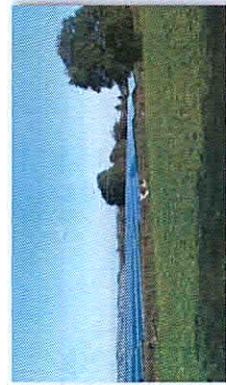
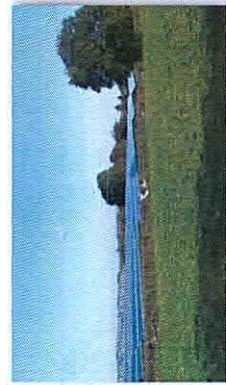




Preliminary Proposal for a Solar PPA: City of Llano, TX solar energy | city revenue generation



*Submitted
Verif
revised*

Key Details of Proposal to City of Llano



Background: AEE has been working with the City of Llano to structure the implementation of a solar electricity generation facility in Llano to function as a revenue generator for the City. AEE's primary objective was to optimally structure the finance and ownership of the system, so that Llano would achieve maximum financial benefit. For several reasons, detailed on the following slide, AEE proposes a Power Purchase Agreement (PPA) arrangement in which tax incentives will be maximized to pass the greatest financial benefit to Llano. In this scenario, we have proposed two potential term structures to provide Llano greater flexibility when evaluating the importance of when it assumes ownership of the system and its revenues.

Scenario 1

- Term: 20 years
- \$/kWh: \$.095/kWh
- Annual Escalator: 2%
- System Size: 1.5MW (±7 acres)
- Annual generation: 2.2MWh
- Potential 35-Year Benefit: \$2.6M

Scenario 2

- Term: 15 years
- \$/kWh: \$.135/kWh
- Annual Escalator: 2%
- System Size: 1.5MW (±7 acres)
- Annual generation: 2.2MWh
- Potential 35-Year Benefit: \$2.5M



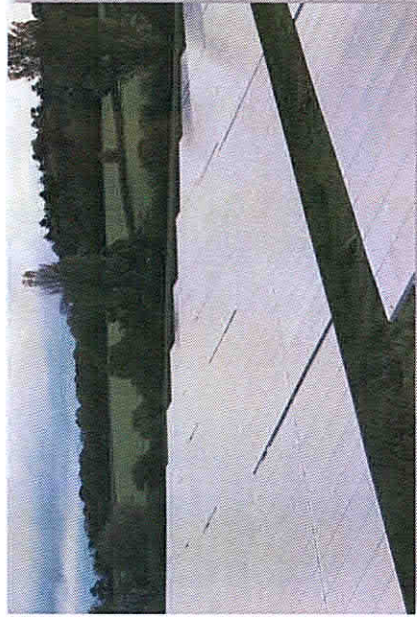
Project Benefits Summary



- ⚡ **Primary Benefits of PPA Structure**
 - ⚡ No upfront capital cost
 - ⚡ Revenue stream from selling electricity to customers at premium; over \$2.5M in benefits over the life of the project
 - ⚡ Long term electricity price stability
 - ⚡ Monetization of federal tax benefits through trusted investor partner
 - ⚡ Diversification of energy supply
 - ⚡ Revenue potential from land lease, sales and use, or personal property tax (whichever is most preferred by Liano); Note: model currently assumes \$1000/acre lease)
 - ⚡ No O&M cost (this is covered by the system owner/investor) or potential revenue stream for O&M work
 - ⚡ Opportunity to assume ownership of facility at end of PPA

⚡ Ancillary Project Benefits:

- ⚡ Clean and renewable energy
- ⚡ No water used to generate power
- ⚡ Creates jobs during construction
- ⚡ Low environmental impact
- ⚡ No air emissions

