SRECTrade

MASSACHUSETTS SREC UPDATE

DECEMBER 11, 2014

SPEAKERS

Steven Eisenberg

CEO

Alex Sheets

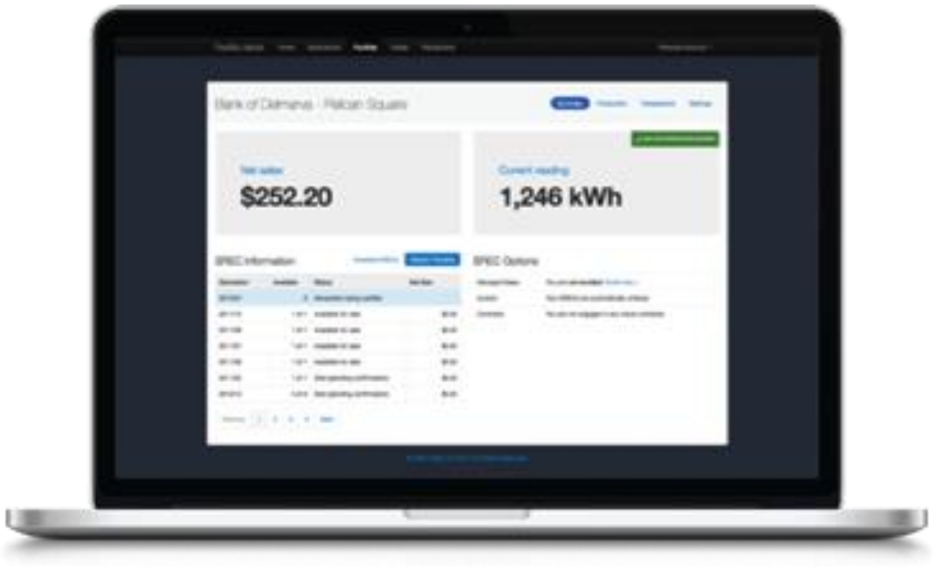
Vice President

AGENDA

- Company Overview
- SREC-II Program Overview
- SREC-I and SREC-II Capacity and Supply
- SREC-I and SREC-II Pricing
- Solar Task Force Update
- Q&A

TRANSACTION & MANAGEMENT PLATFORM

- **Since 2008**
- **140+ MW under management**
- **10,000+ facilities under management**
- **100% SREC focused**
- **Brokerage model**



CLIENTS

CORPORATE

Electricity suppliers and institutional clients with systems above 250 kW

RESIDENTIAL & SMALL COMMERCIAL

Home owners and commercial systems smaller than 250 kW

INSTALLERS & DEVELOPERS

Turn-key SREC solutions for solar installers and developers

PRODUCTS & SERVICES

BROKERAGE

Spot transactions

Structured forward solutions

Monthly spot auctions

SOFTWARE

Onboarding with regulators & registries

Tracking production & SRECs issued

Executing & settling SREC transactions

SREC-II PROGRAM OVERVIEW

Features	SREC-II
Program start	April 25, 2014
Adjustable Minimum Standard	Yes
Decreasing ACP Rate Schedule	Yes
SCCA Opt-in Schedule	Yes, 40 quarters from qualification date
Decreasing SCCA Price	Starts at $285/SREC and decreases over time
Program Cap	1,600 MW less final SREC-I qualified capacity
Market Sectors	Yes
SREC Factors	Yes
Project Size Maximum	Yes, 6 MW DC

MARKET SECTORS

Market Sector		Factor
A	1. Generation Units with a capacity of <=25 kW DC 2. Solar Canopy Generation Units 3. Emergency Power Generation Units 4. Community Shared Solar Generation Units 5. Low or Moderate Income Housing Generation Units	1.0
B	1. Building Mounted Generation Units 2. Ground mounted Generation Units with a capacity > 25 kW DC with 67% or more of the electric output on an annual basis used by an on-site load	0.9
C	1. Generation Units sited on Eligible Landfills 2. Generation Units sited on Brownfields 3. Ground mounted Generation Units with a capacity of <= 650 kW with less than 67% of the electrical output on an annual basis used by an on-site load.	0.8
MG	Unit that does not meet the criteria of Market Sector A, B, or C.	0.7

