



November 5, 2013

Report To: Mayor and Council

From: Travis Rob, CBO, Facilities/Special Projects Coordinator

RE: Municipal Support for Feed in Tariff Solar Installations

In 2009 the Ontario Power Authority (OPA) developed a feed in tariff (FIT) program, under the Green Energy Act, to pay owners of solar generating installations for the electricity that they were supplying into the electrical distribution system a set rate per generated kilowatt-hour. The OPA has two programs, one called the MicroFIT program, for generation sites less than 10-kilowatts in size, and the FIT program, for sites over 10 kilowatts in size. The Town of Fort Frances took advantage of this program and constructed four 10-kilowatt MicroFIT installations on the Children's Complex, Memorial Sports Center, Public Works and Water Treatment Plant in the summer of 2011.

In the fall and winter of 2011 the Ontario Power Authority underwent a review of their solar MicroFIT and FIT programs. Through this review the generation rate that the OPA is paying for these systems has been reduced to match a reduction in the cost of components and installation cost and the application requirements became more rigorous to contend with the high application rate and low capacity in the electrical distribution systems in some areas.

The new application for FIT, over 10 kilowatts in size, installations is based on a points system with points awarded for a number of project related and non-project related criteria. One of the non-project related requirements is a resolution from the municipality that the proposed project is to be constructed in, supporting the development and utilization of Solar Generation Systems within the Municipality. The Ontario Power Authority has published a sample resolution breaking out what they are looking for in their application that can be seen attached to this report. There is no requirement for the Municipality to undertake any work, development of expense by this endorsement, the only requirement is that the municipality endorse the idea of solar power generation within the municipality. The resolution as provided by the Ontario Power Authority has a clause stipulating that the resolution will expire after a period of 12 months. The proposed project will be located on the rooftop of St. Michael's School on 5th Street constructed by EG Solar Power for the Northwest Catholic District School Board.

Given the Town has participated in the MicroFIT program it is recommended that Council endorse the further development of other MicroFIT and FIT generation projects within the Town of Fort Frances.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Travis Rob', with a stylized flourish at the end.

Travis Rob, EIT
CBO, Facilities/Special Projects Coordinator

Council Approval of this report will provide a resolution to support the future development and construction of Solar FIT installations within the Town of Fort Frances.



Kathy Lawson/Frances
05/11/2013 08:33 AM

To
cc
bcc
Subject Fw: Municipal Support Request Northwest Catholic District School Board

Hello Katherine, It was a pleasure speaking with you. Please see the original email send to Mr. Treflin below. Should you have any questions, please do not hesitate to contact me via email or by my cell number below. Thanks so much. We look forward to hearing the results after your Nov 12th meeting.



"Susan Holden"
<sholden@egsolarpower.ca>
30/10/2013 07:19 AM

To <gtreflin@fort-frances.com>
<chowarth@tncdsb.on.ca>, "Jeff Lew"
cc <jlew@egsolarpower.ca>, "Jeff Ryu"
<jryu@egsolarpower.ca>, "Neil Zhang"
<nzhang@egsolarpower.ca>
Subject Municipal Support Request Northwest Catholic District School Board

Dear Mr. Treflin,

I am contacting you from EG Solar Power, we are representing the Northwest Catholic District School Board (NCDSB) in their submission to the Ontario Power Authority (OPA) for 4 rooftop solar projects. As a part of the submission process, it is required that the NCDSB receive a municipal support letter to submit with their application to the OPA – this provides NCDSB with the required priority points to be successful. Specifically, we are seeking support for the 100kW project located at St. Michael's School - 820 Fifth Avenue East, Fort Frances, ON

I have attached the OPA's resolution documents as well as our original proposal to NCDSB, please could you be kind enough to let us know the processes so that we may have this information presented to the Council-in- Committee. Please also note we are hoping to achieve this as soon as possible as the gates for submission open up on November 4th. We look forward to your response. Thank you.