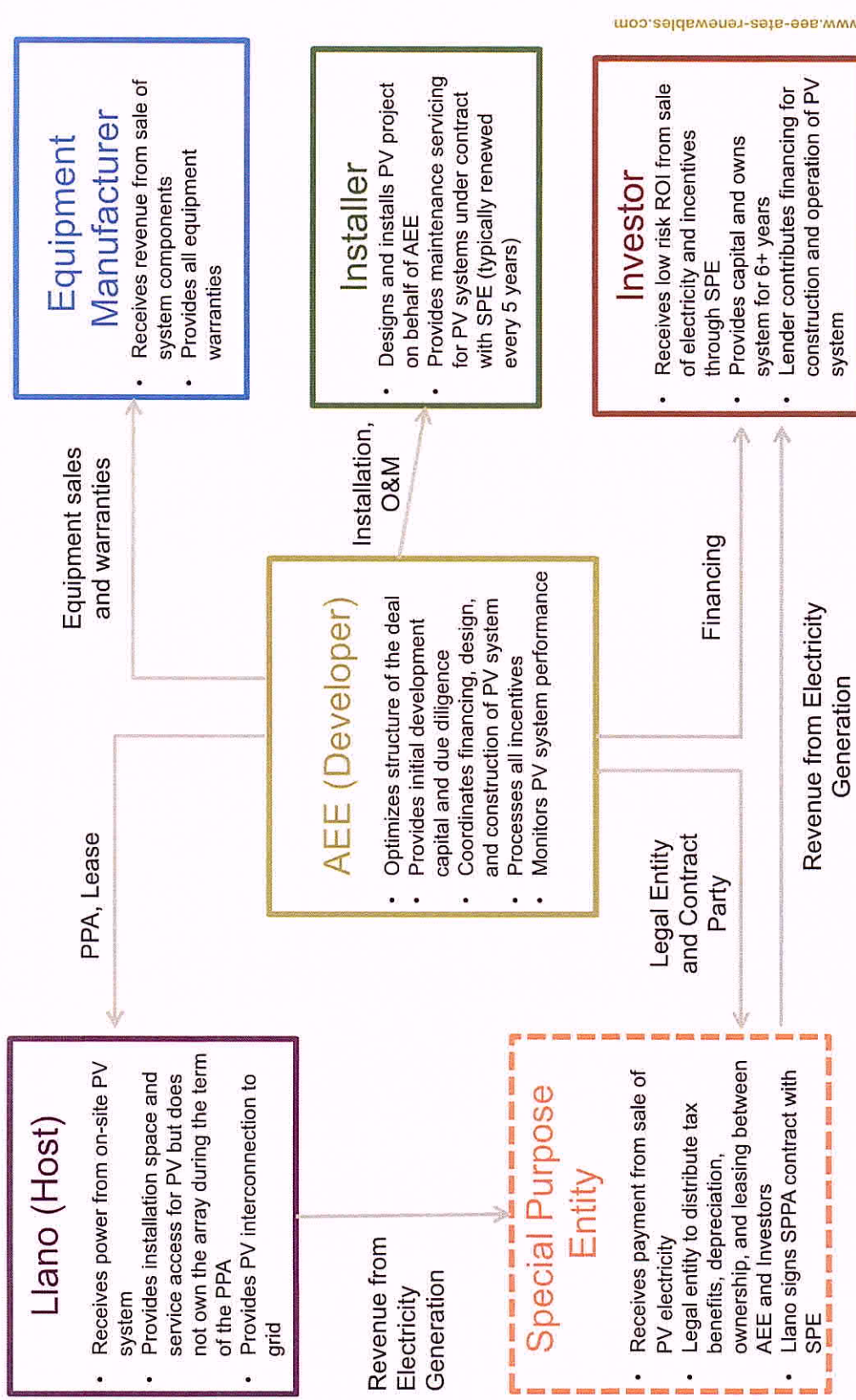


www.aee-ates-renewables.com



Summary of PPA Transaction Structure