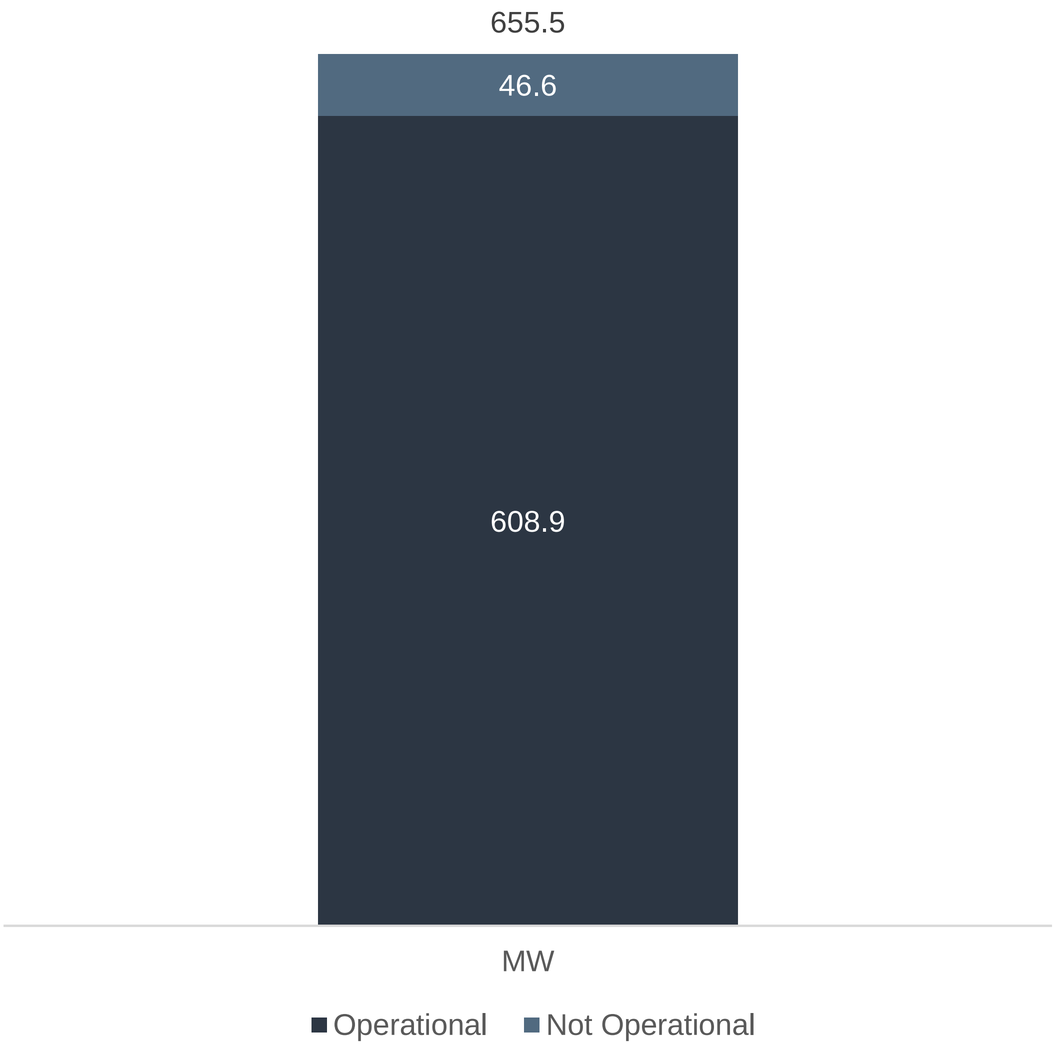
SACP AND SCCA SCHEDULES

Year	Auction Price Bid	Auction Price After 5% Fee	ACP Rate
2014	300	285	375
2015	300	285	375
2016	300	285	350
2017	285	271	350
2018	271	257	350
2019	257	244	333
2020	244	232	316
2021	232	221	300
2022	221	210	285
2023	210	199	271
2024	199	189	257
2025+	Values announced by DOER each year to maintain 10-year forward schedule.		

SREC-I CAPACITY

As of December 9, 2014

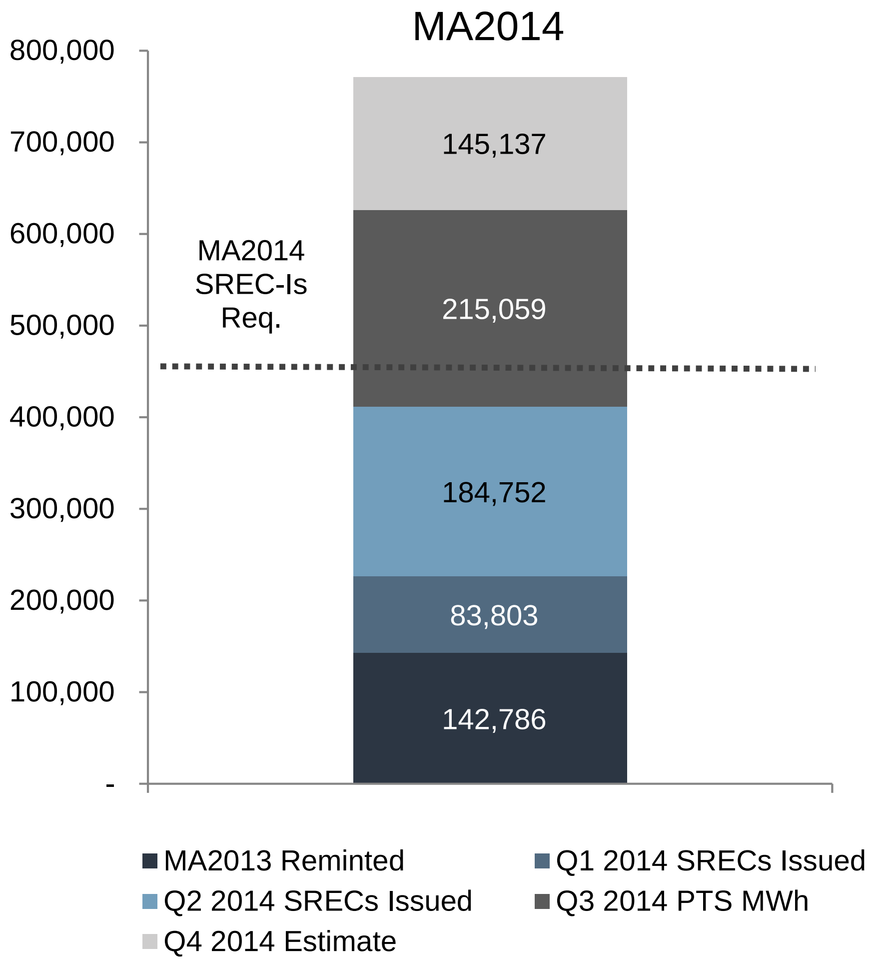
- 655.5 MW and 11,787 Projects Qualified
- 608.9 MW and 11,758 Projects Operational
- 46.6 MW and 29 Projects Not Operational