Prescribed Form - Municipal Council Support Resolution Confirmation.pdf



Template - Municipal Council Blanket Support Resolution.docx



Template - Municipal Council Blanket Support Resolution.pdf



Template - Municipal Council Support Resolution.docx



Template - Municipal Council Support Resolution.pdf

INSTRUCTIONS: MUNICIPAL COUNCIL SUPPORT RESOLUTION CONFIRMATION

(Sections 5.1(g) of the FIT Rules, Version 3.0)

Capitalized terms not defined herein have the meanings ascribed to them in the FIT Rules, Version 3.0.

INSTRUCTIONS APPLICABLE TO ALL PRESCRIBED FORMS

1. This instruction page is not required to be submitted with the hard copy Application materials.
2. The first page of the Prescribed Form must be marked with the FIT reference number associated with the Application.
3. Where the Prescribed Form has multiple pages, the Prescribed Form should be stapled.
4. Information provided in the Prescribed Form must be consistent with the information provided in the electronic Application Form.
5. Apart from the completion of any blanks, bullets or similar uncompleted information in this Prescribed Form, no amendments may be made to the wording of this form.
6. The entirety of the Prescribed Form must be completed. Fields marked 'optional' should be completed. Fields marked 'if applicable' must be completed if applicable to the Application. If not applicable, they should be marked "N/A".
7. All instructions within the Prescribed Form will be enclosed in brackets and italicized.

INSTRUCTIONS SPECIFIC TO THE PRESCRIBED FORM

8. The Prescribed Form may be completed and provided to the OPA by an Applicant that had received a FIT Rules, Version 2.1 Template: Municipal Council Support Resolution (that was not a blanket support resolution) that was issued by the Local Municipality prior to October 9, 2013 in relation to the Applicant and the Project. The Prescribed Form: Municipal Council Support Resolution Confirmation may not be used as a substitute for a Template: Municipal Council Support Resolution where no Template: Municipal Council Support Resolution was issued for the Project previously.
9. The Prescribed Form: Municipal Council Support Resolution Confirmation may not be used for a Template: Municipal Council Blanket Support Resolution.
10. The Prescribed Form: Municipal Council Support Resolution Confirmation must be completed by an authorized representative of a Local Municipality.
11. All fields in item 2 of the Prescribed Form must contain the same information as stated in the Template: Municipal Council Support Resolution originally provided, and which is attached.
12. Attach the Template: Municipal Council Support Resolution previously provided in support of the Project as Exhibit "A".
13. The original ink signature must be provided on the Prescribed Form included with the hard copy Application materials.

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PRESCRIBED FORM: MUNICIPAL COUNCIL SUPPORT RESOLUTION CONFIRMATION

(Sections 5.1(g) of the FIT Rules, Version 3.0)

OPARP/f-FIT-022r1

The Prescribed Form may be completed and provided to the OPA by an Applicant that had received a FIT Rules, Version 2.1 Template: Municipal Council Support Resolution (that was not a blanket support resolution) that was issued by the Local Municipality prior to October 9, 2013 in relation to the Applicant and the Project. The Prescribed Form: Municipal Council Support Resolution Confirmation may not be used as a substitute for a Template: Municipal Council Support Resolution where no Template: Municipal Council Support Resolution was issued for the Project previously.

Capitalized terms not defined in this form have the meanings ascribed thereto in the FIT Rules, Version 3.0.

1. I am the/an: _____ insert title or position with the Local Municipality _____ of the
_____ insert the name of the Local Municipality _____ (the "**Municipality**"),
and have the delegated authority to provide this confirmation on behalf of the Municipality and without personal liability.
2. _____ insert name of Applicant _____ (the "**Applicant**")
(This must be the same Applicant (i.e. same name) as stated in the Municipal Council Support Resolution originally provided as attached)
proposes to construct and operate a _____ insert type of Project (e.g., rooftop solar, ground mount solar, bioenergy, on-shore wind)
(This must be the same description as stated in the Municipal Council Support Resolution originally provided as attached)
(the "**Project**") on _____ insert description of lands or building _____
(This must be the same description as the Lands in the Municipal Council Support Resolution originally provided as attached)
(the "**Lands**") in the Municipality under the Provinces FIT Program.
3. The Council of the Municipality (the "**Council**") had previously provided the Municipal Council Support Resolution attached as Exhibit "A" for the Project indicating by resolution the Council's support for the construction and operation of the Project on the Property.
4. I have confirmed that the Project being proposed by the Applicant under the Province's FIT Program is the same Project on the same Lands as the Project that was the subject of the Municipal Council Support Resolution attached as Exhibit "A".
5. I confirm that the Municipal Council Support Resolution attached as Exhibit "A" is still in effect and that the Council has not rescinded, revoked or repealed such resolution and confirm that the Municipality supports the construction and operation of the Project on the Lands.