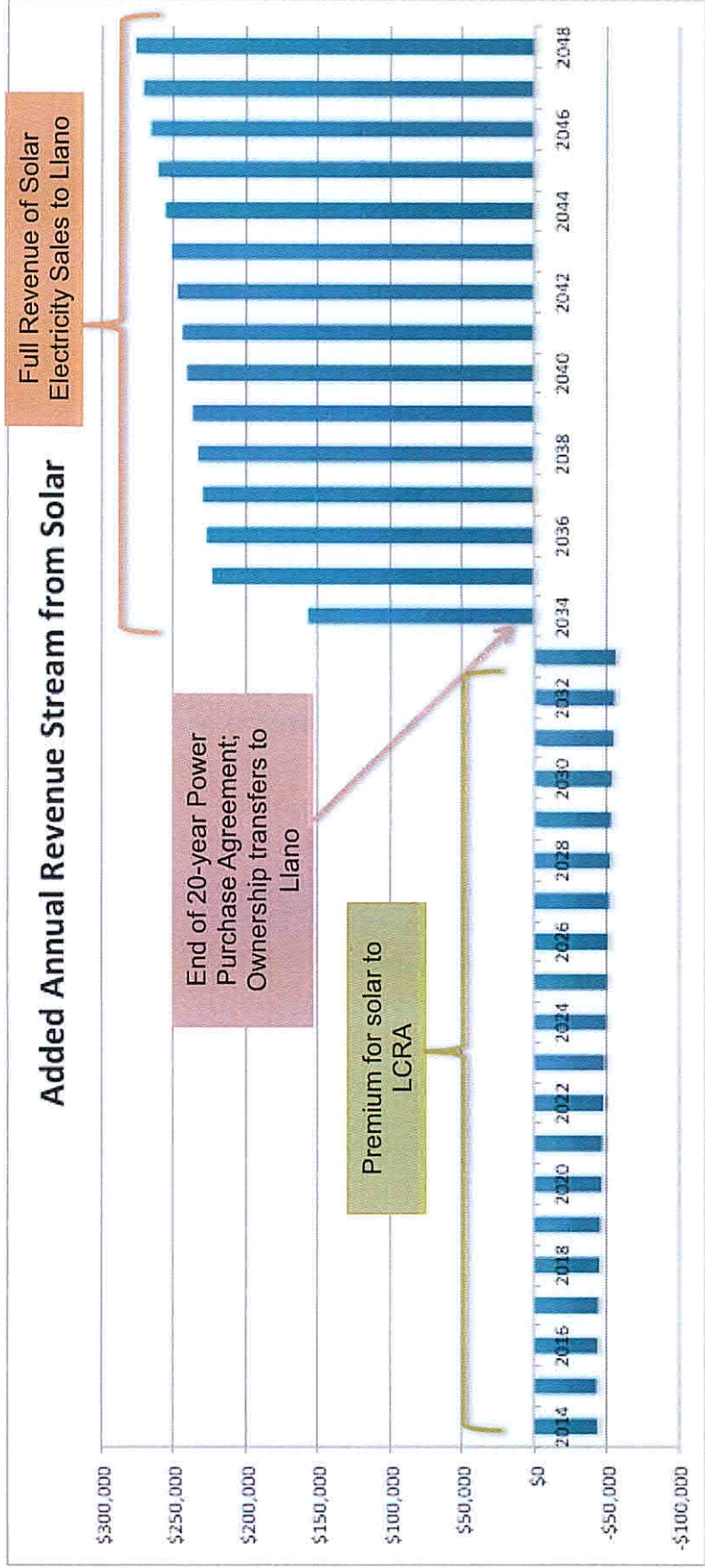
AEE Manages the Purchasing, Installation, Financing and O&M