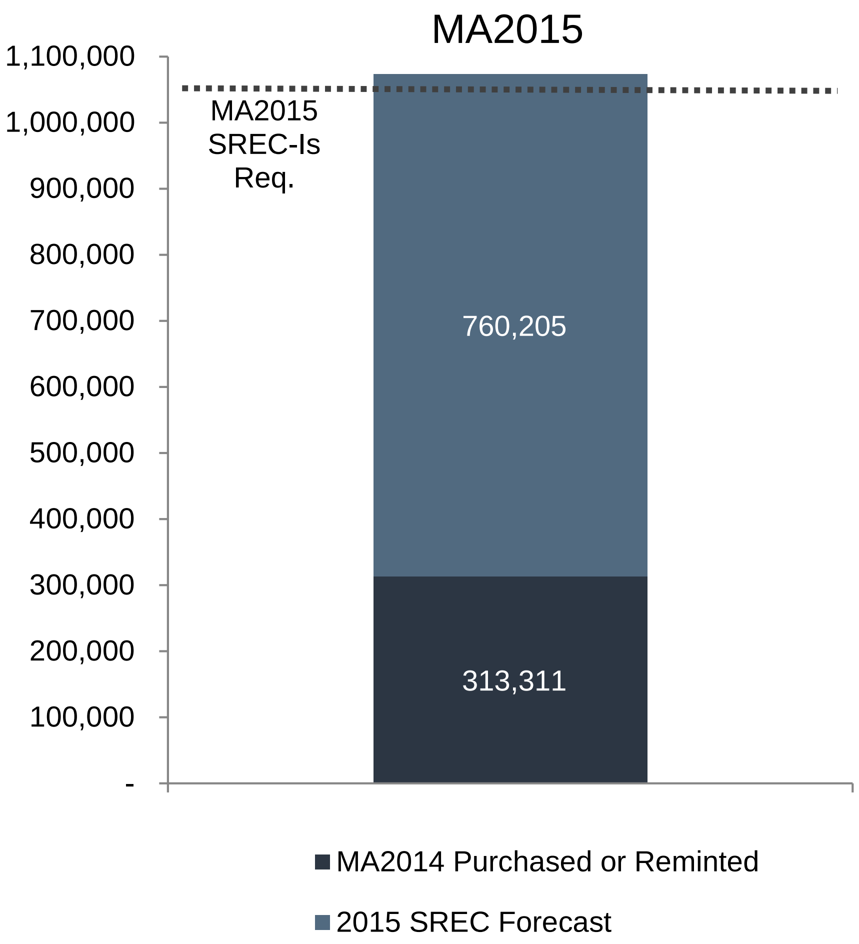


Source: MA DOER

SREC-I SUPPLY – SCENARIO 1

Assuming all 2013 reminted and 2014 SRECs go towards 2014 compliance





2014 Oversupply =

~310,000

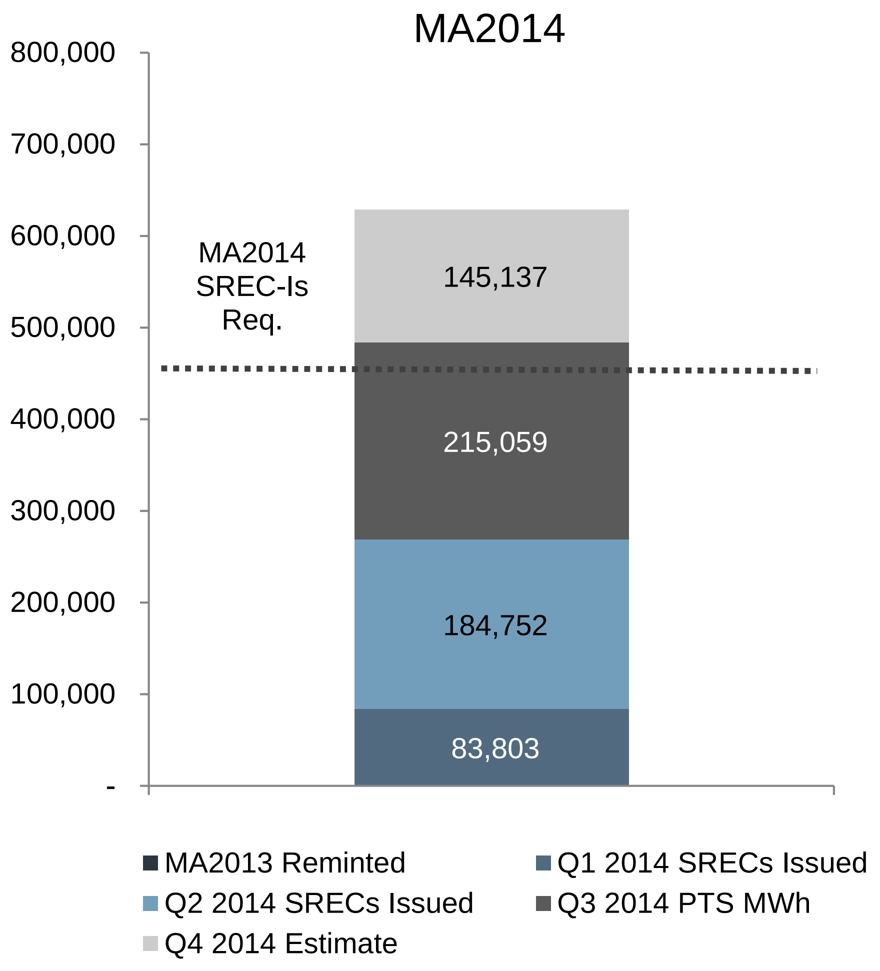
2015 Oversupply =

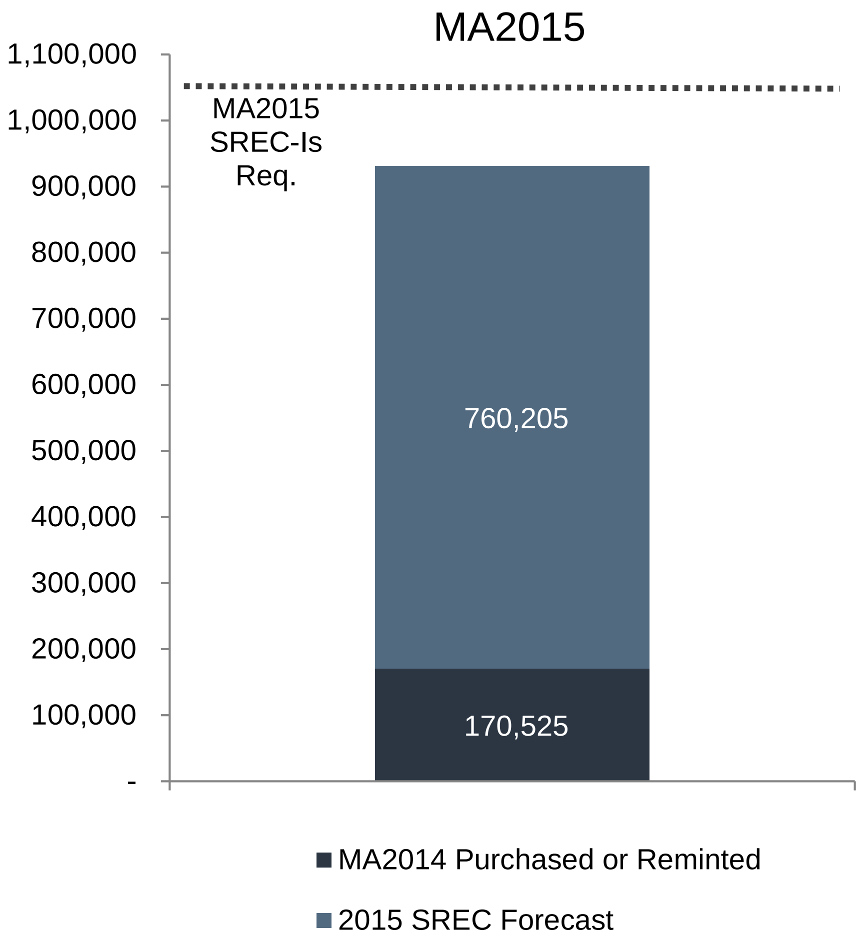
~40,000

Source: MA DOER, NEPOOL GIS, and SRECTrade Estimates

SREC-I SUPPLY – SCENARIO 2