DATE: _____

Signature: _____

FIT reference number: _____
(The reference number must be inserted by the Applicant in order for the resolution to comply with the FIT rules, even where Local Municipal letterhead is used. This is not to be inserted by the Local Municipality.)

Signature:
Name:
Title:

PRESCRIBED FORM: MUNICIPAL COUNCIL SUPPORT RESOLUTION CONFIRMATION

(Sections 5.1(g) of the FIT Rules, Version 3.0)

OPARP/f-FIT-022r1

Exhibit "A"

Municipal Council Support Resolution

(Attach the Municipal Council Support Resolution previously provided in support of the Project.)

INSTRUCTIONS: MUNICIPAL COUNCIL BLANKET SUPPORT RESOLUTION

(Section 5.1(g)(i) of the FIT Rules, Version 3.0)

Capitalized terms not herein defined have the meanings ascribed to them in the FIT Rules, Version 3.0.

INSTRUCTIONS APPLICABLE TO ALL RESOLUTIONS

1. The instruction page is not required to be submitted with the hard copy Application materials.
2. The first page of the resolution must be marked, by the Applicant, with the FIT reference number associated with the Application.
3. Where the resolution has multiple pages, the resolution should be stapled.
4. Information provided in the resolution must be consistent with the information provided in the electronic Application Form in order for the Application to be awarded Priority Points.
5. Apart from the completion of any blanks in the template resolution, no amendments, other than those outlined in paragraph 6 below, may be made to the wording of this form.
6. Words in between square brackets (i.e. “[” and “]”) are immaterial to the intent of the template resolution and may be modified to follow standard procedure of the issuing body. Wording not contained within square brackets must not be changed in order for the Application to be awarded Priority Points.
7. The entirety of the resolution (all blanks) must be completed in order for the Application to be awarded Priority Points.

INSTRUCTIONS SPECIFIC TO THE RESOLUTION

8. Local Municipal councils have the option of drafting the Template: Municipal Council Blanket Support Resolution on the Council or equivalent governing body letterhead. The language of the Template: Municipal Council Blanket Support Resolution must be the same as shown in the template in order for the Applicant to obtain Priority Points. The OPA does not award Priority Points if the blanket support resolution includes additional conditions or delegation of authority to staff for additional approvals.
9. The separate Prescribed Form: Municipal Council Support Resolution Confirmation may be completed and provided to the OPA by an Applicant that had received a FIT Rules, Version 2.1 Municipal Council Support Resolution (that was not a blanket support resolution) that was issued by the Municipality prior to October 9, 2013 in relation to the Applicant and the Project. The Prescribed Form: Municipal Council Support Resolution Confirmation may not be used as a substitute for a Municipal Council Support Resolution where no Municipal Council Support Resolution was issued for the Project previously.
10. Where no resolution number exists, insert "N/A" into the appropriate field.

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TEMPLATE: MUNICIPAL COUNCIL BLANKET SUPPORT RESOLUTION

(Section 5.1(g)(i) of the FIT Rules, Version 3.0)

OPARP/f-FIT-011r2

Resolution NO: _____

Date: _____

[WHEREAS] capitalized terms not defined herein have the meanings ascribed to them in the FIT Rules, Version 3.0.

[AND WHEREAS] the Province's FIT Program encourages the construction and operation of

_____ insert renewable fuel (e.g., rooftop solar PV, ground mount solar PV, biogas) _____ generation projects (the "Projects");

[AND WHEREAS] one or more Projects may be constructed and operated in _____ insert the name of the Local Municipality _____ ;

[AND WHEREAS], pursuant to the FIT Rules, Version 3.0, Applications whose Projects receive the formal support of Local Municipalities will be awarded Priority Points, which may result in these Applicants being offered a FIT Contract prior to other Persons applying for FIT Contracts;

[NOW THEREFORE BE IT RESOLVED THAT]:

Council of the _____ insert the name of the Local Municipality _____ supports the
construction and operation of the Projects anywhere in _____ insert the name of the Local Municipality _____ .

