

# Solar Power Purchase Agreement

## Proposal & Contract Summary

### For Company X

Thank you for your interest in a Solar Power Purchase Agreement (SPPA).

Juice Capital is the provider of the SPPA which has been developed in partnership with **Solar Co.**

This Contract Summary includes the key terms of the SPPA offer including:

- Proposed solar energy rates
- Proposed term of the offer
- Primary assumptions
- Terms and Conditions summary
- Signature page

Please take the time to read and understand this Contract Summary carefully.

The offer is for **Solar Co** to engineer, procure, construct and operate a solar system on your facility. Juice Capital will fund the installation and then sell the solar energy to you at a fixed price per kWh for the term outlined.

The purpose of this Contract Summary is to;

- Present a high level indicative Solar PPA proposal for your site with an outline of the benefits
- Explain the PPA methodology
- Seek a general intent from you to proceed with our PPA offer, subject to our ability to demonstrate key deliverables
- Seek your authority to request and obtain data and specific site information allowing Solar Coy X together with Juice Capital to provide a formal and binding proposal

Following your acceptance of the key terms in this Contract Summary, Juice Capital will work with **Solar Co** to finalise the technical, engineering and financial approvals of our offer with you and will provide a Final Agreement. The detailed Terms and Conditions of our SPPA will be provided to you as part of the fully engineered and final offer once completed.

Yours sincerely,

Jay Howard  
Chief Executive Officer  
Juice Capital Pty Ltd

## SPPA Rate Proposal

1. Rates	
PPA Rate for solar energy (Cents per kWh exc. GST)	15 Years: c p kWh 20 Years: c p kWh
Flat or escalating PPA Rate	Escalating
Annual escalation to PPA Rate (if applicable)	3% p/a
2. Term	
SPPA Contract Start Date <sup>1</sup>	January 1st 2017
Term of PPA offer (years) <sup>2</sup> - (a)	15 or 20 Years
Billing Start Date <sup>3</sup>	January 1st 2017
Billing Frequency <sup>4</sup>	Quarterly in Arrears
Minimum term before buyout exit (years) – (b)	3 years
Buyout price at exit (\$ ex GST) – (c)	\$ 1.60 per watt
Annual decrease in buyout price post minimum term (\$ ex GST) – (d)	D=c/a-b
3. Primary Assumptions	
Solar system size (kWp)	### kW
System Generation to be consumed in Year 1 – ( 4.9 Peak Suns Hrs )	###,### kWh
Assumed current electricity price (c/kWh ex GST)	As per bill
Electricity price inflation (% Years 1-15)	Assumed 3% p/a
Estimated daytime energy offset (%)	## %
Assumed solar export rate (c/kWh)	As per bill

<sup>1</sup> The SPPA Contract Start date is defined as the anticipated day of final system commissioning.

<sup>2</sup> The exact duration of the PPA Term (Supply Term) will be adjusted upwards to reflect the date of commissioning (*Supply Start Date*). This Supply Start Date will always be prior to the beginning of a standard quarterly calendar period.

<sup>3</sup> The first SPPA billing period will begin on the first day of the following quarterly calendar and will include all generation since commissioning (*Supply Start Date*). All subsequent SPPA Bills will for a standard quarterly calendar period.

<sup>4</sup> SPPA bills will be in arrears

## Statement of Intent & Letter of Authority

We have provided this Solar Power Purchase Agreement offer based on the information you have provided to us, and the details and descriptions provided herein.

Our Solar Power Purchase Agreements have specific and binding terms and conditions attached to them from our funding partner Juice Capital. Once you have satisfied yourself that any and all questions have been answered by us and you are ready to proceed, please complete this form as your acceptance of our proposal.

You acknowledge that preparing a formal and executable Solar PPA proposal for you takes considerable time and effort and therefore, cost.

I understand the following:

- By signing this letter, I am expressing genuine intent to receive, assess and then negotiate a formal Solar PPA solution with Juice Capital and their Partner;
- Proceeding with installation may be conditional upon final utility and regulatory approvals, credit assessments, landlord approvals and other factors as applicable;
- The final rates, terms and primary assumptions may be varied, once full engineering, utility, regulatory and finance assessments have been completed;
- That I am consenting to Juice Capital running a Veda credit check on the business and Directors
- That the information stated in this proposal about my business site and electricity consumption is typical and preliminary. In choosing to proceed I am comfortable to help provide actual details required to enable the full and final proposal to be developed
- I have read the summary terms and conditions above and am satisfied to proceed subject to presentation and agreement of a final solar and solar PPA proposal.