2013 reminted volumes not used towards 2014, but 2015 or 2016





2014 Oversupply =

~170,000

2015 Undersupply =

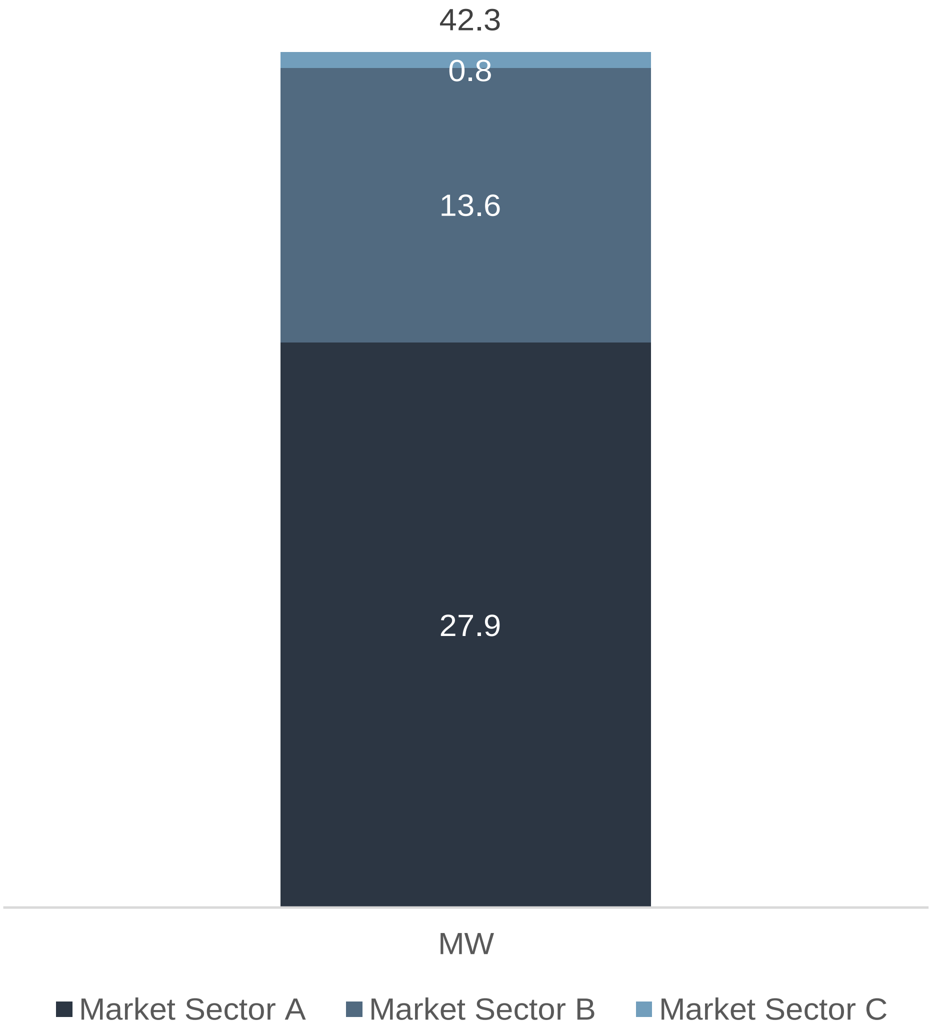
~100,000

Source: MA DOER, NEPOOL GIS, and SRECTrade Estimates

SREC-II CAPACITY

As of December 9, 2014

- 180.2 MW and 4,216 Projects Qualified
- 42.3 MW and 4,134 Projects Operational
- 137.9 MW and 82 Projects Not Operational