This resolution's sole purpose is to enable the participants in the FIT Program to receive Priority Points under the FIT Program and may not be used for the purpose of any other form of municipal approval in relation to the Application or Projects or any other purpose.

This resolution shall expire twelve (12) months after its adoption by Council.

Title:

Title:

(signature lines for elected representatives.)

FIT reference number: _____
(The reference number must be inserted by the Applicant in order for the resolution to comply with the FIT rules, even where Local Municipal letterhead is used. This is not to be inserted by the Local Municipality.)



EG *Solar Power*

**Northwest
Catholic District
School Board**

**PV Solar
Proposal**

October 23, 2013

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Date: October 23, 2013

Mr. Chris Howarth, CA
Superintendent of Business
Northwest Catholic District School Board
75 Van Horne Avenue, Suite B
Dryden, Ontario P8N 2B2
Telephone: 807-223-4663 x1024
Fax: 807-223-4014

SUBJECT: PV Solar Proposal for FIT 3.0

On behalf of EG Solar Power Inc., we would like to thank you for the opportunity to submit our Rooftop Solar PV proposal to **Northwest Catholic District School Board** ("NCDSB"). **EG Solar Power** ("EGSP"), is one of Ontario's leaders in solar photovoltaic (PV) systems, we specialize in development, engineering, procurement, and construction, as well as ongoing operation and maintenance. And as a result, our previous success and familiarity with the Ontario Power Authority's ("OPA") FIT 2.1 program (and its requirements) has led us to provide you with an early stage proposal in preparation of the upcoming FIT 3.0 program.

Our goal is to create a genuine, yet profitable partnership with you, one that is transparent, with clear expectations and financial rewards. We understand that processes such as this take time, hence we are providing you with this proposal well in advance of the Ontario Power Authority's upcoming release of the FIT 3.0 program.

We anticipate that the FIT 3.0 final rules will be released in fall 2013, after which the OPA will open its gates for submission from Nov. 04, 2013 ~ Dec. 20, 2013. Typically this is a short window time for which all due diligence needs to be completed and subsequent documentation submitted to the OPA. We hope to establish a partnership with you, so that information gathering and clarity for both parties can be achieved well ahead of the OPA's limited timeframe.

Lastly, we believe that SCDSB's initiative to participate in this project is providing students first-hand with an opportunity to learn and see the benefits of clean and reliable energy. One of our core values as an organization is to ensure we support youth in their growth as environmental leaders.

Thank you for taking the time to review our proposal, we look forward to your response and potential partnership.

Sincerely,

EG Solar Power Inc.

INTRODUCTION

EG Solar Power Inc., is an Ontario focused EPC service provider and developer for commercial PV solar systems since 2009. We offer a unique approach to designing, engineering and constructing high-quality, efficient and sustainable photovoltaic (PV) solar systems for commercial and utility applications. Over the past few years, we have developed and completed over 1MW of PV Solar rooftop projects and 2.5MW of ground mounted projects which are currently under construction.

EG Solar Power is known for their high quality EPC services. We are a recognized and certified EPC company for Ontario's utility companies. As a one-stop EPC service provider, we have a team of experienced project managers, civil/structural/electrical professional engineers, qualified electricians as well as customer-facing professionals.

EG Solar Power was formed to participate in the clean and renewable solar energy power generation business within the province of Ontario. In 2009, Ontario passed the Green Energy Act with a FIT program that subsidizes the price per kilowatt hour of renewable energy sources. Under FIT 3.0, 124MW of small FIT contracts are being made available through the OPA's application process. The applications will be evaluated based on project priority points achieved. The amended small FIT program will open its application window this fall 2013.

Our approach is straightforward and effective: we work with customers individually to customize the solar energy services that will maximize benefits for each of their specific needs.

