

Massachusetts Solar Net Metering Credit Opportunity

Prepared for



nexamp

> Nexamp Overview

Nexamp develops, builds and operates commercial scale solar projects. From project development through financing, construction, and asset management, Nexamp's comprehensive approach makes solar **simple** and **profitable** for our clients and partners.



- Founded in 2007; Ranked #1 solar contractor in MA (Solar Power World 2015)
- Over 40 MW installed across New England; projects in over 100 MA towns, with nearly 40 MW provide savings directly to municipalities.
- Extensive experience delivering savings through net metering credits / solar PPAs with MA municipalities; e.g. Town of Westford, Town of Acton, Town of Norwell, Town of Hadley, Town of Southwick, Town of Barnstable, and dozens of other municipalities, school districts, and water departments across the Commonwealth

> The Opportunity: Fitchburg Solar

What is it? 650 kW (DC) Community Solar Array

Who Else Benefits? Lunenburg residents & small businesses

Nexamp is seeking a credit-worthy town to receive 50% of the project's capacity (325 kW). Nexamp can offer a 25% discount.



> Fitchburg Solar (Con't)

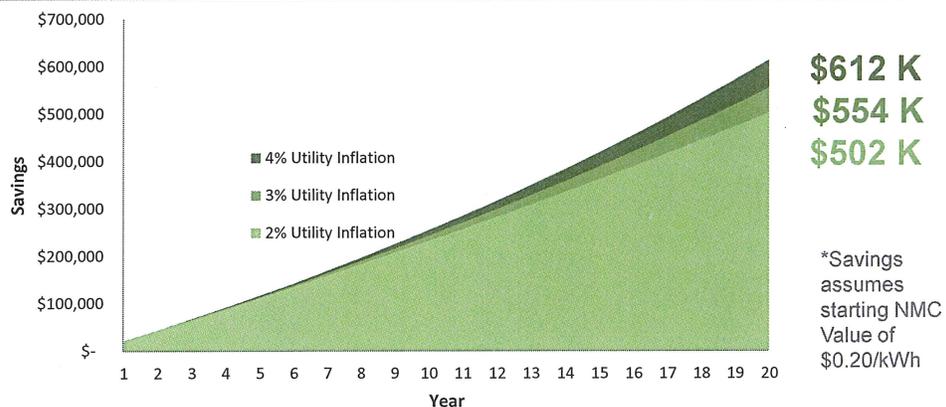
Fitchburg, MA

Size	650 kW
Type	Community Solar (325 kW allocated to Lunenburg)
Performance	867,079 kWh/yr; 15.2% capacity factor
Site Control	Executed Site Lease with Local Orchard
Interconnection	Expected September 21
Permitting	Conservation Commission: Forthcoming week of 09-21 Planning Board: Final approval expected tonight (09-15)
Timing	Construction commencement in fall of 2015; Commercial Operations in Q4 of 2015
Net Metering	25%
Credit Proposal	(Current NMC Value: \$0.20/kWh; Current Savings: \$0.05/kWh)

> Sample Transaction

- A 325 kW (DC) net metering credit allocation can generate over **\$600,000** in savings for the Town. Expected year one savings: **\$21,000**.

Cumulative Savings Potential | 20 Year Net Metering Credit



> Transaction Mechanics

As a turnkey solar provider, Nexamp keeps net metering credit transactions simple and streamlined for our clients:

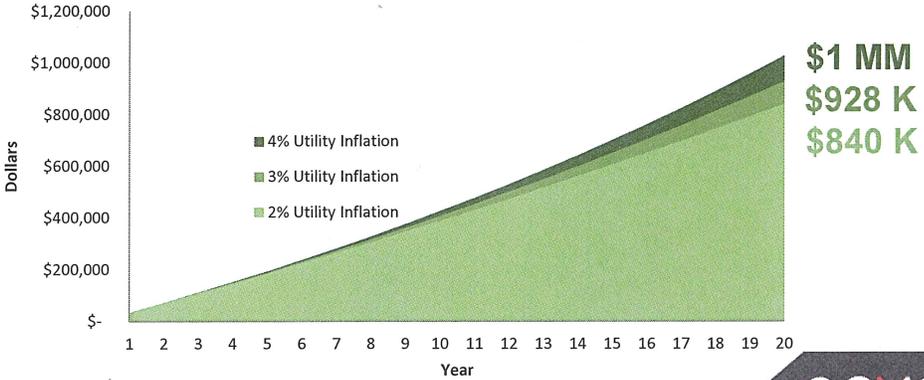
- 1 Analyze:** Nexamp analyzes utility bills from the Towns' accounts to gain an appropriate understanding of net metering credit appetite (i.e. electricity costs).
- 2 Contract:** Nexamp and the Town enter into 20-year Net Metering Credit Purchase Agreement; Town has no project ownership or performance responsibility.
- 3 Save:** Nexamp builds the project and allocates the net metering credits to the appropriate Town accounts through the local utility, which automatically appear on Town's monthly electricity bill as cash credit (unused credits roll over to next billing cycle). Nexamp bills Town at 75% of net metering credit value.

Example: If a solar project generates \$10,000 of net metering credits in a given month, Lunenburg receives a \$10,000 credit across one or more utility accounts (allocated pro-rata based on bill analysis) and an invoice from Nexamp for \$7,500, for a monthly savings of \$2,500
- 4 Track & Manage:** A dedicated Nexamp Net Metering Credit Account Manager provides monthly transaction and performance reports. If, at any time, a Town's account can no longer utilize the credits it is assigned, Nexamp will identify alternative accounts for net metering credit allocation.

> Sample Transaction (public cap)

- Should the private cap be reached (~777 kW AC remaining), Lunenburg would be able to receive the entire project under the public cap (~2,053 kW AC remaining).
- Discount: 21%
- A 650 kW (DC) net metering credit allocation can generate over **\$1 million** in savings for the Town. Expected year one savings: **\$36,400.**

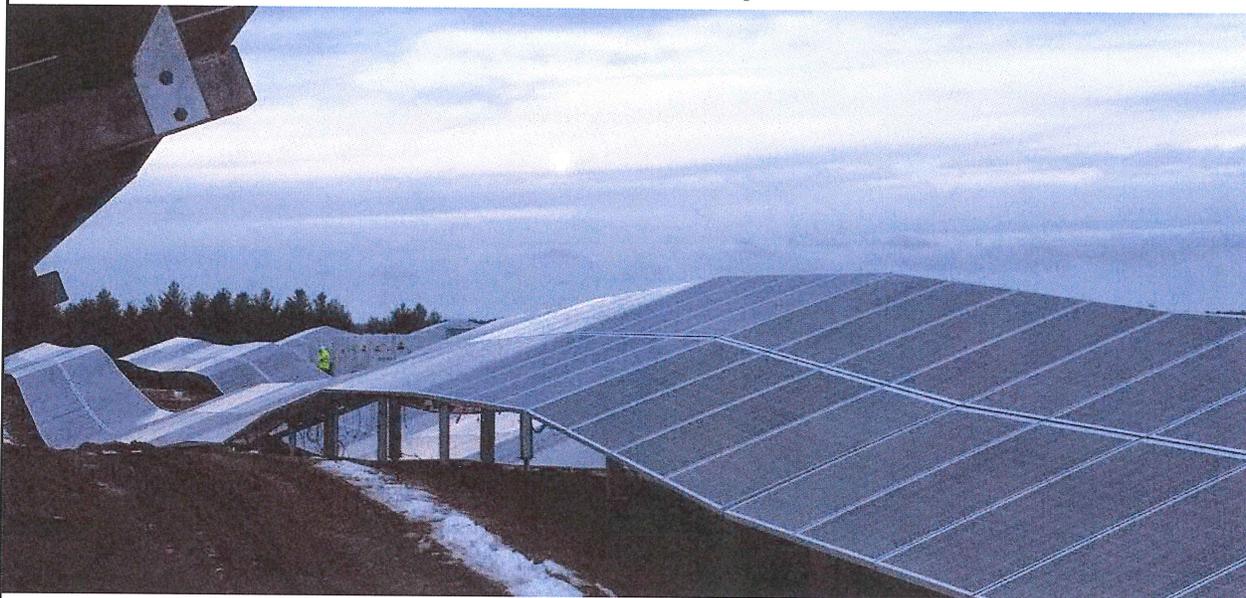
Cumulative Savings Potential | 20 Year Net Metering Credit Agreements



