



POWER PURCHASE AGREEMENT

A leading provider of renewable energy services, Tioga Energy offers customers simple, low-cost access to solar electricity. With its award-winning SurePath™ Solar power purchase agreement (PPA), Tioga delivers all the economic and environmental benefits of clean solar energy without any of the associated capital expenditures or maintenance hassles.

With the SurePath Solar PPA, customers provide the rooftop or other location on which to install the solar electric system; Tioga develops, finances, owns and operates the system. Tioga sells the generated solar electricity to the customer at long-term, guaranteed rates – typically below those offered by the utility – for a contract term of 15-25 years. Customers see immediate energy savings while enjoying long-term energy security and a hedge against inflation.

Tioga takes care of the entire development process. For example, Tioga secures bank and construction financing, acquires available incentives, pulls the required permits, manages the system design and installation, and provides certification and grid interconnection services. The SurePath Solar PPA also covers ongoing monitoring and maintenance. With Tioga doing the heavy lifting, customers are free to focus on their core operations.

	CAPITAL INVESTMENT	PERFORMANCE RISK	OPERATION AND MAINTENANCE
PPA	The customer makes no capital investment. PPA payments are considered operating expenses for accounting purposes.	There is no performance risk; the customer pays only for electricity actually delivered by the system.	The customer incurs no operating or maintenance costs.
LEASE	The lessee pays a periodic (typically monthly) fixed fee. The lease may be considered balance sheet debt for accounting purposes.	The lessee bears the risk that the system does not perform, and must make lease payments whether the system is working properly or not.	The lessee is responsible for operating, insuring and maintaining the system.
PURCHASE	The system is a capital investment to the owner, and must be paid for in cash or through a loan.	The owner bears the risk that the system does not perform, and will not see a return on investment unless the system works properly.	The owner is responsible for operating, insuring and maintaining the system.

Getting on the SurePath: The Process

The SurePath PPA is the product of Tioga's expertise in on-site solar generation, from development and financing to system optimization, construction and operation. The PPA process starts with the initial inquiry and lasts long after the first kilowatt hours of clean solar energy are generated at the customer facility. Tioga works diligently at every step to ensure low-cost solar electricity, system performance optimization and, ultimately, customer satisfaction.

First, Tioga performs a thorough assessment of the customer's energy needs and suitability for solar. This assessment includes:

- Suitability of the site(s)
- Availability of incentives
- An assessment of energy usage and rates

Next, Tioga presents a proposal that includes:

- A preliminary system design
- Anticipated electricity production
- A PPA rate for the electricity produced by the system
- The customer savings potential

Once the terms have been finalized and the PPA has been signed, Tioga assigns each project a dedicated project manager who coordinates:

- Communication with the customer
- Planning and communication with Tioga's Installation Partners
- Final system design and installation
- On-going maintenance

With Tioga, customers get the assurance that comes from selecting a strong, knowledgeable partner. With the SurePath PPA, customers get a robust solution for accelerating their path to energy savings and meeting their goals for environmental stewardship.

The SurePath Solar PPA: Key Features

Term (length of agreement) — The time period generally spans 15-25 years, but can be modified under certain circumstances.

Rates — Rates are fixed for the life of the PPA and are usually below those of the local utility. Customers pay only for the electricity generated by the system.

Tax Benefits and Government Incentives — The benefits from available incentives are passed along to the customer in the form of lower electric rates. The SurePath PPA also allows tax benefits to pass to government agencies and non-profits, which can't directly participate in these programs because of their non-taxable status.

Insurance — Tioga carries insurance for the solar electric system. Customers continue to maintain other insurance coverage on their property.

Operations and Maintenance — Tioga takes full responsibility for maintaining, monitoring and supporting the system throughout the duration of the PPA term. To ensure optimum system performance, Tioga provides remote 24x7 system monitoring and performs semi-annual scheduled performance inspections and system cleaning.

Early Buy-Out Option — The PPA includes options to buy the solar electric system at various points during the course of the term.

End-of-Term Options — Customers can renew the PPA for a second term, purchase the system from Tioga at Fair Market Value or have the system removed at Tioga's expense.

Tioga is a Native American word that means "where the path forks." Your organization has reached a critical juncture regarding renewable energy. You want sustainable energy. But you're not ready to take on the risk and complexity of adopting solar technology. Tioga Energy offers solar electricity solutions that reduce these risks and accelerate your path to a sustainable future.



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