We help customers achieve solar success in three phases:

1. **Development and OPA Applications:** Perhaps one of our most recognized and successful services – EG Solar Power's administrative team has the expertise and background to support you with your application process. We ensure all of the necessary documents and permits meet the OPA's stringent guidelines. Our team of experts will assist you to maximize the priority points and ensure your application is submitted in a timely and successful manner.
2. **Analysis, Design and Construction:** We conduct an on-site assessment of your energy needs and solar production potential. From that assessment, EG Solar Power designs a photovoltaic power system that utilizes the latest technologies and materials; ensuring your project optimizes the solar energy production available. We manage the entire process from the development stages right through to construction.
3. **Monitoring and Maintenance:** Using state-of-the-art, technology, we continually monitor and control system performance. When needed, we deploy certified technicians quickly to keep systems running at optimal levels. Inclusive to this all of our customers can *check-in* on the performance of their solar energy service via the internet or mobile devices.

NEW PRICE SCHEDULE (FIT 3.0)

FIT/microFIT PRICE SCHEDULE (August 26, 2013)

Renewable Fuel	Project Size Tranche*	Price (¢/kWh)	Escalation Percentage**
Solar (PV) (Rooftop)	≤ 10 kW	39.6	0%
	> 10 ≤ 100 kW	34.5	0%
	> 100 kW	32.9	0%
Solar (PV) (Non-Rooftop)	≤ 10 kW	29.1	0%
	> 10 kW	28.8	0%
On-Shore Wind	All sizes	11.5	20%
Waterpower	All sizes	14.8	20%
Renewable Biomass	All sizes	15.6	50%
On-Farm Biogas	≤ 100 kW	26.5	50%
	> 100 kW ≤ 250 kW	21.0	50%
Biogas	All sizes	16.4	50%
Landfill gas	All sizes	7.7	50%

NEW DOMESTIC CONTENT RULES (FIT 3.0)

This new directive moves the FIT and micro FIT programs toward compliance with the May 24, 2013 World Trade Organization (WTO) ruling; by lowering the domestic content requirements for on-shore wind facilities and solar photovoltaic facilities. From the date of this directive, the domestic content requirements for any new FIT contracts awarded are as follows:

- For solar photovoltaic, (PV) facilities utilizing crystalline silicon PV technology, the minimum domestic content levels shall be 22 per cent.

<i>Construction costs, and on-site labour performed by individuals Resident in Ontario, provided that no more than 5% of the total person-hours of all such labour is performed by individuals that are not Resident of Ontario</i>	18%
<i>Consulting services, including legal, technical and accounting performed by individuals Resident in Ontario provided that no more than 5% of the total person-hours of all such services are performed by individuals that are not Resident in Ontario</i>	4%

LIMITED PARTNERSHIP STRATEGIES

The rules for FIT 3.0 have established categories for all projects; these are determined by type of ownership including Contract Capacity Set-Aside (CCSA) Projects, Aboriginal Participation Projects and Community Participation Projects, Public Sector Participation Projects and all others. Applications for FIT 3.0 contracts will be assessed by the OPA utilizing a points system which is described as below:

OWNERSHIP STRUCTURE – Scenario I

Limited Partnership (LP) Ownership Structure

- **EG Solar Power – 100%**

Priority Points System Achieved:

Municipal Council Support	2/2
Municipality or Public Sector Project	2/2
<hr/>	
Total	4/7

OWNERSHIP STRUCTURE – Scenario II

Limited Partnership (LP) Ownership Structure

- **School Board or EG Solar Power– 100%**


Priority Points System Achieved:

School or Aboriginal Participation Project	3/3
Municipal Council Support	2/2
Municipality or Public Sector Project	0/2
<hr/>	
Total	5/7

- Contracts will be awarded a point score based on the prioritization process. Applications will then be ranked in respect of the applicable Priority Points and by Time Stamp.
- Priority between projects that have an equal number of points shall be determined based on each project's timestamp.
- The OPA shall not offer a project a FIT contract if the project does not have at least one prioritization points.