Proforma Scenario 1- 20 Year Term @ \$.095/kWh



Total Estimated Benefit: \$2.6M

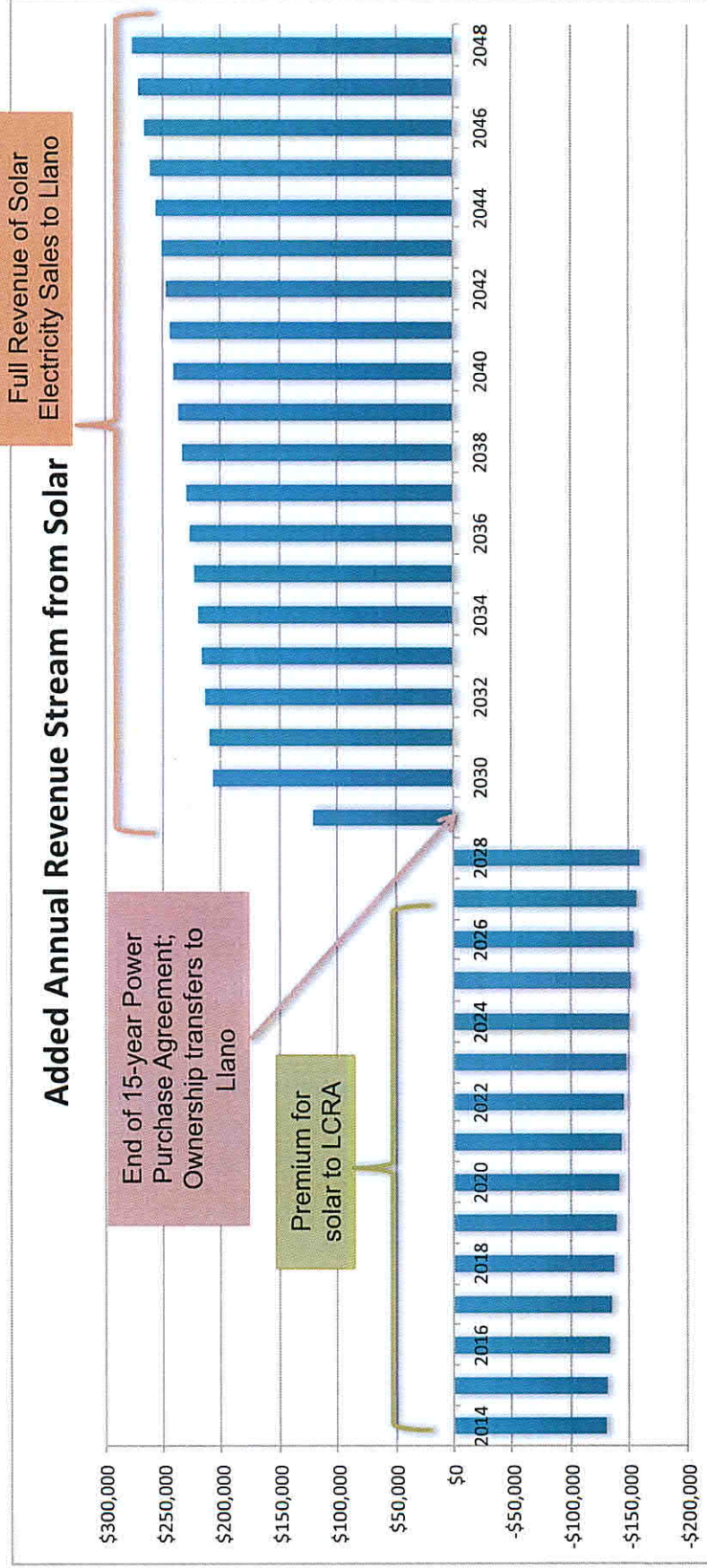


Note: Project will be engineered and constructed to be productive beyond a 35-year lifetime; solar modules come with 30-year warranty