"I, \_\_\_\_\_, of \_\_\_\_\_,

in my capacity of \_\_\_\_\_ wish to proceed with the offer outlined in this proposal."

Customer Signature: \_\_\_\_\_

Dated: \_\_\_\_\_

Partner Signature: \_\_\_\_\_

## Appendix 1 – Summary of Key Terms and Conditions

Juice Capital and our partners will provide an all-inclusive price for energy from the solar systems provided under a Solar Power Purchase Agreement. Juice Capital and our partners will maintain and operate the Solar Power System so as to keep it in good condition and repair during the term of the agreement. We will retain ownership and responsibility for the solar power system over the duration of our agreement with you.

**Please note the following key elements of our Terms and Conditions:**

- From the Installation Date we agree to sell you the Electricity and you agree to buy it from us, whether or not you are able to use it all;
- We do not warrant or guarantee that the Electricity will be uninterrupted or available at any particular time, or for any particular period;
- Title to and risk in the Electricity passes to you at the Solar Power System Supply Point.
- You acknowledge that we have disclosed to you in writing under this Contract, and that you understand, that;
  1. This solar PPA product is an alternative service which supplements your primary source of electricity supply.
  2. We are not a licenced Retail Electricity Provider and are exempt from holding a retail licence in Western Australia.
  3. As we are not a retailer we not bound by the obligations under the Electricity Industry Act 2004 or its subsidiary legislation relevant to licensees, including the obligation to be a member of the Electricity Ombudsman Scheme:
  4. We do not control the quality, frequency and continuity of energy supply to your premises other than the solar energy generated by the solar PV system; and
  5. You will need to maintain a retail electricity connection for the term of this agreement.
- We may shut down the Solar Power System at any time in order to perform required emergency repairs or maintenance. At all other times (including equipment malfunction) we agree to give you reasonable notice of any shutdown by us;
- We are not obliged to reimburse you for the cost of any electricity you must acquire from the electricity network because of any shutdown, failure or underperformance of the solar system;
- We will provide you access to a digital mediums displaying energy generation data for the Solar Power System at your Premises. This data is generated by hardware installed by us on site and software accessible by us;
- Monitoring of the Solar Power System may require an internet connection with wireless capability to operate. If this is the case, you agree to maintain such an internet connection at the Premises and to allow us to use that internet connection to send and receive data from the monitoring equipment, and will accept full responsibility for any data charges or limitations placed on such internet connection (if applicable);

You must not permit any person to:

- Interfere or tamper with, damage or remove the Solar Power System or any of the wiring or do anything that interferes with the operation of the Solar Power System.
- You agree not to erect any structures on the Premises, or make other modifications to the Premises which may impact the Solar Power System without our prior written consent not to be unreasonably withheld or delayed; and to remove any overshadowing trees or foliage, which interfere with the operation or maintenance of the Solar Power System, or block or limit sunlight from reaching the Solar Power System.

- You must notify us within 14 days of entering into an agreement for you to sell or otherwise part with ownership or possession of all or a portion of your interest in the Premises.

## We'll need assistance:

- Executing approvals to connect your system
- Maintaining ongoing access for maintenance and repair as necessary

## Termination

- We may terminate the contract for unremedied breaches
- You may terminate the contract and take possession of the system at anytime after the minimum term by giving notice and paying the buyout price
- At the end of the contract you may nominate to take possession of the system.

## Australian Consumer Law

- The supply of electricity services to you under the agreement is subject to consumer protections under the Australian Consumer Law.

## Liability

- Under the terms of your electricity supply contract or other contract with your electricity retailer, you may be liable for any damage the solar power system causes to the network that you are connected to. Juice Capital mitigates this risk through use of compliant equipment and certified installation practices.