LEASE TERMS AND PROPOSAL

The project shall contain the following specific terms for each of the approved locations:

 NORTHWEST CATHOLIC DISTRICT SCHOOL BOARD							
#	Facility	Location of Project	Estimated Size (kW AC)	Estimated Size (kW DC)	Tilt Angle	Production (MWh/Year)	FIT Rate(\$/kW)
Schools							
1	Sacred Heart School	41 Eighth Avenue, Sioux Lookout, ON, PBT 1B7	150	185	10		0.329
2	St. Joseph's School	185 Parkdale Road, Dryden ON, P8N 1S5	250	254	10		0.329
3	St Michael's School	820 Fifth Avenue East, Fort Frances, ON P9A 1V4	100	114	10		0.345
4	St. Patrick's School	160 Hemlock Avenue, Aitkookan, ON P0T 1C0	120	143	10		0.329
Total:			620	696			

Lease Term: Twenty (20) years

FIT Price: **34.5 cents (<100kW) or 32.9 cents (>100kW) KWh**

Extension Option(s): Two (2) successive option(s) of five (5) years

Lease Commencement Date: Upon execution by both parties of the Lease Agreement

First Payment Date: Commercial Operation Date

Estimated System Size : 620 kW (AC) 696 kW (DC)

Estimated Annual Lease:* Yearly Rate CAD \$ 60 per kW (AC)

Yearly Amount CAD \$ 37,200

Total of 20 years CAD \$ 744,000

** These are estimates only based on FIT 3.0 rate and the maximum number of installations; actual numbers to be determined upon final rules, roof structural analysis, and connection assessment as well as the roof condition.*

** EG Solar Power shall have the option, at its sole cost and expense, to replace, reinforce or repair such roof prior to the installation of the project, in which case the above Lease fees for such project shall be reduced to reflect the actual capital cost incurred by EG Solar Power.*

TURN-KEY EPC TERMS AND PROPOSAL

The project shall contain the following specific terms for each of the approved locations:

FIT Contract Terms: Twenty (20) years

FIT Price: 32.9 cents per KWh

Workmanship Warranty: Two (2) years

Commercial Operation Date: Q3 of 2015

General Liability Insurance: \$ 5,000,000

Estimated System Size : 620 kW (AC) 696 kW (DC)

Estimated Turn-key EPC Price [Rooftop]:* CAD \$ 2.35 per kW (DC)

Total CAD \$ 1,635,600

Estimated IRR (Unleveraged) 12.2%

Estimated Equity Payback 7.2 Years

- The above cost estimates are based on turn-key installation with new FIT 3.0 rate, actual numbers to be determined upon due diligence and site survey
- Based on 22% domestic content levels
- The module price is based on 65 cents per watt.
- OPA Application Fee, connection cost and security deposits are not included. (TBD)

EQUIPMENT SUMMARY

Component	Manufacturer	Model	Specification
Module	Canadian Solar, Panasonic or Equivalent	CSI-CS6P-250W Poly Crystalline Module	+3% Positive Tolerance 14.47% - 15.68% Efficiency 10 Year Workmanship Warranty 25 Year Power Output Warranty
Inverter	PVPowered or Equivalent	PVPowered PVP75, PVP-100 and PVP250	96% CEC Efficiency NEMA 4 / Three Phase 10 Year Standard Warranty
Racking	SLK, KB Racking or Equivalent	SLK Solar Rack 10-20 degree tilt mounting systems	Versatile System Aluminum & Stainless Steel 15 Year Warranty
Cable	LAPP Cable or equivalent	Olflex Solar XL Multi	Single Conductor Double Insulated & Cross-Linked UV & Frame Resistant
Monitoring	PVPowered or equivalent	Direct Data Monitoring Web Package	Web Monitoring Application Wired or Wireless System

