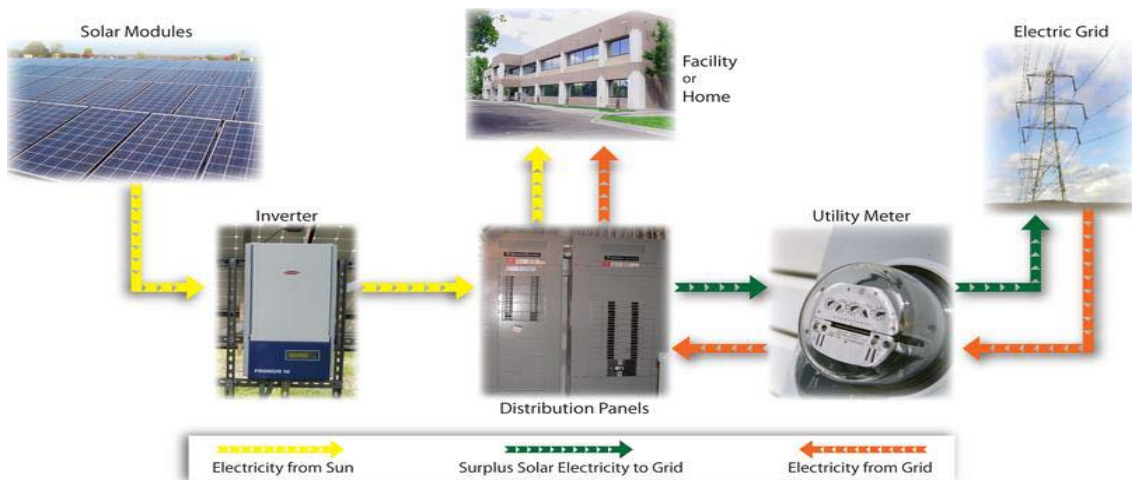




We look to the sun for solutions!

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How Solar Works



Opportunity for Commercial Property Owners - Host a Solar Energy System

Commercial property owners currently have a unique opportunity to capitalize on the dramatic development of renewable solar energy, without having to purchase the system outright, by entering into a long-term Site Lease Agreement (SLA) to lease their currently unused rooftop space for the installation of a PV solar energy system and a concurrent long-term Power Purchase Agreement (PPA) that will enable the business to purchase the electricity produced by the system at a predictable rate, which will be lower and less inflationary than utility rates. An investor (or investor group) owns the solar system, but the business owner "hosts" the system on its property (roof) under the SLA and PPA Agreements

Once the SLA and PPA are signed, a qualified project developer oversees the installation of the solar electric system on the host's rooftop or land, obtains all regulatory certifications and signoffs; and assumes responsibility, under a separate operations and maintenance contract (OMC) with the owner/investor for maintaining the equipment and assuring peak system efficiency.

Benefits to Host:

- **No Capital Investment** - The investor provides the capital to purchase the solar system
- **Hedge Against Price Inflation** - Obtain a long term contract for electricity at a predictable price
- **Strengthen Financial Position** - Increase property value without increasing property taxes
- **Avoid System Responsibility** - The developer/investor is responsible for the design, construction, maintenance, repairs, and operation of the solar system
- **No Damage to Roof/Structure** - project developer/installer utilizes latest solar technology that avoids any damage or puncturing of the roof or building structure
- **Public Relations Benefits** - Hosting a solar system demonstrates sensitivity to the environment and to the health and welfare of employees and community
- **Decrease the Business's Carbon Footprint** - Utilizing solar power will immediately reduce emissions of CO₂ caused by the burning of fossil fuels

Benefits to Investor:

- Monthly electricity payment from the Host
- Investment Tax Grants/Credits
- Depreciation tax benefits
- Revenue from SREC incentives mandated by state governments

Net Metering

More than thirty-five states have enacted Net Metering laws, which allow owners of solar electric generating systems to connect their systems to the existing electric distribution network, the Grid. Once connected, a solar electric system will generate electricity in proportion to the amount of solar energy available during daylight hours. The owner of a solar electric system pays the utility company only for the "Net" amount of electricity consumed from the utility company during the billing period.

