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EXHIBIT B
ELECTRICITY PRICING, MINIMUM OUTPUT GUARANTEES AND BILLING METHODOLOGY

1. Electricity Pricing: The discount to the Reference Tariff specified below is:

a. Discount: _____ %

2. Expected Performance Output:

a. Electricity: _____ Total kWh

The Guaranteed Minimum Output Performance shall be calculated as referenced in Exhibit A, Section 3(d).

Parties understand that the System generation output meter installed at the Electrical Interconnection Point may be located on the low voltage side of the step up transformer. The step up transformer increases the System voltage output to the Facility voltage service level for delivery to the Facility. If the System is installed and metered in this manner, the amount of System generation output as metered at the Electrical Interconnection point is to be adjusted for transformer losses of 2%. The First Year Expected Performance Output as indicated in Section 2 above will also be adjusted for this 2% transformer loss.

3. Electricity Purchase and Sales.

(a) General Provisions.

- (i) LICENSEE will generate, deliver and sell Electricity, when available from the System, to the DEPARTMENT at the Electrical Interconnection Point during the term of this Agreement.
- (ii) LICENSEE agrees to generate, deliver and sell a quantity of Electricity as noted in Section 2 above and as guaranteed in Exhibit A Section 3(d) of this PPA to the DEPARTMENT from the System and DEPARTMENT agrees to purchase Electricity as measured at the Electrical Interconnection Point.
- (iii) LICENSEE shall be liable for and shall pay all standby charges imposed by the Utility and shall be liable for and shall pay any and all other charges imposed on or incurred by the DEPARTMENT to the extent that such charges would not have been imposed or incurred in the absence of the System.

(b) Reference Tariff.

- (i) DEPARTMENT's monthly payment to LICENSEE for Electricity shall in no event exceed the amount DEPARTMENT would have paid to the Utility under applicable tariffs for electricity and demand charges in the absence of the System, based on

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usage during the billing period in question. The applicable tariff shall be the lowest-cost Utility tariff which is available to DEPARTMENT for the purchase of all of its electricity requirements from the Utility for the Facility. The tariff established in the preceding sentence shall be known as the "Reference Tariff."

The total costs that the DEPARTMENT would pay in any given billing period for Utility electrical services delivered to the Facility in the absence of the System shall be known as the Business-As-Usual Cost ("BAU Cost"), which shall be determined by calculating the cost that the DEPARTMENT would have incurred based on its electricity consumption and profile for such billing period priced in accordance with the terms in the applicable Reference Tariff. Notwithstanding any other provision or formula in this Agreement, DEPARTMENT shall in no event pay more for its total electricity cost as a result of this Agreement than DEPARTMENT would have paid in the absence of this Agreement.

- (ii) As of the Effective Date of this Agreement, the Reference Tariff is [REDACTED]. For purposes of determining the relevant prices and rates for electricity, it is assumed that DEPARTMENT would take service from the applicable local utility at no less than the [REDACTED] kV level of service. The prices indicated for the various services in the Reference Tariff that are applicable at any point in time shall be known as the "Reference Prices." The Parties acknowledge that the Reference Prices in the applicable Reference Tariff change from time to time in accordance with rules and regulations adopted by the California Public Utilities Commission and that the prices applicable under this Agreement will change in a corresponding manner.
- (iii) If a Reference Tariff used at any time as the basis for pricing sales of Electricity under this Agreement is eliminated or is no longer applicable to DEPARTMENT, the Parties shall select a replacement Reference Tariff using the principles set forth in this Section 3 of Exhibit B. DEPARTMENT may select the tariff that in its sole reasonable opinion is the optimal tariff for the Facility given its loads and manner of operations. If there is no single local utility tariff that provides for fully-bundled service consistent with the provision of this Agreement, then the Parties shall negotiate in good faith to select a combination of local utility tariffs or if necessary, other readily available price benchmarks in order to establish a new Reference Tariff, meeting the standards of this section. Those services and charges may include commodity, transmission, distribution, regulatory and public service assessments, monthly customer and meter charges, charges for reactive demand and other charges that would normally and customarily be paid by a fully-bundled customer of the size and nature of the Facility.