FINANACIAL ASSUMPTIONS

Roof Top Solar Assumptions & Financial Summary		696.00 kW (DC)
		620 kW (AC)
Assumptions		
System size (kW DC)	input -->	696.00 kW (DC)
System size (kW AC) - Nameplate Capacity	input -->	620 kW (AC)
EPC Cost (\$ / W DC)	input -->	\$ 2.35
Percentage of equity	input -->	100.0%
Percentage of debt	input -->	0.0%
Debt interest rate	input -->	0.0%
Long term debt period	input -->	N/A
Income tax rate (Federal & Ontario)	input -->	30.0%
Project Life	input -->	20 years
Inflation rate	input -->	2.0%
Discount rate	input -->	10.0%
Conversion factor AC ---> DC	input -->	120%
System Configuration & Parameters		
Project Location	input -->	Northwest
Azumith	input -->	-
Tilt Angle	input -->	10
Soiling Loss	input -->	3.0%
Annual solar hour kWh/kWp/year	input -->	1,120
Estimated Energy Output MWh/year	input -->	779,520
System Degredation Factor	input -->	-0.5%
FIT 3.0 Rate		
Electricity sales per kWh (AC):		
0 - 10 kW (AC)		\$ 0.396
11 - 100 kWh (AC)		\$ 0.345
101 - 500 kWh (AC)		\$ 0.329
Operating Expenses		
Operations & maintenance / W (DC) - base contract	input -->	\$ 0.01
Operations & maintenance / W (DC) - equipment reserve	input -->	\$ 0.005
Administration / W (DC)	input -->	\$ 0.005
Insurance / W (DC)	input -->	\$ 0.01
Site Lease		
Site lease required? If "Yes", then:	input -->	No
- annual lease rate \$ / kW (AC)	input -->	\$ -
- annual lease payment	input -->	\$ -
Other	input -->	
Engineering, Procurement and Construction		
EPC Price		\$ 1,635,600
Equity financing	100.0%	\$ 1,635,600
Debt financing	0.0%	\$ -

FINANCIAL SUMMARY

	Total Investment:	\$	1,635,600
	Annual Generation		FIT Revenue
Financial Summary (Pre-Tax)			
<u>System Generation & Electricity Sales</u>	kWh (AC)		
First Year	779,520	\$	256,462
Year 1 - Year 5	3,858,624	\$	1,269,487
Year 1 - Year 10	7,619,808	\$	2,506,917
Year 1 - Year 15	11,283,552	\$	3,712,289
20 year total	14,849,856	\$	4,885,603
Annual average	742,493	\$	244,280
<u>Operation & Maintenance (Expenses)</u>			
First Year		\$	24,360
Year 1 - Year 5		\$	126,672
Year 1 - Year 10		\$	265,524
Year 1 - Year 15		\$	416,556
20 year total		\$	608,756
Annual average		\$	28,988
<u>Cash Return to Investor</u>			
First Year		\$	232,102
Year 1 - Year 5		\$	1,142,815
Year 1 - Year 10		\$	2,241,393
Year 1 - Year 15		\$	3,295,733
20 year total		\$	4,305,835
Annual average		\$	215,292
Investor's IRR at Year 20			12.2%
Equity Payback (Year)			7.2
After-Tax NPV (Net Present Value)		-\$	68,334

ABOUT OUR INVESTMENT PARTNER (POWER STREAM)

Power Stream is the second largest municipally-owned utility in Ontario.

“We’ve been in the electricity business for over 100 years. We are a recognized leader in the industry. By partnering with us you will get the expertise you need to help you move forward as a leader in powering sustainability.”



Why Power Stream for Solar?

- Second largest municipally-owned electricity distribution company in Ontario
- Works closely with the Ontario Power Authority (OPA) and other industry regulators in the development and delivery of conservation and sustainability programs
- Actively participates in the industry through memberships in organizations like the Electricity Distributors Association and Ontario Energy Association
- Power Stream and its predecessor utilities have been in the electricity industry for over one-hundred years and will continue to exist long into the future
- Owned by the municipalities of Vaughan, Markham and Barrie, PowerStream's brand is widely recognized
- Provides service to over 355,000 customers and a population of almost 1 million people
- Corporate office is LEED® gold certified and generates wind and solar energy
- Award-winning and successful Conservation Demand & Management (CDM) programs

