TIOGA ENERGY

Solar Finance
PPA 101

Your path to solar.
Accelerated.

Tioga Energy -- About Us

- *Renewable energy project developer, operator and owner*
- *The SurePath Solar PPA*
- *Solar Projects –*
  - *Commercial & Industrial*
  - *Distributed Generation Utility*
- *San Mateo, CA, New York, NY and Toronto, Canada*

- *Name rooted in Native American word for path*
- *Launch June 2007*
- *2008 – first projects built*

MEMC
Nth POWER
NGEN
DRAPER FISHER JURVETSON
ROCKPORT CAPITAL PARTNERS

A Brief History of PPAs

- 1978 PURPA (Public Utility Regulatory Policies Act)
  - Meant to promote renewable energy
  - Created market for non-utilty electric power producers
    - Drove construction of cogen plants
- ~2002/2003 Solar Commercial and Industrial (C&I) retail PPAs pioneered

- 2007 – CA CSI program launches first wave of significant adoption
- 2008 – ~75% of non residential solar installations in US are completed using a PPA structure

The Solar PPA Solution

Purchase Renewable Energy
- *20-year term*
- *Early purchase options at yr 7, 15 & 20*
- *Fixed annual & step-up escalators*
- *End-of-term: renew, purchase, have system removed*

TIOGA ENERGY → **Customers**

Provide Renewable Energy from PV
- *Design, engineer, construct*
- *Financing & RECs*
- *Rebates & incentives*
- *Energy metering, billing & maintenance*

Benefits
- Price stability, affordability, hedge
- Environmental benefits— e.g. LEED

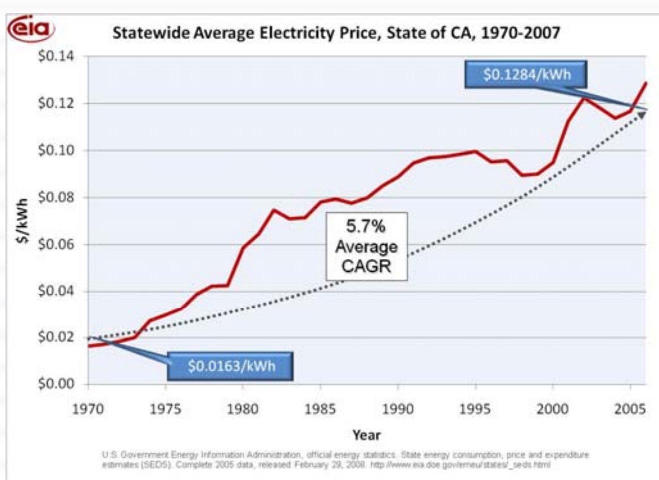
SurePath Solar

Without risks
- No large capital outlay
- No need to become a "solar project expert"
- No performance risk
- No distractions

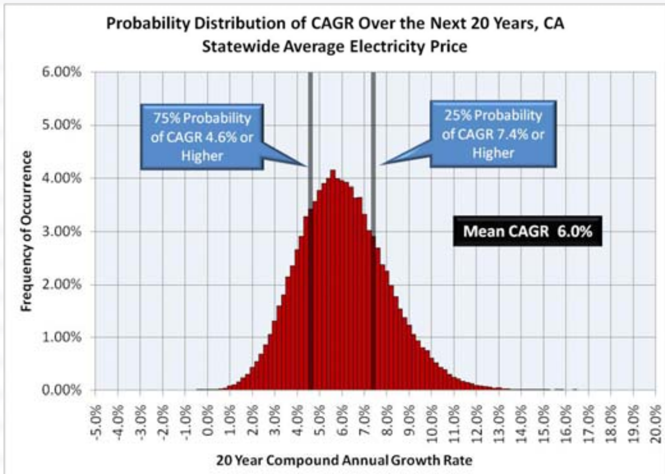
Ideal Solar PPA Host Profile

- Credit
  - Investment grade credit (BBB- or better)
  - 3 years ***audited*** financial statements
- Geography
  - Access to incentives - **CA, NJ**, HI, MA, CT, AZ, MD, PA, OR, etc.
- Facilities
  - Host controls facility for PPA term (15+ years)
  - Available space (25,000 ft^2 min.)
  - Available Load (150,000 kWh/yr min.)
  - Minimum improvements required
  - Multiple facilities ideal
- Electric Rates
  - Time of Use
  - Commercial (vs. industrial) usage

California Historical Rate Trend



What will happen to rates in the future?



TIOGA ENERGY

Illustrative Rate Increases – PG&E

Pacific Gas & Electric Tariff	2009 - 2010	2008 – 2009
A6	14.2%	6.1%
A10	12.0%	3.9%
A10 TOU	10.9%	4.2%
E19	11.6%	3.5%

Year over year percent increase in the solar production weighted energy component of rate before net metering.

TIOGA ENERGY

Illustrative Rate Increases – SMUD

January 1, 2011	March 1, 2010	September 1, 2009
+ 2.25%	+5.5%	+5.5%

Rate increase in all Tariff structures per June 2009 SMUD BOD directive.

DG Solar – Californian View

2006 Early Days	2007 California Gold Rush	2008 The Year of Cliffs	2009 Financial Darkness
SGIP Incentives Early Adopters Few Providers	CA CSI program High Incentives Panel Shortages Sales Gold Rush	Reality of Glass on the Roof ITC Cliff Looms Party in San Diego	Financial Darkness ARRA and 1603 Grant Panel prices plummet

- Sustainable Growth
- Rational Deals
- Satisfied Customers

Final Thoughts

1. Financing agreement realities
2. Credible, proven and professional partners and suppliers
3. Balanced and fair agreements
4. Realistic view of economics

TIOGA ENERGY

TIOGA ENERGY

Your path to solar. *Accelerated.*

Tioga Energy, Inc.
www.TiogaEnergy.com

Paul Detering
paul@TiogaEnergy.com
650.288.1001