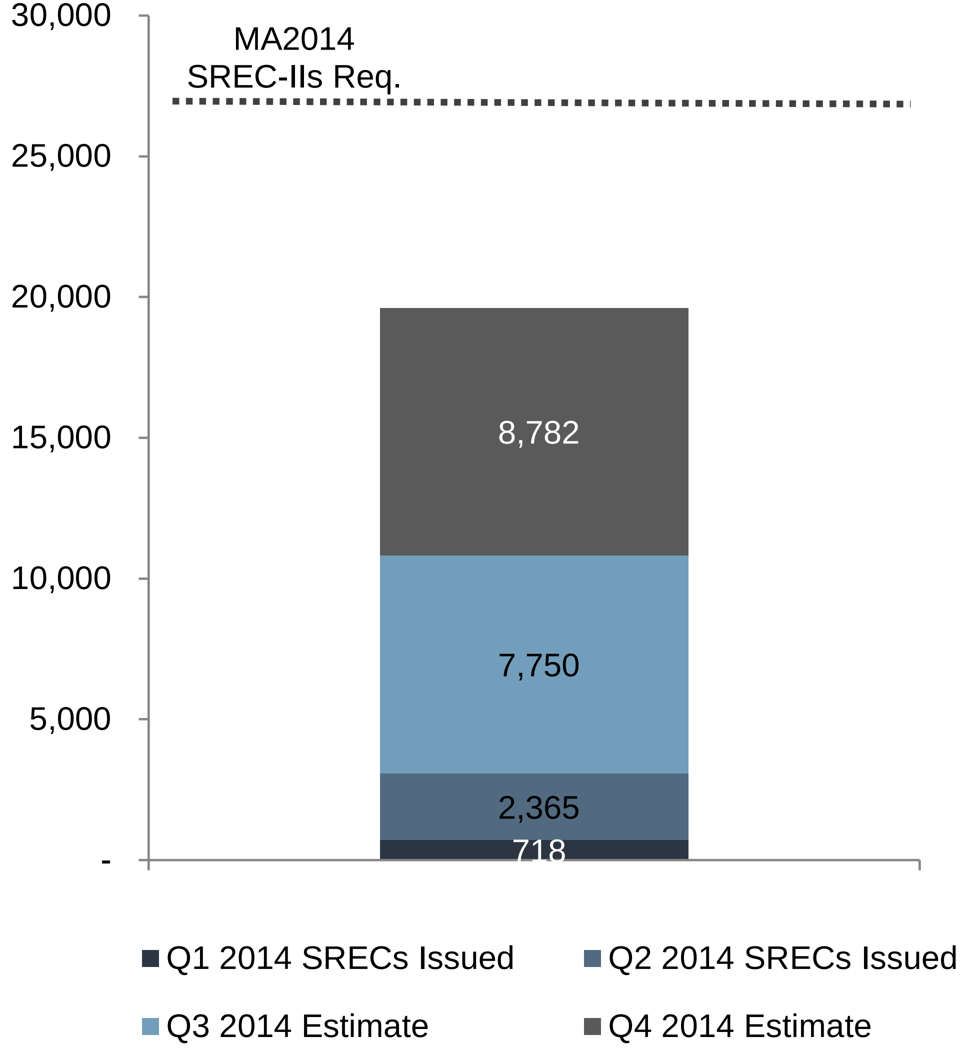


Source: MA DOER

SREC-II SUPPLY - 2014

In December 2014, DOER announced:

- Revised compliance for 2014 & 2015
- 2014 = 26,642 SRECs
  - Down 35% from 41,279
- 2015 = 131,007 SRECs
  - Down 19% from 161,958