BENEFITS TO SCHOOL BOARD

- Option to invest in PV Solar projects with a guaranteed 20 year contract from the OPA, or utilize otherwise un-useable space and earn a significant yearly income for 20 years through the leasing of your roof; providing your organization with a new revenue stream
- A Limited Partnership (LP) with a First Nation utilizes the OPA’s category of *Aboriginal Participation*, thereby allowing us to maximize the priority points increasing the opportunity to be awarded a contract.
- EG Solar Power will provide the owner with a client connect portal at each location that enables a direct review of the solar service performance and energy delivered; this allows you to confirm the solar benefits that are ultimately serving your school and community.
- EG Solar Power will provide ongoing Operation and Maintenance services on PV solar systems over the 20 year period; regular checks on your rooftop and the arrays will be conducted
- EG Solar Power will support the owner to reduce their environmental footprint thereby further enabling their participation in the green initiative
- Participation will provide students first hand with examples and knowledge regarding renewable energy while increasing your overall contribution to lowering greenhouse gas emissions

BENEFITS TO EG SOLAR POWER

- Our PV solar system will generate clean electricity, allowing us to participate in both provincial and global initiatives.
- We will sell the clean energy back into the grid at a subsidized rate.
- Constructing and maintaining this renewable energy source will increase EG Solar's asset base.

OBLIGATIONS OF EG SOLAR POWER

EG Solar Power will bear the sole expense of the followings:

- The due diligence and feasibility studies
- The completion of all roof technical reports
- Obtaining all necessary permits and approvals to install and operate the facility
- All application costs for a FIT contract, including all security requirements outlined in the FIT Contract (Depends the ownership structure)
- All construction, alteration, maintenance, repair, replacement, installation and removal of the project shall be carried out at EG Solar Power's sole cost and expenses and in a good workmanlike manner;
- Provide commercial general liability insurance with a limit of not less than five million (\$5,000,000) dollars per occurrence
- Provide partnership opportunity with a qualified First Nation Community if necessary
- Arrange long term debt financing if necessary
- Provide construction financing if necessary
- Provide the customer with a client connect portal at each location that enables a direct review of the solar service performance and energy delivered; so you can confirm the solar benefits that are ultimately serving faculties and students for educational purposes.

OBLIGATIONS OF SCHOOL BOARD

- Assist EG Solar Power in obtaining the necessary priority points, permits and approvals to install and operate the facility, but shall not be required to incur any costs in doing so
- Provide information and resources to EG Solar on a timely basis to meet timeline and schedules

ABOUT ROOF MAINTENANCE AND REPAIR

To ensure sustainability, EG Solar Power at its sole cost will hire a third party roof consultant that will conduct an on-site inspection to determine the life expectancy of the roof(s). Prior to installation and finalization of all material contracts, it is recommended that the EG Solar Power and the roof consultant will mutually assess the condition of the selected rooftops to determine any needs such as, repairs, upgrades, or replacements.

- Prior to installation, it is the responsibility of the EG Solar Power to bear the sole cost of any replacements, repairs, and/or reinforcements required on the selected roof(s).

- Any damages to the roof, the roof membrane or the building caused by EG Solar Power during installation, will be the responsibility of EG Solar Power and will be paid within 30 days following receipt of an invoice from the owner
- EG Solar Power's ongoing Operation and Maintenance program (O&M) ensures the systems are in the expected working order at all times. This includes regular inspections of the system(s) to ensure the integrity of the mechanical and electrical connections.
Our O&M also checks the electrical characteristics of the solar system and logging data. Inclusive to this, we ensure no serious soiling and washing of the arrays as required. For the installed equipment, EG Solar Power will be the responsible for inspection costs as well as repairs arising from the inspections.

We are recognized for our O&M program and pride ourselves in regular maintenance practices.

We appreciate the opportunity to submit this proposal. If you have any questions or would like to clarify anything within this proposal, please do not hesitate to contact the undersigned.

EG SOLAR POWER
Jeff Lew / Vice President
200 Steelcase Road East, Unit 2
Markham, ON L3R 1G2
Tel: 905 474 1100 ext.229
Cell: 647 444 0822
Fax: 905 474 1700
E-mail: jlew@egsolarpower.ca

200 Steelcase Road East Unit 2 Markham ON L3R 1G2

www.egsolarpower.ca