

City of Hudson, Ohio

BEHIND-THE-METER SOLAR PROJECT

BEHIND-THE-METER (BTM) SOLAR PROJECT

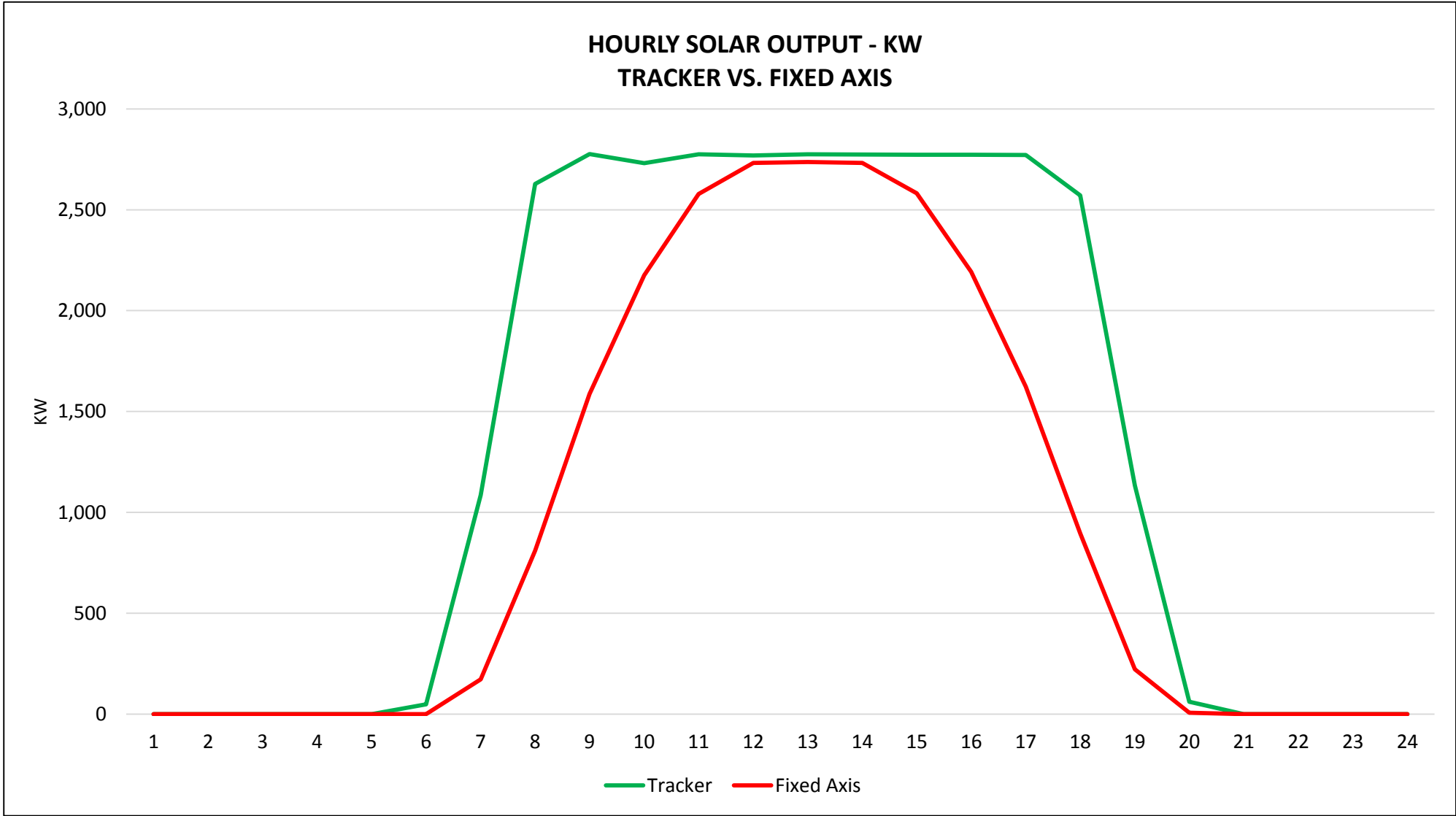
- City Would Select a Private Developer to Install, Own and Operate a Solar Project on a Site Owned by City.
- City Would Purchase 100% of the Output from the Solar Project Pursuant to a 20-25 Year Power Purchase Agreement (PPA) at a Fixed Rate Per kWh.
- City Would Receive 100% of the Capacity and Transmission Benefits and 100% of the Solar Renewable Energy Credits (SRECs) Provided by the Solar Project.

BENEFITS OF A BTM SOLAR PROJECT

- Reduces the City's Energy Requirements During the Highest Priced Hours of the Day.
- Reduces the City's Peak Load During the Peak Periods, Which Reduces the City's Obligation to Pay PJM Capacity and FE Transmission Charges.
- Provides SREC's that can be Sold to Market.
- Provides a Long-Term Hedge Against Future Increases in Energy, Capacity and Transmission Charges.

TRACKER VS. FIXED AXIS

- Tracker Systems Generate Approximately 15% More Output than Fixed Axis Arrays.
- Tracker Systems Provide Peak Output Over a Longer Period than Fixed Axis Arrays.
- Tracker Systems Provide Greater Reduction in Capacity and Transmission Obligations.
- Tracker Systems Provide More SRECs.



ESTIMATED NET COST OF ENERGY SUPPLIED BY THE SOLAR PROJECT

<u>Description</u>	<u>\$/kWh *</u>
Energy Price Under the Solar PPA	\$ 0.050
Less:	
Avoided Energy Costs	\$ (0.030)
Avoided RPM Capacity Costs	(0.017)
Avoided FE Transmission Demand	(0.013)
Sale of SRECs	<u>(0.010)</u>
Total Credits/Savings	\$ (0.070)
NET COST OF ENERGY	\$ (0.020)

* Per kWh supplied by the Project

NEXT STEPS

- Solicit Proposals from Potential Developers (Solar RFP)
- Review/Analyze Responses to Solar RFP and Select Short List of Respondents.
- Perform Due Diligence and Interview Short-Listed Respondents.
- Select a Preferred Developer and Negotiate the Terms of the PPA and Lease Agreement.

