

SUSTAINABLE COMMUNITIES PROGRAM PROPOSAL UPDATE

by the

“STANDARD ENERGY TEAM”



January 19, 2010

- **The Standard Energy Team combines the experience and skill sets of:**
 - Standard Solar, the region’s leading developer and installer of solar PV systems;
 - Pace Global Energy Services, provides energy asset management, transaction financing, risk management and consulting to energy companies and energy intensive users around the world;
 - Standard Energy Solutions, a rapidly growing home and commercial energy audit and efficiency services company; and
 - B&R Construction Services, an experienced engineering and construction management firm specializing in energy auditing and the retrofit of mechanical, electrical and plumbing systems for commercial and government projects, and selected industrial projects.

- **DREE Bundling Concept: Full-spectrum renewable energy integration and energy efficiency services provider backed by capital to fund aggregated projects**
 - Serve residential and commercial customers who agree to bundle an energy audit with a distributed renewable energy application; focus development capital on generating transaction volume that can be aggregated for financing.
 - Originate and develop commercial renewable energy projects, including management of RECs and SRECs and negotiation of contracts, including PPAs.
 - Own and operate projects through a fund that optimizes financial structure for tax preferred and project finance investors including monetizing SRECs and carbon allowances, Investment Tax Credit and accelerated depreciation.
 - Utilize a portion of the \$200 million committed to regional projects for Delaware based on market demand
 - Coordinate with SEU to develop credit enhancements and financing mechanisms to lower financing costs and ultimately the cost to the rate payer
 - Source and contract tax equity through Standard Energy.

- **Scale of Energy Savings and Renewable Energy Supply per Year and Lifetime of Savings and Supply**
 - Our track record demonstrates our ability to scale up distributed renewable energy.
 - Key to success in the residential and small commercial market: accessing incentives and securing financing.
 - Key to success in the commercial and industrial markets: securing long-term RECs

- **Projections of Energy Cost Impacts, Emission Reductions and Permanent Job Creation**
 - 10 MWs of commercial solar would
 - > save about \$600,000 in energy costs;
 - > reduce source carbon emissions by about 7,200 metric tons; and
 - > generate about 72 new full-time jobs.
 - Energy efficiency projects for 1,000 homes would
 - > save over \$615,000 in energy costs;
 - > reduce source carbon emissions by over 6,000 metric tons; and
 - > generate at least 66 new full-time jobs.
 - Energy Efficiency projects for 100 commercial projects would
 - > save about \$25 million in energy costs;
 - > reduce source carbon emissions by 261,000 metric tons; and
 - > generate at least 1,150 new full-time jobs.
 - With sufficient PV project volume, a new, in-state, manufacturing / pre-assembly and distribution facility employing a full-time workforce would be developed to drive down the regional cost of these projects through improved scale economies across all components and by replacing high margins in certain components with in house manufacturing or assembly.

- **Sustainable Communities Program Key Roles and Senior Personnel**
 - Overall Leadership: Francis Hodsoll, Vice President, Asset Strategies, Pace Global Energy
 - Solar PV Leader and Private Equity Capital Sourcing for Solar Projects: Tony Clifford, Chief Executive Officer, Standard Solar
 - Solar PV and Energy Efficiency Program Supervisor: Scott Wiater, President Standard Solar
 - Commercial Energy Audit and Energy Efficiency Project Manager: Gabriel Velicu, PE, CEM, LEED-AP, Vice-President, B&R Construction Services
 - Residential Energy Audit and Efficiency Project Manager: Scott Carr, Division Manager, Standard Energy Solutions