## Dispute Resolution

- We undertake resolve all customer concerns with personal and considered dialogue. Unresolved disputes are to be immediately escalated from client managers to senior staff within 10 days.
- Contractually The parties agree to use their best endeavours to resolve, by negotiation, any problem that arises between them. If the Customer or the Company considers a dispute has arisen in relation to any matter covered by this Contract that party must promptly give the other party written notice of the items of dispute. If the dispute cannot be resolved within fifteen (15) days by negotiation, the parties may confer with a mutually agreed third party to assist to resolve the dispute by mediation.
- If the dispute cannot be resolved within thirty (30) days by mediation, the dispute may be referred to arbitration pursuant to the laws of the State in which the system is installed.

## Frequently Asked Questions

### JUICE CAPITAL

#### Will we still get a bill from our current energy provider?

Yes, you will need to continue to purchase some energy from the retail or wholesale market. The Juice Capital PPA product will allow you to lock in a price for the power produced from the Solar system, which is typically less than the current retail price of energy. This difference will only get bigger as the price of electricity goes up.

#### Is a deposit necessary?

No, our Power Purchase Agreements (PPAs) are designed so that you can start with \$0 upfront and start seeing savings immediately. If you do choose to pay a deposit or pay part cash, then we can reduce your cents per kilowatt-hour price and reduce your future energy bills.

#### Will the solar system produce all the power we require?

Typically not. It really depends on how much energy you do use and how much roof top space is available. No matter what, you will be required to maintain a relationship with your energy provider, unless of course there is no retailer in your area and you are planning to go entirely off grid.

#### What happens to unused energy that the system produces?

This will be negligible if the system is the right size for your business. Solar power is perfect for businesses that are occupied during the day (when the sun is shining). Any excess energy will be fed back into the retail electricity grid and you may receive a credit on your retail energy bill. We work to minimise excess energy.

#### What if I sell my business or the property?

Given that solar panels are an asset, which typically adds value to your business and/or property, there are several options available if you need to move or have sold up.

Our PPA can be transferred to the new owners and we can assist you with this process. If you or the new owners prefer, you can pay out the remainder of the agreement and add the cost on to the value of your property or business. Juice Capital can even negotiate with the new owners on your behalf if you prefer.

#### Is it possible to purchase the solar system out right?

Yes, if you prefer. However for many companies this isn't financially preferable. The PPA is a great way to have your cake and eat it. Save your equity to invest in your business assets, whilst achieving savings on your electricity bill immediately.

If at a later stage your circumstances change and you decide to buy the system out, this is made easy as there is a simple Buy Out Schedule that sets out buy out figures during the term of the PPA.

#### What is the difference between Power Purchase Agreement (PPA) and other financing options?

A PPA is more like a traditional energy bill so it is much easier to understand. The difference between a PPA and other finance options is that your bill will be calculated based on the power (in kilowatt-hours) that your solar system generates. You will be billed based on an agreed



## Frequently Asked Questions

### JUICE CAPITAL

#### **We lease our site, can we still participate?**

If your agreed lease term, including options, is less than our PPA then you can usually participate. You will need to get permission from the site owners for installation.

Since our system will save you money from the outset, it makes financial sense to install a solar system even if you are not the site owners.

#### **What happens if there is a blackout?**

With blackouts, the inverter is programmed to shut down for safety reasons, so you will not have access to the solar power.

#### **Do you cover operation and maintenance costs?**

Under the PPA, Juice Capital will cover all operation and maintenance costs. We own the system and carry all costs associated with keeping the system operational. This is in our interest as our business is based on generating revenues through billing for the energy produced. If the system is not generating, then we are not making money.

#### **How do I know if our site is suitable for solar?**

We will carry out a detailed assessment of the suitability of your site. Factors considered are:

- System Size - This depends on your energy usage in the daytime and size of the roof available for solar panels
- Orientation: North facing typically produces the most solar energy
- The surrounds - Shading etc
- The current condition of your roof: If your roof requires repairs, this will need to be carried out before the solar system is installed

#### **What about Juice Capital? What happens if their business changes? What if they are not around to carry out maintenance, support etc**

Juice Capital are part owned by the largest wholesaler and importer of solar equipment in Australia. They are financially very strong and in the industry for the long haul.

With 'Non-Utility' based PPAs, interests are perfectly aligned. If the system is not operational, the PPA provider generates no return.

There is no circumstance conceivable where either Juice Capital or an underwriter/ funding partner would not be in a hurry to ensure the system is running optimally.