Proforma Scenario 2- 15-Year Term @ \$.135/kWh

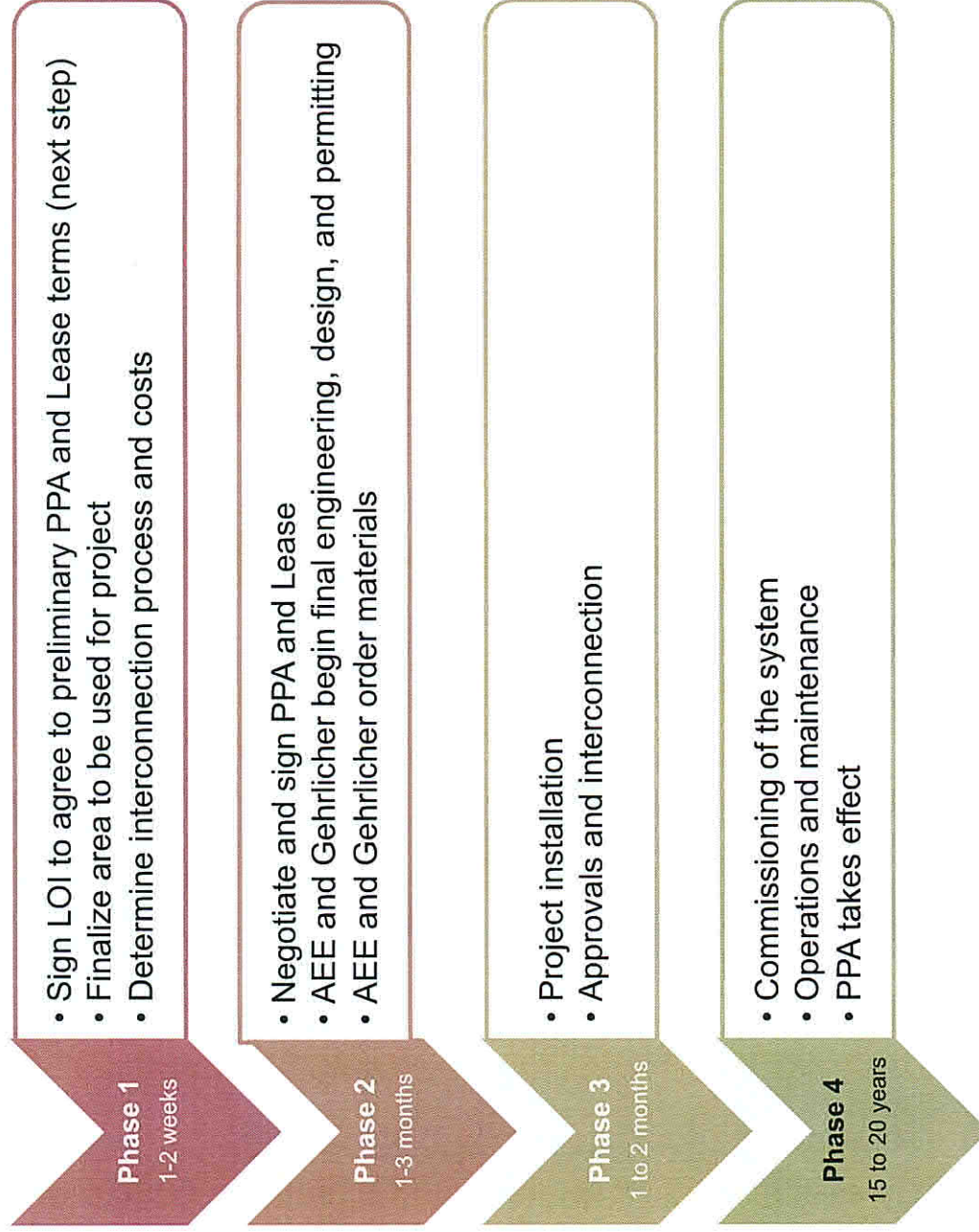
Total Estimated Benefit: \$2.5M



Note: Project will be engineered and constructed to be productive beyond a 35-year lifetime; solar modules come with 30-year warranty



Typical PPA Project Process



Strength in Partnerships

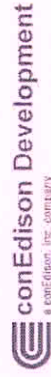


- ☛ AEE Renewables Inc has been developing renewable energy projects throughout the globe since 1992
- ☛ US development team has over 10 years of US solar experience
- ☛ Have developed and arranged financing for over 225MW of solar worldwide
- ☛ In-house legal, finance, engineering, and interconnection support
- ☛ Developed projects with major organizations such as Honda Manufacturing, National Grid, etc.
- ☛ Partnered with Gehrlicher Solar for project installation and O&M
- ☛ Well established utility and government customer base which includes: Unisource Energy Corp, ConEdison, Washington Gas, Georgia Power, GSA
- ☛ Over 53 employees located throughout AZ, NJ, MA, MD, and Mexico
- ☛ Over 100MW of projects completed to date
- ☛ Unlimited bonding and L/C capability

nationalgrid



Contract Holder



Washington Gas Energy Services
A Washington Gas Affiliated Company



Proposed Project Area



appendix



project references | solar PV 1/2



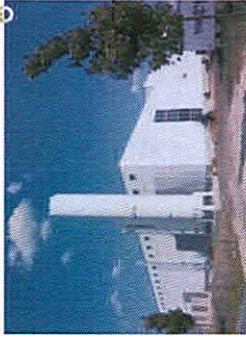
Solar farm, Senftenberg

LOCATION: Senftenberg, Brandenburg
STATUS: In operation since Q2/2010
CAPACITY: 18.5 MWp (on 63 ha)
POWER (plan): ca. 17.2m kWh p.a.
CO₂-RED. (pl.): ca. 10.614 t p.a.
INVEST: ca. 48.1m €