- Managed Growth projects will not be granted extensions for weather delay



Source: MA DOER, NEPOOL GIS, and SRECTrade Estimates

SREC-II SUPPLY - 2015

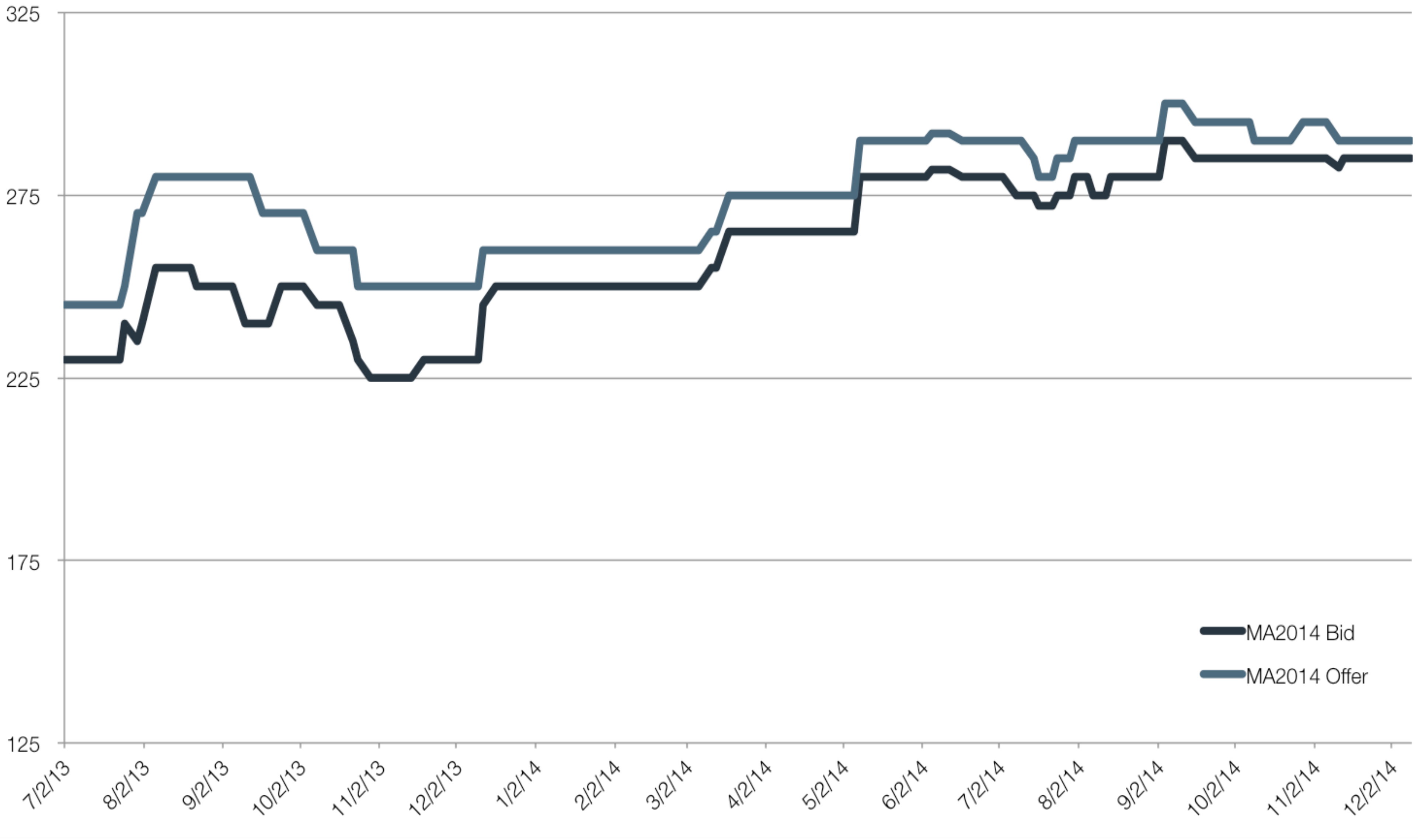
2015 Compliance Obligation = 131,007 SRECs