Notwithstanding any provision herein, in no event shall any local utility tariff be deemed a Reference Tariff if such tariff applies to customers that take service at a voltage level lower than that normally purchased by the DEPARTMENT from the Utility or if such tariff generally applies to customers with electrical demand levels less than DEPARTMENT's electrical demand levels.

- (iv) The Reference Tariff may include charges that are collected by the Utility that are not exempted from payment by Utility customers who procure all or part of their electricity needs by a non-utility source of supply. The payment of these charges to the Utility will be the sole responsibility of the DEPARTMENT, and LICENSEE shall not collect these charges through payment of invoices for Electricity generated and delivered by the System to the DEPARTMENT. These charges

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may include, but are not limited to, Public Purpose Program, Nuclear Decommissioning, Competitive Transition, DWR Bond, and other Cost Recovery Surcharges as approved for collection from non-exempt Utility customers by the California Public Utilities Commission. LICENSEE shall ensure that the Reference Tariff prices applied in the determination of payment for Electricity generated and delivered by the System comply with this provision.

(c) Formulas for Pricing.

- (i) The Reference Tariff has several billing components and time-of-use (TOU) periods that need to be reflected in LICENSEE's invoice. Exhibit B-1 indicates the detailed formulas necessary to implement the intent of this section consistently with the Reference Tariff existing as of the Effective Date of this Agreement. The formulas in Exhibit B-1 are intended to reflect accurately the provisions of this section. If there is any discrepancy between the invoices that result from the formulas in Exhibit B-1 and the intent of this section, the provisions of this section including Exhibit A shall prevail, and the Parties shall amend the formula in Exhibit B-1 so as to comply with the intent of this section.

The Parties anticipate that the Reference Tariff may contain demand charges and that LICENSEE may serve some of the DEPARTMENT's demand from time to time in a manner that would reduce the amount of demand charges paid to the Utility under the Reference Tariff. In order to receive payment from DEPARTMENT for such demand service, the LICENSEE shall install and maintain any and all meters necessary to measure the demand served by the System for each relevant TOU period under the Reference Tariff, and LICENSEE's invoice shall clearly indicate the demand served by the System and the demand provided by the Utility in each TOU period that the Utility uses to determine billing demand under the Reference Tariff as of the Effective Date of this Agreement. The establishment of the amount of demand served by the System will be in accordance with Exhibit B-1 of this PPA.

- (ii) LICENSEE shall prepare invoices in accordance with the formulas set forth in Exhibit B-1. LICENSEE shall render to DEPARTMENT an invoice for each billing period within fifteen (15) business days of the close of the billing period during the Term of this Agreement setting forth the charges and the amounts due LICENSEE for Electricity generated and delivered by the System. For the purposes of this Agreement, each billing period in which the LICENSEE renders an invoice shall coincide with the applicable Utility's billing period. DEPARTMENT will remit full payment with each invoice to LICENSEE in compliance with Government Code Section 927 et seq., including where specified by Government Code Section 927 et seq., interest.

If DEPARTMENT in good faith disputes an invoice, DEPARTMENT shall provide LICENSEE with a written explanation specifying in detail the basis for the dispute, and DEPARTMENT shall pay the undisputed portion of the invoice. If any amount disputed by DEPARTMENT is determined to be owed to LICENSEE, it shall be paid to LICENSEE within the time specified by Government Code Section 927 et seq., along with the interest accrued pursuant to Government Code Section 927 et seq.

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- (iii) At the end of each Fiscal Year during the term of this PPA, Parties will conduct an annual reconciliation to measure the actual electricity deliveries to the Minimum Output Performance as defined in Exhibit A 3(d) of this PPA. Any adjustments necessary based on this annual reconciliation will be accrued to the next invoice after the annual reconciliation has been completed.

- (d) LICENSEE shall submit invoices to the DEPARTMENT at the address as set forth below. LICENSEE shall also submit a duplicate invoice (copy only) to the State at the address as set forth below. LICENSEE acknowledges that the DEPARTMENT has designated the State as its agent in reviewing invoices for accuracy and clarity and will provide reconciliation services to the DEPARTMENT as needed for ensuring that the provisions of this Agreement are being adhered to and administered accordingly.