Representative Projects

nexamp

> Charlton Solar: 4.5 MW | Charlton, MA



Project Offtaker: Town of Westford

Annual Generation: 5,750,000 kWh, ~\$1,000,000 in net metering credits

8 | Lunenburg– Net Metering Credit Overview

nexamp

> **Treasure Valley Solar: 6.0 MW | Rutland, MA**

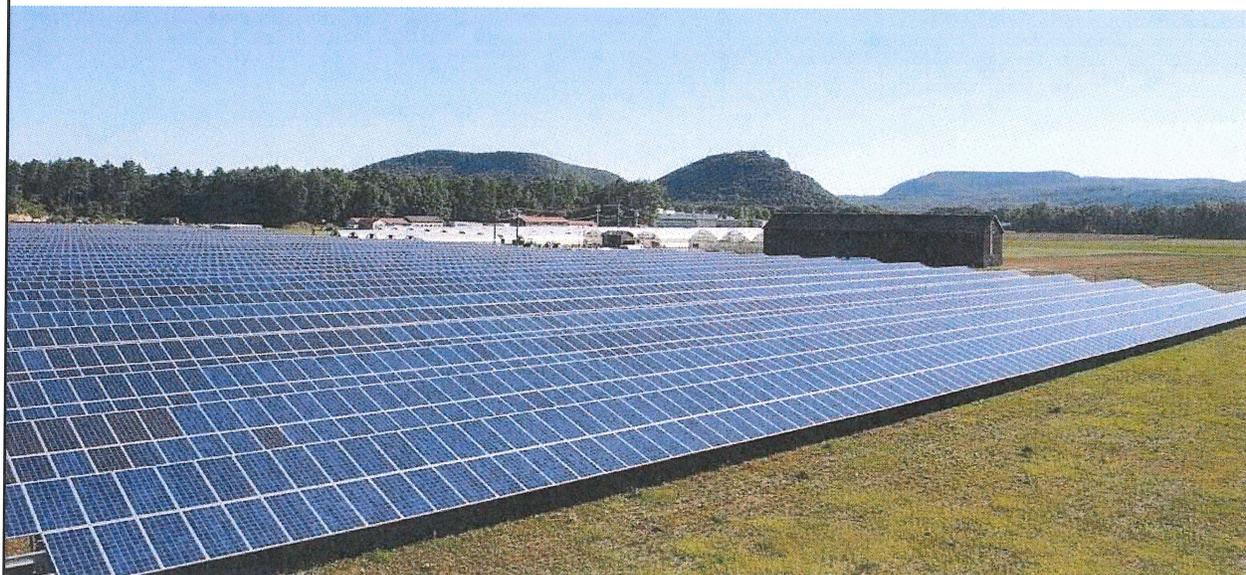


Project Offtakers: Upper Blackstone Water Pollution Abatement District, Dudley Charlton Regional School District, Southern Worcester County Educational Collaborative

Annual Generation: 7,830,000 kWh, ~\$1,320,000 in net metering credits



> Fairview Farms: 2.4 MW | Whately, MA



Project Offtaker: University of Massachusetts Amherst

Annual Generation: 2,950,000 kWh, ~\$275,000 in net metering credits (WMECo utility territory)

11 | Lunenburg– Net Metering Credit Overview

nexamp

> The Bottom Line

- I Secures Long-Term Energy Cost Savings
- II Supports Local Sources of Renewable Energy
- III No Project Ownership Responsibility
- IV No Impact on Existing Supply Contracts
- V Simple, Zero Capital Cost Transaction

> Savings Breakdown

- First year savings calculations for a 325 kW system are shown below

A	B	C	D	E	F
Annual Solar Production (kWh)	Net Metering Credit (NMC) Rate	NMC Value (\$) (A*B)	Discounted Rate	NMC Purchase Price (A*D)	Savings (C - E)
434,878	\$0.20/kWh	\$86,976	0.15/kWh	\$65,232	\$21,744