- Current capacity can produce ~47,000 MA2015 SREC-IIs
- At recent monthly build, Sectors A-C will produce ~79,000
- With A, B, and C at 10 MW/month (4 MW, 3 MW, & 3 MW) in 2015, almost 110,000 SRECs would be issued
- Greater per month build rates and the roll out of managed growth will lead to larger issuance figures
- No managed growth projects are operational yet

Source: MA DOER and SRECTrade Estimates

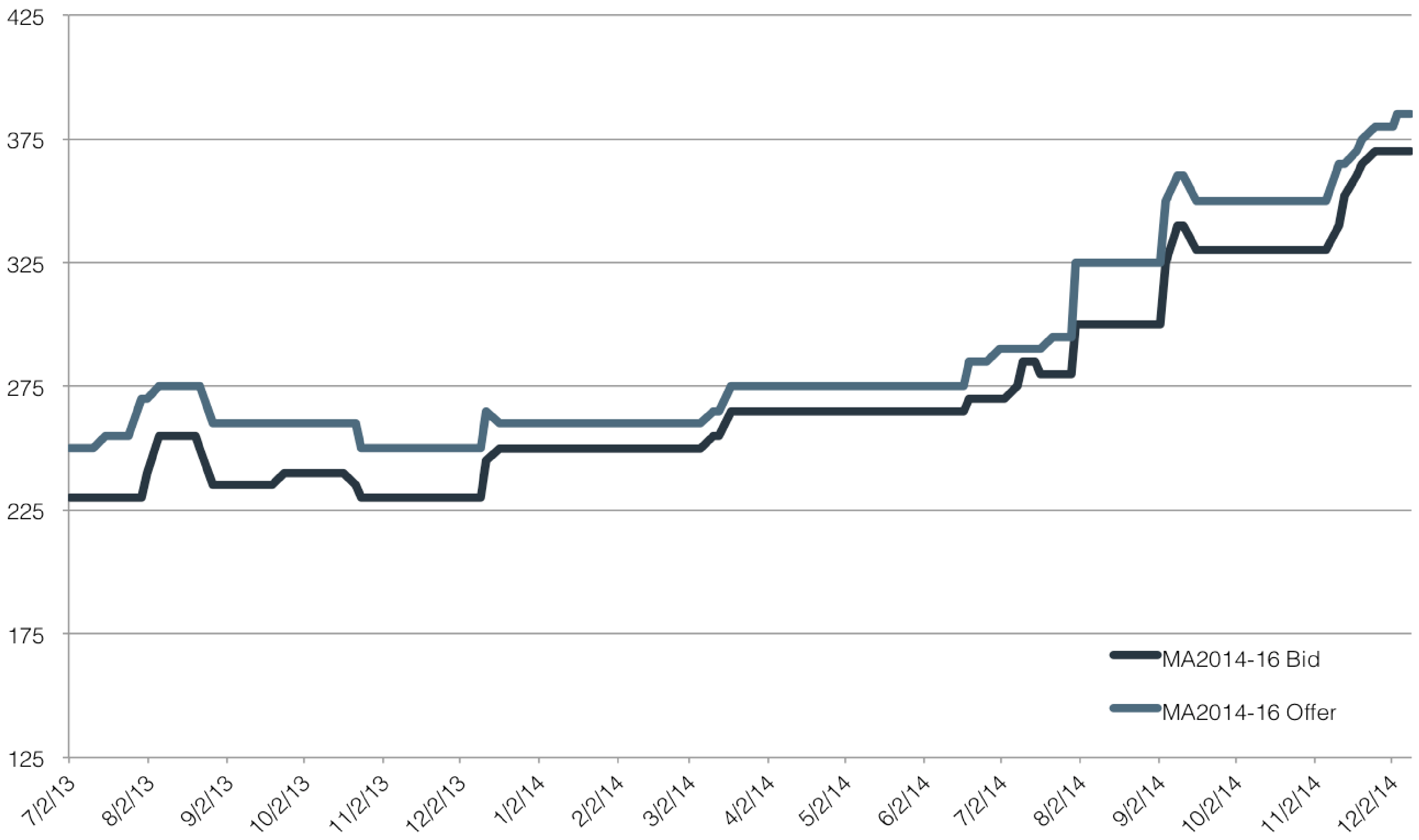
SREC-I PRICING: 2014 MARKET

MA14: 285 @ 290