FACILITY Billing Contact: I
Section/Unit:
Attention:
Address:
Phone:
Fax:
Email:

DEPARTMENT Billing Contact:
Section/Unit:
Attention:
Address:
Phone:
Fax:
Email:

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STATE Billing Contact:	Department of General Services
Section/Unit:	Green Team, Executive Office
Attention:	Patrick McCoy
Address:	707 3 rd Street, 4 th Floor West Sacramento, CA 95605
Phone:	(916) 375-5988
Fax:	(916) 375-4466
Email:	Patrick.McCoy@dgs.ca.gov

(e) Payment Address- Notice: DEPARTMENT shall submit all payments under this Agreement as designated by LICENSEE. Parties agree that if DEPARTMENT receives notification to change the LICENSEE'S designated address for purposes of payment, DEPARTMENT will notify the project representative at the address listed in Exhibit A Section 5 and any Lender designated by LICENSEE pursuant to Section VIII(1) of the SLA at least sixty (60) days prior to the first submittal of payment to the new address. Parties also agree that DEPARTMENT will submit payments under this Agreement by electronic funds transfer when electronic transfer becomes a readily available payment method for State agencies.

(f) Net Energy Metering:

Parties acknowledge that if the System is electrically interconnected under a Net Energy Metering tariff, then LICENSEE shall prepare invoices in accordance with the applicable Reference Tariff in conjunction with the Net Energy Metering tariff. DEPARTMENT will submit payment for invoices prepared by LICENSEE in accordance with Exhibit B Section 3(c)(ii) and Section 3(c)(iii) of this Agreement. Payment for Electricity as generated by the System that is exported to the Utility's electrical grid shall be equal to the credits applied to DEPARTMENT's invoice from the Utility for the same billing period. In no event shall DEPARTMENT pay for Electricity that is not delivered to the Facility as measured at the Electrical Interconnection Point or accounted for by the Utility in accordance with the Net Energy Metering tariff.

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EXHIBIT B-1
BILLING FORMULAS AND EXAMPLES

The formulas in this Exhibit B-1 are intended to reflect the provisions of Exhibit B of this PPA. LICENSEE shall prepare invoices as directed in this Exhibit B-1 and shall indicate the source and calculation of each variable set forth below in a manner such that the DEPARTMENT can readily confirm the accuracy and appropriateness of each invoice. An example of a monthly invoice is attached as Exhibit B-2 to this Agreement.

- (i) The total invoice for Electricity delivered by LICENSEE for the applicable billing period shall be determined as follows:

$$P = P1 - P2 - P3 - P4 - P5$$

where:

- P = Total payment to LICENSEE for Electricity over the billing period.
- P1 = Total Electric Costs defined as what the DEPARTMENT would have paid to the Utility based on the total electric service provided by both the Utility and the LICENSEE.
- P2 = Payment to Utility for the amount of electricity served by Utility to DEPARTMENT during the billing period as indicated on the Utility invoice.
- P3 = Non-Collectable Charges as defined Exhibit B Section 3(b)(iv).
- P4 = Discount amount in dollars based on the application of the percent discount as listed in Exhibit B Section 1(a).
- P5 = Credit to DEPARTMENT by LICENSEE for any and all charges paid by DEPARTMENT to the Utility or other service providers for standby services and other charges during the billing period to the extent that such charges would not have been incurred by the DEPARTMENT in the absence of the System; any other credits deemed necessary for the purposes of accurate billing.

and where:

$$P1 = A_1 + B_1 + C_1 + D_1$$

$$P2 = A_2 + B_2 + C_2 + D_2$$

and where further:

$$A_1 = \text{MDR} \times \text{TMDL}$$

$$B_1 = \sum_{i=1}^n (\text{DR}_i \times \text{TDL}_i)$$

$$C_1 = \sum_{i=1}^n (\text{EP}_i \times \text{TEE}_i)$$

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$D_1 =$ Other Charges (Customer Charge, Franchise Fees and other taxes)

$A_2 =$ MDR x UMDL

$B_2 = \sum_{i=1}^n (DR_i \times UDL_i)$

$C_2 = \sum_{i=1}^n (EP_i \times UEE_i)$

$D_2 =$ Other Charges (Customer Charge, Franchise Fees and other taxes)

and where further:

MDR = The Reference Price for each time of use charge for the billing period as further described in the Reference Tariff, Exhibit B Section 3(c)(1).