If more electricity is produced than consumed for that period, the net production credit is carried forward to the next month and applied to the next billing period. If excess is produced for the year, the utility company is required to purchase the excess at its "avoided cost" of generation (wholesale pricing). Net Metering laws typically limit the size in KW of the solar systems allowed to connect to the electric grid. New Jersey has set a limit of 125% of the current customer site annual KW usage.

Site Evaluation & Proposal Process

Solar installations are tailored for each location and engineered to accommodate different types of roofs. To determine which location is best suited for a solar system, our installers/engineers will survey the proposed facility to determine the preferred location(s) and the type of solar modules that can be accommodated. Solar modules need to be oriented towards the south without shading. Installation issues to be considered:

- Analyze electrical consumption, demand charges, and utility charges
- Determine the size of solar system that can be accommodated
- Recommend solar modules, electrical equipment and cable runs, location, and mounting method
- Review proposed PPA contract and Rooftop Site Lease Agreement with the prospect Host
- Review the environmental benefits of the proposed solar system

Next Steps

Green Energy Innovations will conduct a preliminary analysis on the site-specific viability of a PV solar installation and project economics and submit a letter of intent containing the key terms of the proposed SLA and PPA.

GEI will then provide a cost estimate, installation plan, timetable, and contract for the installation of the solar system, along with the finalized, negotiated SLA and PPA.

Financial Benefit of a Solar Power Installation

- Provides energy independence
- Reliable source of electricity for over 30 years
- Reduces electric bills
- Requires minimal maintenance
- With a PPA - Electricity is provided at a long term fixed cost
- Opportunity for Host to derive rental income from rooftop installation / Sq Ft usage
- Increases property values without increasing property taxes (current State law)

The Numbers

Basics:

- a. Rooftop Installed PV Watts / Sq Ft = 8 Watts
- b. Annual kWh Electricity / Installed PV Watt (NJ) = 1.184 kWh
- c. Annual kWh Electricity Generated / Sq Ft = 9.472 kWh (a x b)

- a. Current Utility Electricity cost / kWh = \$.165
- b. System Discounted Electric Price / kWh = \$.120
- c. Electricity Savings / Sq Ft = \$.426 (.045 x 9.472)

Example 1: 50,000 Sq Ft Roof Available

- a. System Size = 400,000w / .4MW (50,000 x 8)
- b. Annual kWh produced = 473,600 (400,000 x 1.184)
- c. Annual Electricity Savings = \$ 21312 (473,600 x .045)

- a. Roof Rental / Sq Ft = \$.25
- b. Total Sq Ft Used = 50,000
- c. Annual Rental Income = \$ 12,500 (50,000 x \$.25)

- a. **Annual Total Income + Electric Savings = \$ 33,812 (\$ 21312 + \$ 12,500)**
- b. **Annual Total Income + Electric Savings / Sq Ft = \$.676**
- c. **25 Year Term - Income + Electric savings = \$ 845,300**

Example 2: 1 MegaWatt Installation

- a. System Size = 1,000,000w / 1MW
- b. Annual kWh produced = 1,184,000 (1,000,000 x 1.184)
- c. Annual Electricity Savings = \$ 53,280 (1,184,000 x \$.045)

- a. Roof Rental / Sq Ft = \$.25
- b. Total Sq Ft Needed = 125,000 (1,000,000/8)
- c. Annual Rental Income = \$ 31,250 (125,000 x \$.25)

- a. **Annual Total Income + Electric Savings = \$ 84530 (\$ 53,280 + \$ 31,250)**
- b. **Annual Total Income + Electric Savings / Sq Ft = \$.676**
- c. **25 Year Term - Income + Electric Savings = \$ 2,113,250**

For a free consultation at your office, please contact **CK @ 973-408-9110**

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