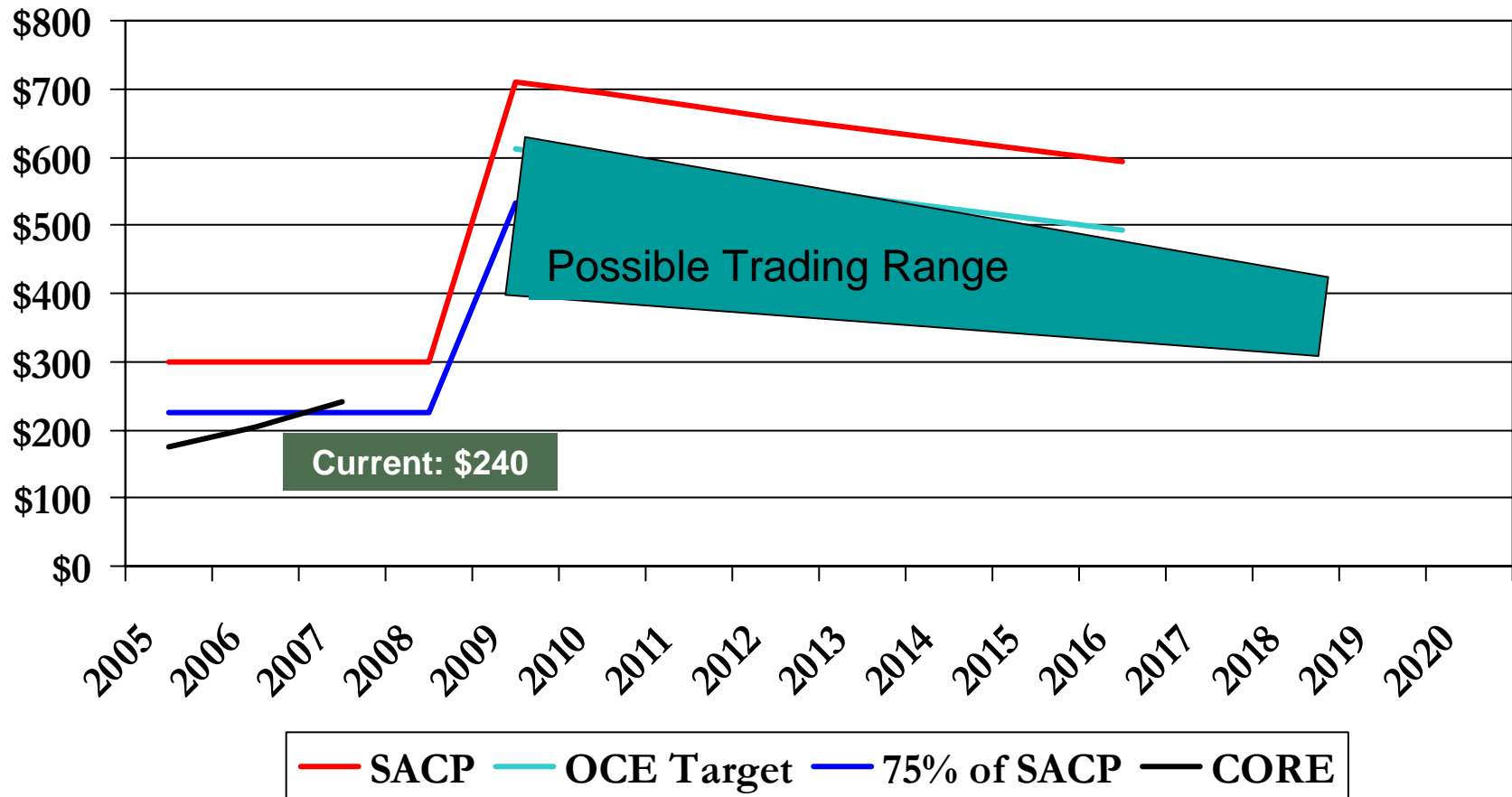
CORE



SREC-Only



SREC Valuation Chart



SREC Only Transition Ongoing

- Several important rules still to come
 - SREC models being expanded to surrounding states
 - Ratepayers save \$\$\$ - Least Cost for RPS
 - Incentive for breakthrough technology
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