TMDL = The total maximum demand for the billing period which represents the sum of the Utility measured maximum demand and the maximum demand served by LICENSEE (see Section (iii) below regarding the determination of demand served by LICENSEE). Also may be referred to as Maximum Demand or Facilities Related Demand as per the Utility's tariff.

UMDL = The maximum demand for the billing period that is served by the Utility's delivery of electricity to DEPARTMENT as indicated on the Utility invoice and separately paid for by DEPARTMENT. Also may be referred to as Maximum Demand or Facilities Related Demand as per the Utility's tariff.

$DR_i =$ The Reference Price for time-of-use demand in time-of-use period i.

$TDL_i =$ The total amount of DEPARTMENT's demand in time-of-use period i that is served by both the Utility's delivery of Electricity and the LICENSEE in time-of-use period i during the billing period.

$UDL_i =$ The amount of DEPARTMENT's demand that is served by the Utility's delivery of electricity in time-of-use period i during the billing period as indicated on the Utility invoice and separately paid for by DEPARTMENT.

$EP_i =$ The Reference Price in \$/kWh for Electricity usage during time-of-use i for the billing period.

$TEE_i =$ The total kWh of Electricity delivered to DEPARTMENT by both the Utility and LICENSEE in time-of-use period i during the billing period.

$UEE_i =$ The total kWh of Electricity delivered to DEPARTMENT by Utility in time-of-use period i during the billing period.

$i =$ Represents the particular time-of-use period under the Reference Tariff.

$n =$ The number of time-of-use periods for the month in the Reference Tariff.

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- (ii) During certain months of the year, June and October under the current Reference Tariff as of the Effective Date of this Agreement, the various components in the preceding formulas may need to be allocated between the winter and summer seasons, and the Parties agree to make such allocations consistent with the principles of this Agreement and consistent with Utility billing practices relative to crossing seasonal periods.
- (iii) Parties agree that the manner in establishing the demand services provided by the System in accordance to the formula as established in this section. This formula states that for any given billing period, the 15 minute metered interval demand as measured by the Utility shall be added to the 15 minute metered interval demand as provided by the System in a corresponding manner to establish a pro-forma Facility 15 minute interval demand load profile. Parties agree that this pro-forma Facility demand load profile reflects what the Facility would have required for demand services absent the System. From this pro-forma Facility 15 minute interval demand load profile, the highest demand levels will be determined for each time of use period for the billing period reflecting Utility practices. The utility billed demand as per the Utility invoice will be subtracted from the pro forma Facility time of use demand to establish the amount of demand services provided by the System. This is reflected in the formulas above for calculating TMDL and TDL_i and is the intent of determining the demand from the System.
- (iv) DEPARTMENT and LICENSEE agree that the formulas in this Exhibit B-1 best represent the intent of the Parties under the Reference Tariff as of the Effective Date of this Agreement and that, in the event that the structure of the Reference Tariff subsequently changes in a manner whereby those formulas no longer effect the intent of the Parties under this Agreement, the Parties will negotiate in good faith to establish formulas that reflect the intent of the Parties as otherwise expressed in Exhibit B Section 3.
- (v) LICENSEE shall apply facilities related demand charges in a manner that is consistent with the Utility application of facilities related demand charges in accordance with the Reference Tariff and the formula in Exhibit B-1.
- (vi) Parties understand that the current Reference Tariff may include charges for Department of Water Resources (DWR) procured energy. Parties also understand that the DWR may provide a portion of the Facilities energy needs according to a Utility based formula that can change from billing period to billing period. In this case, there is a ratio of DWR to Utility provided energy that is indicated on the applicable Utility invoice. This ratio between the Utility provided energy and the DWR provided energy generates a weighted average charge for energy, based on the Reference Tariff prices for Utility provided energy and DWR provided energy. Parties agree that the charge for energy as delivered by the System will reflect this weighted average charge for energy for each applicable and affected billing period.
- (vii) Parties understand that the Sample Invoice reflects the intent of the billing of Electricity as delivered by the System to the Electrical Interconnection Point in accordance with this Exhibit B-1. The invoice should first represent the actual Utility invoice for the billing period, then indicate the services provided by LICENSEE for both demand and energy, and then calculate a pro-forma bill that reflects what DEPARTMENT would have paid to the Utility absent the System. The difference between the Utility invoice and the pro-forma is what LICENSEE will bill DEPARTMENT for Electricity services provided by the System. The discount is to be applied to this amount due LICENSEE minus any taxes, charges and fees that are not to be collected by the LICENSEE in accordance with Exhibit B Section 3(b)(iv).