Solar fab, Senftenberg

LOCATION: Senftenberg, Brandenburg
STATUS: In operation since 2008
OUTPUT: 30 MW p.a.
INVEST: € 48 million



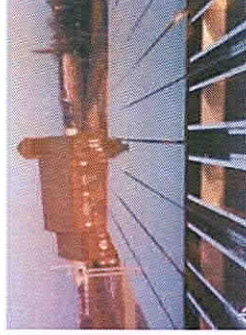
Solar farm, Neunburg vorm Wald

LOCATION: Neunburg v. Wald, Bavaria
STATUS: Initial Operation in 1990
CAPACITY: up to 1.5 MWp (pilot PV field with fuel cell technology)



Solar roof, Senftenberg

LOCATION: Senftenberg, Brandenburg
STATUS: In operation since 2009
CAPACITY: 193 kWp
POWER: 166.000 kWh p.a.
CO₂-RED.: ca. 150 t
INVEST: € 720.000



Solar roof, Borgisdorf

LOCATION: Borgisdorf, Brandenburg
STATUS: In operation since 06/2011
CAPACITY: 1.0 MWp
POWER (plan): ca. 880.000 kWh p.a.
CO₂-RED. (pl.): ca. 820 t p.a.
INVEST: ca. 2.3m €



project references | solar PV 2/2



Kingston solar farm

LOCATION:	Bradford on Avon, Wiltshire
STATUS:	In operation since 6/2011
CAPACITY:	5 MWp
POWER(plan):	ca. 4.4m kWh p.a.
CO₂-RED. (pl.):	ca. 3.700 t p.a.
INVEST:	not disclosed



South Marston solar farm

LOCATION:	South Marston, Wiltshire
STATUS:	In operation since 6/2011
CAPACITY:	5 MWp
POWER(plan):	ca. 4.2m kWh p.a.
CO₂-RED. (pl.):	ca. 3.550 t p.a.
INVEST:	ca. 16.9m €



Beechgrove solar farm

LOCATION:	Hawkchurch, Devon
STATUS:	In operation since 6/2011
CAPACITY:	4 MWp
POWER(plan):	ca. 3.8m kWh p.a.
CO₂-RED. (pl.):	ca. 3.150 t p.a.
INVEST:	ca. 13.8m €



Lake solar farm

LOCATION:	Chippenhams, Wiltshire
STATUS:	In operation since 5/2011
CAPACITY:	5 MWp
POWER(plan):	ca. 4.4m kWh p.a.
CO₂-RED. (pl.):	ca. 3.700 t p.a.
INVEST:	not disclosed



Case Study: Honda UK

AEE has Constructed Projects for at Honda Manufacturing Facilities throughout the Globe

2nd planned 5 MW solar PV farm

5 MW solar PV farm

Potential PV rooftop system on production plant roof

Planned PV carport system on employees parking

PV system to supply hydrogen fuel station with electricity

Showcase PV installation with Honda Soltec CIGS modules

- Project Benefits & Impacts**
- PPA to Honda factory in Wiltshire, UK**- 5 megawatt solar farm installed June 2011 from Honda's main production facility in Europe, feeding a car/engine plant and logistics center
 - independence from fossil fuel**- substantial six figure savings on electricity purchase and 25 year price lock-in with no up-front investment
 - combination of ecological/CSR as well as commercial benefits**- 4,500 tons CO₂ abatement per year
 - no environmental impact**- PV system is quiet and visually unobtrusive energy plant; no harm to environment > furthering biodiversity
 - promotion of Honda's propensity for innovation**- Supply of first British hydrogen fuel station; Showcase PV-installation with Honda Soltec CIGS modules
 - currently jointly working on an additional 9.3 MW**



contact

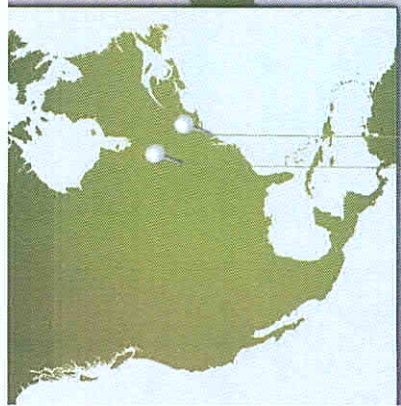


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