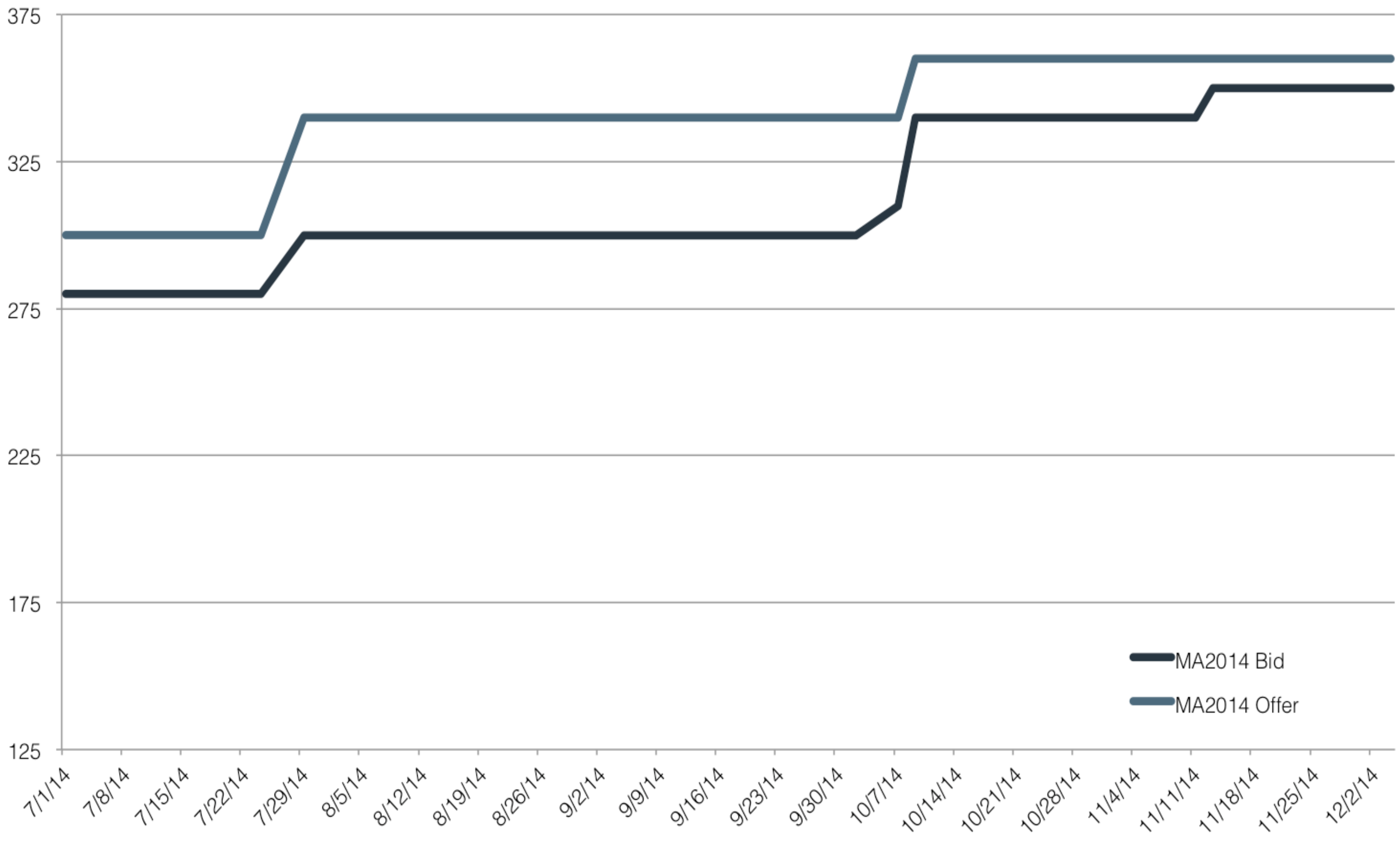
SREC-I PRICING: 3 YEAR FORWARD MARKET

MA15: 420 @ 435
MA16: 410 @ 420
MA17: 290 @ 305



SREC-II PRICING

MA14: 350 @ 360
MA15: 275 @ 315



POLICY UPDATE – TASK FORCE

- First meeting occurred November 13
    - Ground Rules, Framework Document, Scope of work for consultant
- Second meeting to occur December 15
    - Consultant presentation
- End-goal: Draft report + Comments, Draft report + Comments, Final report by March

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