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EXHIBIT B-2
SAMPLE INVOICE

Solar Service Provider

Invoice #

Department of General Services
 455 Golden Gate Avenue, Suite 2600
 San Francisco, CA 94102

ACCT# 7994891914-1

Bill Issued: 1/15/2009

Due Date: 2/1/2009

Terms: Net 30

Utility Service District: PG&E –Pacific Gas & Electric

Rate: E-20P

Time of Use: YES

SERVICE DATES: 12/1/2008 To 1/1/2009

BILLING COMPONENT	SERVICES SUPPLIED BY UTILITY		UTILITY TARIFF RATE		UTILITY AMOUNT DUE (\$)	ADDITIONAL SERVICES SUPPLIED BY SOLAR		TOTAL ELECTRIC SERVICE		UTILITY TARIFF RATE		TOTAL ELECTRIC COSTS (\$)		
	[U]		(\$)	=		[DG]		[U]+ [DG]		(\$)	=			
Maximum Demand	1,872	X	3.09	=	\$5,784.48	86	kW	1,958	kW	X	3.09	=	\$6,050.22	
Summer Peak Energy	172,800	kWh	X	0.1207	=	\$20,856.96	42,190	kWh	214,990	kWh	X	0.1207	=	\$25,949.29
Summer Peak Demand	1,872	kW	X	11.13	=	\$20,835.36	86	kW	1,958	kW	X	11.13	=	\$21,792.54
Subtotal: On Peak Period					\$47,476.80								\$53,792.05	
Summer Mid Peak Energy	136,800	kWh	X	0.0736	=	\$10,068.48	49,127	kWh	185,927	kWh	X	0.0736	=	\$13,684.23
Summer Mid Peak Demand	1,872	kW	X	2.5	=	\$4,680.00	53	kW	1,925	kW	X	2.5	=	\$4,812.50
Subtotal: Mid Peak Period					\$14,748.48								\$18,496.73	
Summer Off Peak Energy	273,600	kWh	X	0.0719	=	\$19,671.84	55,582	kWh	329,182	kWh	X	0.0719	=	\$23,668.19
Subtotal: Off Peak Period					\$19,671.84								\$23,668.19	
Customer Charge					\$295.36								\$295.36	
Subtotal: Other Charges					\$295.36								\$295.36	
Subtotal: Electric Charges					\$82,192.48								\$96,252.33	
Energy Commission Tax	583,200	X	0.00022	=	\$128.30	146,900	kWh	730,100	kWh	X	0.00022	=	\$160.62	
Utility Users Tax (7.5%)	\$82,192.48	X	7.50%	=	\$6,164.44			\$96,252.33	X	7.50%	=	\$7,218.92		
TOTALS	What you actually paid to your Utility : (This should match the bill you received from your utility)				\$88,485.22			What you would have paid to your Utility: (Including services supplied by solar)				\$103,631.87		
								Electricity value provided by solar :				\$15,146.65		

Electricity Delivery Charge \$15,146.65
 Minus Excess Energy Commission Tax (\$32.32)
 Minus Excess Utility Users Tax (\$1,054.49)
Sub Total \$14,059.85
 Discount 33% (\$4,639.75)
Grant Total \$9,420.10
AMOUNT DUE: \$9,420.10
PLEASE PAY THIS AMOUNT: \$9,420.10
DUE DATE: 2/1/2009

CHECKS SHOULD BE MADE PAYABLE TO:

Solar Service Provider
 5150 Solar Lane
 Solarville, CA 90056

Attn: Crystal Silicon

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